



Report Presented To:	Township of Southgate Council Meeting
Meeting Date:	2025-02-19
Report Number	FIN2025-006
Title:	2025 Budget – Draft 1
Open/Closed Session:	Open Session
Approved By:	Taylor McMann Treasurer
Approved By:	Jim Ellis Interim Chief Administrative Officer

Executive Summary:

This report presents the first draft of the Operating and Capital Budgets for 2025 for the Township of Southgate. The purpose of this report is to provide an overview of the proposed budget allocations, priorities and anticipated financial impact on the Township’s operations and capital projects.

Recommendation:

Be it resolved that Staff Report FIN2025-006 be received for information; and
That Council direct staff to proceed with all necessary administrative actions

Background:

Municipal Act, 2001 s. 290(1) requires a municipality shall:

“prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- (a) amounts sufficient to pay all debts of the municipality falling due within the year”.

On January 15, 2025, Council passed the following resolution:

Be it resolved that Staff Report FIN2025-003 be received for information; and
That the proposed 2025 budget timeline be approved as presented.

Wednesday, January 15, 2025	1:00 PM	Regular Council	Approve Budget Timeline
Wednesday, February 19, 2025	9:00 AM	Special Committee of the Whole	Present first draft of consolidated budget for discussion

Wednesday March 5, 2025	1:00 PM	Special Committee of the Whole	Present second draft of consolidated budget with changes from first meeting
Wednesday, March 19, 2025	6:00 PM	Special Committee of the Whole	Public Open Forum followed by presentation and discussion of final draft of budget
Wednesday April 2, 2025	9:00 AM	Regular Council	Passage of the 2025 budget

Analysis

The draft 2025 Budget is provided in Attachment 1.

Township of Southgate 2025 Budget				
<u>Levy Summary:</u>				
	<u>2024</u>	<u>2025</u>	<u>Variance \$</u>	<u>%</u>
Operating Budget	\$ 8,276,472	\$ 9,666,189	\$ 1,389,718	16.8%
Capital Budget	3,210,022	3,897,236	687,214	21.4%
Total to Raise from General Taxation	\$ 11,486,494	\$ 13,563,425	\$ 2,076,931	18.1%
Supplementaries	\$ 406,000	\$ 293,000	-\$ 113,000	-27.8%
Write-offs	-	(10,000)	(10,000)	
Growth	\$ 406,000	\$ 283,000	-\$ 123,000	-30.3%
Budgeted Taxation	\$ 11,892,494	\$ 13,846,425	\$ 1,953,931	16.4%
Taxation based on Ending Assessments	\$ 12,215,434	\$ 13,563,425	\$ 1,347,992	11.0%
Non-Budgeted Growth	\$ 322,940			
Budgeted Growth	\$ 406,000			
Total Growth	\$ 728,940		\$ 728,940	5.4%
			\$ 2,076,931	18.1%
<u>Estimated Blended Residential Tax Rate Increase:</u>				
	2025			
	<u>Est. Revenue Neutral</u>	<u>Proposed</u>	<u>% Increase</u>	
Southgate	0.978762%	1.077465%	10.1%	
County of Grey	0.404219%	0.417679%	3.3%	
Education	0.153000%	0.153000%	0.0%	
Total	1.535981%	1.648144%	7.30%	
Estimated Blended Residential Tax Rate Increase				

Internal Policy and Legislated Requirements:

Municipal Act, 2001, Section 290(1)

Financial and Resource Implications:

The draft 2025 Budget has a requirement from taxation of \$13,563,425, an increase of \$2,076,931 from the 2024 level. Staff has an estimate of a 1% increase in the blended tax rate of \$192,299 (2024 - \$167,422), including the approved 3.30% increase in the County tax rate and a no change in the Education Tax Rate. The increase of \$2,076,931 would result in

approximately a 7.30% increase in the 2025 blended tax rate. Staff requested Council consider for approval the 2025 Budget on March 18, 2025.

Earlier adoption of the 2025 Budget would allow staff to tender any projects sooner. Past experience has shown better pricing from suppliers/vendors is generally obtained from earlier tender releases.

Strategic Priorities:

Priority: Operational Excellence

Attachments:

Attachment 1 – 2025 Draft 1 Budget Summary

Attachment 2 – 2025 Draft 1 Budget Presentation