



TOWNSHIP OF
**Adelaide
Metcalfe**

2025 DRAFT BUDGET

Johnny Pereira, CPA, CGA
Treasurer

Presentation to Council | December 16, 2024

Agenda

- ▶ 2025 Budget Development
- ▶ Funding
 - Property Taxes
 - Assessment
 - Reserves
- ▶ The Big Picture
- ▶ Budget Details
 - 2025 Capital Budget Highlights
 - 2025 Operating Budget Highlights
 - 2025 Reserves & Investments



What is a Budget?

The budget is a key planning document in achieving the Townships strategic priorities.



Our Challenge

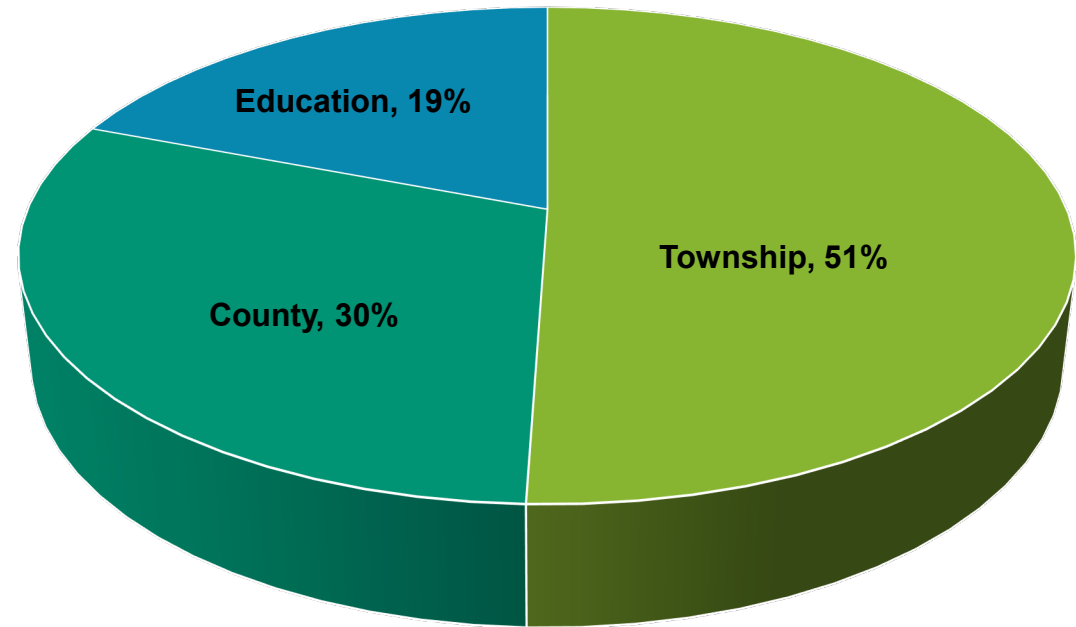
- ▶ Meet the needs of as many of our “customers” as possible in a fiscally responsible way.
- ▶ Complicated by:
 - The needs and wants of our residents vary from person to person
 - Misperceptions about which services are under the control of the local government



Role of Adelaide Metcalfe

- ▶ Determine revenue requirements for the Township through budgeting
- ▶ Set municipal tax rates
- ▶ Collect property taxes for:
 - Township of Adelaide Metcalfe
 - County of Middlesex
 - School boards

Distribution of Property Taxes Collected by Adelaide Metcalfe, 2024



Budget Development - Working Group

► Purpose

- Deeper understanding of the development process and methodology
- Comprehensive discussions
- Provide insights and perspectives
- Increased accountability and transparency

► Comprised of management and 2 appointed Councillors

- | | |
|------------------------------|---|
| ◦ Arend Noordhof, Councillor | ◦ Mike Barnier, Clerk & Manager of Legislative Services |
| ◦ Garrett Kingma, Councillor | ◦ Coulter Cahill, Public Works Manager |
| ◦ Morgan Calvert, CAO | ◦ Dan Parker, Fire Chief |
| ◦ Johnny Pereira, Treasurer | |



Budget Development

1

JULY

- Staff to start gathering information for operating and capital budgets
- The budget survey is built



2

AUGUST

- Budget Survey posted to the Township website and advertised in the final tax bill newsletter
- Departments begin working on their capital and operating budgets
- First department budget meeting



3

**SEPTEMBER/
OCTOBER**

- Budget survey completed and evaluated by staff and presented to Council
- Survey feedback incorporated into department budgets
- Departments continue to prepare budgets, and meetings continue



Budget Development

4 NOVEMBER

- Draft budget prepared and presented to the working group
- Budget working group to make recommendation to Council
- Final assessments to be received from MPAC



5 DECEMBER

- Detailed budget package prepared for Council
- Optional one-on-one Council and treasurer meetings scheduled to review the budget package
- Draft operating and capital budget presentation to Council
- Departments address Council and community questions and comments
- Final budget and related by-laws presented to Council for approval

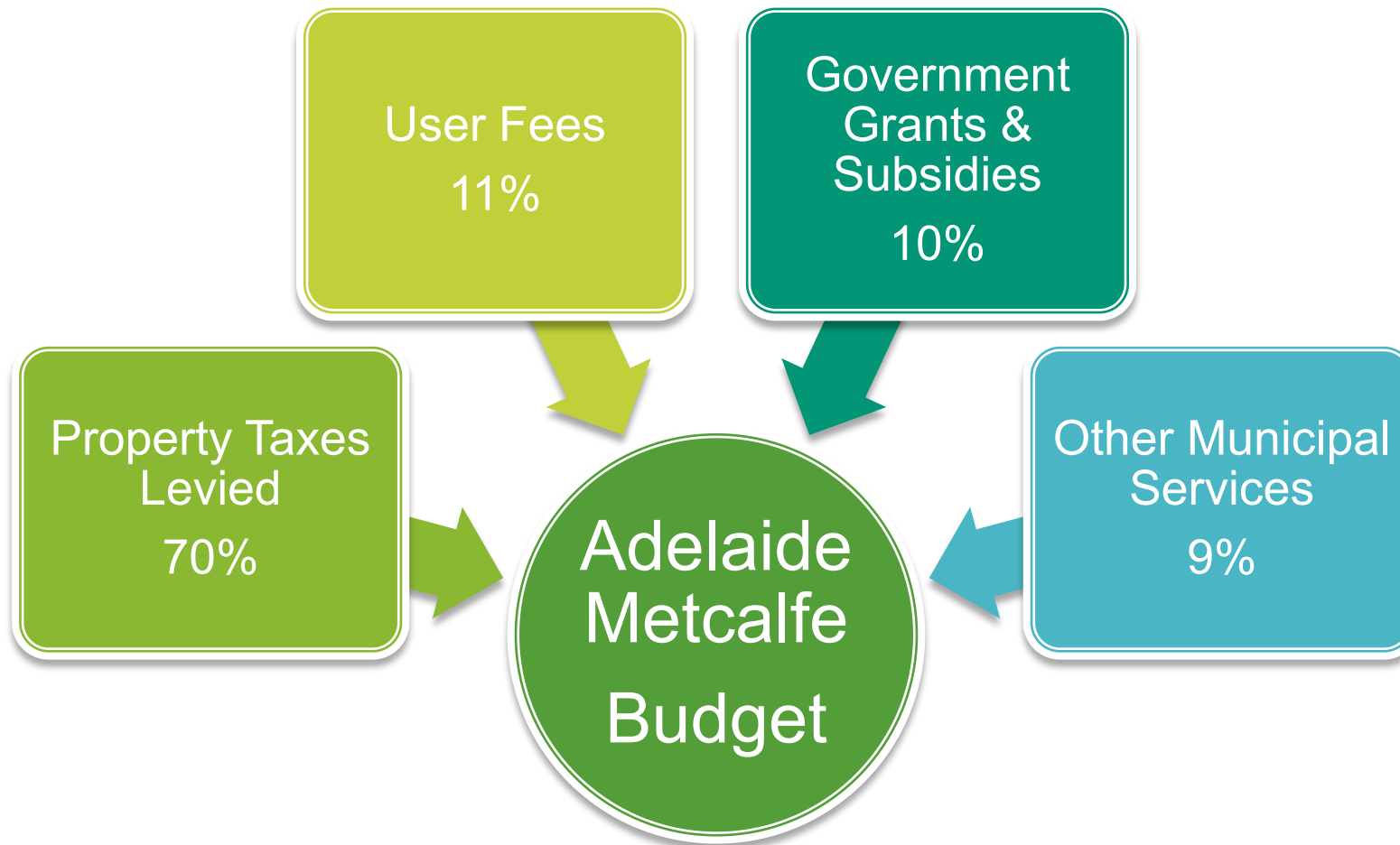


Budget Funding - Revenue

- ▶ Municipalities use a variety of revenue sources to pay for a wide range of services that residents and businesses depend on and use regularly, including:
 - Property tax
 - Grants from Federal and Provincial Governments
 - User Fees - (Kerwood wastewater & Centre Rd water/wastewater)
 - User Fees – General (revenue from services such as recreation, planning applications, building permits, etc.)
 - Transfers from reserve and reserve funds
 - Other miscellaneous revenues



Sources of Revenue



Property Tax Calculation



Assessment

- ▶ Property assessment is the basis upon which municipalities raise taxes. A strong assessment base is critical to a municipality's ability to generate revenues.
- ▶ MPAC has delivered the final 2025 assessment



MUNICIPAL PROPERTY ASSESSMENT CORPORATION



Assessment Breakdown

2025 Assessment Change

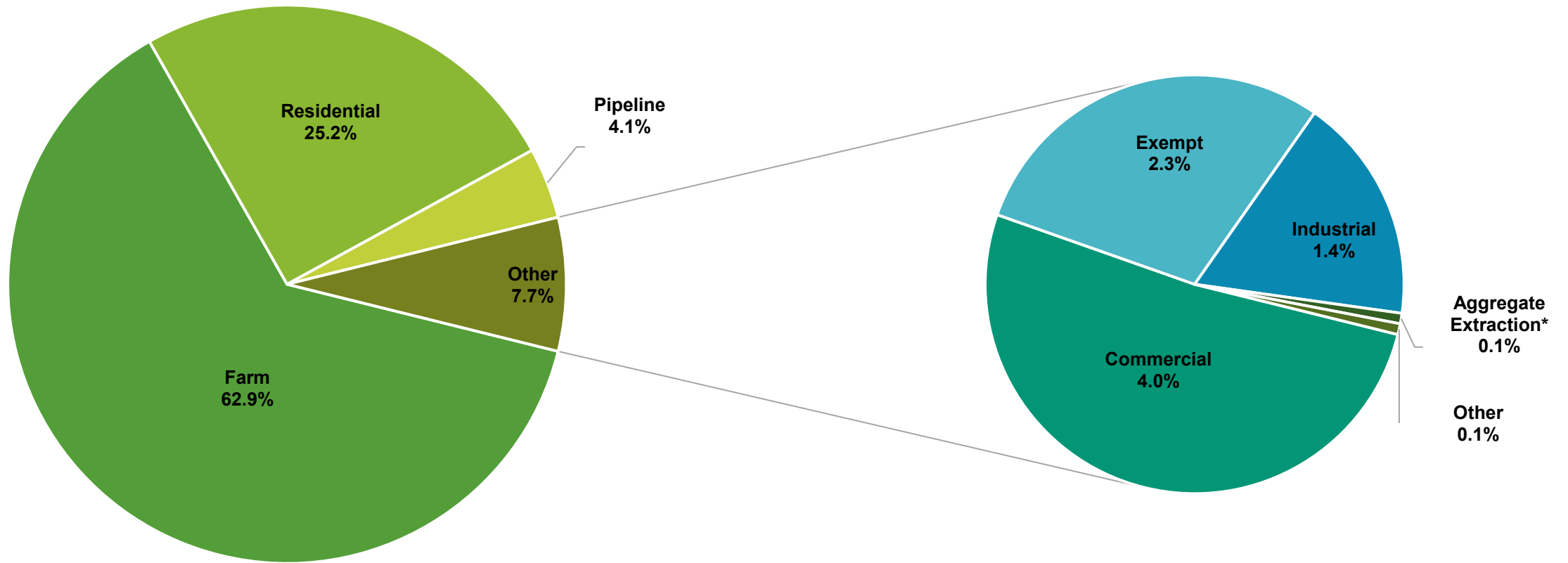
Property Type	2025	2024	Y/Y Change	% Change
Farm	769,479,800	755,971,800	13,508,000	1.79%
Residential	308,601,100	313,581,100	- 4,980,000	-1.59%
Pipeline	50,209,000	50,202,000	7,000	0.01%
Commercial	48,666,600	48,138,400	528,200	1.10%
Exempt	27,692,600	26,709,000	983,600	3.68%
Industrial	16,527,600	17,219,000	- 691,400	-4.02%
Aggregate Extraction*	760,900	-	760,900	Initial 0
Other	791,400	791,400	-	0.00%
Total Assessment	1,222,729,000	1,212,612,700	10,116,300	0.83%

* New tax class for 2025



Assessment Breakdown

2025 Assessment



Revenue by Assessment Type

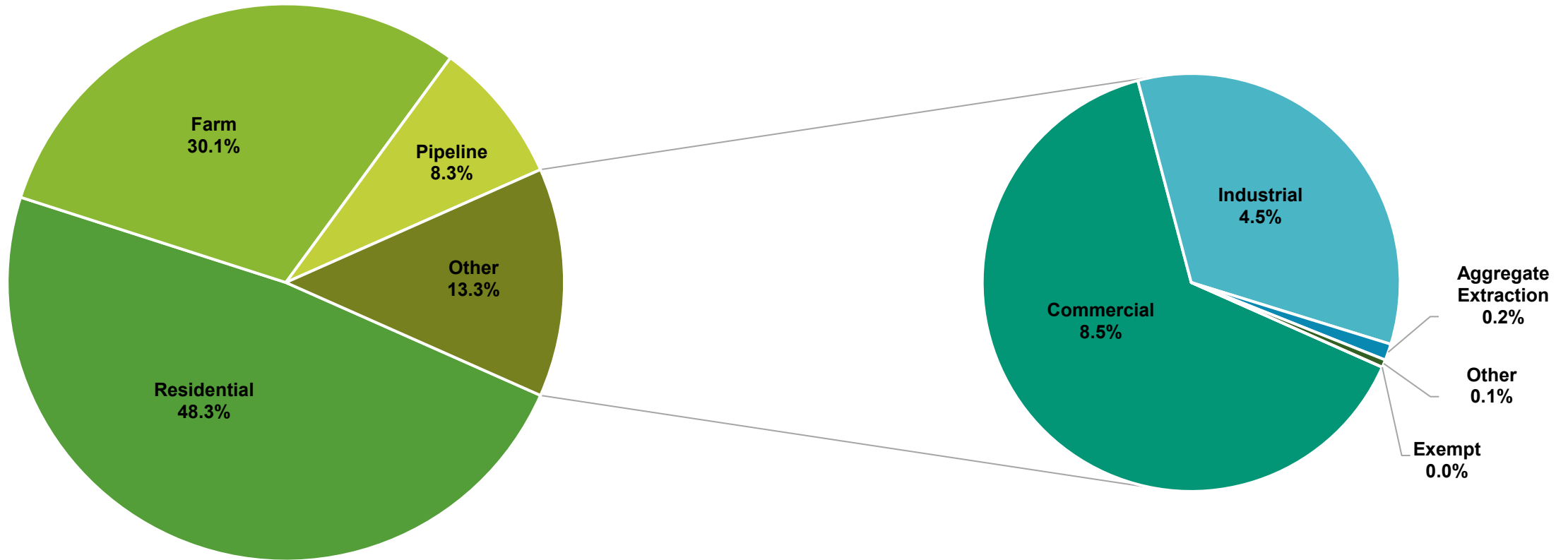
2025 Projected Revenue & Total Assessment by Property Type

Property Type	Revenue	%	Total Assessment	%
Residential	2,391,531	48.3%	308,601,100	25.2%
Farm	1,490,782	30.1%	769,479,800	62.9%
Pipeline	410,693	8.3%	50,209,000	4.1%
Commercial	422,549	8.5%	48,666,600	4.0%
Industrial	222,911	4.5%	16,527,600	1.4%
Aggregate Extraction	8,373	0.2%	760,900	0.1%
Other	3,911	0.1%	791,400	0.1%
Exempt	-	0.0%	27,692,600	2.3%
Total	\$ 4,950,751	100%	1,222,729,000	100%



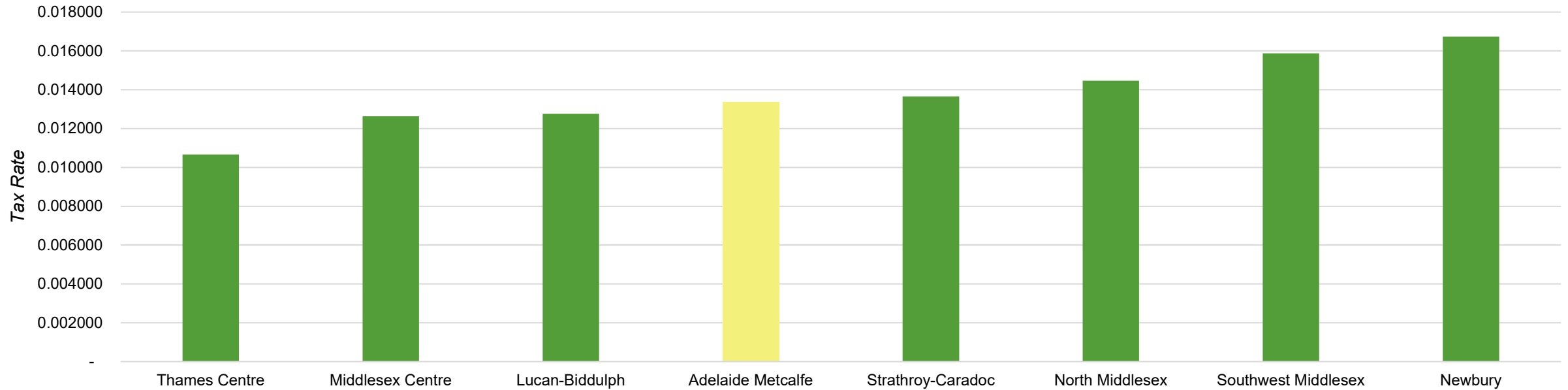
Who is paying?

2025 Projected Revenue, by Assessment Type



How do we compare?

**Residential Tax Rates Comparison (2024)
Municipal, County & Education**



Middlesex County: Lower-Tier Municipalities



Reserve & Reserve Funds

Reserve and reserve funds are critical...

► **Why are they critical?**

- To pay bills (liquidity)
- To cover liabilities and emergencies
- For effective asset management (ensure funds are available to renew or replace assets while “charging” the appropriate taxpayer)

► **What happens without Reserve and Reserve Funds?**

- Costs will increase (debt service costs, short-term borrowing costs, larger contingency budgets)
- Reduction of capital works
- Loss of flexibility to take advantage of opportunities
- Could have liquidity problems



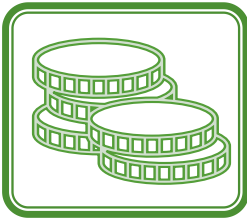
Operating vs. Capital Budgets



Both provide for Township programs & services



Types of expenditures & sources of financing differ



Operating Budget provides for the *annual* cost to deliver services & *maintain* capital assets



Capital provides for investments in infrastructure that provide long-term benefits

- Projects can span multiple years
- New infrastructure
- Renewal & refurbishment



Considerations in Developing the Budget

- ▶ Enhancing transparency, accountability and incorporating public feedback
- ▶ Managing competing priorities
- ▶ Delivery of a fiscally responsible budget
- ▶ Ramifications of the continued delay in the property tax reassessment
- ▶ Aging infrastructure and closing the infrastructure gap
- ▶ Inflationary pressures
- ▶ Capital and operating carryforward project costs
- ▶ Commercial corridor policy realignment



The Big Picture

- ▶ 4.66% Tax Rate Increase
- ▶ 4.48% Tax Levy Increase
- ▶ \$7,412.918 in Operating Costs
- ▶ \$4,155,767 in Capital Projects
- ▶ \$11,568,685 Total Municipal Budget



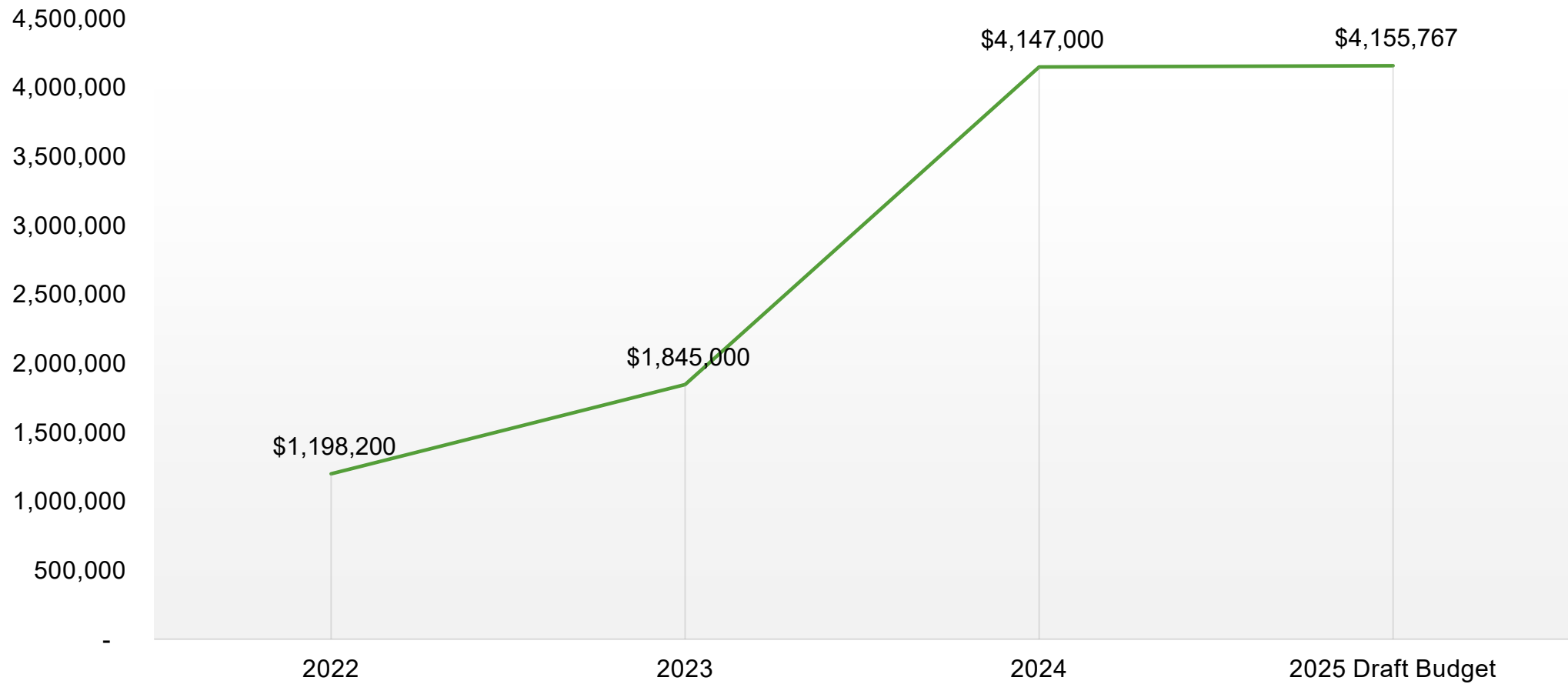
2025 CAPITAL BUDGET HIGHLIGHTS

10-Year Capital Plan

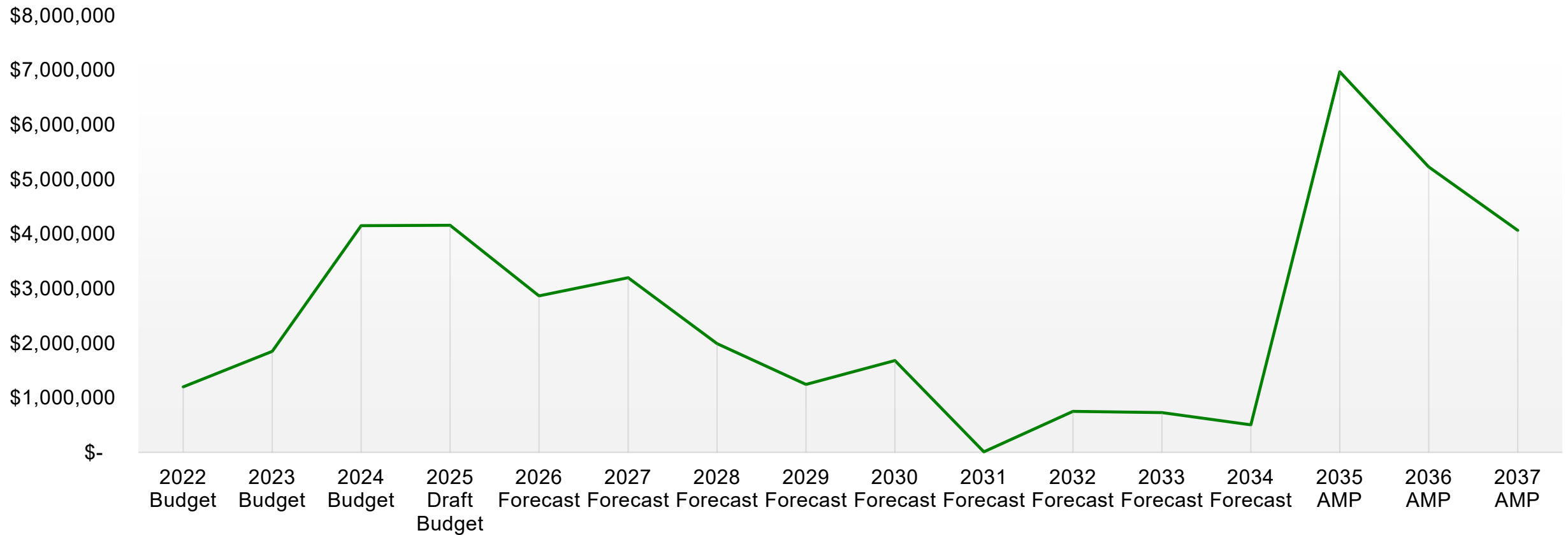
	Budget	Capital Forecast									
Department	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 10 Year Plan
PW - Transportation	\$ 3,166,214	\$ 2,599,980	\$ 3,154,714	\$ 1,546,136	\$ 1,236,276	\$ 432,850	\$ -	\$ 712,819	\$ 719,664	\$ 193,048	\$ 13,761,700
PW - Environmental Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks & Recreation	\$ -	\$ -	\$ -	\$ 12,720	\$ -	\$ 22,000	\$ -	\$ 15,960	\$ -	\$ 265,500	\$ 316,180
General Government	\$ -	\$ 165,000	\$ 14,564	\$ 350,000	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ 849,564
Fire	\$ 989,554	\$ 97,000	\$ 24,000	\$ 80,000	\$ 4,000	\$ 903,000	\$ 9,000	\$ 20,000	\$ 8,200	\$ 45,000	\$ 2,179,754
Total Capital Expenditures	\$ 4,155,767	\$ 2,861,980	\$ 3,193,277	\$ 1,988,856	\$ 1,240,276	\$ 1,677,850	\$ 9,000	\$ 748,779	\$ 727,864	\$ 503,548	\$ 17,107,197



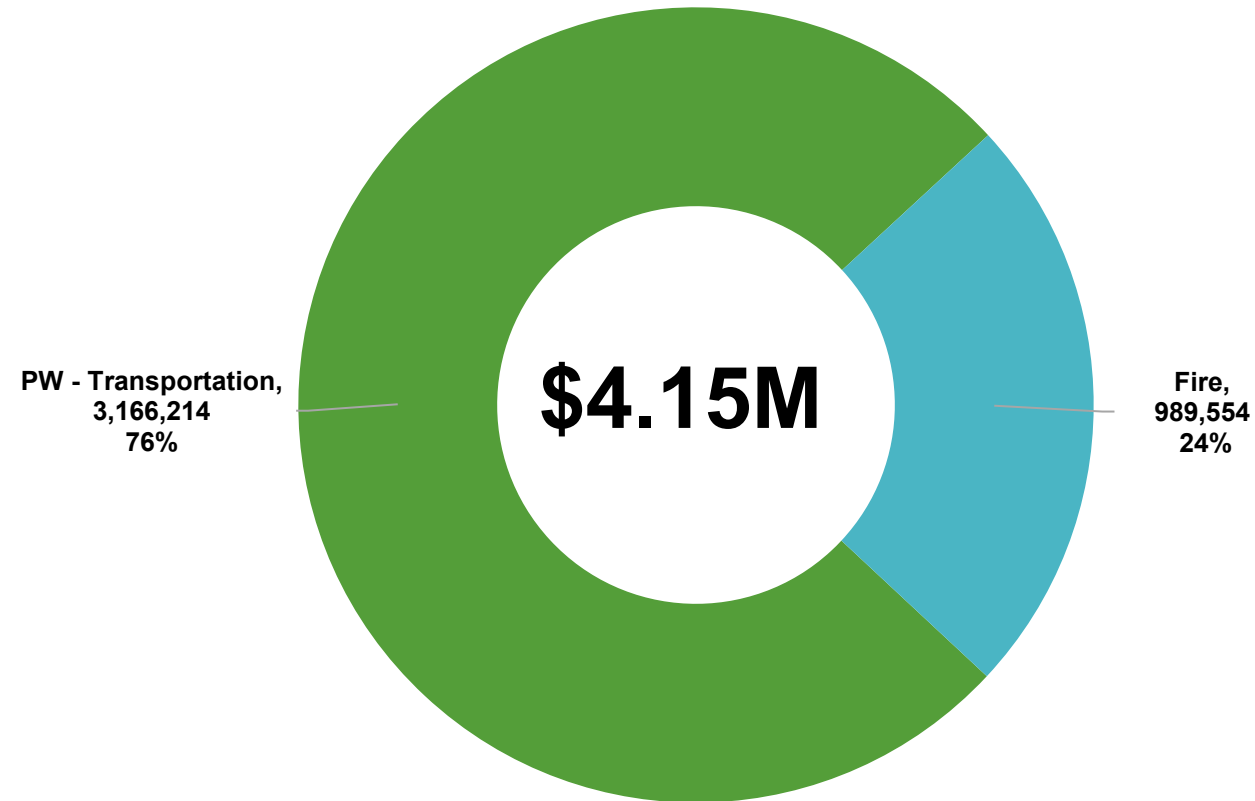
Historical Capital Trend



Future Capital Projections



Capital Projects by Department



Departmental Highlights – Public Works

- ▶ \$1,450,000 Mullifarry Drive Reconstruction Project
 - 2025 Reconstruction from Seed Rd to Kerwood Rd – 3.6km
 - Multi-year Project (2023-2025)
 - Pike Rd to Kerwood Rd – 7.3km
 - Total approx.: \$3,125,000
 - Upgrade to HCB from LCB
- ▶ \$204,400 Resurface Scotchmere Drive (Melbourne Rd to Thames Rd) – 7.3km
 - LCB Resurface
- ▶ \$84,000 Resurface Napier Rd/Arthur Rd (Melwood Dr to Winter Dr) – 3.0km
 - LCB Resurface



Departmental Highlights – Public Works

- ▶ \$309,300 Resurfacing Buttery Creek Subdivision
 - \$94,300 Hoefnagels Cres (Buttery Crt to Dolphin Rd) – 650m
 - \$135,000 Dolphin Rd (Hickory Dr to Dead end) – 730m
 - \$80,000 Buttery Crt (Hoefnagels Cres to Dead end) – 300m
- ▶ \$50,000 Resurface and upgrade County Lane (Napperton Dr to Dead end) – 165m
- ▶ \$313,000 Bridge Rehabilitation - Katesville Drive (Bridge No. 4)
 - 2024 Carryforward project
 - Beam and concrete repairs, as outlined in the OSIM report



Departmental Highlights – Public Works

- ▶ \$405,514 Replace 2010 Tandem Snowplow
 - Pre-budget approval granted on August 12, 2024
 - Budget reduced from pre-budget approval council report (\$416,000)
 - Delivery expected late in 2025
- ▶ \$290,000 Replace 2003 John Deere Backhoe
- ▶ \$60,000 Replace 2013 Chevrolet 1500 Pickup



Departmental Highlights – Public Works

Capital Financing

Expenditure Detail	Total Budget		
	2024 Carryforward	2025 Projects	2025

PW - Transportation			
Construction			
Reconstruction (Upgrade to HCB) Mullifarry Drive - Pike Road to Kerwood Road	-	1,450,000	1,450,000
Resurface (LCB) - Scotchmere Drive - Melbourne Rd to Thames Rd 7.3km	-	204,400	204,400
Resurface (HCB) - Hoefnagels Cres (Buttery crt to Dolphin) 650m	-	94,300	94,300
Resurface (HCB) - Dolphin (Hickory to Dead end) 730m	-	135,000	135,000
Resurface (HCB) - Buttery Crt (Hoefnagel cres to Dead end) 300m	-	80,000	80,000
Resurface (HCB) - County Lane (Napperton to Dead end) 165m (plus upgrades)	-	50,000	50,000
Resurface (LCB) - Napier Rd/Arthur Road (Melwood Dr to Winter Dr) 3km	-	84,000	84,000
Total Construction	-	2,097,700	2,097,700

Structures			
Rehabilitation - Bridge 4 on Katesville Drive	180,000	133,000	313,000
Total Structures	180,000	133,000	313,000

Vehicles & Equipment			
Replace 2010 Mack Tandem Snowplow (Unit#3)	-	405,514	405,514
Replace 2003 John Deere Backhoe	-	290,000	290,000
Replace 2013 Chevrolet 1500 Pickup Truck	-	60,000	60,000
Total Vehicles & Equipment	-	755,514	755,514

PW - Transportation (Total)	\$ 180,000	\$ 2,986,214	\$ 3,166,214
------------------------------------	-------------------	---------------------	---------------------

Financing						
Reserves						Tax Levy
Capital Project Carry forward Reserve	Development Charges	Canada Community Building Fund Reserve Fund	Ontario Community Infrastructure Fund Reserve Fund	Lifecycle Management Reserve Fund	Total Reserves	

	348,000			1,102,000	1,450,000	-
		20,000	55,000	129,400	204,400	-
			94,300		94,300	-
			135,000		135,000	-
		80,000			80,000	-
				20,000	20,000	30,000
			84,000		84,000	-
-	348,000	100,000	368,300	1,251,400	2,067,700	30,000

				313,000	313,000	-
-	-	-	-	313,000	313,000	-

34,092				371,421	405,514	-
				290,000	290,000	-
				60,000	60,000	-
34,092	-	-	-	721,421	755,514	-

\$ 34,092	\$ 348,000	\$ 100,000	\$ 368,300	\$ 2,285,821	\$ 3,136,214	\$ 30,000
------------------	-------------------	-------------------	-------------------	---------------------	---------------------	------------------



Departmental Highlights - Fire

- ▶ \$583,129 Replace 2000 GMC Tanker
 - 2024 Carryforward project
- ▶ \$300,000 Self Contained Breathing Apparatus (SCBA)
 - 14 units
- ▶ \$75,000 SCBA Fill Station Air Compressor
- ▶ \$16,425 Turnout Gear, Helmets, Hoods, Gloves, Boots
- ▶ \$15,000 Replace Fire Hall Well and Filtration System



Departmental Highlights – Fire

Capital Financing

Expenditure Detail	Total Budget		
	2024 Carryforward	2025 Projects	2025
Fire			
Replace 2000 GMC Tanker with Tanker	575,000	8,129	583,129
Self Contained Breathing Apparatus(14 units)	-	300,000	300,000
Gear (Turnout Gear x3 and Helmets x2, Balaclavas/fire hoods x10 & Gloves x5, Boots x5)	-	16,425	16,425
SCBA fill station air compressor	-	75,000	75,000
Well - drilled and filtration system	-	15,000	15,000
Fire (Total)	\$ 575,000	\$ 414,554	\$ 989,554

Financing			
Donations/Other	Reserves		Tax Levy
	Lifecycle Management Reserve Fund	Total Reserves	
	583,129	583,129	-
65,000	235,000	235,000	-
	16,425	16,425	-
	75,000	75,000	-
	15,000	15,000	-
\$ 65,000	\$ 924,554	\$ 924,554	\$ -

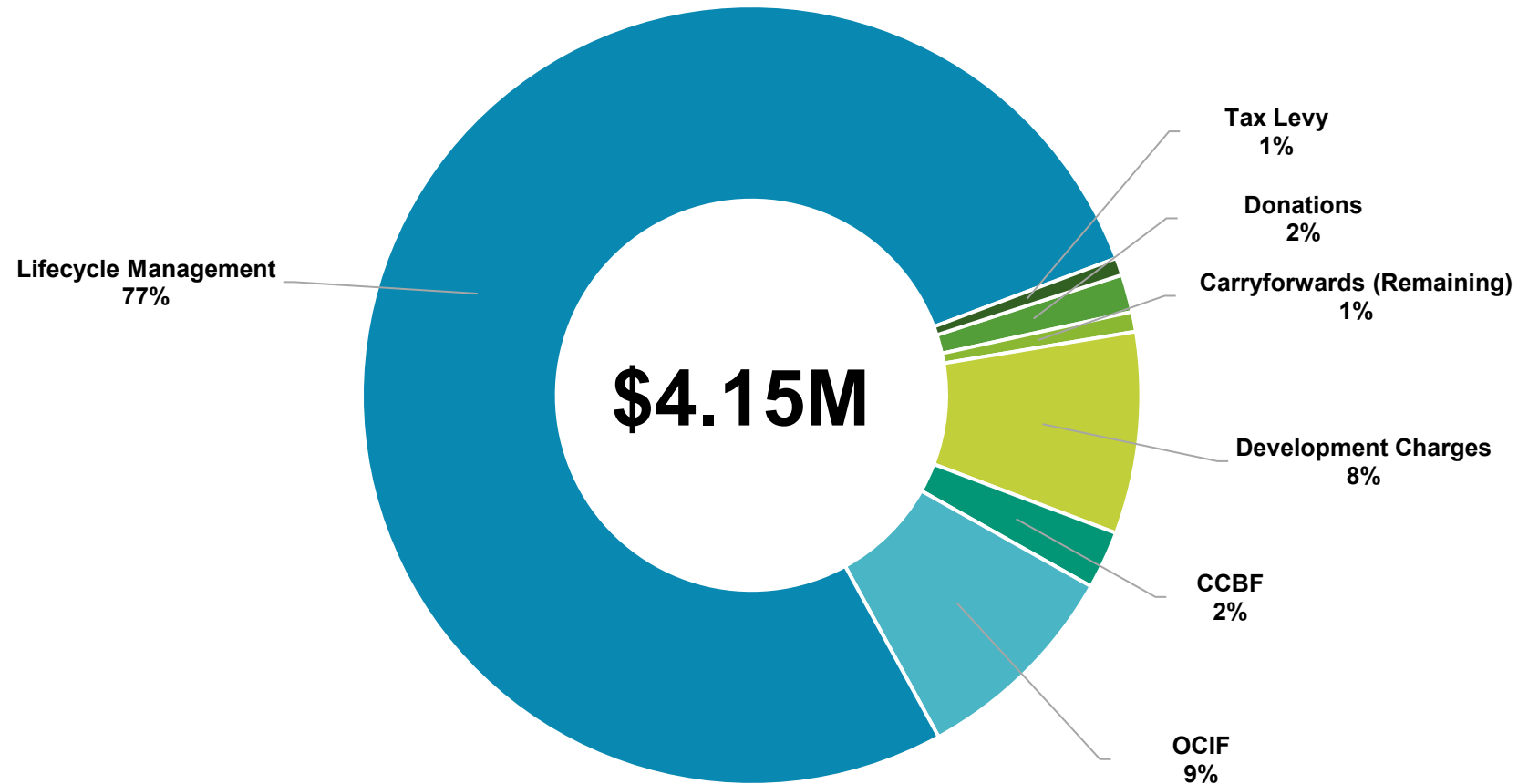


Capital Financing Summary

Expenditure Detail	Total Budget			Financing							
	2024 Carryforward	2025 Projects	2025	Donations/Other	Reserves						Tax Levy
					Capital Project Carry forward Reserve	Development Charges	Canada Community Building Fund Reserve Fund	Ontario Community Infrastructure Fund Reserve Fund	Lifecycle Management Reserve Fund	Total Reserves	
PW - Transportation	\$ 180,000	\$ 2,986,214	\$ 3,166,214	\$ -	\$ 34,092	\$ 348,000	\$ 100,000	\$ 368,300	\$ 2,285,821	\$ 3,136,214	\$ 30,000
PW - Environmental Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks & Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	\$ 575,000	\$ 414,554	\$ 989,554	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 924,554	\$ 924,554	\$ -
Total Capital Expenditures	\$ 755,000	\$ 3,400,767	\$ 4,155,767	\$ 65,000	\$ 34,092	\$ 348,000	\$ 100,000	\$ 368,300	\$ 3,210,375	\$ 4,060,767	\$ 30,000



Capital Financing Summary



2025 OPERATING BUDGET HIGHLIGHTS

Operating Budget Framework

Step 1 - Base

- Costs required to maintain existing service levels (salaries, benefits, inflation, utilities & contracted services), less reductions for efficiencies and other savings

Step 2 - Mandatory/Legislative

- Non-discretionary costs imposed by others

Step 3 - Annualization

- Additional costs of prior year commitments for full-year implementation

Step 4 - Growth

- Costs required to maintain existing levels of service for the Township's increased population

Step 5 - Enhancements

- New services or enhanced service levels



Operating Highlights - Impacts

- ▶ No change to property assessment – No phase-in growth
 - Loss of residential assessment due to farm tax rate changes
- ▶ OMPF (Ontario Municipal Partnership Fund) increase of 9.5%
- ▶ OCIF (Ontario Community Infrastructure Fund) increase of 16.5%
- ▶ Cost of living increase for compensation programs of 2%
- ▶ Conservation authorities increase of 3.6%
- ▶ Insurance increase of approx. 9%*
- ▶ Automated garbage pickup and disposal increase of 1.6%
- ▶ Ontario CPI (Consumer Price Index Q3 to Q3) 1.9%



Operating Highlights - Impacts

- ▶ Staff compensation market alignment implementation
- ▶ Development charge top-up due to remaining phase-in
- ▶ Potential Ontario Land Tribunal Hearing - site plan application
- ▶ Centre Rd servicing dispute



Operating Budget Summary

Department	2025 Budget			2024 Budget			Y/Y Change	
	Revenue	Expenditures	Taxes	Revenue	Expenditures	Taxes	Taxes	% Change
General Government								
Administration	804,269	1,737,820	933,551	859,258	1,739,809	880,551	53,000	6.02%
Tax Revenue & Reserve Transfers	478,957	1,280,303	801,345	399,703	1,267,181	867,477	(66,132)	-7.62%
Economic Development	10,000	144,177	134,177	-	12,500	12,500	121,677	973.42%
Livestock	-	-	-	-	-	-	-	0.00%
Council	-	121,493	121,493	-	118,937	118,937	2,556	2.15%
Total General Government	1,293,226	3,283,793	1,990,567	1,258,961	3,138,427	1,879,466	111,102	5.91%
Protection to Persons & Property								
Fire								
Fire Dept Operations	25,000	203,338	178,338	30,500	305,565	275,065	(96,726)	-35.16%
Fire Dept Admin	1,500	129,108	127,608	-	-	-	127,608	100.00%
Fire Dept Fleet	-	40,512	40,512	-	32,877	32,877	7,635	23.22%
Total Fire	26,500	372,958	346,458	30,500	338,442	307,942	38,517	12.51%
Other								
Policing	78,682	535,669	456,987	(700)	469,696	470,396	(13,409)	-2.85%
Emergency Operations	-	2,000	2,000	-	-	-	2,000	N/A New Dept
Conservation Authorities	-	66,858	66,858	-	64,512	64,512	2,346	3.64%
Building Services	115,860	115,860	-	100,900	100,900	-	-	0.00%
By-law Enforcement	-	37,500	37,500	-	13,466	13,466	24,034	178.48%
Animal Control	11,430	17,423	5,993	12,090	17,525	5,435	558	10.26%
Total Other	205,972	775,310	569,338	112,290	666,099	553,809	15,529	2.80%
Total Protection to Persons & Property	232,472	1,148,268	915,796	142,790	1,004,541	861,751	54,045	6.27%



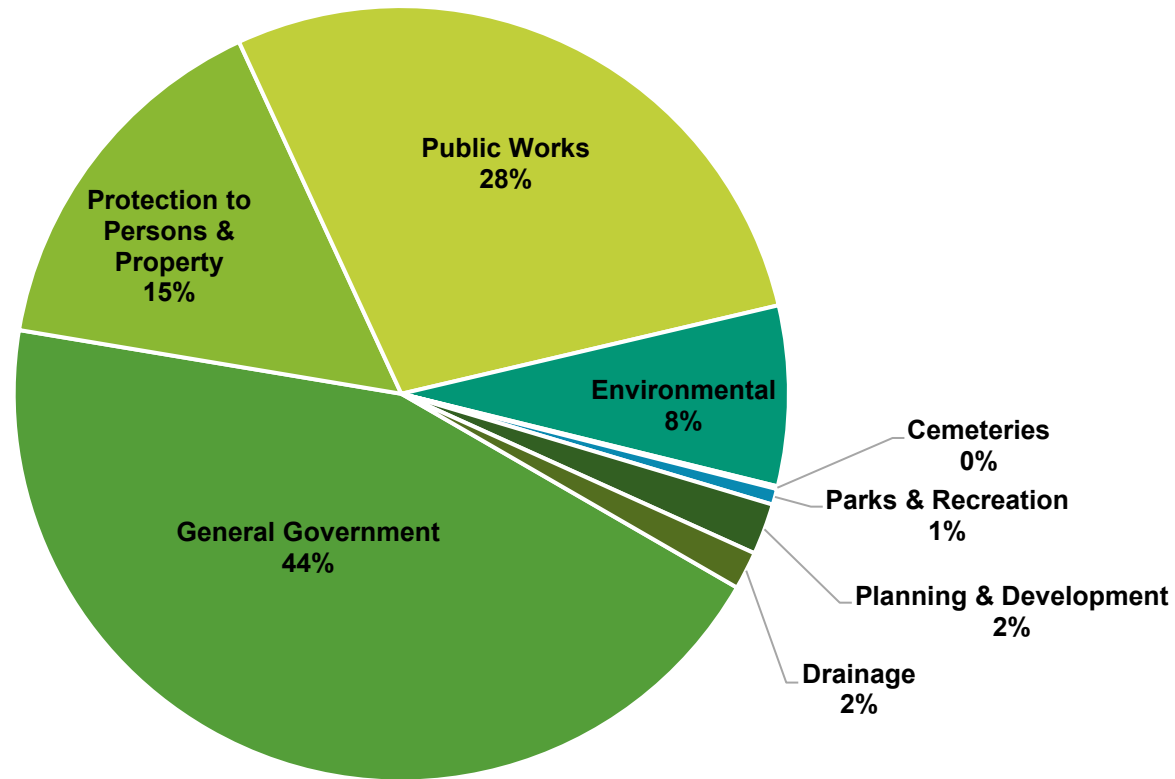
Operating Budget Summary

Department	2025 Budget			2024 Budget			Y/Y Change	
	Revenue	Expenditures	Taxes	Revenue	Expenditures	Taxes	Taxes	% Change
Public Works								
Transportation Operations	170,500	1,563,621	1,393,121	48,000	1,430,425	1,382,425	10,696	0.77%
Transportation Fleet	15,500	227,462	211,962	52,400	220,602	168,202	43,759	26.02%
Waste Management	195,314	300,060	104,747	189,809	296,659	106,850	(2,103)	-1.97%
Total Public Works	381,314	2,091,143	1,709,829	290,209	1,947,686	1,657,477	52,352	3.16%
Environmental								
Water & Wastewater Systems	381,745	556,475	174,730	389,515	575,386	185,871	(11,141)	-5.99%
Total Environmental	381,745	556,475	174,730	389,515	575,386	185,871	(11,141)	-5.99%
Cemeteries								
Cemeteries	3,062	8,623	5,561	3,035	8,623	5,588	(27)	-0.48%
Total Cemeteries	3,062	8,623	5,561	3,035	8,623	5,588	(27)	-0.48%
Parks & Recreation								
Kerwood Park	6,900	43,155	36,255	300	39,671	39,371	(3,116)	-7.91%
Trees	6,000	6,000	-	6,000	6,000	-	-	0.00%
Total Parks & Recreation	12,900	49,155	36,255	6,300	45,671	39,371	(3,116)	-7.91%
Planning & Development	111,150	158,200	47,050	187,900	263,100	75,200	(28,150)	-37.43%
Drainage								
Drainage Superintendent	40,963	81,927	40,963	33,696	67,605	33,909	7,055	20.81%
Drainage Debenture Payments	35,334	35,334	-	30,619	30,619	0	(0)	-100.00%
Total Drainage	76,297	117,261	40,963	64,315	98,224	33,909	7,055	20.81%
Total	2,492,166	7,412,918	4,920,752	2,343,026	7,081,657	4,738,632	182,120	3.84%



Operating Budget by Department

2025 Operating Budget - By Department

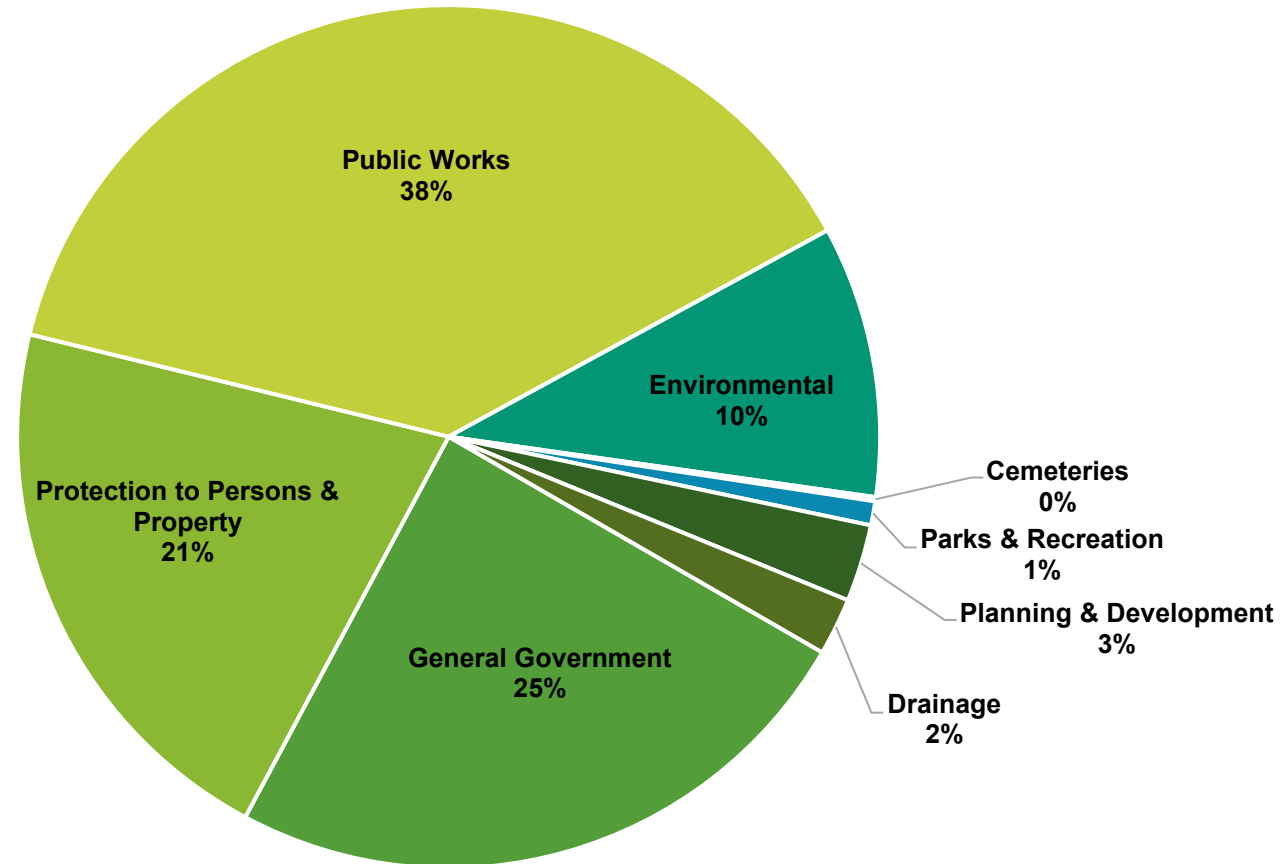


* General government includes approx. \$1.9M of asset management reserve transfers



Operating Budget by Department

2025 Operating Budget - By Department (Excluding Reserves)



* Excludes reserve transfers related to asset management



Operating Highlights

Personnel Changes

- ▶ Labour budget model used
- ▶ Cost of living increase of 2.0% to all compensation programs
- ▶ Benefits (health and dental) plan estimated increase of 5%
- ▶ Staff compensation program received a 2024 market alignment
 - Fully reserved for in 2024
- ▶ Public Works overtime budgeted at 7.5%
- ▶ WSIB rate decreased from 3.25% to 3.09%
- ▶ New position
 - Added part-time drainage superintendent



Departmental Highlights

General Government - Administration

- ▶ Increase in net operating costs by 6.0% or \$53,000
- ▶ 6 FT employees in the department
- ▶ Cost of living applied at 2% and new market-aligned grid
- ▶ Decreased general bank interest: \$34,500
- ▶ Decreased reserve funds bank interest and investment income: \$53,840
 - Transferred to reserve funds, no impact on the department
- ▶ Grant revenue
 - OCIF funding increase of \$22,992*
 - Transferred to reserve funds, no impact on the department
- ▶ Keystone ERP end-of-life reserve contribution: \$25,000
 - Property tax and financial system



Departmental Highlights

General Government - Administration

► Financial budget software

- Current budget model is Excel-based which is inefficient and prone to errors
- Significant operating efficiencies to be realized
- Software to provide the following:
 - Operating, capital, budget book studio, open book (public facing portal) and additional reporting tools
- Provides the Township with the ability to develop multi-year budgets with allocation and automation tools
- Most municipalities in Middlesex County have already implemented this system
- Financial impacts:
 - Implementation fee: \$14,500 (100% funded through modernization reserve funds)
 - Annual subscription: \$24,500 (100% funded through modernization reserve funds in 2025 only)
 - 2026 would be impacted by the annual subscription fee



Departmental Highlights

General Government - Administration

- ▶ Accounts payable workflow project
 - Digitizing the A/P process
 - Built in 2024, to be implemented in 2025
- ▶ Commercial corridor policy realignment
- ▶ Continue with the official plan review and update
- ▶ Corporate policy manual update
- ▶ Remaining drain billing to be completed
- ▶ Records management program review
- ▶ Farm tax to residential proactive communication strategy
- ▶ Ongoing review of operational accounts for savings



Departmental Highlights

General Government – Tax Revenue & Reserve Transfers

- ▶ Decrease in net operating costs by 7.6% or \$66,132
- ▶ Decrease in Tax Incentive Approvals: \$10,000
 - RT to FT phantom assessment
 - MPAC changed the process to minimize this issue
- ▶ Utilize funds reserved in 2024 for market-aligned grid impact: \$75,000
 - More reserved than needed in 2024
 - Recognizing the full amount in 2025
- ▶ OMPF grant revenue increased: \$26,600



Departmental Highlights

General Government – Tax Revenue & Reserve Transfers

- ▶ Net increase to reserve transfers: \$13,122
 - Lifecycle management reserve funds
 - Based on the asset management plan and financing strategy
 - Total transfer: \$1,270,584
 - Development charge exemption top-up: \$9,718
 - Remaining phase-in exemptions



Departmental Highlights

General Government – Economic Development

- ▶ Increase in net operating costs by 973% or \$121,677
- ▶ New department for 2025
 - To provide transparency in the Townships economic development investments
- ▶ Continuation with the Community Improvement Plan: \$10,000
 - Funded through unused 2024 CIP allocation
- ▶ Industrial lands feasibility study: \$131,677
 - Developing a comprehensive roadmap for infrastructure and industrial land development
 - Which includes:
 - Market study: To outline types of industrial uses that could be brought to the area and understand market attractiveness
 - Technical study: To understand available utilities in the area
 - Roadmap of future investment activities: To outline next steps and municipal infrastructure planning and design



Departmental Highlights

General Government - Council

- ▶ Increase in net operating costs by 2.15% or \$2,556
- ▶ Cost of living applied at 2%
- ▶ Council grant program of \$7,050
 - Includes in-kind and monetary grants
- ▶ Includes various conferences
 - Slight cost reduction from 2024 to align with actual spending
- ▶ Legal fees added in 2025: \$2,000
 - Contingency
- ▶ Annual reserve fund contribution for the 2026 election: \$2,500



Departmental Highlights

Planning

- ▶ Decrease in net operating costs by 37.4% or \$28,150
- ▶ Planner provided by Middlesex County
- ▶ Planning fee revenue consistent to 2024
- ▶ Disposition of surplus lands
 - Sale of land and cost recovery on incurred expenses
 - Net proceeds transferred to reserves
- ▶ Request for review/potential Ontario Land Tribunal hearing: \$70,000
 - Legal reserve not used in 2025
- ▶ Official plan review and update
 - Included in County levy



Departmental Highlights

Cemeteries

- ▶ Decrease in net operating costs by 0.5% or \$27
- ▶ Interest income of \$3,062
 - Long-term GIC
- ▶ Grass cutting completed internally
 - Cost savings
 - Labour allocation approx. \$8,623
- ▶ Continued improvement on the cemetery program
 - Updated fee schedule, by-law, procedures, and scanning records



Departmental Highlights

Protection to Persons and Property: Fire Department

- ▶ Increase in net operating costs by 12.51% or \$38,517
- ▶ Motor vehicle collision revenue consistent to 2024: \$25,000
- ▶ Cost of living increase of 2% applied to both employees and firefighters
 - 2025 firefighters point allocation pool: \$100,637
- ▶ New mental health wellness program: \$5,000
 - PTSD prevention and critical incident response program
- ▶ Misc. equipment: \$9,550
 - Hand tools, pagers, fire hose, hand lights
- ▶ Increase to fleet operations by \$7,635 or 23%
 - Increase in fuel to align with actuals
 - Pump tests required in 2025



Departmental Highlights

Protection to Persons and Property: Fire Department

- ▶ Mandatory firefighter certification process
 - Significant increase in training: \$34,395
- ▶ Training to continue using regional training centres
- ▶ Automatic and mutual aid plans to be updated



Departmental Highlights

Protection to Persons and Property: Emergency Operations

- ▶ New department in 2025
 - Total cost: \$2,000
- ▶ To track emergency management-related spending
 - In emergency scenarios, cost recovery funding may be available from upper levels of government
- ▶ Emergency management exercise highlighted the need for additional supplies
 - Privacy curtains
 - Ready-to-eat/long-term storage meals



Departmental Highlights

Protection to Persons and Property: Policing

- ▶ Decrease in net operating costs by 2.85% or \$13,409
- ▶ Contracted service with the Ontario Provincial Police
- ▶ 2025 Contract total: \$534,514
 - Provincial grant received to offset cost increase in 2025: \$77,932
 - Without consistent grant funding, a significant increase is expected in 2026
- ▶ New OPP detachment board: \$1,155
 - Based on the board's allocation methodology



Departmental Highlights

Protection to Persons and Property: Conservation Authorities

- ▶ Increase in net operating costs by 3.64% or \$2,346
- ▶ Two conservation authorities
- ▶ Ausable Bayfield Conservation Authority
 - Total levy: \$34,097 (3.15% increase over 2024)
 - Includes category 3 programming of \$3,931
- ▶ St. Clair Region Conservation Authority
 - Total levy: \$32,761 (4.14% increase over 2024)
 - No category 3 programming



Departmental Highlights

Protection to Persons and Property: Building Services

- ▶ No Increase/Decrease in net operating costs
 - Cost-neutral department
 - Department surplus transferred to the Building Department Stabilization Reserve Fund
- ▶ Projecting a 16% increase in permits, per Chief Building Official
 - Totaling \$110,000
 - To align with trend
- ▶ Contracted service with the Municipality of Middlesex Centre
 - Total cost: \$90,153 (20% increase over 2024)
 - Includes a 5% contingency to account for mileage
- ▶ Cloud permit annual fee of \$10,097



Departmental Highlights

Protection to Persons and Property: By-Law Enforcement

- ▶ Increase in net operating costs by 178.5% or \$24,034
- ▶ Contracted service with the Municipality of Middlesex Centre
 - Hourly service, not fixed monthly contract, rate: \$64.24 plus mileage
 - Base amount budgeted: \$10,000
- ▶ Property standards and by-law enforcement project: \$25,000
- ▶ A full review of the by-law program to be completed
 - Policies, ticketing, etc.
- ▶ Education first mindset
- ▶ Used to address various by-law complaints



Departmental Highlights

Protection to Persons and Property: Animal Control

- ▶ Increase in net operating costs by 10.2% or \$558
- ▶ Permanent tagging system, with licences billed annually
- ▶ Slight decrease in dog tags
 - Will advertise on socials
 - To be billed in April
- ▶ Animal control services provided by Humane Society London & Middlesex: \$17,423
 - 2% annual increase per contract
- ▶ Current agreement set to expire in September



Departmental Highlights

Parks & Recreation

- ▶ Decrease in net operating costs by 7.91% or \$3,116
- ▶ Increase in rental fees to align with actuals
 - Accounting for in-kind rentals
- ▶ Grounds maintenance continues to be completed in-house
- ▶ EV charging station available
- ▶ Kerwood 100th anniversary celebration: \$5,000
 - Fully offset by remaining Mar for Mayors Reserve Funds
- ▶ Continue with the Richardson Tree Program: \$6,000
 - Fully offset by the Richardson Trees Reserve Funds



Departmental Highlights

Public Works – Roads

- ▶ Slight increase in net operating costs by 0.77% or \$10,696
- ▶ Cost of living applied at 2%
- ▶ Overtime budget set at 7.5%
- ▶ Delivery of sustainable transportation infrastructure
- ▶ Maintenance of roadway network, including winter operations
 - 214 Centre line km of roadway
 - 3.6 km of sidewalks
 - 13 Bridges
 - 36 Structural culverts



Departmental Highlights

Public Works – Roads

- ▶ Dust control consistent to 2024: \$121,000
- ▶ Hard top and loose top maintenance consistent to 2024
- ▶ Winter sand and salt projected decrease: 22%
 - Aligned with county fees and usage
- ▶ New culvert replacement program: \$15,000 over 2024
 - Total cost: \$30,000
- ▶ Significant 2025 drain maintenance: \$140,000
 - Multiple drains are being reconstructed, with Township roads being impacted
 - Utilize Municipal Drainage Reserve Fund to minimize impact: \$120,000
 - Funded from the drainage review project



Departmental Highlights

Public Works – Roads

- ▶ Road patrol application annual fee: \$7,000
 - Implemented in 2023
- ▶ Sidewalk winter maintenance decrease: \$10,000
 - Working group recommendation due to mild winters
- ▶ Roads needs study: \$50,000
 - 2024 carryforward project
 - Partially funded by the Modernization Reserve Fund
- ▶ Focus on staff training
 - Road school & backhoe training



Departmental Highlights

Public Works – Fleet

- ▶ Increase in net operating costs by 26% or \$43,759
- ▶ Slight fuel decrease of 4%
 - Based on current usage
- ▶ Increased maintenance projected on Mack 3: \$6,000
- ▶ One-time proceeds of disposition funding in 2024
 - Benefit taken in 2024, lost 2025 revenue of \$36,900
 - Future practice to recommend not realizing proceeds of disposition
 - Transfer fully to reserves to minimize budget impacts



Departmental Highlights

Public Works – Waste Management: Waste & Recycling

- ▶ Decrease in net operating costs by 100% or \$31,611
- ▶ First-year user fees fully cover operating costs
- ▶ 2025 Proposed wheelie bin increase: 3.9%
 - Small: \$129.42 Medium: \$183.34 Large: \$242.66
- ▶ BRA Increasing waste management disposal and automated fees
 - 1.6% increase over 2024
- ▶ Recycling moved to producer pay, effective April 2024
 - 2025 3-month cost reduction realized: \$31,367
- ▶ Wheelie bin program summary
 - Projected wheelie bin revenue: \$170,314
 - Cost of program: \$170,311
 - Total surplus: \$3



Departmental Highlights

Public Works – Waste Management: Landfill

- ▶ Increase in net operating costs by 39.2% or \$29,508
- ▶ Landfill revenue: \$25,000
 - Decrease from 2024 to align with current trend
- ▶ 2.5 Years remaining of landfill capacity
- ▶ Proposed landfill expansion plan and topographic survey: \$28,000
 - Room to expand the landfill at the current location
 - Ministry approval required
 - Future report to be presented to Council with options
- ▶ Reserve transfer for future landfill closure and liability: \$20,000
- ▶ Landfill covering fees remain at \$40,000
- ▶ Projecting a landfill operating loss of \$104,749



Departmental Highlights

Environmental Services – Wastewater: Kerwood

- ▶ Increase in net operating costs by 23.63% or \$21,740
- ▶ System operating revenue, billed on final taxes: \$43,710
 - Annual fee increased by 1.9% from \$752.55 to \$766.85
- ▶ Connection fees not budgeted to be conservative
- ▶ Increase in 2025 maintenance costs: \$17,000
 - System flush, tank cleaning and pump replacement
- ▶ Rate study: \$10,000 (prior year reserve carryforward: \$7,000)
- ▶ Contracted service with OCWA to maintain and operate system: \$50,000
- ▶ Lifecycle management reserve fund contribution: \$66,775
 - Per the asset management plan and financing strategy
- ▶ Overall department deficit: \$113,741



Departmental Highlights

Environmental Services – Water/Wastewater: Centre Rd/Hwy 81

- ▶ Decrease in net operating costs by 35.03% or \$32,881
- ▶ System operating revenue, billed through Strathroy-Caradoc: \$95,000
- ▶ Potential infrastructure and capacity study: \$30,000 (prior year reserve carryforward)
- ▶ MECP water license: \$18,000 (prior reserve carryforward)
- ▶ Rate study: \$10,000 (Prior year reserve carryforward: \$7,000)
- ▶ Contracted service with OCWA: \$50,000 (prior year reserve carryforward)
- ▶ Lifecycle management reserve fund contribution: \$37,989
 - Per the asset management plan and financing strategy
- ▶ Servicing agreement dispute: \$90,000
- ▶ Overall department deficit: \$60,989



Departmental Highlights

Drainage Services

- ▶ Increase in net operating costs by 36.88% or \$12,507
- ▶ Southwest Middlesex terminating drainage superintendent services
- ▶ Part-time 20hr per week position included
 - Conservative approach
 - Provides flexibility
 - Includes cost of IT-related equipment
- ▶ Drainage superintendent grant of 50% on eligible hours: \$40,963
 - Grant through OMAFA (Ontario Ministry of Agriculture, Food and Agribusiness)



Operating Budget Breakdown

- ▶ Top 95% of the operating expenses are within 8 categories

Expenditures	%	\$
Transfer To Reserves/Reserve Funds	31.9%	\$2,259,041
Wages & Benefits	24.9%	\$1,763,026
Subcontracted services	24.1%	\$1,704,540
Repairs, Maintenance & Equipment Rental	12.6%	\$ 892,544
Insurance	2.2%	\$ 154,723
IT	2.5%	\$ 173,546
Utilities	1.0%	\$ 70,748
Conservation Authorities	0.9%	\$ 66,858



2025 Reserve & Reserve Funds HIGHLIGHTS

Reserve & Reserve Funds

Reserve Projections

Description	Projected 2025 Opening Balance	In Year Change	Projected 2025 End Balance
Capital Project Carryforward	34,092	(34,092)	-
Operating Project Carryforward	112,093	(112,093)	-
Total Reserves	146,185	(146,185)	-



Reserve & Reserve Funds

Reserve Fund Projections

Description	Projected 2025 Opening Balance	Total Contributions	Total Withdrawals	In Year Change	Projected 2025 End Balance
Richardson Trees Reserve Fund	15,869	587	(6,000)	(5,413)	10,456
Canada Community Benefit Fund (CCBF)	4,923	98,793	(100,000)	(1,207)	3,716
Ontario Community Infrastructure Fund (OCIF)	207,480	170,185	(368,300)	(198,115)	9,365
Neighbourhood Watch Reserve Fund	2,340	87	-	87	2,427
Building Department Stabilization Reserve Fund	557,185	35,926	-	35,926	593,111
Mar for Mayors Reserve Fund	9,591	355	(5,000)	(4,645)	4,946
West Williams Water Capital Reserve Fund	5,587	207	-	207	5,794
Water/Wastewater Reserve Fund	1,468,967	92,341	-	92,341	1,561,307
Kerwood Wastewater Capital Reserve Fund	822,044	97,191	-	97,191	919,235
Fleet Management Reserve Fund	27,035	1,000	-	1,000	28,035
Modernization Reserve Funds	170,425	6,306	(64,000)	(57,694)	112,730
Community Improvement Plan Reserve Fund	28,179	26,043	(10,000)	16,043	44,221
Employee Benefits Reserve Fund	37,342	1,382	-	1,382	38,723
Tax Rate Stabilization Reserve Fund	125,551	54,645	-	54,645	180,197
Municipal Drainage Reserve Fund	130,000	4,810	(120,000)	(115,190)	14,810
New Capital Asset Projects	-	-	-	-	-
Lifecycle Management Reserve Fund	4,926,795	1,493,966	(3,210,375)	(1,716,409)	3,210,386
Landfill Reserve Fund	430,970	42,946	-	42,946	473,916
IT Replacement Reserve Fund	17,981	25,665	(7,850)	17,815	35,797
Winter Maintenance Reserve Fund	45,275	1,675	-	1,675	46,950
Election Reserve Fund	9,714	2,859	-	2,859	12,574
Legal Reserve Fund	64,326	2,380	-	2,380	66,706
Program Review & Implementation Reserve Fund	76,813	2,842	(75,000)	(72,158)	4,655
COVID19/Safe Restart Reserve Fund	19,043	705	(15,735)	(15,030)	4,012
Total Reserve Funds	9,203,435	2,162,895	(3,982,260)	(1,819,365)	7,384,070

Note: These are estimated and include projected year-end 2024 surplus figures (still pending Council approval) for the 2025 opening balance.

Excludes: DC's, cemeteries and cash-in-lieu of parkland



Lifecycle Management Reserve Fund

Projections

Lifecycle Funding: Forecast Analysis	Draft Budget	Capital Forecast								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	4,926,795	3,210,386	2,004,057	461,967	126,610	535,958	528,531	2,226,198	3,212,555	4,282,971
Annual Funding Contribution	1,270,585	1,295,996	1,321,916	1,348,355	1,375,322	1,402,828	1,430,885	1,459,502	1,488,692	1,518,466
Annual Interest Earnings on Balance	223,381	98,536	64,208	40,081	9,239	2,532	10,719	10,571	44,524	64,251
Annual Capital Drawings	(3,210,375)	(2,861,980)	(3,193,277)	(1,988,856)	(1,240,276)	(1,677,850)	(9,000)	(748,779)	(727,864)	(503,548)
Add back OCIF allocation		162,508	162,508	162,508	162,508	162,508	162,508	162,508	162,508	162,508
Add back CCBF allocation		98,611	102,555	102,555	102,555	102,555	102,555	102,555	102,555	102,555
Closing Balance	3,210,386	2,004,057	461,967	126,610	535,958	528,531	2,226,198	3,212,555	4,282,971	5,627,203

Annual Reserve contribution increase, y/y

25,412

25,920

26,438

26,967

27,506

28,057

28,618

29,190

29,774

Assumption: OCIF and CCBF remain consistent and NOT cut. This is factored into the annual funding contribution, as it would be higher without this funding.



Lifecycle Management Reserve Fund

Projections



Investment Strategy

Locked into high interest rates

Current Outstanding Investments

<i>Funding Source</i>	<i>Type</i>	<i>Purchase Date</i>	<i>Term</i>	<i>Maturity</i>	<i>Yield</i>	<i>Cost of Initial Investment</i>	<i>Annualized Interest</i>	<i>Total Interest at Maturity</i>
Cemetery Care & Maintenance Funds	GIC	29-Dec-22	6 Year	29-Dec-28	5.47%	56,000	3,063	18,379
Cemetery Care & Maintenance Funds	GIC	29-Dec-23	5 Years	29-Dec-28	4.45%	600	27	133
Reserve Funds - Landfill	GIC	8-Dec-23	5 Years	8-Dec-28	5.45%	400,000	21,800	109,000
Reserve Funds - Lifecycle Management	GIC	8-Dec-23	2 Years	8-Dec-25	5.86%	2,500,000	146,500	293,000
Reserve Funds - Lifecycle Management	GIC	8-Dec-23	1.5 Years	8-Jun-25	5.88%	1,600,000	94,080	141,120
Total Investments as at Dec 16, 2024						\$ 4,556,600	\$ 265,470	\$ 561,633

► Interest rates at our financial institution

- Earning prime less 1.50%
- $5.45\% - 1.5\% = 3.95\%$
 - As of Dec 16, 2024



Summary

- ▶ 4.66% Tax Rate Increase
- ▶ 4.48% Tax Levy Increase
- ▶ \$7,412,918 in Operating Costs
- ▶ \$4,155,767 in Capital Projects
- ▶ \$11,568,685 Total Municipal Budget



Impact

► Municipal Tax Rate Increase

Residential


2024 Taxes: \$2,147
Assessment: \$290,000

 **\$100**
(or \$8.34/month)

2025 Taxes: \$2,247
Assessment: \$290,000

Farm

2024 Taxes: \$1,481
Assessment: \$800,000

 **\$69**
(or \$5.75/month)

2025 Taxes: \$1,550
Assessment: \$800,000

Note: Excludes the education levy set by the Province and the County levy set by Middlesex County.



Stay in Touch!



jpereira@adelaidemetcalfe.on.ca



519-247-3687 ext. 8205



adelaidemetcalfe.on.ca



[@twpadelaidemetcalfe](https://www.facebook.com/twpadelaidemetcalfe)



Summary

- ▶ 4.66% Tax Rate Increase
- ▶ 4.48% Tax Levy Increase
- ▶ \$7,412,918 in Operating Costs
- ▶ \$4,155,767 in Capital Projects
- ▶ \$11,568,685 Total Municipal Budget

