

# Budget Overview

## 2025 Budget



# Township of Brock

The Township of Brock covers a large geography of approximately 424 square km and services a permanent population of over 12,600 and over 4,800 private dwellings.

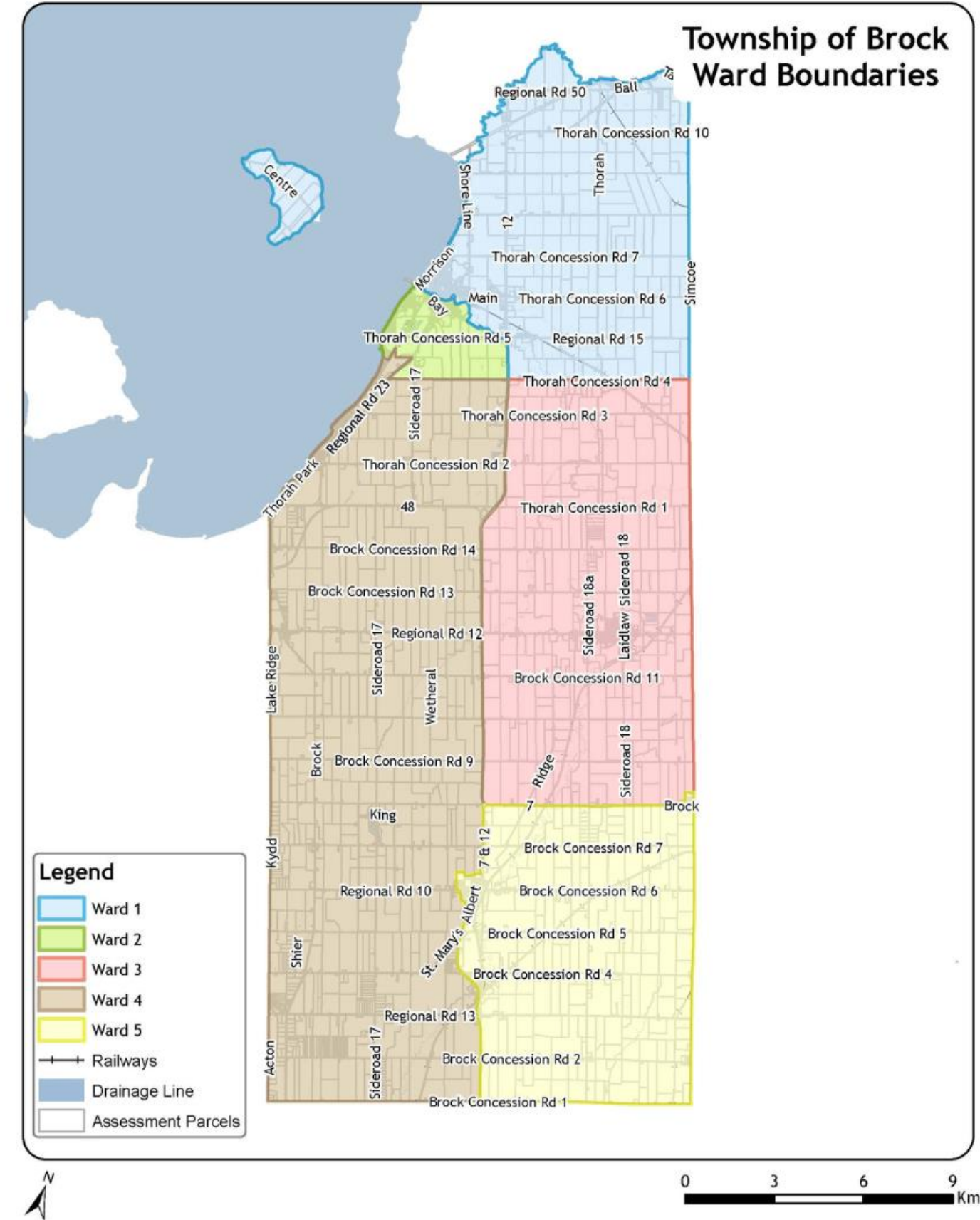
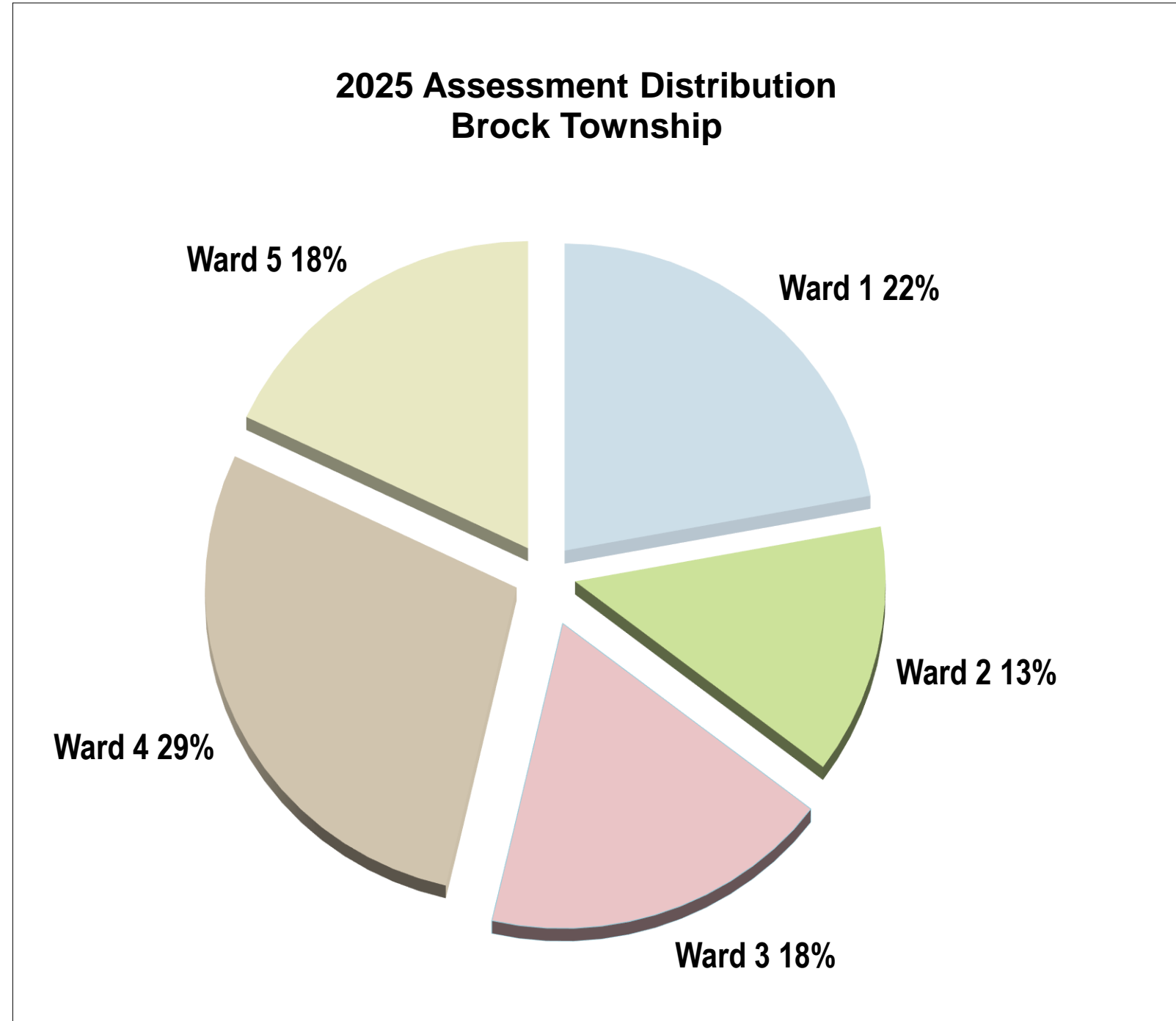
The municipality represents three distinct urban areas, numerous hamlets, and beautiful countryside. While agriculture is one of the largest employers, a full range of commercial and industrial businesses are located within the urban areas of Beaverton, Cannington, and Sunderland.

Council for the Township of Brock consists of the following:

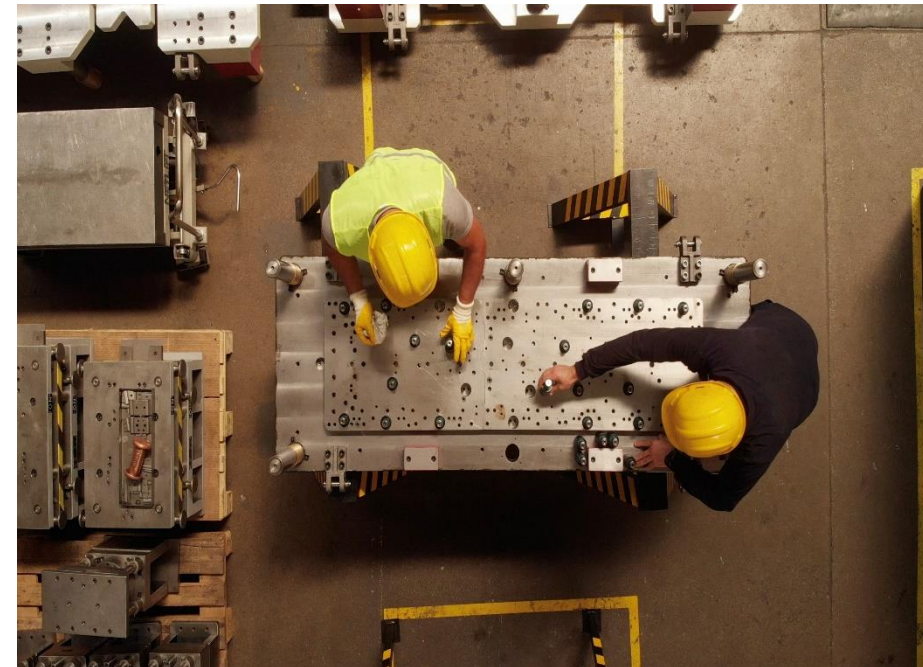
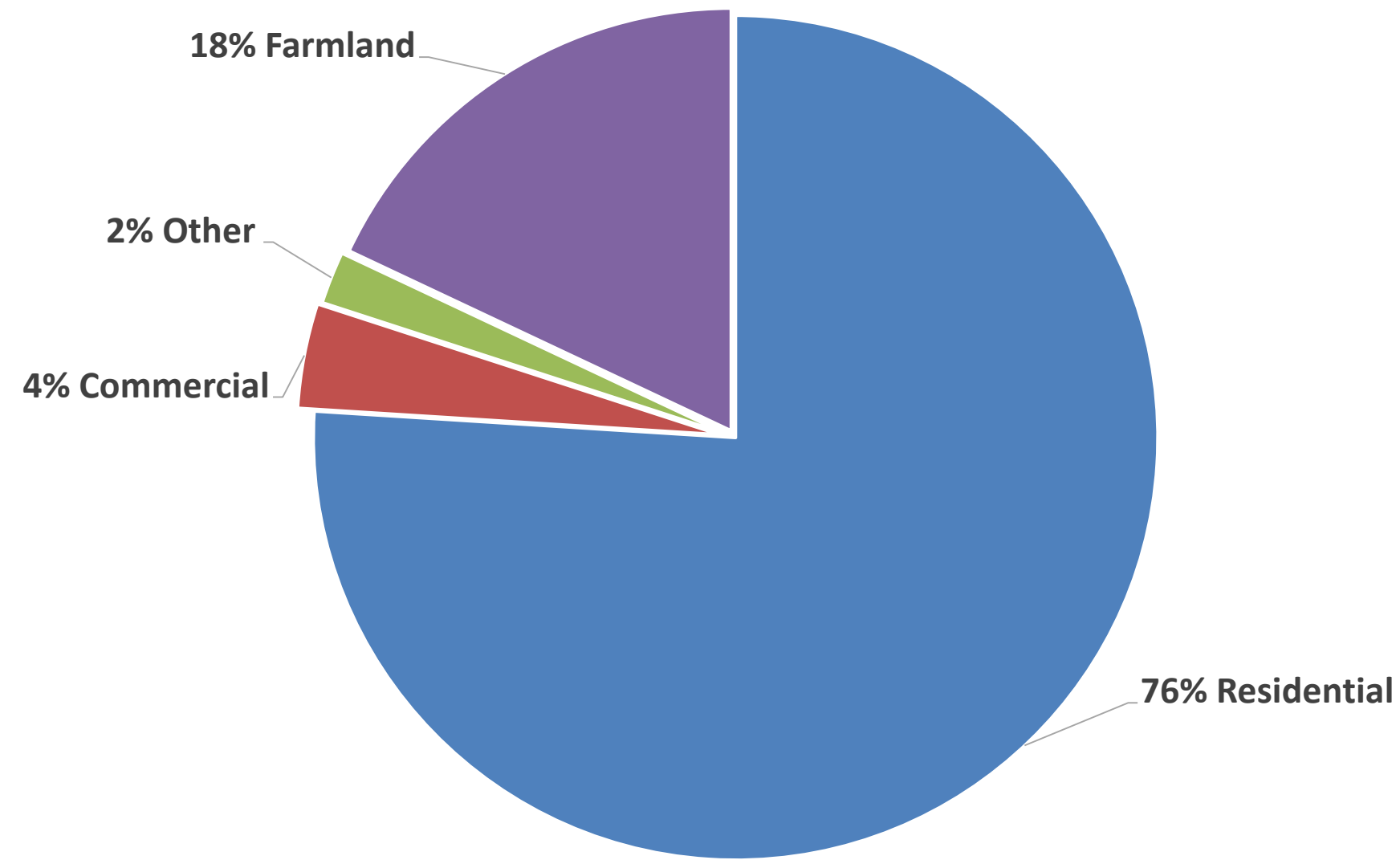
- Mayor Walter Schummer
- Regional Councillor Mike Jubb
- Ward 1 Councillor, Peter Frank
- Ward 2 Councillor, Claire Doble
- Ward 3 Councillor, Angela Canavan
- Ward 4 Councillor, Cria Pettingill
- Ward 5 Councillor, Lynn Campbell



# Assessment Distribution



# Assessment Breakdown



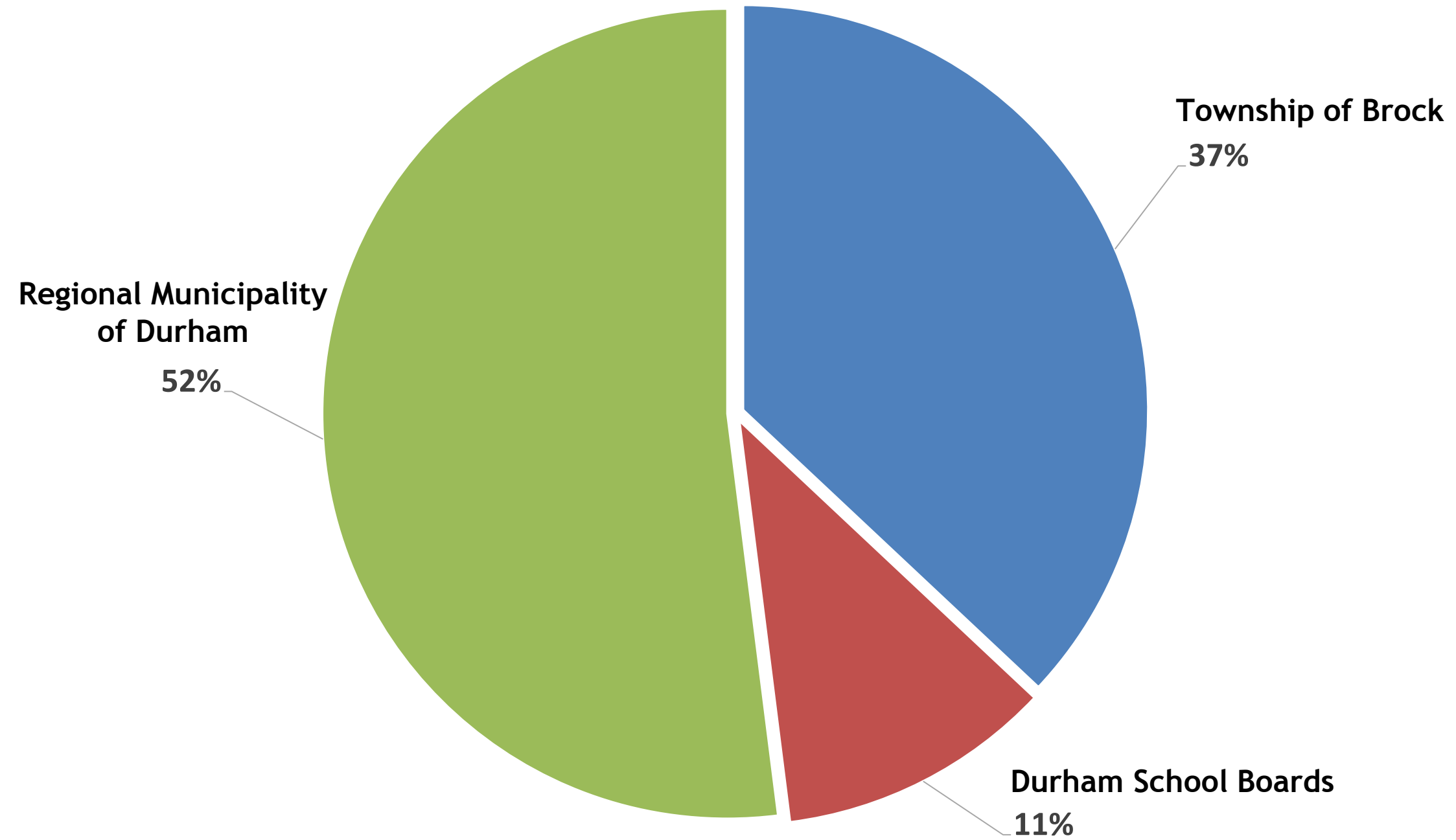
# Economic Indicators

According to Statistics Canada, the Consumer Price Index for November 2024, represents a year-over-year increase of 2.7%.

The Construction Price Index for third quarter 2024 shows a year-over-year increase of approximately 4%.

Bank of Canada Interest Rate approximately 3.25% as of December 11, 2024  
(affects both debenturing and investment income)

# Total Property Tax Distribution

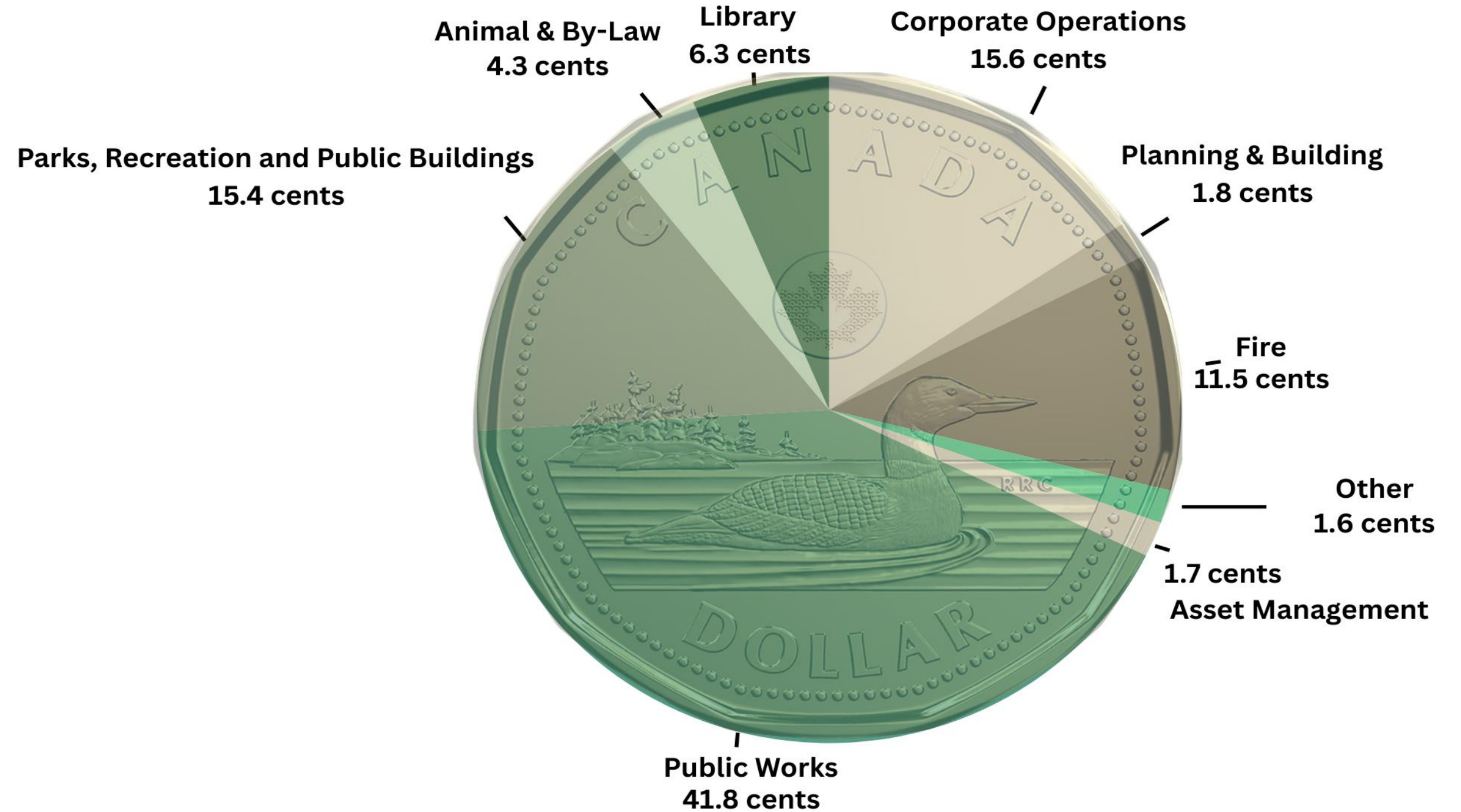


# Where We (The Township) Are Spending The Money

Total Budget is: \$29,586,258

Operating: \$16,026,263

Capital: \$13,559,995



# 2025 Tax Levy Requirement

Total Tax Levy Impact for 2025:

\$11,402,273 an increase of approximately \$688,541 (after realized assessment growth) or 6.43%)

New This Year - Budget includes a dedicated infrastructure levy of 2% (or an increase of \$214,275)

On the Township portion of the tax bill, an increase in levy of 6.43% is equivalent to approximately (on average) \$103 per annum, to a typical single-family home for 2025. this is equivalent to an increase of approximately \$34.32 per year, per each \$100,000 of residential assessment (or \$2.86 per month).

Since drafting and preparing the budget, there have been a couple changes which have reduced the levy increase for 2025 (after growth) to 6.30% (down from 6.43%).



# Change in Tax Levy Requirement

| Department                        | 2024 Approved Budget | 2025 Proposed Budget | Tax \$ Increase (Decrease) |
|-----------------------------------|----------------------|----------------------|----------------------------|
| Building                          | 39,472               | 67,410               | 27,938                     |
| CAO and HR                        | 341,505              | 333,051              | -8,454                     |
| Clerks                            | 715,225              | 765,375              | 50,150                     |
| Corporate                         | -1,141,964           | -891,102             | 250,862                    |
| Council                           | 340,740              | 371,661              | 30,921                     |
| Fire & Emergency Services         | 1,355,303            | 1,412,329            | 57,026                     |
| Grants                            | 6,700                | 97,904               | 91,204                     |
| Library                           | 744,801              | 776,978              | 32,177                     |
| Information Technology            | 300,410              | 382,732              | 28,322                     |
| Other Transportation              | 524,415              | 628,269              | 103,854                    |
| Parks and Recreation              | 2,553,397            | 1,886,356            | -667,041                   |
| Planning & Development Services   | 137,101              | 146,473              | 9,372                      |
| Protection Services               | 488,968              | 531,450              | 42,482                     |
| Public Works                      | 3,880,968            | 4,440,314            | 559,346                    |
| Refuse                            | 58,730               | 41,569               | -17,161                    |
| Traffic Control                   | 97,700               | 92,693               | -5,007                     |
| Treasury                          | 1,015,261            | 1,015,748            | 487                        |
| <b>Total</b>                      | <b>11,458,732</b>    | <b>12,045,210</b>    | <b>586,478</b>             |
| PIL's                             | -305,000             | -312,000             | -7,000                     |
| Supplementary Billings            | -70,000              | -70,000              | 0                          |
| Tax Interest/Penalties            | -370,000             | -430,000             | -60,000                    |
| Net Levy Before Assessment Growth | 10,713,732           | 11,233,210           | 519,478                    |
| Infrastructure Levy               | 0                    | 214,275              | 214,275                    |
| Total Levy Requirement            | 10,713,732           | 11,447,485           | 733,753                    |
| Assessment Growth                 |                      | -45,212              | -45,212                    |
| <b>Total Tax Levy Impact</b>      | <b>10,713,732</b>    | <b>11,402,273</b>    | <b>688,541</b>             |

# Assessment Growth

Assessment growth funding comes from taxes levied on new homes and businesses. Every time a new home is built, or there is property changes affecting the property assessment value, such as additions, pools, etc., the Township receives new assessment. This new assessment helps to reduce the impact of levy increases to existing property owners in the Township.

Realized Growth for 2025 is very low at approximately 0.422% or approximately \$45,212

Based on the 2024 Levy, each 1% increase in levy is equivalent to approximately \$107,137.

# Operating Expenses

Total Gross Operating Expenses for 2025 (including asset management contribution) total \$16,026,263 an increase of \$897,906 over 2024

The biggest areas of impact for 2025 include:

- Asset Management Infrastructure Levy \$214,275 - NEW FOR 2025
- Salaries, Wages and Benefits \$463,286
- Reserve Transfers \$183,485
- Operating Materials, Supplies and Services \$98,005

Note: The 2025 budget has reallocated Internal Transfers to the Repairs, Gasoline and Licencing Lines, resulting in larger than usual increases in these areas for 2025, however, the Internal Rental Lines are now \$nil (offset)

# Asset Management Financing

During 2024, staff worked with our consultant, Hemson Consulting, to update our asset management plan and develop a financing plan for renewal/replacement of the Township's assets.

From this work, it has been determined that the Township has a 10-year infrastructure need of over \$210 million. At our current funding levels, this represents an unfunded deficit of approximately \$133 million over the next ten years, when considering the investments needed to replace assets at the end of their useful life and carryout the capital needs outlined in our most recent needs studies.

# Asset Management Financing

The Township's Asset Management Plan outlines a financing strategy and proposes funding the Township's needs over the next ten years. This plan would require increased (additional) levy contributions of approximately 3.34% PER YEAR (compounded) for the next 10 years.

Recognizing that this represents a significant fiscal challenge, staff have proposed to include increased asset management (infrastructure levy) of 2% (or \$214,275) in the 2025 budget and it is recommended that a 2% increase be added each and every year for infrastructure purposes (compounded) for the next 10 years.

While the plan requires increases of approximately 3.34%, it is hoped that funding from other levels of government will assist in reducing the funding required, therefore, staff have proposed starting at a 2% infrastructure increase and re-evaluating funding levels on an annual basis.

# Salaries and Benefits

Salaries & Benefits represents the Township's single largest operating expense category at approximately 50% of total expenses.

The change from 2024 represents an increase of approximately \$463,286 with main impacts being:

- Labour Settlement and Step Increases
- Salary Continuance
- Pay Equity
- Staff Promotions or Step Grid Increases

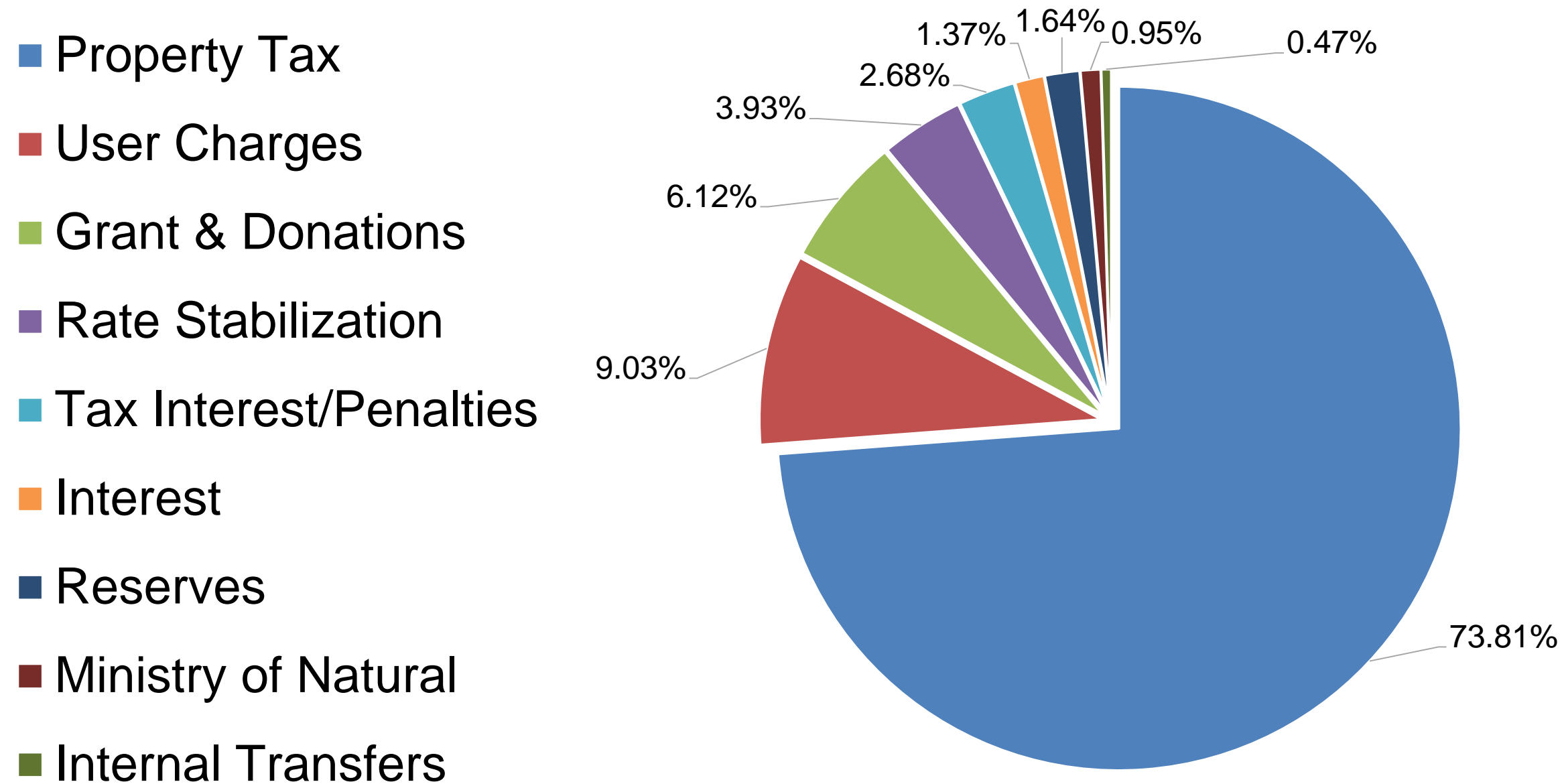
# Operating Materials, Supplies & Expenses

The second largest expense for the Township is purchases for materials and supplies. The increase for 2025 is approximately \$98,005 and the main cost drivers are as follows:

- \$131,568 increase for Parking Lot Snow Removal
  - \$45,000 Increase in Dust Layer Materials
  - \$15,000 Increase in Patching Materials
  - \$10,000 Increase in Snowing Plowing/Sanding Materials
  - (\$39,000) Reduction in Fire Protective Clothing (big purchase made in 2024)
- Included in the 2025 budget is the removal of revenue and expenses related to the closure of one of the Township's Halls. Expenses of approximately \$18,400 have been removed from the budget, along with revenue of approximately \$2,500 (net levy reduction of \$15,900). If a decision is made to keep the hall open, these will needed to be added back into the budget.

# Operating Revenue

Total Operating Expenses of \$16,026,263 are reduced by operating revenues of approximately \$4,578,778 (an increase of \$164,153 from 2024) as follows:





# Revenue

Behind property taxes, as a source of revenue, are user fees.

User fees approximate \$1,447,144 for 2024 and represents an increase of \$98,979 over 2024, primarily from Increased Rental Revenue at our facilities and lease revenue at the Beaverton-Thorah Health Centre, as well as Recreation and Leisure Programming and Small Craft Harbour Revenue

Other significant revenue items included in the 2025 budget is increased revenue in areas such as Tax Interest/Penalties (\$60,000), Bank and Investment Interest (\$47,000) and Grant Revenue (\$42,600)

# Reserves

|                                      |              |
|--------------------------------------|--------------|
| Estimated Reserves January 1, 2025   | \$19,375,516 |
| Estimated Reserves December 31, 2025 | \$17,876,295 |
| Decrease in Reserves                 | \$1,499,221  |

# Public Works Internal Transfers

The 2024 budget included internal rent expense in various departments for use of public works equipment totalling \$902,879.

While this practice does assist in recognizing the estimated cost of using Public Works Equipment, it did create a challenge for staff to determine what was being spent on things such as gasoline, maintenance and repairs, licencing and what would be available at year-end for reserve transfer. In addition, this practice is very time intensive for staff to keep track of equipment usage and perform journal entry transfers.

For the 2025 budget, all internal rent by other departments have been removed and the costs of gasoline, maintenance and repairs, licensing and time spent by staff on equipment repairs have been included in the budget, along with clearly identifying what is anticipated to be transferred to the long-term equipment replacement reserve. This change will reduce staff administrative time and will make the budget and well as expense and budget monitoring very clear and transparent. Staff will continue to track equipment usage and any labour performed by employees on equipment using our payroll system, therefore, information will still be available when needed.

# Draft Capital Budget 2025



# 2025 Capital Budget

The overall 2025 Capital Budget is estimated to be approximately \$13,559,995 and includes projects within the Parks, Recreation, IT and Public Buildings Department, the Public Works Department and the Fire Department as follows.

- \$2,960,000 for Public Works (including \$555,000 for fleet replacement)
- \$9,808,300 for Parks, IT and Public Buildings (including \$9.2 million for Sunderland Arena)
- \$791,695 for Fire & Emergency Services

The Township of Brock includes transfers to reserves in the operating budget on an annual basis and draws on these reserves for equipment replacement purposes. For planning purposes, the Township has developed capital replacement plans for roads, street and sidewalks, as well as equipment and fleet replacement requirements.