

2024-2026 BUDGET DAY MEMO

To: Mayor and Members of Council

Cc: Corporate Management Team (CMT) and Operational Leadership Team (OLT)

From: Brad Witzel, Director, Financial Planning & Asset Management

RE: 2024-2026 Budget Day (February 12, 2024) Process Overview and Menu Reduction Options for Council Consideration

BACKGROUND:

The 2024-2026 staff tabled operating and capital budgets were released to Council and the public on December 11, 2023. The 2024-2026 staff tabled budget is a three-year budget, and is positioned to implement the priorities of the City's 2023-2026 Strategic Plan. The budget leverages the extensive public engagement undertaken as part of the Strategic Plan creation, which is the key influencer of the staff tabled budget. The budget is based on the theme of **"Strong, Sustainable, Together"**, continuing the progress made with recent budgets focusing on four main goals:

- 1) Service delivery enhancements and additions **as supported by the Strategic Plan**
- 2) Support for existing programs and services
- 3) Operating funding to support new capital assets
- 4) Continued increased investment in infrastructure renewal

The City of Waterloo continues to face challenges related to price escalation as evidenced by the Core Consumer Price Index (CPIX) at 4.28% on a 12-month average (as of September 2023 data) and a non-residential construction price index increase of 6.57% (as of the third quarter 2023) which affects many of our capital projects and construction tenders. These inflation rates are at a point in time and are subject to change over the course of the 2024-2026 budget. As discussed during the 2024-2026 Business Plan presentations, staff will continue to monitor these and other inflationary metrics and provide Council updates as part of the annual budget re-confirmation reports.

Multi-year Budget Process

The City of Waterloo is a leader in the multi-year budget process. Since 2008, the City of Waterloo has undertaken a budget process whereby the first year of a Council term is a one-year budget approval, and the subsequent three years of the Council term is a singular three-year budget approval. The Municipal Act allows up to five years be approved with a singular approval by Council. The legislation requires that if a municipality approves a multi-year budget, Council must review and re-affirm or amend the budget for every second or subsequent year either in the year that the budget applies or in the preceding year. This budget will be a multi-year budget covering the period of 2024-2026.

BUDGET 2024-2026



- December 11, 2023 – 2024-2026 staff tabled budget released
- February 12, 2024 – 2024-2026 budget adoption
 - **with Menu Reduction Options for Council Consideration as directed by Council**
- December 2024 – 2025 budget reviewed, re-affirmed or amended by Council
 - *will include update on inflation trends*
- December 2025 – 2026 budget reviewed, re-affirmed or amended by Council
 - *will include update on inflation trends*

Property Tax Increase and Average Household Impact

The staff tabled budget is summarized in Table I below and broken down as follows:

- 3.55% - 3.86% - In/and around inflation to support existing base programs and services and operating impacts of capital
 - This includes efficiencies/improvements of (\$1.6M or 1.75% property tax savings), and funding from Assessment Growth
 - This is in accordance with policy FC-019 Core Consumer Price Index (CPIX)
- 1.0% - Annually above inflation to increase investment in infrastructure renewal including increased preventative maintenance and associated employees (FTEs)
- 1.89% – 2.64% - Above inflation to deliver new service/service delivery enhancements including Fire Expansion and Enhanced Sidewalk Winter Control

The annual property tax impact of the 6.44% - 7.46% staff tabled budget to the average household is \$110 (2024), \$116 (2025) and \$110 (2026). Table I breaks down this increase into the budget categories.

Table I - 2024-2026 Staff Tabled Budget by Category:

2024-2026 Budget by Category	2024	2024	2025	2025	2026	2026
Budget Category	% change	\$ change	% change	\$ change	% change	\$ change
Base Budget (Includes Efficiencies / Improvements)	2.97%	\$44	3.07%	\$49	2.92%	\$50
Operating Impacts of Capital and Growth	0.85%	\$12	0.79%	\$12	0.63%	\$11
Subtotal	3.82%	\$56	3.86%	\$61	3.55%	\$61
Infrastructure Investment	1.00%	\$15	1.00%	\$16	1.00%	\$17
Service Level Changes	2.64%	\$39	2.44%	\$39	1.89%	\$32
Total	7.46%	\$110	7.30%	\$116	6.44%	\$110

Budget Day Process

The budget day approval process will closely follow the process from 2023. After opening remarks from Mayor McCabe and Councillor Diane Freeman (Finance Liaison) a brief presentation will be provided by staff introducing the **Menu Reduction Options for Council Consideration that if approved by Council** would reduce the overall tax rate impact of the three-year budget.

The budget day agenda includes individual recommendations for each budget request included in the 2024-2026 staff tabled budget:

- 2024-2026 Operating Budget Requests - Base (B1-B53)
- 2024-2026 Operating Budget Requests - Operating Impacts of Capital and Growth (G1-G15)
- 2024-2026 Operating Budget Requests - Service Level Change (S1-S19)
- 2024-2026 Operating Budget Requests - Infrastructure Investment (I1-I7)

To assist in an efficient approval process, these budget requests are once again grouped by sub-category. For example under section 10 Operating Budget, c) Base Budget Requests – Efficiency items 1) through 3) are grouped and can be voted on together. Chair Freeman would ask Council if anyone wishes to consider any of these items separately. If not, they will be moved and voted on as a “block” of items.

c) Base Budget Requests – EFFICIENCY

Savings incorporated into the operating budget that are the results of new processes, sustainable adjustment opportunities and or procedures and projects that facilitate operational savings.

1) ITEM B8 - Discretionary Operating Accounts - Permanent Reductions

That Council approves a \$50,000 decrease of ongoing funding in 2024 for discretionary operating accounts, allocated as total reductions of: \$3,000 in the CAO Department, \$16,500 in the Community Services Department, \$16,500 in the Corporate Services Department and \$14,000 in the IPPW Department.

2) ITEM B9 - Increased Capital Overhead Recovery Revenue

That Council approves a \$150,000 increase of ongoing revenue in 2024, a \$150,000 increase of ongoing revenue in 2025, and a \$150,000 increase of ongoing revenue in 2026 for Capital Overhead Recovery Revenue within the Corporate Transactions department.

BUDGET 2024-2026



3) ITEM B10 - Increased Enterprise Overhead Contribution

That Council approves a \$83,930 increase of ongoing revenue in 2024 for enterprise overhead model updates within the Corporate Transactions department; a \$110,147 reduction of ongoing funding in 2024 for Building Standards overhead model updates; a \$247,463 increase of ongoing funding in 2024 for City Utilities overhead model updates; and a \$53,386 reduction of ongoing funding in 2024 for Parking overhead model updates.

Following these decisions by Council, staff will either **Approve** those items on the City of Waterloo 2024-2026 Operating Budget Day Approval File, (as shown below in table 2),

Table 2 - 2024-2026 Operating Budget Day Approval File – 10 c) 1-3 Example:

CITY OF WATERLOO - 2024-2026 OPERATING BUDGET DAY APPROVAL FILE													
		2024		2025		2026							
		92,656,663		94,287,068		96,610,681							
		564,405		1,223,613		1,027,945							
		(34,000)		0		0							
		1,100,000		1,100,000		1,100,000							
		1,630,405		2,323,613		2,127,945							
2024-2026 Staff Tabled Budget (Levy)		100,672,666	7.46%	109,122,307	7.30%	117,246,311	6.44%						
Current Year Levy		94,287,068	0.57%	96,610,681	1.30%	98,738,626	1.06%						
		100,672,666		109,122,307		117,246,311							
		check = 0		6,385,598		12,511,626		18,507,685					
BR #	Categories	Budget Request Description	2024	2024 % Tax Impact	2025	2025 % Tax Impact	2026	2026 % Tax Impact	Total Net Impact	Approval Status	Agenda	MENU	Enterprise Contribution
B15	Base	In Camera	2,742,304	3.0%	2,698,696	2.9%	2,655,930	2.7%	8,096,930	Approved	10. a) 1		Enterprise Contribution
B1	Base	Community Services 2024-2026 Fees and Charges (COM2023-019)	(96,969)	-0.1%	(100,543)	-0.1%	(104,272)	-0.1%	(301,784)	Approved	10. b) 1		
B2	Base	Corporate Services 2024-2026 Fees and Charges (CORP2023-036)	(57,000)	-0.1%	(7,000)	0.0%	(7,000)	0.0%	(71,000)	Approved	10. b) 2		
B3	Base	Assessment Growth - 2024-2026 Projection	(1,100,000)	-1.2%	(1,100,000)	-1.2%	(1,100,000)	-1.1%	(3,300,000)	Approved	10. b) 3		
B4	Base	Enova Power - Increased Dividends	0	0.0%	0	0.0%	(150,000)	-0.2%	(150,000)	Approved	10. b) 4		
B5	Base	In-House City Utilities Billing Increase	0	0.0%	(17,540)	0.0%	(16,713)	0.0%	(34,253)	Approved	10. b) 5		
B6	Base	Investment Income	(250,000)	-0.3%	(100,000)	-0.1%	(100,000)	-0.1%	(450,000)	Approved	10. b) 6		
B7	Base	Payment in Lieu Revenue (GRT Northfield Site)	(390,000)	-0.4%	0	0.0%	0	0.0%	(390,000)	Approved	10. b) 7		
B8	Base	Discretionary Operating Accounts - Permanent Reductions	(50,000)	-0.1%	0	0.0%	0	0.0%	(50,000)	Approved	10. c) 1		
B9	Base	Increased Capital Overhead Recovery Revenue	(150,000)	-0.2%	(150,000)	-0.2%	(150,000)	-0.2%	(450,000)	Approved	10. c) 2		
B10	Base	Increased Enterprise Overhead Contribution	(83,930)	-0.1%	0	0.0%	0	0.0%	(83,930)	Approved	10. c) 3		Enterprise Contribution

or, if during the budget approval process, Council decides to not approve any items included in the staff tabled budget, that item will be noted on the file by staff as **Not Approved** and the Current Year Levy amount (\$ and %) is automatically updated.

After working through the various agenda items 10. a) I (In Camera) all the way through to 10. k) 6 (Reserve Funded Requests) we will have reached the end of the 2024-2026 Tax Base staff tabled items. If Council approves all the staff tabled items, the City of Waterloo 2024-2026 Operating Budget Day Approval File will show that the Current Year Levy matches the 2024-2026 Staff Tabled Budget (Levy), as shown below in table 3.

Table 3 - 2024-2026 Operating Budget Day Approval File view with All Staff Tabled Items Approved:

CITY OF WATERLOO - 2024-2026 OPERATING BUDGET DAY APPROVAL FILE												
			2024	2025	2026							
Prior Year Levy			92,656,663	100,672,666	109,122,307							
Approved Budget Requests			6,950,003	7,366,141	7,051,504							
One Time Reversal from Previous Year			(34,000)	(16,500)	(27,500)							
Assessment Growth			1,100,000	1,100,000	1,100,000							
Levy Change			8,016,003	8,449,641	8,124,004							
2024-2026 Staff Tabled Budget (Levy)			100,672,666	109,122,307	117,246,311	7.46%	7.30%	6.44%				
Current Year Levy			100,672,666	109,122,307	117,246,311	7.46%	7.30%	6.44%				

MENU REDUCTION OPTIONS FOR COUNCIL CONSIDERATION:

The staff tabled budget included a menu list with \$2.4M in reduction opportunities equal to a 2.5% property tax reduction for Council consideration as part of final budget decision-making.

On January 29, 2024 staff provided an update on community engagement for the 2024-2026 budget with a report summarizing the results of the January 9, 2024 budget information session and the Engage Waterloo budget survey. The opportunity for staff to engage with residents to share information and get feedback is a valuable part of the budget process and provides an indication of public opinion for Council's awareness and consideration.

The dominant theme of the feedback provided from both the budget information session and the survey was concern with the affordability of the level of the staff tabled tax increase, and the potential impacts on the community. In consideration of this feedback from residents, received by staff and directly by Council, **Council directed staff to present additional options at the start of the February 12, 2024 budget day meeting that could, if approved, reduce the overall tax rate impact of the three-year budget.**

Motion: moved by Councillor Freeman, Seconded by Councillor Hanmer (Carried Unanimously)

1) That Council receive CORP2024-005 as information.

2) That Council direct staff to present recommended options at the start of the February 12th, meeting of Council that could if approved reduce the overall tax rate impact of the budget.

In response to this direction, senior staff have developed some additional menu reduction opportunities for Council consideration on budget day. Staff will provide an overview of these items at the start of the meeting. The menu reduction options for Council consideration are outlined below as items #1 - #12 and summarized in table 4 below.

Table 4 - 2024-2026 Menu Reduction Options for Council Consideration:

Categories	Budget Request Description	2024	2024 % Tax Impact	2025	2025 % Tax Impact	2026	2026 % Tax Impact	Total Net Impact	Approval Status	Agenda	MENU
Base	(Menu) Additional Assessment Growth (2023)	(162,875)	-0.2%	0	0.0%	0	0.0%	(162,875)	Approved	10. I) 1	Option #1
Service Level	(Menu) Fire In Camera Revised	(428,000)	-0.5%	(488,000)	-0.5%	(80,000)	-0.1%	(996,000)	Approved	10. I) 2	Option #2
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2024)	(220,000)	-0.2%	0	0.0%	0	0.0%	(220,000)	Approved	10. I) 3	Option #3
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2025)	0	0.0%	(270,000)	-0.3%	0	0.0%	(270,000)	Approved	10. I) 3	Option #4
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2026)	0	0.0%	0	0.0%	(310,000)	-0.3%	(310,000)	Approved	10. I) 3	Option #5
Base	(Menu) Staffing Additions Deferred Start Date (June 1st 2024 and June 1st 2025)	(203,000)	-0.2%	11,000	0.0%	192,000	0.2%	0	Approved	10. I) 4	Option #6
Base	(Menu) B6 Investment Income - Additional Increase	(50,000)	-0.1%	(50,000)	-0.1%	(50,000)	0.0%	(150,000)	Approved	10. I) 5	Option #7
Base	(Menu) B11 Climate Change/Sustainability Contributions - Phasing	(30,000)	0.0%	30,000	0.0%	0	0.0%	0	Approved	10. I) 6	Option #8
Growth	(Menu) G2 Waterloo Public Library Funding Agreement - Phasing	(150,000)	-0.2%	150,000	0.2%	0	0.0%	0	Approved	10. I) 7	Option #9
Service Level	(Menu) S3, S4, S5 Winter Sidewalk Maintenance Service Enhancement - Phasing of Budget Increase with Winter Control Reserve funding	(93,000)	-0.1%	(214,000)	-0.2%	157,000	0.1%	(150,000)	Approved	10. I) 8	Option #10
Service Level	(Menu) S11 Community Inclusion Initiative - Phasing of Budget Increase with Temporary Tax Rate Stabilization Reserve funding	(61,000)	-0.1%	0	0.0%	61,000	0.1%	0	Approved	10. I) 9	Option #11
Infrastructure	(Menu) I1 Preventative Building Maintenance Funding - Reduction	0	0.0%	0	0.0%	(100,000)	-0.1%	(100,000)	Approved	10. I) 10	Option #12

1) M15 - (Menu) Additional Assessment Growth (2023)

- This menu request is for additional revenue of \$(162,875) for assessment growth from 2023 to be included in the 2024 budget
- The staff tabled 2024-2026 budget includes an assessment growth estimate of \$1,100,000 in 2024 (see B3 or TRAN.2024.001)

- The City's final assessment growth in 2023 as provided by MPAC (after the staff tabled budget was developed by the Budget Committee) is \$1,262,875 or 1.36%
- This additional assessment growth revenue could be approved by Council lowering the 2024 property tax increase
- *Note – staff would also support Council exempting the above from policy FC-013 on a one-time basis to provide maximum support in reducing the property tax amount
- As per policy FC-013 Use of Budgeted Assessment Growth Revenue, 10% of the above would go to CRF with 30% going to CIRRF (M15a)

2) M16a (new) - (Menu) Fire Revised

- This menu request is a funding reduction of \$(428,000) in 2024, \$(488,000) in 2025 and \$(80,000) in 2026
- M16a is a reduction opportunity reducing S2 Fire Expansions budget adjusting to a Sept 1st hire date annually for 2024-2026
- Reductions/Savings are temporary and will need to be added back as part of the 2027 and 2028-2030 budgets

3) M23 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2024)

4) M24 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2025)

5) M25 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2026)

- M23-M25 is a strategic reduction to the Increased Infrastructure Funding recommended as part of budget request I7 for Council consideration
- This menu item is a funding reduction of \$(220,000) in 2024, \$(270,000) in 2025 and \$(310,000) in 2026
- The I7 funding in the staff tabled capital budget is recommended to be allocated to capital projects as follows:
 - Capital Reference 225 - Facility Transformational Projects (Non Routine)
 - \$10M CIRRF Debenture project supporting GHG reduction and climate action
 - **Capital Reference 225 would NOT be impacted by M23-M25**
 - Capital Reference 440 - Corporate Services Infrastructure Replacement and Rehabilitation Needs (Routine)
 - 2024-2026 CIRRF Amount \$86,000
 - 2027-2033 CIRRF Amounts \$350,000
 - **If M23-M25 were approved by Council, this would be reduced to \$0 over 2024-2033**
 - Capital Reference 674 - Integrated Planning & Public Works Infrastructure Replacement and Rehabilitation Needs (Non Routine)
 - 2024-2026 CIRRF Amount \$1,284,000
 - 2027-2033 CIRRF Amounts \$5,215,000

- Project also includes \$7,640,000 in WATCAP, SEWCAP and SWM funding
- If M23-M25 were approved by Council, this would be reduced to \$355,000 in CIRRF funding in 2024 and \$0 over 2025-2033
- The WATCAP, SEWCAP and SWM funding could remain for now, in support of other funding that may arise
- Staff acknowledge that implementing this menu reduction would slow our progress in regards to addressing the infrastructure funding shortfall
- However, significant progress would still be made via the 2024-2026 budget with the staff additions supporting infrastructure being added via I2, I3, I4, I5 and I6 along with increase preventative maintenance I1 (see M32 (new))
- Also M23-M25 doesn't impact the City's ability to advance capital reference 225 in support of the City's contribution to the Green and Inclusive Community Buildings Phase II grant
- While M23-M25 is being provided as a reduction option for Council consideration, various projects had been identified by the Engineering Services, Active Transportation and Asset Management to be advanced using these funds
- If M23-M25 were approved by Council, staff will look for alternative funding sources over the course of 2024-2026 to potentially still advance some of these identified priorities

6) M26 (new) - (Menu) Staffing Additions Deferred Start Date (June 1st 2024 and June 1st 2025)

- This menu item would result in savings of \$(203,000) in 2024, with a \$11,000 increase of funding in 2025 and a \$192,000 increase of funding in 2026 resulting in the full cost of all recommended employee (FTE) related budget requests being budgeted by 2026, so no budget pressure is deferred to 2027
- This menu item would shift the start date of 6 FTEs recommended for approval in 2024 to June 1st, 2024
- These positions are:
 - B29 - Privacy Analyst
 - S11 - Community Inclusion Initiatives
 - S14 - Development Planner
 - I3 - Outdoor Water Technician and Preventative Mechanical Maintenance of Splash Pads
 - I5 - Contracts Manager
 - I6 - Transportation Services Lead Hand
- This menu item would shift the start date of 4 FTEs recommended for approval in 2025 to June 1st, 2025
- These positions are:
 - S13 - Paralegal
 - S15 - Development Planner
 - S16 - Development Planner

- I2 - Senior Project Engineer (Mechanical)
- To avoid having any employee (FTE) related budget impacts being deferred to 2027, the 4 FTEs recommended for approval in 2026 would have their start dates effective January 1st, 2026 from a budget perspective
- Any savings from a delayed hire date in 2026 would be allocated to the Employee Development and Capacity Building Reserve (EMPDV) as per policy FC-006
- This delayed hire date strategy has not been applied to the employee (FTE) related budget requests where the position already has a contract incumbent or where the staff has already been hired permanently based on advance Council authorization
- Employee (FTE) Budget Requests with a Contract Incumbent Employee
 - B26 - Audio Visual Technician
 - B27 - Manager Parks Operations
 - B30 - Government Relations Assistant
 - I4 - GIS Specialist/Analyst
 - S6 - Digital Services Specialist
- Employee (FTE) Budget Requests with a Permanent Employee as per Council authorization
 - S8 - Assistant City Solicitor - Planning and Development
 - S9 - Senior Development Planner
 - S10 - Senior Development Planner

7) M27 (new) - (Menu) B6 Investment/Interest Income - Additional Increase

- This menu request is for additional revenue of \$(50,000) in 2024, \$(50,000) in 2025 and \$(50,000) in 2026
- Budget request B6 is increasing the budget for investment income and bank interest by \$450,000 over 2024-2026
- The 2023 investment/interest income budget was \$1.8 million
- The City has been generating an investment/interest income surplus that based on further staff analysis is sustainable to support this additional increase
- In support of seeking ways to help reduce the property tax impact, including efficiencies as directed by Council, staff are providing a more aggressive investment/interest income increase option for Council consideration
- For context, this will increase the investment/interest income budget from \$2.25M to \$2.4M by 2026
- In order to generate an additional \$150,000 in investment/interest income annually, staff would need to invest an extra approx. \$5M and achieve an average rate of return of 3%
- Our 2022 average rate of return was 2.49%, and our 2023 average rate of return will be presented to Council in June of 2024

- This opportunity is supported by the City having additional cash to invest in the coming years as a result of items such as large grants received (with the funds being leveraged into short-term investments until fully required for the intended grant project purposes) and from future land sale proceeds resulting in additional cash for the City to invest

8) M28 (new) - (Menu) B I I Climate Change/Sustainability Contributions – Phasing

- This menu item would see savings of \$(30,000) in 2024, with an equal increase of \$30,000 in 2025
- B I I Climate Change/Sustainability Contributions includes funding for various memberships and collaborative contributions committed to by the City, including ClimateActionWR (\$65,000), Waterloo Region Community Energy (WRCE) (\$16,000), SustainableWR (\$7,000) and REEP (\$40,000)
- Another organization has committed to providing \$30,000 to REEP on behalf of the City for 2024 providing for this budget deferral option
- As such, this will enable Council to defer \$30,000 from 2024 to 2025

9) M29 (new) - (Menu) G2 Waterloo Public Library Funding Agreement – Phasing

- This menu item would generate one-time savings of \$(150,000) in 2024, with an equal increase of \$150,000 in 2025
- G2 Waterloo Public Library Funding Agreement provides increased funding to the Waterloo Public Library in accordance with the parameters of the agreement between the City and Waterloo Public Library
- In support of the budget reduction process, the Waterloo Public Library has offered to defer a portion of their increase from 2024 to 2025 aligning with other City reduction and phasing solutions for Council consideration

10) M30 (new) - (Menu) S3, S4, S5 Winter Sidewalk Maintenance Service Enhancement - Phasing of Budget Increase with Winter Control Reserve funding

- This menu item would see savings of \$(93,000) in 2024 and savings of \$(214,000) in 2025, with an increase of \$157,000 in 2026
- M30 (new) would still see the Winter Sidewalk Maintenance Service Enhancements implemented as approved by Council report IPPW2023-040
- However, to help smooth out the budget increases (which are front-ended in 2024 and 2025) Council is being provided the option of temporarily using the Winter Control Reserve
- This menu item nets to a reduction of \$(150,000) over 2024-2026
- In order to avoid deferring a portion of this service level budget increase to the 2027 budget, this \$150,000 would be offset by the annual budgeted contribution to the Winter Control Reserve

- This reserve currently receives an annual increase of \$150,000
- Council could eliminate this annual reserve contribution in order to help offset the cost of the Winter Sidewalk Maintenance Service Enhancements
- This will require staff to monitor the ongoing balance in the Winter Control Reserve
- With G1 Winter Control 5-year Average Budget Adjustment along with the increased budget from S3, S4, S5 staff are anticipating that the recent Winter Control deficits may be less frequent

I1) M31 (new) - (Menu) S11 Community Inclusion Initiative - Phasing of Budget Increase with Temporary Tax Rate Stabilization Reserve funding

- This menu item would see savings of \$(61,000) in 2024 with an equal increase of \$61,000 in 2026
- S11 includes funding for three initiatives to develop and enhance inclusive programming city-wide
- This menu item would maintain the service increases recommended through S11, but through temporary Tax Rate Stabilization Reserve (TRS) funding could smooth the increase to approx. \$100,000 annually
- Total TRS contribution would be approx. \$120,000 over 2024 and 2025

I2) M32 (new) - (Menu) I1 Preventative Building Maintenance Funding – Reduction

- This menu item would see savings of \$(100,000) in 2026
- I1 was seeking increased preventative building maintenance funding in the amount of \$100,000 in 2025 and \$300,000 in 2026
- This menu item for Council consideration would reduce the amount in 2026 by \$100,000, but still provides a preventative building maintenance funding increase of \$300,000 over 2025-2026

BUDGET 2024-2026



For illustrative purposes only, If Council approves all the staff tabled property tax budget requests **AND** approves the 12 menu reduction options for Council consideration, the final 2024-2026 budget would be as follows.

Table 5 - 2024-2026 Budget with 12 Menu Reduction Options for Council Consideration
Approved by Category:

2024-2026 Budget by Category	2024	2024	2025	2025	2026	2026
Budget Category	% change	\$ change	% change	\$ change	% change	\$ change
Base Budget (Includes Efficiencies / Improvements)	2.48%	\$37	3.10%	\$48	3.11%	\$51
Operating Impacts of Capital and Growth	0.70%	\$10	0.95%	\$15	0.64%	\$11
Subtotal	3.18%	\$47	4.05%	\$63	3.75%	\$62
Infrastructure Investment	0.76%	\$11	0.74%	\$12	0.64%	\$11
Service Level Changes	2.02%	\$30	1.77%	\$28	2.05%	\$34
Total	5.96%	\$88	6.56%	\$103	6.44%	\$107

The annual property tax impact (with the 12 menu reduction options activated by Council) of the 5.96% - 6.44% budget to the average household would be \$88 (2024), \$103 (2025) and \$107 (2026) for a 2024-2026 total of \$298 compared to the staff tabled budget total of \$336 over 2024-2026.

All menu reduction options and any menu additions that Council may wish to bring forward will be considered by Council as part of agenda item 10. I) 2024 - 2026 Budget Menu List / Other Changes. The final 2024-2026 budget will be subject to decisions made by Council on February 12, 2024.