



**GRAND VALLEY**

## **STAFF REPORT**

**To:** Mayor and Members of Council

**From:** Steven Frietas, Director of Finance/Treasurer  
Meghan Townsend, CAO/Clerk, Deputy Treasurer

**Meeting Date:** October 22, 2024

**Report Number:** **2024-082**

**Subject:** Preliminary 2025 Budget Discussion

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### **Recommendation**

**THAT** Council receive Report – Preliminary 2025 Budget Discussion;  
**AND FURTHER THAT** Council directs staff to prepare for the November 27, 2024 Town Hall meeting and include in its agenda the items discussed, and authorizes the expenditures necessary for the Town Hall to be paid from the Council Seminars and Workshops budget.

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### **Executive Summary**

#### **Purpose**

To present a review of 2024 budgeted project progress, to present issues for consideration in the 2025 budget and to plan for the November 27 Town Hall.

#### **Key Findings**

#### **Financial Implications**

None

## **Report**

### **Background**

The annual Budget is one of the main functions of a municipal Council. As Grand Valley grows, and as infrastructure ages and requirements placed on the Town become more stringent, pressure to manage costs against the community's financial position becomes increasingly difficult to navigate.

In this report, Council will be presented with an update on the 2024 budget, factors influencing the 2025 budget, and options for inclusion in the November 27 Town Hall meeting with the public.

### **Discussion**

Considerations for 2025 Budget Process:

Many factors must be considered in creating a municipal budget. Factors include inflation, known costs from external sources, insurance and risk management impacts, and the wishes of the community.

Inflation Rates are dropping from previous years, averaging around 2% versus previous years' 4-7%; however, while price increases have slowed, goods and services remain much higher than what we would have expected without the unexpected pandemic and supply chain impacts seen in the last 4 years.

Insurance rates are increasing, but at a decreasing rate from previous years. Staff have started the application process for our municipal insurance program for 2025. Given improvements in staff levels, infrastructure repairs, and other efforts taken to decrease our risk exposure, we are optimistic that the insurance rates will not increase more than what would otherwise be anticipated for a municipality of our size and complexity.

Council will be provided with details on the 2025 insurance program at a future meeting. In the 2024 budget, Council included transfers from reserves in order to "smooth out" impacts to the budget year-over-year. These reserves will need to be paid back in the 2025 levy, or Council will need to decide how those reserves will otherwise be managed.

Known Property Tax Levy impacts for 2025:

The 2024 property tax levy was \$4,826,928, which supported a total 2024 budget of \$17,240,582. The following items are already known costs that the Town will need to include in the 2025 Budget to be paid for by property taxes:

- OPP contract costs
  - o The 2025 policing contract costs for the OPP will be increasing from \$524,676 to \$642,598, due to a small increase in the number of properties in Grand Valley and increases to the cost per household that the OPP charges
  - o The 2024 and 2025 annual billing statements are attached as Attachment 1 to this report.
- Fire Department
  - o Given the increasing requirements placed on Fire Departments in Ontario, it is unlikely that the Fire Department levy will decrease from the 2024 amount of \$1,056,162 in 2025.
- GRCA Levy
  - o With assessment growth in the Town and the impacts of inflation, we estimate that the levy for the GRCA will increase from \$39,251 for 2024 to approximately \$43,000 for 2025.
- Upper Grand Trailway
  - o Town is now fully responsible for the care and maintenance of the trailway. Maintenance is required to ensure the safety of trail users, which will require staff time and equipment not included in the 2024 budget, as the Town began looking after the trail mid-2024.
- Bridges
  - o The Town is required to complete the mandatory biannual Ministry of Transportation – Ontario Structure Inspection Manual (OSIM) bridge inspection, report and strategy under the direction of a Professional Engineer. This inspection cost \$7,500
- Landfill Monitoring
  - o The Town is required to conduct monitoring of the closed landfill site on Sideroad 21-22. Unless changes are made to our inspection requirements, this program will cost around \$25,000 in 2025.
- Library
  - o The 2024 levy for the Library was \$268,750. With the growth in the Town, and other budget impacts, this is likely to increase to over \$280,000 for 2025.

Also to be included in the 2025 draft budget will be several capital projects that will be funded from reserves, development charges, borrowing and sources other than property taxes. Projects will include the Community Centre Expansion project, the Luther Road Wastewater Infiltration (I&I) project, bridge rehabilitation projects, and development related preliminary investigations for wastewater and drinking water projects.

The Town has been advised that our 2025 Ontario Community Infrastructure Fund (OCIF) allocation will be increased from \$234,528 to \$269,707 to help cover public works capital projects such as bridge rehabilitation. Our Ontario Municipal Partnership Fund (OMPF) and Canada Community Building Fund (CCBF, the gas tax fund) grants has not yet been announced, but we are hopeful that they will not decrease.

A detailed Capital Budget will be presented at the December 10 Special Meeting. The majority of projects included in that budget will be funded by development charges, reserves, user fees or grants; however, some of the projects will have a tax levy impact beyond what these other sources of funding will cover.

#### 2024 Budget Progress:

2024 has been another challenging year for project completion. Large infrastructure projects including the new Southeast Sewage Pumping Station and the rehabilitation of Scott Street have been delayed again. The fire truck that was expected in 2024 will not arrive until 2025.

However, several projects have been completed on time and on budget. Significant investments in our gravel roads have been completed. The water tower rehabilitation project is on time and on budget. Our new bridge on Sideroad 27-28 is progressing well. The new ball diamonds will be lit this fall and ready for play in spring 2025. Well 5 is complete and operational. Many rural roads received microsurfacing treatments to extend their useful life and decrease maintenance costs. Traffic safety projects have taken place, including new line painting techniques and a speed hump and bollard pilot project on Leeson Street. The Town's Official Plan update project is proceeding and will be completed in 2025 as projected. A new plow truck is coming to enhance the operations of the Public Works department. A multipurpose outdoor court was constructed beside the community centre, using funding from an Ontario Trillium

Foundation grant. The Town's website has been updated and we have the ability to livestream and record Council meetings for the first time.

November 27 Town Hall:

While 2024 has been a challenging but overall successful year for the Town, 2025 will bring its own challenges and opportunities. In the 2024 meeting calendar, Council committed to holding a public meeting on November 27 to hear from residents. The format for this meeting has yet to be determined.

If Council wishes, staff could arrange for various displays to be set up around the room for the public to learn about the various services and projects that the Town manages.

Invited guests could include:

- Ontario Clean Water Agency – display on the Town's sewage treatment program
- Grand River Conservation Authority – display on the purpose of municipal levies and other services of the GRCA
- Grand Valley and District Fire Department - display on the role the department plays in the Town
- Town Communications – information on how residents can interact with the Town
- Town Official Plan Project – building on the October 29 Public Open House, materials from that event could be put on display for public information
- Recreation Programs – a display about the arena, campground, recreation facilities
- Source Water Protection – the Town is obligated to provide public information on protecting our drinking water. A display on this subject would help us comply with this obligation
- Property Taxes and Assessment – information on what property taxes are used for and how a tax bill is determined

Some of these displays will require a small cost to produce display materials (upright displays, take away items). Council has room in its 2024 Seminars and Workshops budget that will not be spent by year end and this event seems to fit the “workshop” category. A budget of \$2000 would allow staff to purchase display materials that could be used and potentially reused at future events.

Council direction on the agenda and overall content of the Town Hall meeting is requested.

2025 Budget Instructions:

Prior to finalizing the 2025 draft capital and operating budget, staff requests Council direction and input on what their vision, goals and priorities are for the coming year. Known issues have been presented, and various capital projects have been discussed or are already in progress. Council's wishes beyond these items are requested.

**Financial Impact**

Funds from the 2024 Council budget for seminars and workshops could be used to cover the costs of materials and supplies for the Town Hall meeting.

**Consultations**

Matt Bos, Director of Public Works

Mark Kluge, Town Planner

RJ Burnside and Associates staff

**Attachments**

Attachment 1 – OPP 2024 and 2025 Annual Billing Statements

**This report was submitted by**

Steven Frietas, Director of Finance/Treasurer

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**This report was approved by**

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