



# SMITHS FALLS

RISE AT THE FALLS

## Report # 2025-013

To: Mayor and Council

From: Paul Dowber, Director Corporate Services/Treasurer

Date: February 6, 2025

Committee of the Whole Date: February 10, 2025

Title: 2025 3<sup>rd</sup> Draft Budget

☒ For Direction

☐ For Information

☐ For Adoption

☒ Attachment – 21 pages

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**Recommendation:** THAT Report 2025-013 be received for information and discussion purposes; AND FURTHER, THAT Council provide direction to staff for the next step in the budget process.

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### Purpose:

To present to Committee of the Whole a third draft of the 2025 Operating and Capital budgets.

### Background:

Staff presented a second draft of the 2025 operating and capital budgets at the January 27, 2025 Committee of the Whole meeting. The second draft represented a residential tax rate increase of 7.0% and water and wastewater increase of 5.5% and 3.5% respectively in projecting revenues. Committee approved the waster and wastewater rates and directed staff to find further savings in the third draft with a target increase of 5%.

### Analysis and Options:

The 2025 third draft includes the following changes from the second draft:

- Decrease of 2.0% from Draft #2
- \$155- annual increase for the average household
- Proposed tax rate of 5.0%

Option #1: Council approves the budget as proposed

- Staff bring first and second reading to next meeting of council February 18, 2025

Option #2: Council does not approve budget as proposed

- Staff bring fourth draft February 24, 2025

### **Budget/Financial Implications:**

Once the 2025 budget is approved, operating and capital plans will move forward within the financial parameters approved by Council.

The current tax (5.0%) and utility rate (5.5% water & 3.5% wastewater) increases proposed will result in an annual increase of approximately \$63- for the average residential utility customer and \$155- for the average residential property.

### **Link to Strategic Plan:**

The budget contains financial resources to advance all six strategic priorities of Council.

### **Existing Policy(s):**

2023 – 2026 Strategic Plan

2016 Long-term Financial Sustainability Plan

2024 Asset Management Plan

2022 Core Asset Update

2020 Long-term Water and Wastewater Financial Plans

### **Consultations:**

Senior management team

**Attachments:** 2025 Budget - Draft #3 presentation dated February 10, 2025

Respectfully Submitted by:

Original Copy Signed

Paul Dowber, CPA, CGA

Director of Corporate Services/Treasurer

Approved for agenda by:

Original Copy Signed

Malcolm Morris, CMO

CAO



# 2025 BUDGET

3<sup>rd</sup> Draft  
February 10, 2025

# Changes From 2<sup>nd</sup> Draft



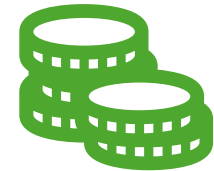
One-time expenses funded  
from Tax Stabilization  
Reserve



Operational Savings



Increased Revenues



Additional Costs

# Changes From 2<sup>nd</sup> Draft

One-time Expenses funded from stabilization reserve		
Compost Site Monitoring & Testing	(25,000)	Consulting Fees
		Legal/Consulting fees Walker Rd, Centre St. and the former
Ec Dev Expenses	(15,000)	Water Treatment Plant
Total	(40,000)	

# Changes From 2<sup>nd</sup> Draft

## Operational Savings

Public Works Staff	(102,000)	Decrease of full cost of new Public Works position
New Hires	(60,000)	Reduction of staffing costs for new hires (Jan-Mar 2025). Anticipated start of April 2025
Cell Phones	(30,000)	Switch to Rogers
Police Over-time	(30,000)	Recalculation of Police salary costs related to overtime
RMEO Contribution	(25,000)	RMEO contribution reduction
Ec Dev Programming	(15,000)	Decrease in BR&E, Investment Attraction and Community Development programing and initiatives.
Updated Library Budget	(8,000)	Decrease in Library final budget
Total	(270,000)	

# Changes From 2<sup>nd</sup> Draft

Increased Revenues		
Building Department Indirect Costs	(120,000)	Indirect admin charges, as reported annually
Heritage House Grant	(20,000)	New Trillium Grant application related to maintenance activities
Total	(140,000)	

# Changes From 2<sup>nd</sup> Draft

Increased Cost		
Animal Control Contract	50,000	Outsources Animal Control to fulfill service needs



# Changes From 2<sup>nd</sup> Draft

Summary	
Compost Site Monitoring & Testing	(25,000)
Ec Dev Expenses	(15,000)
Cell Phones	(30,000)
New Hires	(60,000)
Updated Library Budget	(8,000)
Police Over-time	(30,000)
Ec Dev Programming	(15,000)
Public Works Staff Request Reduction	(102,000)
Building Department Indirect Costs	(120,000)
Heritage House Grant	(20,000)
RMEO Contribution Reduction	(25,000)
By-Law Animal Control Contract	50,000
<b>Total</b>	<b>(400,000)</b>

# Additional staff

Dept	Additional FTE's
Police	8.00
Roads	1.00
Child Development Centre	1.75
Community Services	1.00
Corporate Services	1.00
Library	0.70
Total	13.45



	2024 Budget	2025 Budget	First round	Variance	2025 \$ Change	2025 % Change
<b>Corporate Revenues</b>						
Property Taxes	(19,326,028)	(20,292,329)	(21,178,503)	886,174	(966,301)	5.00%
Assessment Growth		(1,200,000)	(1,000,000)	(200,000)	(1,200,000)	
Payments in Lieu	(495,079)	(500,267)	(503,065)	2,798	(5,188)	1%
Operating Grants and Provincial Offenses	(3,367,300)	(3,368,290)	(3,368,290)	0	(990)	0%
	(23,188,407)	(25,360,886)	(26,049,858)	688,972	(2,172,480)	9%
<b>Administration, Library and Community Programs</b>						
Mayor and Council	312,140	317,465	315,412	2,053	5,325	2%
Community Programs	433,466	464,845	354,845	110,000	31,379	7%
Shared Services	2,832,995	3,056,179	3,033,688	22,491	223,184	8%
Administration	1,101,721	987,420	1,092,441	(105,021)	(114,301)	-10%
IT Services	390,388	403,418	403,577	(159)	13,030	3%
Library	484,263	563,658	572,063	(8,405)	79,394	16%
	5,554,973	5,792,984	5,772,026	20,958	238,012	4%
<b>Transfer to Capital from Operations</b>	1,789,053	1,831,632	1,831,632	0	42,579	2%



	2024 Budget	2025 Budget	First round	Variance	2025 \$ Change	2025 % Change
<b>Protection Services</b>						
Police Services	5,494,442	6,558,866	6,671,943	(113,077)	1,064,424	19%
Fire Services	1,264,915	1,407,704	1,388,584	19,120	142,789	11%
By-Law	227,099	224,751	298,595	(73,844)	(2,348)	-1%
	6,986,456	8,191,321	8,359,122	(167,801)	1,204,865	17%
<b>Community Services</b>						
Community Services Administration	524,826	768,454	839,009	(70,555)	243,628	46%
Parks	381,485	488,027	512,577	(24,550)	106,542	28%
Community Facilities	989,949	834,395	829,113	5,282	(155,553)	-16%
Hillcrest	55,281	39,311	30,339	8,972	(15,971)	-29%
Day Care	188,222	101,596	293,247	(191,651)	(86,626)	-46%
Crossing Guards	35,463	40,117	57,845	(17,728)	4,654	13%
Special Events	0	98,000	98,000	0	98,000	100%
	2,175,225	2,369,899	2,660,130	(290,231)	194,674	9%
<b>Economic Development and Tourism</b>						
Economic Development	548,254	493,546	524,320	(30,774)	(54,708)	-10%
Tourism	148,000	244,873	263,835	(18,962)	96,873	65%
Small Business Advisory Centre	0	0	0	0	0	0%
Heritage House Museum	173,858	249,373	227,540	21,833	75,515	43%
Downtown Business Association	0	(0)	6,948	(6,948)	(0)	0%
	870,112	987,792	1,022,643	(34,851)	117,680	14%



	2024 Budget	2025 Budget	First round	Variance	2025 \$ Change	2025 % Change
<b>Development Services</b>						
Planning	494,717	484,556	486,622	(2,066)	(10,161)	-2%
Conservation Authorities	63,935	68,569	65,342	3,227	4,634	7%
Building and Inspection	0	0	0	0	0	0%
	558,652	553,125	551,964	1,161	(5,527)	-1%
<b>Public Works Services</b>						
Public Works	3,086,393	3,379,346	3,460,212	(80,866)	292,953	9%
Engineering	362,356	304,867	441,879	(137,012)	(57,489)	-16%
Environmental Services	868,025	974,981	935,897	39,084	106,956	12%
Airport	27,603	19,810	28,238	(8,428)	(7,793)	-28%
	4,344,377	4,679,003	4,866,226	(187,223)	334,626	8%
<b>Utilities</b>						
Water Treatment and Distribution	461,576	522,934	417,050	105,884	61,357	13%
Wastewater Treatment	447,981	432,195	569,065	(136,870)	(15,787)	-4%
	909,558	955,128	986,115	(30,987)	45,571	5%
<b>Total Net Budget</b>	(0)	(0)	0	(0)	0	

# 2025 Capital Projects

Budget					Funding						
Totals	Capital Budget	2025 Projects	2026 Projects	2027 Projects	Carry Over Reserve	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
	Fire	335,730	600,000	-	-	(118,000)	(209,500)	-	-	-	(8,230)
	Police	244,500	-	-	-	(244,500)	-	-	-	-	-
	Parks	978,000	463,000	85,000	-	(978,000)	-	-	-	-	-
	Facilities	1,051,500	270,000	217,000	-	(1,051,500)	-	-	-	-	-
	Library	30,000	-	-	-	(30,000)	-	-	-	-	-
	Water	11,363,000	5,825,000	-	-	(1,218,000)	(1,521,750)	-	-	(7,835,500)	(787,750)
	Wastewater	720,000	175,000	-	-	(720,000)	-	-	-	-	-
	Public Works	2,886,000	635,000	-	-	(2,391,000)	-	-	-	-	(495,000)
	Construction	2,949,272	-	-	-	(1,466,662)	-	(517,216)	(965,394)	-	-
	Planning	-	-	-	-	-	-	-	-	-	-
	Economic Development	-	-	-	-	-	-	-	-	-	-
	Corporate Services	175,000	-	-	-	(175,000)	-	-	-	-	-
	Total	20,733,002	7,968,000	302,000	-	(8,392,662)	(1,731,250)	(517,216)	(965,394)	(7,835,500)	(1,290,980)

# 2025 Capital Projects

Budget					Funding					
	Projects	2025	2026	2027	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Fire	CAD Upgrade	60,000			(60,000)					
	Fire Hose and FIT testing machines	8,230								(8,230)
	Tanker Replacement	200,000	600,000			(200,000)				
	Tree saw, vent saw	18,000			(18,000)					
	Drone purchase	9,500				(9,500)				
	Replacement of SCBA Filling Machine	40,000			(40,000)					
	Total	335,730	600,000	0	(118,000)	(209,500)	-	-	-	(8,230)
Police	Annual Vehicle Replacement	70,000			(70,000)					
	Automated License Plate Readers	64,500			(64,500)					
	NG 911 System	25,000			(25,000)					
	Ballistic Helmets	20,000			(20,000)					
	CAD Mapping	65,000			(65,000)					
	Total	244,500	-	-	(244,500)	-	-	-	-	-

# 2025 Capital Projects

Budget					Funding					
	Projects	2025	2026	2027	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Parks	Accessibilty Signage (non-verbal communication assist)	15,000			(15,000)					
	Rockers - Alexander Park	6,000			(6,000)					
	Splash Pad Repair and Upgrades - Lower Reach Park	40,000			(40,000)					
	Aluminum Bleachers - Various Parks and Playgrounds	30,000			(30,000)					
	Sport field Lighting - Sports fields- upgrade to LED		75,000	75,000	-					
	Walkway upgrades - Various Parks and Playgrounds	10,000			(10,000)					
	Park Groomer - All Water-side parks; Hillcrest	12,000			(12,000)					
	Goose Hazing - All Water-side parks	50,000			(50,000)					
	Power upgrades- Boat Mooring - Centennial Park		18,000		-					
	Water infrastructure (tower) Centennial Park - Centennial Park		15,000		-					
	Updated Park and Playground Signage		25,000	10,000	-					
	Rolling Sports fields - Lower Reach; Community Centre complex		15,000		-					
	Bellamy Farms Playground - Bellamy Farms (new)		165,000		-					
	tables x 4) - Abbott and Lombard; Victoria Park; Alexander Park	25,000			(25,000)					
	Urban Forest Expansion	15,000			(15,000)					
	Picnic Shelters x 2 - Alexander Park	15,000			(15,000)					
	New performance stage- Lower Reach - Lower Reach Park	10,000	150,000		(10,000)					
	Lower Reach Parking Lot - Lower Reach Park	750,000			(750,000)					
	Total	978,000	463,000	85,000	(978,000)	-	-	-	-	-



# 2025 Capital Projects

Budget					Funding					
	Projects	2025	2026	2027	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Facilities	Furnaces at HHM (two required) - HHM			25,000	-					
	Furnace at Kinsmen - Kinsmen Building	7,500			(7,500)					
	Ice Resurfacer - MCM/Youth Arena	190,000			(190,000)					
	Tables and chairs - Community Centre Hall/Youth Arena Hall	12,000			(12,000)					
	Town Hall Complex Roof, Returned Eaves and Cupola Replacement	225,000			(225,000)					
	Furnace Replacement - Town Hall Complex Basement	12,000			(12,000)					
	Christmas Light Upgrades - Various facilities			50,000	-					
	Chapel upgrades at Hillcrest - Hillcrest		15,000	10,000	-					
	Visitor Services Upgrades - Victoria Park	20,000	35,000	35,000	(20,000)					
	Water Infrastructure - new well at Cemetery	20,000			(20,000)					
	Chiller - Youth Arena (dependant on Feasibility Study)	150,000			(150,000)					
	Replacement Air Handling Unit - Memorial Community Centre	45,000			(45,000)					
	Cemetery Software	13,000			(13,000)					
	MCM kitchen - Community Centre Hall		25,000	25,000	-					
	Town Hall Breaker Replacement - Town Hall Complex			12,000	-					
	Station Theatre HVAC - Station Theatre			35,000	-					
	Wall Mounted Garage Door Openers (x 2) and 2 Doors - Fire Hall	22,000			(22,000)					
	New Fire Hall Feasibility Study - Study- Fire Hall		20,000		-					
	Building Condition Assessments (all assets) - Assessments for priority facilities	60,000			(60,000)					
	MCM Barrel Roof Repair - Memorial Community Centre Complex	25,000	25,000	25,000	(25,000)					
	HHM Painting- Exterior - HHM	40,000			(40,000)					
	HHM Painting- Interior - HHM	30,000			(30,000)					
	Welcome Centre Accessibility - Town Hall Complex	100,000			(100,000)					
	Town Hall Phase Four Design - Town Hall Complex		100,000		-					
	Thurber Street Accessible washroom		50,000		-					
	Accessible Buttons- Door Upgrades - Thurber Street MCC	50,000			(50,000)					
	Community Centre Doors - Community Centre	30,000			(30,000)					
	Total	1,051,500	270,000	217,000	(1,051,500)	-	-	-	-	-

# 2025 Capital Projects

Budget					Funding						
	Projects	2025	2026	2027	Carry Over Reserve	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Library	Painting	20,000				(20,000)					
	Kitchen Installation	10,000				(10,000)					
		30,000	-	-	-	(30,000)	-	-	-	-	-
Water	Water Tower	5,145,000					(771,750)			(3,585,500)	(787,750)
	Trunk Main for Water Tower - Phase 1	5,000,000	5,000,000				(750,000)			(4,250,000)	
	Water Meter Replacement	825,000	825,000			(825,000)					
	Parks Canada Water Service	60,000				(60,000)					
	Watts Backflow Prevention Test Kit	10,000				(10,000)					
	Water Hydraulic Modelling	50,000				(50,000)					
	Total Chlorine Analyzer	12,000				(12,000)					
	Dissolved Air Flotation (DAF) maintenance	15,000				(15,000)					
	Replacement of last two sections of High Lift piping	70,000				(70,000)					
	High Lift Pump VFD upgrade	40,000				(40,000)					
	New SCBA (x2) (Budget reflective of 2)	36,000				(36,000)					
	Granulated Activated Carbon (GAC) filter top-up	20,000				(20,000)					
	Diesel Fuel System - Flagged Deficiencies	45,000				(45,000)					
	Tree Removal and Perimeter Fencing	20,000				(20,000)					
	Process Control Narrative and Operational Plan	15,000				(15,000)					
	Total	11,363,000	5,825,000	-	-	(1,218,000)	(1,521,750)	-	-	(7,835,500)	(787,750)

# 2025 Capital Projects

Budget					Funding						
	Projects	2025	2026	2027	Carry Over Reserve	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Public Works	Confederation Bridge	1,025,000				(530,000)					(495,000)
	ACMP Program	1,060,000				(1,060,000)					
	RTK Unit (includes hardware and base station)	30,000				(30,000)					
	Traffic Controllers (2) - Cornelia/Elmsley w. radar pre-emption & Old Slys/Queen	100,000				(100,000)					
	PXO on Olds Slys at Curling Club/Lower Reach	25,000				(25,000)					
	PXO on Abbott Street @ Water Treatment Plant	25,000				(25,000)					
	PXO on Queen @ Lorne	25,000				(25,000)					
	Plate Packer	25,000				(25,000)					
	Sidewalk Plow with attachments	260,000				(260,000)					
	Street Sweeper		635,000								
	Backhoe	300,000				(300,000)					
	Air Compressor for PW Garage	11,000				(11,000)					
		Total	2,886,000	635,000	-	-	(2,391,000)	-	-	-	-

# 2025 Capital Projects

Budget					Funding						
	Projects	2025	2026	2027	Carry Over Reserve	2025 Capital Reserve	DCs	FGT	OCIF	Debt	Grant
Construction	Phase #2 George St Water	814,919				(814,919)					
	Phase #2 George St Wastewater	651,743				(651,743)					
	Phase #2 George St. Roads	1,482,609						(517,216)	(965,393)		
	Total	2,949,272	-	-	-	(1,466,662)	-	(517,216)	(965,393)	-	-
Corp	Network Refresh	140,000				(140,000)					
	Maintenance Manager Software (Parks and Rec, Corporate)	35,000				(35,000)					
	Total	175,000	-	-	-	(175,000)	-	-	-	-	-

# Summary of Changes from Draft #2



# What's next?



If approved, first and second reading will come forward to the next meeting of Council – February 18, 2025



Questions?