

2025 Operating Budget

Assumptions

The *Municipal Act, 2001* prohibits operating budget deficits for municipalities in Ontario. To meet this requirement for a balanced budget, the property tax levy and associated tax rate increase are based on the net funding requirements of the City's budget.

The budget is prepared using the cash basis of accounting. The accrual basis of accounting is used for the City's financial statements.

The operating budget incorporates a number of assumptions related to revenue and expenses. These include, for example, assumptions based on trend information about service uptake. Assumptions are updated throughout the budget process as more accurate and up-to-date information becomes available.

Assessment growth, defined on the next page, is estimated at 0.6 per cent for 2025. Final confirmation of this number will not be available until after this document is printed. Following confirmation of the final assessment growth number, adjustments to the net operating municipal property tax levy will be presented to Council for its approval.

Monitoring and Budget Development

Revenue and expenditures are monitored throughout the year. Three times a year, a detailed analysis is prepared comparing the forecasted revenue and expenditures for the year to the approved operating budget. This analysis identifies trends and any expected year-end budget variances.

The information gathered through these reviews forms the basis of the funding requirements for the upcoming year. By combining forecasted performance to date, prior years' trends, estimated rate increases and market indicators, realistic budgets can be developed.

Budget Drivers

The operating budget is presented by four major drivers:

- The cost to maintain current service levels, adjusted for efficiencies, cost savings and assessment growth, is the total cost required to continue normal operations
- The cost to implement proposed new initiatives
- The cost of the Capital Infrastructure & Debt Repayment Levy
- The cost of the Public Safety Fire Program