

2025 Non-Tax Supported Budget Report



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Introduction

The 2025 proposed non-tax supported operating budget represents the Municipality of Brockton's commitment to meeting legislative requirements, maintaining the health and safety of the community, and providing exceptional customer service.

The Municipality's non-tax supported budget is comprised of Water Services and Wastewater Treatment and Collection Services, and the Ontario Building Code (OBC) Administration. Combined, the total proposed 2025 operating budget is \$3,607,119.

Based on approved Water Works Financial Plan (2021-2026), Council approved the following rate increases each year:

Water Financial Plan:

2021 = 2%;
2022 = 3.8%;
2023 = 3.8%;
2024 = 3.8%;
2025 = 3.8%;
2026 = 3.8 %.

And the Wastewater Financial Plan:

2021 = 2%;
2022 = 4.8%;
2023 = 4.8%;
2024 = 4.8%;
2025 = 4.8 %;
2026 = 4.8%

The proposed budget includes:

- \$1,429 million operating budget for Water Services that allows Brockton to continue to deliver a safe and sustainable water supply while renewing its aging infrastructure.
- \$1.765 million operating for Wastewater Collection and Treatment Services to support continued optimization of Brockton's wastewater systems.
- \$411,804 thousand operating for OBC Administration, which includes continued investments to maintain the health and safety of the community and to enhance services for our customers.

The operating costs associated with these service areas are recovered 100 per cent through user fees and other non-tax supported revenues, and therefore do not require a property tax transfer.

Building the Budget

When developing the budget, the Municipality must consider and prioritize projects that are required to meet legislative requirements and community need. To maximize the Municipality's investment, projects that align with Brockton's Sustainable Strategic Plan, Operational/Organizational Review and the Municipality Community Official Plan—to build an exceptional Municipality by providing outstanding municipal service and value, while supporting the environmental, economic, social, and cultural pillars of sustainability—are considered.

Although the budgets are broken down into service areas, the budget is considered and approved as a whole to enhance the Municipality's decision-making process.

The development of the non-tax supported operating budget is based on key elements that align with the Municipality's financial strategy:

- A strong financial foundation that is based on a financial policy framework, which includes debt management, reserve and reserve fund and investment policies. Specifically, water and wastewater have no rate-supported debt.
- Solid financial performance as indicated through third party evaluations by the Municipality's external auditor and credit rating assessments.

Water and Wastewater budget development is centered on the objectives of ensuring regulatory compliance, managing our assets from water sources to the customer, and maintaining affordability for our customers.

Annual operating budget development for water and wastewater is based on net-zero funding principles, as defined by the Municipal Act, 2001, where revenues and expenses, including funding transfers to capital reserve funds, are balanced.

Reserves and Reserve Funds

In the 2025 proposed budget for water and wastewater services, a transfer from the contingency reserve is budgeted to maintain affordability for the ratepayer while ensuring reserves remain adequately funded at the target levels.

Most notably for the Municipality's water and wastewater infrastructure, the transfer to the capital reserves is measured against the municipality's capital need to maintain and replace our current assets. In each of water and wastewater, the operating transfer to fund capital is moving the Municipality closer to achieving sustainable asset investment.

Council receives an annual comprehensive Reserve and Reserve Fund Report that outlines fund balances, funding status compared to targets and significant transactions. Reserve and reserve fund forecasted balances are reflected in the departmental budget documentation.



2025 Operating Budget Water

Water and Wastewater Overview

Financial Planning

As part of the Safe Drinking water Act, 2002, the Province of Ontario requires municipal water service providers to develop or update a long-range financial plan every five years to renew municipal drinking water licenses. In addition to satisfying provincial requirements, the Water and Wastewater Long-range Financial plan (2021-2026) helps the Municipality provide long-term financial stability, system sustainability and community safety as it relates to our water supply. The plan also informs the budgets and rate increases submitted annually for Council approval.

Although not required by the province, the Municipality proactively includes Wastewater Services in long-range financial planning to provide a more complete and accountable picture of the water and wastewater systems and to ensure more accurate forecasting.

Summary of 2025 Proposed Water and Wastewater Rates

The following volumetric rates and basic service charges are proposed for 2025.

Table 4. Rate Change and Forecasted Residential Bill Impact

Charges	2024	2025	Change
Water volume charge \$/cubic metre	\$1.53	\$1.59	\$0.06
Water Annual Flat Rate \$/annual	\$244.73	\$254.03	\$9.30
Wastewater volume charge \$/cubic metre	\$1.64	\$1.72	\$0.08
Wastewater Annual Flat Rate \$/annual	\$277.87	\$290.84	\$12.95

The above-proposed water and wastewater rates reflect an overall expenditure increase of 3.8 and 4.8 per cent respectively to the water and wastewater operating budgets. Internal support costs, realignment of employee compensation, operating increases to utilities and studies required for asset management, and capital reserve transfers represent the largest impacts to the water and wastewater budgets.



2025 Operating Budget Water

Water Services

Water Services ensures a safe, secure and sustainable water supply for our community including water used for residential, business, recreational and firefighting purposes. The delivery of a safe, reliable water supply is a 24-hour/day business.

Council responsibility as owner

“The Safe Drinking Water Act, 2002 includes a statutory standard of care for individuals who have decision-making authority over municipal drinking water systems or who oversee the operating authority of the system.

It is important that members of municipal council and municipal officials with decision making authority over the drinking water system and oversight responsibilities over the accredited operating authority understand that they are personally liable, even if the drinking water system is operated by a corporate entity other than the municipality.”

(Excerpted from: Taking Care of Your Drinking Water: A Guide for Members of Municipal Councils)

There are legal consequences for not acting as required by the standard of care, including possible fines or imprisonment.

Council members and senior staff received training on statutory standard of care, in December 2022 with the current term of Council at the Walkerton Clean Water Center.

Key functions

Water Services is responsible for planning, design, construction, operation, maintenance and overall management of the water infrastructure assets. To meet these needs and to care for its infrastructure, the Water Services operating budget provides funding for the following key functions:

Customer service and conservation

- Customer service and support
- Utility administration and revenue management
- Staff training and development
- Compliance and conformance programs



2025 Operating Budget Summary Water

	2024 Actuals to Date	2024 Approved Budget	2025 Draft Budget	2025 Budget Change (\$)	2025 Budget Change (%)
Revenues					
User Fees	1,281,287	1,361,349	1,413,080	51,731	3.80%
Investments	5,303				
Other Revenue	25,473	20,000	20,000		
Reserve Fund		7,197	(3,422)	(10,619)	(147.55%)
Total Revenues	1,312,063	1,388,546	1,429,658	41,112	(2.96%)
Expenses					
Wages & Benefits	101,588	137,711	162,947	25,236	18.33%
Maintenance	74,521	133,200	133,200		
General Expense	83,437	264,159	267,923	3,764	1.42%
Utilities	95,684	111,000	111,000		
Service Agreement	429,328	488,788	488,788		
Other		3,000	3,000		
Transfers to Reserves	32,686		36,729	36,729	100.00%
Long-term Debt	279,907	250,688	226,071	(24,617)	(9.82%)
Total Expenses	1,097,151	1,388,546	1,429,658	41,112	2.96%
Net Difference	(214,912)				



2025
Operating Budget
Sewage Treatment

Wastewater - Treatment & Collection

Wastewater Services delivers reliable sanitary services, high quality effluent (outflow) that meets or exceeds regulatory requirements and management of the sewer use bylaw. To meet these needs, the wastewater services is a 24/7 business.

Key functions

Wastewater Services is responsible for planning, design, construction, operation, maintenance and overall management of the wastewater infrastructure assets. To meet these needs and care for its infrastructure, the Wastewater Services operating budget provides funding for the following key functions:

Facility operations and maintenance

- Operation, maintenance, optimization, and compliance of the Wastewater Treatment Facility
- Management, planning, and compliance of the biosolids program
- Planning and implementation of new capital projects to upgrade the wastewater treatment and biosolids processes
- Laboratory testing and services
- Adherence to the Saugeen Conservation Authority voluntary final effluent (outflow) limits
- Continual improvement through benchmarking against industry best practice
- Annual flushing program
- Continue the camera program for Asset Management

Sewer use by-law enforcement, wastewater collection system operation and maintenance

- Upholding Brockton's Sewer Use by-law
- Addressing customer sewer blocks and carrying out preventative maintenance as required
- Coordinating with Engineering and Transportation Services to plan infrastructure replacements and expansions



**2025
Operating Budget Summary
Sewage Treatment**

	2024 Actuals to Date	2024 Approved Budget	2025 Draft Budget	2025 Budget Change (\$)	2025 Budget Change (%)
Revenues					
User Fees	1,181,897	1,412,828	1,479,278	66,450	4.70%
Agreements	96,742	11,550	11,550		
Other Revenue	1,500				
Total Revenues	1,280,139	1,424,378	1,490,828	66,450	(4.67%)
Expenses					
Wages & Benefits	91,082	88,251	93,824	5,573	6.31%
Maintenance	97,734	206,000	206,000		
General Expense	74,408	127,598	130,965	3,367	2.64%
Utilities	175,061	245,000	245,000		
Service Agreement	438,923	465,068	481,345	16,277	3.50%
Other		61,081	6,062	(55,019)	(90.08%)
Transfers to Reserves	2,693	175,036	271,468	96,432	55.09%
Long-term Debt	56,164	56,344	56,164	(180)	(0.32%)
Total Expenses	936,065	1,424,378	1,490,828	66,450	4.67%
Net Difference	(344,074)				



2025
Operating Budget
Sewage Collection

Wastewater Collection

Financial Information

This budget represents 22.03 percent increase over 2023.

Table 1. Revenue trend 2023 to 2025 (Wastewater Collection)

Revenue	2023 budget	2024 budget	2025 draft budget	2025 budget change	2025 budget change
Grants and Reserve Funds	(\$142,062)	(\$204,454)	(\$133,690)	(\$70,764)	(34.61%)
User fees and service charge	(\$141,139)	(\$141,139)	(\$141,139)	(\$0)	0.00%
Total Revenue	(\$283,201)	(\$345,593)	(\$274,829)	(\$70,764)	20.48%

Explanation of changes

- \$30,079 decrease in revenue due to decrease reserve fund transfer to fund increased operational costs.



2025
Operating Budget
Sewage Collection

Table 2. Expenditure Trend 2023 to 2025 (Wastewater Collection)

Expenditures	2023 budget	2024 budget	2025 draft budget	2025 budget change	2025 budget change
Wages	\$21,482	\$30,079	\$23,507	(\$6,572)	(22.00%)
Maintenance	\$80,000	\$80,000	\$80,000	\$0	0.00%
General Expenses	\$181,719	\$235,514	\$171,322	\$0	0%
Total Expenditures	\$283,201	\$345,593	\$274,829	(\$70,764)	(20.48%)

Explanation of changes

- Reallocation of wages
- Decrease in Long-term debt repayments
- Decrease in Service Agreements to align with actuals



**2025
Operating Budget Summary
Sewage Collection**

	2024 Actuals to Date	2024 Approved Budget	2025 Draft Budget	2025 Budget Change (\$)	2025 Budget Change (%)
Revenues					
User Fees	161,321	141,139	141,139		
Reserve Fund	4,479	204,454	133,690	(70,764)	(34.61%)
Total Revenues	165,800	345,593	274,829	(70,764)	20.48%
Expenses					
Wages & Benefits	4,298	30,079	23,507	(6,572)	(21.85%)
Maintenance	26,110	80,000	80,000		
General Expense	21,725	35,000	35,000		
Service Agreement	38,657	98,963	40,000	(58,963)	(59.58%)
Long-term Debt	57,677	101,551	96,322	(5,229)	(5.15%)
Total Expenses	148,467	345,593	274,829	(70,764)	(20.48%)
Net Difference	(17,333)				

Appendix A -Budgeted Capital Projects - Utilities

ORGANIZATION

Capital Projects

Project	3135-2500 DURHAM AND MCNABB INTERSECTION WATER MAIN REPLACEMENT		
Department			
Version	1.Department Submission	Year	2025

Description

Project Description

Replacement of aging water main between the Durham Street Bridge and through the McNabb Corner

Justification of Project Need

Bruce County is planning to reconstruct the intersection of Durham and McNabb Street in 2025. The water main in this area was not replaced when the whole of main street was completed approximately 25 years ago. The water main in this location is 18-20 feet deep below the surface and hasn't been maintained in decades. While construction is underway with Bruce County, overall cost savings will be incurred by completing the work jointly. This will also reduce traffic disruptions, given that traffic is already disrupted by work on the Durham St bridge.

Budget

	Total	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Expenditures						
Project Expenditures	585,000		585,000			
Expenditures Total	585,000		585,000			
Funding						
Reserve Funds	585,000		585,000			
Funding Total	585,000		585,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

ORGANIZATION

Capital Projects

Project	3135-2501 NORTH BOOSTER STATION SCADA UPGRADES		
Department			
Version	1.Department Submission	Year	2025

Description

Project Description

Improve supervisory control and data acquisition (SCADA) system at the North water tower pump station.

Justification of Project Need

Current SCADA system is aging and it is becoming more difficult to obtain replacement parts for existing equipment. The SCADA system is used to monitor, analyze, and control physical processes, water levels and quality. It is important to have reliable updated equipment for the delivery of clean drinking water for residents.

Budget

	Total	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Expenditures						
Project Expenditures	135,000		135,000			
Expenditures Total	135,000		135,000			
Funding						
Reserve Funds	135,000		135,000			
Funding Total	135,000		135,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

ORGANIZATION

Capital Projects

Project	3135-2502 NORTH BOOSTER STATION ROOF REPAIRS		
Department			
Version	1.Department Submission	Year	2025

Description

Project Description

Replacement of flat roof over the North Water Tower Booster Station.

Justification of Project Need

Current roof was placed in approximately 2000 and is now leaking. Roof requires repairs/replacement to ensure that our water supplying infrastructure is well housed and maintained in satisfactory condition.

Budget

	Total	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Expenditures						
Project Expenditures		40,000	40,000			
Expenditures Total		40,000	40,000			
Funding						
Reserve Funds		40,000	40,000			
Funding Total		40,000	40,000			

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

ORGANIZATION

Capital Projects

Project	3135-2503 WELL 6 DECOMISSION		
Department			
Version	1.Department Submission	Year	2025

Description

Project Description

Well 6 Decommissioning and building removal.

Justification of Project Need

Well 6 and the enclosure will no longer be required. The building enclosure is falling apart, brick crumbling and becoming a potential liability.

Removal of structure and complete decommissioning of well 6, located just off Bruce Road 2 and Bruce Road 3

Budget

	Total	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Expenditures						
Project Expenditures		50,000		50,000		
Expenditures Total		50,000		50,000		
Funding						
Reserve Funds		50,000		50,000		
Funding Total		50,000		50,000		

Attributes

Attribute	Value	Comment
Project Management		
Location	Walkerton	
Manager	Director of Operations	
Funding & Administration		
Funding Source	Reserve Fund	
Reserve Fund	Utility RF	
Grant (If Appl.)		
Tender # (If Appl.)		
By-law # (If Appl.)		

Ontario Building Code Administration

The Municipality's Building Department oversees and administers services related to all construction and demolition projects occurring within the Municipality. The Department is provincially mandated by legislation to administer and enforce the Ontario Building Code (OBC). Provincial legislation requires staff to be qualified to provincial standards that includes tasks in performing plans reviews, mandatory inspections, and the issuance of building permits within mandated time frames.

Building Services provides the following public services associated with the administration and enforcement of the OBC:

- Pre-permit consultation, plans examination, technical reviews and application processing.
- Issuance of permits within mandated time frames to ensure conformity to the OBC.
- On-site inspections to ensure conformity with approved permit drawing specifications, the OBC and other applicable regulations.
- Response to all technical inquiries throughout building projects.
- Enforcement of OBC and initiation of legal proceedings as required.

The Building Department is completely funded by revenue generated by the issuance of building permit and their associated administration fees as per Provincial legislation.

2024 In Review

The Building Department oversees the administration of the Ontario Building Code. Building statistics for year to to month end of November 2024 includes a total 139 Building permits with a construction value worth \$42,906,948.06 and fees totaling \$243,147.57.

2025 Initiatives

Our Services

- Overseeing the delivery of building code administrative services to the public including the issuance of Building Permits, conducting required inspections, responding to inquiries from the public, developers and qualified building professionals to service level standards that municipalities must meet.
- Coming into effect in 2025 is the new 2024 Ontario Building Code which will require continued training and professional development to effectively deliver and administer Building Department services.
- Maintaining existing qualifications and accreditations.
- Administer the Bruce County Development Charges as approved in 2023, which will be completed at the time of the issuance of the building permit.

Summary of Significant Changes

- Anticipated decrease in building department revenue as a result of current market trends and potential developments which will result in an increase in reserve transfer for 2025.
- Reduced legal, engineering and training to be in-line with actuals



2025
Operating Budget
Building & Property Standards

Reserve Funds: Building Services OBC Stabilization

The Building Code Act allows municipalities to establish permit fees to cover the cost of administering and enforcing the Building Code Act, and make reasonable contributions to a reserve fund. The reserve fund can be used to offset periods of lower building and construction activity, make service enhancements and cover unexpected expenses.

The following chart describes the purpose of the reserve, the forecasted 2024 year-end balance.

Reserve Fund	Description	Balance as of December 2024
Protective Inspection/Building	Funds that may only be used to help stabilize slow years in terms of building activity and permit revenue	\$685,800



**2025
Operating Budget Summary
Building & Property Standards**

	2024 Actuals to Date	2024 Approved Budget	2025 Draft Budget	2025 Budget Change (\$)	2025 Budget Change (%)
Revenues					
License & Permits	251,462	350,000	250,000	(100,000)	(28.57%)
Other Revenue	250	10,000	10,000		
Reserve Fund		82,485	151,804	69,319	84.04%
Total Revenues	251,712	442,485	411,804	(30,681)	6.93%
Expenses					
Wages & Benefits	251,976	318,166	335,771	17,605	5.53%
Maintenance	1,527	1,300	1,300		
General Expense	17,011	63,533	32,497	(31,036)	(48.85%)
Service Agreement	40,892	49,486	32,236	(17,250)	(34.86%)
Other	153	10,000	10,000		
Transfers to Reserves	(30,089)				
Total Expenses	281,470	442,485	411,804	(30,681)	(6.93%)
Net Difference	29,758				