

Report to Council

Report Title:	2025 Draft Budget Update		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	February 11, 2025		
Report Number:	FIN2025-01	File Number:	C11FIN, F05
Attachments:	Appendix A: Operating Budget Changes Appendix B: Capital Budget Summary Appendix C: Additional Capital Projects Tax Rate Chart		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2025-01 – 2025 Draft Budget Update, prepared by Trish Serratore, Chief Financial Officer and in doing so approves bringing forward a By-Law to accept the 2025 Municipal Budget in the levied amount of \$ _____

Report:

Background:

Staff presented the Draft 2025 Budget to Council on January 13 and 14, 2025 with a 9.18% tax rate increase. Following those discussions, staff carefully reviewed Council's recommendations and guidance and incorporated proposed adjustments into the draft budget. In preparing this year's budget, staff remained mindful of the financial challenges posed by the current economic climate, including elevated inflation and interest rates, which impact both the municipality and its residents and businesses.

The primary focus was to maintain the high standard of service and infrastructure that residents and businesses expect, while exercising restraint on new spending. To further support this objective, staff assessed contributions to reserve funds for capital projects and decided to freeze increases for 2025. Despite these efforts, the Municipality continues to face a challenging year in balancing the 2025 budget while preserving current service levels and minimizing impacts on the tax rate.

After careful scrutiny staff are now presenting the second draft of the 2025 budget to Council on February 11, 2025, with a proposed tax rate increase of 4.34%. This increase is equal to \$113.77 per year on the average household.

The 2025 Draft Budget was initially presented with a modest increase of \$57,580. Following discussions with Council, the budget retained the increase designated for the future replacement of the Olympia. However,

\$30,000 allocated for parks replacement and maintenance was removed. No additional changes were made to the Draft 2025 Budget as presented.

Reserve and Reserve Funds

Staff maintain that the proposed reserve fund contributions represent a fiscally responsible approach, providing the minimal funding to address both current and future infrastructure requirements. These contributions are essential to ensure the sustainability of municipal assets and to avoid significant financial shortfalls in the future.

In addition, staff will continue to review the draft Building Condition Assessments for all municipal facilities. Preliminary findings indicate a substantial investment will be required for facility and system upgrades over the next five years. This ongoing review will help inform future capital planning and ensure that critical infrastructure needs are met responsibly.

East Ridge Business Park Construction Loan

During the budget discussions, Council engaged in extensive dialogue regarding funding options for the long-term debt payments. Council requested clarification on the total outstanding balance of the construction loan. Staff have since confirmed that the remaining construction loan amount for the final construction phase and the Westario hydro station stands at \$4,000,000. Of this amount, \$2,629,167.86 has been drawn to date, with additional expenses still anticipated.

Brockton Child Care Funding

The CWELCC funding has a unique structure, where estimated payments are based on benchmarks, but the funding itself does not need to be spent according to those specific benchmarks. Instead, it must be used on eligible costs as outlined in the program guidelines. This gives child care centers more flexibility in managing the funds, allowing them to allocate resources where they are most needed based on fluctuating needs and staff complement while ensuring the funds are used appropriately.

Adjusting how wages are recorded will not impact the funding received and does not require reporting to CWELCC at that time. However, a mid-year review will be conducted, during which centers will be asked to provide details on their expenses to ensure they align with the funding guidelines. In certain cases, this review may lead to a more in-depth investigation, where additional information will be requested.

At the end of the calendar year, a more thorough review will take place to assess whether all funds were spent on eligible costs. Any unused funds or misallocated funds will be identified, and centers may be asked to address any discrepancies. This review ensures that the funding is being used effectively and in line with program objectives. As such we advise no further changes to this revenue or expenses at this time.

Analysis:

Following the January 14, 2025, meeting, staff conducted a thorough review of their departmental budgets. This process involved a detailed line-by-line analysis, comparing year-end actuals—updated since the original draft version—with the budgeted amounts. As a result of this review, the following changes have been made:

Operating Changes

All changes to the operating budget are detailed in Appendix A of this report. These adjustments have undergone a comprehensive review by senior staff to ensure they align with the council’s strategic priorities, operational requirements, and fiscal responsibility. The review process includes an in-depth analysis of departmental budgets, identifying necessary adjustments to maintain service levels while optimizing cost efficiencies.

Senior staff have carefully evaluated projected revenues, expenditures, and funding allocations to ensure a balanced approach that supports both immediate operational needs and long-term financial sustainability. Departments were engaged in the review process to justify changes, assess potential impacts on service delivery, and explore opportunities for cost savings or reallocation where necessary.

For a detailed breakdown of all budget changes, please refer to Appendix A.

Capital Changes

During the budget discussions and staff reviews, several adjustments were made to the capital budget based on feedback, priorities, and available resources. These changes reflect the evolving needs of the municipality and aim to align the budget with current goals and projects. Appendix B provides a comprehensive list of all projects that have been retained in the 2025 budget, highlighting those that have been approved, adjusted, or deferred. This appendix serves as a detailed reference for the final list of initiatives that will move forward for the upcoming year, ensuring transparency and clarity in the budget planning process.

Project	Change	Explanation
3162-2501 Pool Epoxy Floor	Decrease \$7,000	Updated quote received which resulted in a reduction of \$7,000
3162-2502 Diving Board	Decrease \$17,500	Postponed this project to 2026 to properly plan the replacement of the diving board and seek fundraising opportunities. Report for further consideration on agenda.
3163-2501 Auditorium Table Replacement	Decrease \$6,625	Spread the total replacement of the tables over 4-years vs 2-years
Total Decrease	\$31,125	

Additional Budget Requests

Appendix C contains a chart summarizing the financial impact of the additional budget requests, as outlined in the reports provided by staff. These additional requests and staff reports are included on the agenda for consideration, offering a clear overview of the proposed financial adjustments.

Conclusion

Staff have conducted a thorough, line-by-line review of each expense and have made every effort to reduce costs as much as possible without compromising or reducing essential services within Brockton.

The cumulative impact of these adjustments results in a municipal operating tax rate increase of 1.75%, along with a 2.59% increase to Capital, for a **total tax rate increase of 4.34%**. This equates to an additional \$113.77 per year, or \$9.48 per month, for the average household.

Brockton Council and Staff have worked proactively over the past few years to carefully manage operations and minimize cost increases, adapting to changing economic conditions. Staff have demonstrated flexibility and creativity in navigating through challenging times, ensuring that services remain efficient and effective. As we move forward, certain areas require a modest adjustment to maintain the high standard of service that residents expect, ensuring Brockton can continue to thrive and meet the evolving needs of the community amidst the current economic climate.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- | | |
|-----------------------------------------------------------------------------------------|-----|
| • Recommendations help move the Municipality closer to its Vision | Yes |
| • Recommendations contribute to achieving Heritage, Culture, and Community | Yes |
| • Recommendations contribute to achieving Quality of Life | Yes |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | N/A |
| • Recommendations contribute to achieving Economic Development | Yes |
| • Recommendations contribute to achieving Municipal Governance | Yes |

Financial Impacts/Source of Funding:


- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer