

The Corporation of the Town of Niagara-on-the-Lake Information Report to Council

SUBJECT: Final Approval of 2025 Budget
DATE: 2025-03-18
REPORT #: CS-25-004
PREPARED BY: Kyle Freeborn, Director of Corporate Services/Treasurer
DEPARTMENT: Corporate Services

BACKGROUND INFORMATION

This information report summarizes the history and final changes to the Operating, Capital, and Rate budgets for final budget approval at the Special Council meeting on March 18th, 2025.

At the last Budget Review Committee on February 26th, 2025, Council approved the Operating and Capital Budgets for 2025, with results summarized below:

Overall Budget

The Town's total budget is presented as \$55,140,242

2025 Operating Tax-Levy

Council approved a 7.92% increase to the Town's Operating Levy after accounting for 1.32% in assessment growth, which results in a total levy for 2025 of \$17,601,443. Assessment growth of 1.32% will mitigate \$212,678 in tax burden. This is a total increase of \$1,489,480 in the Town's net operating levy.

For the average assessed property of \$546,000, this is an increase of \$112.56 per year.

There was no change to the Storm Sewer levy for 2025, and it remains at \$961,600.

Rate Budget (Water and Wastewater)

At the November 20, 2025, Budget Review Committee, Council approved in principle the following rate changes water and wastewater rates:

- Water rate increase of 3% for fixed and variable rates
 - Variable: \$1.7599m³ in 2025 from \$1.7086m³ in 2024
 - Fixed: \$28.82/month in 2025 from \$27.98/month in 2024
- Waste water rate increase of 10% for fixed and variable rates
 - Variable: \$1.7211m³ in 2025 from \$1.5646m³ in 2024
 - Fixed: \$36.84/month in 2025 from \$33.49/month in 2024

These increases cover off increasing Regional Treatment costs and capital investment requirements for 2025 as proposed in the Town's 2024 Water and Wastewater Rate Study.

Capital Budget

Council approved a total Capital Budget of \$17,215,239 as part of report CS-24-024, as amended, after adjusting specific projects away from debt funding, as explained below under final amendments.

Corporate Fees

Fees were indexed as laid out in Report CS-25-001. The attached Corporate Fee Schedule By-law on the agenda will enact fees for 2025.

Final Budget Amendments:

Changes to the 2025 Operating budget are captured in report CS-25-003 – 2025 Budget Updates, which presented a 7.34% increase or a change of \$104 annually for the average household assessment. The following final amendments were made to arrive at 7.92% after assessment growth on the February 26th, 2025, budget meeting:

Business Cases Approved:

- BC2024-07 Finance & Tax Clerk – no result to the 2025 levy as new fees and charges are introduced to fund this position.
- BC2025-07 Law Clerk was approved - an additional \$91,500 was added to the tax levy or 0.57%.
- BC2025-02 Fire Inspector Contract Conversion – no change to the 2025 levy as fees and charges will cover this increase.

Additional Budget Information

The following information was requested through various Council requests to be presented as part of the budget approval.

Municipal Comparators:

Discussions around percentage increases and actual dollar impacts were common in budget discussions. The following table was compiled to demonstrate how percentage impacts for Local Area Municipalities result in different dollar impacts across the Region:

Municipality	Percent Increase	\$ Increase
Town of Niagara-on-the-Lake	7.92%	\$112.53
West Lincoln	4.31%	\$72.08
Lincoln	2.91%	\$163.00
Niagara Falls	4.90%	\$81.22
St. Catharines	1.13%	\$49.01
Town of Pelham	4.84%	\$111.00
Grimsby	1.50%	\$91.00
Town of Fort Erie	4.95%	\$73.44

Historical Tax Increases

Discussions around historical increases were a common theme in the 2025 Budget. The following table summarizes tax impacts for the Town since 2016:

Year	Approved Net Levy Increase (less growth)	\$ Impact on average household	Original Proposed Increase
2016	0.91%	\$6.44	4.71%
2017	9.97%	\$88.36	13.09%
2018	6.26%	\$37.13	11.65%
2019	6.59%	\$47.75	13.45%
2020	10.14%	\$91.95	6.07%
2021	3.47%	\$28.25	7.72%
2022	4.14%	\$40.99	13.18%
2023	9.48%	\$115.02	9.79%
2024	7.65%	\$94.39	6.45%
2025	7.92%	\$112.56	14.4%

Note: There is no direct, year-over-year relationship between the approved net levy percentage increase and dollar increases, as percentages are relative to the prior year's budget, and changes in assessment (items such as assessment growth) impact overall dollar increases.

NEXT STEP / CONCLUSION

Should the accompanying by-laws on the March 18th Special Council Meeting Agenda be approved, Staff will enact the proposed fee schedules, post the 2025 budget on the Town's website, and move to prepare final tax levy rates for billing in July.