

TOWNSHIP OF THE ARCHIPELAGO

2025 Preliminary Budget Discussion

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2025 BUDGET GUIDELINES

- Requesting Council Direction for Budget Guidelines
 - To plan for similar levels of service as provided in the 2024 fiscal year
 - To plan for a municipal tax increase to help cover inflationary pressures, new projects, levy increases
 - To pursue projects and opportunities that align with the Strategic Plan
 - To continue to support core services (Policing, DSSAB, Health Unit, EMS, Belvedere)
 - To continue to support non-core services (Library, Museum, Industrial Park, Economic Development, CBDC, GBB, GBF)
 - To fund reserves for future capital expenditures
 - To explore cost reduction strategies while maintaining service levels
 - To explore capital grant and funding opportunities
 - Have planned capital projects ready for grant opportunities with upper levels of government

BALANCED BUDGET APPROACH



2025 BUDGET TIMELINE

Dec-Jan

- - Prepare departmental budgets
- - Incorporate Council feedback from budget planning meeting; Senior leadership team to identify priorities
- - Capital project discussion with Council

Feb-Mar

- - Finance Committee meetings with departments. Review draft budget

April

- - Council discussion & approval

2025 BUDGET CONSIDERATIONS



Capital Budget

Detailed synopsis prepared for each project

Continue to support ongoing projects

New projects considered using specific criteria: asset funding, asset failure/end of life mitigation, regulatory requirements, health & safety concerns, adhering to strategic priorities



Interest Rates

Bank of Canada interest rate currently at 3.75% with an overnight rate of 4.27%

Increased interest rate revenue earned following our investment policy

Higher long term debt borrowing rates for any new debentures

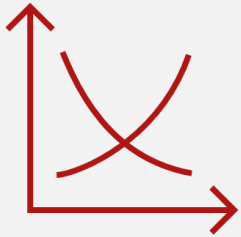


Inflation

Inflation in Canada slowed to 1.6% in October 2025

The deceleration was mainly driven by gas prices. However, prices remain elevated particularly for rent and groceries.

2025 BUDGET CONSIDERATIONS



Consumer Price Index (CPI)

September 2025

- Canada CPI 1.6%

Calculated average CPI 2.6%



Inflationary Pressure Mitigation

Departmental efficiency targets through the 2025 budget development by aiming for a 3% increase on consulting, general supplies and administration, travel

Continued energy efficiency initiatives that are mitigating utility and fuel cost increase

Investing in innovation and digital modernization

2025 OPERATING BUDGET CONSIDERATIONS

Municipal Insurance

- Expecting a 1% increase due to market fluctuations

Cost of fuel & construction goods

- Planning for a 2% increase due to market fluctuations

Planning By-law implementation & enforcement

- Potential increased costs associated with new By-laws

Organizational Review

- Full year of implementation plan/salary costs

Communications Strategy

- Implementation of communications audit findings
- Branding strategy & implementation

External Levy Increases

- Planning for an average of 3.5% increases (apart from OPP)

IT Strategic Plan

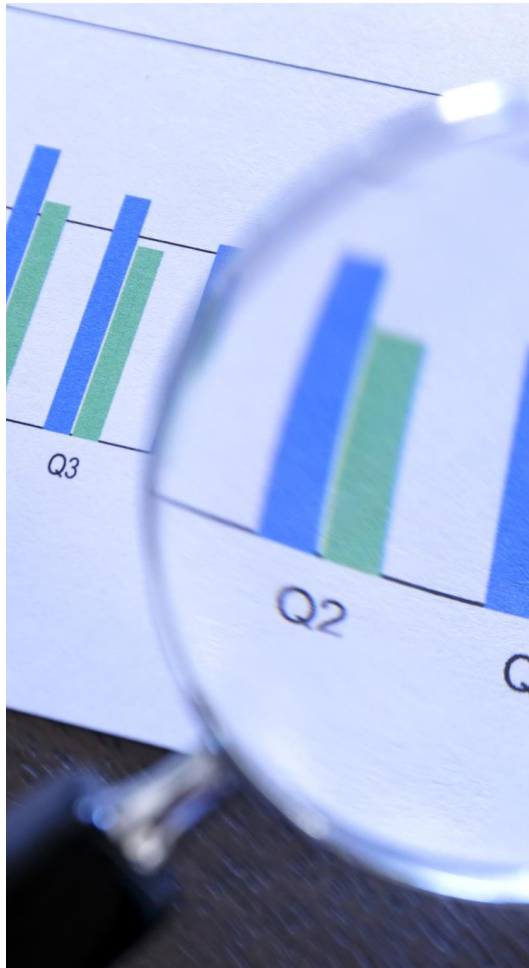
- Implementation of IT audit recommendations
- Ongoing increase in Software costs

Blue Box Transition

- Remains status quo until January 2026

Asset Management Plan

- Staged implementation of the plan & building assessment repairs and maintenance

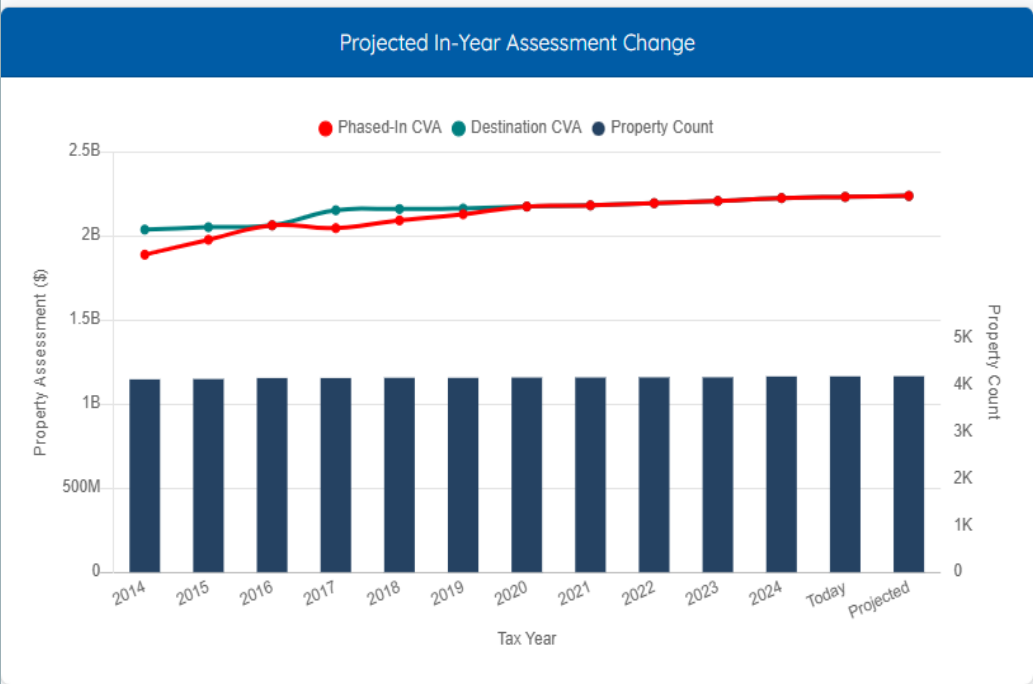


MPAC OUTLOOK

- The Ontario government postponed our 2020 Assessment Update due to COVID-19
- For the fifth year, 2025 property values will continue to be based on the current legislated valuation date, January 1, 2016
- The government decided to postpone the Assessment Update but did not provide a future date for the next reassessment
- In 2025, we will have the same assessment base as 2024 apart from any new assessment received from supplemental billings (new construction)



2025 PROPERTY ASSESSMENT T PROJECTION



- 2025 Projections are showing a 2.3% increase in current value assessment from the 2024 returned roll

2025 TAX RATE PROJECTIONS

Municipal Tax Rate Increase Analysis Average Single Family Detached - Average Assessed Value \$214,000

Percentage Increase	North Current Rate	North Proposed Rate	North Tax Bill Increase	South Current Rate	South Proposed Rate	South Tax Bill Increase
1.00%	0.452646%	0.457172%	\$ 9.69	0.407920%	0.411999%	\$ 8.73
2.00%	0.452646%	0.461698%	\$ 19.37	0.407920%	0.416078%	\$ 17.46
3.00%	0.452646%	0.466225%	\$ 29.06	0.407920%	0.420157%	\$ 26.19
4.00%	0.452646%	0.470751%	\$ 38.75	0.407920%	0.424236%	\$ 34.92
5.00%	0.452646%	0.475278%	\$ 48.43	0.407920%	0.428315%	\$ 43.65

Municipal Tax Rate Increase Analysis Average Waterfront Detached - Average Assessed Value \$599,000

Percentage Increase	North Current Rate	North Proposed Rate	North Tax Bill Increase	South Current Rate	South Proposed Rate	South Tax Bill Increase
1.00%	0.452646%	0.457172%	\$ 27.11	0.407920%	0.411999%	\$ 24.43
2.00%	0.452646%	0.461698%	\$ 54.23	0.407920%	0.416078%	\$ 48.87
3.00%	0.452646%	0.466225%	\$ 81.34	0.407920%	0.420157%	\$ 73.30
4.00%	0.452646%	0.470751%	\$ 108.45	0.407920%	0.424236%	\$ 97.74
5.00%	0.452646%	0.475278%	\$ 135.57	0.407920%	0.428315%	\$ 122.17

2025 TAX RATE PROJECTIONS

Impacts of municipal tax rate increases

Percentage Increase	Projected 2025 Municipal Tax Revenue	Proposed Municipal Tax Revenue	Increase in Revenue due to Tax Increase
1.00%	\$ 9,154,488	\$ 9,246,033	\$ 91,545
2.00%	\$ 9,154,488	\$ 9,337,578	\$ 183,090
3.00%	\$ 9,154,488	\$ 9,429,123	\$ 274,635
4.00%	\$ 9,154,488	\$ 9,520,668	\$ 366,180
5.00%	\$ 9,154,488	\$ 9,612,213	\$ 457,724

*2025 Projected Revenue includes new growth

2025 REVENUE PROJECTIONS

Revenue Source	2024 Revenue	2025 Projection	Percent Change	Rationale
Taxation	\$8,945,492	\$9,154,488	+2.3%	0.6% increase in new growth from 2024 roll return
OMPF	\$1,369,900	\$1,538,600	+11.0%	Confirmed.
OCIF	\$180,862	\$153,733	-17.6%	Confirmed.
CCBF	\$30,779	\$30,779	0.0%	Confirmed.
Blue Box Funding	\$ -	\$ -	0.0%	Full Producer Responsibility status quo for 2025.
Northern Ontario Resource Development Support Fund	\$170,582	\$170,582	0.0%	Confirmed for 2025.
Henvey Inlet	\$50,000	\$50,000	0.0%	As per agreement + inflation

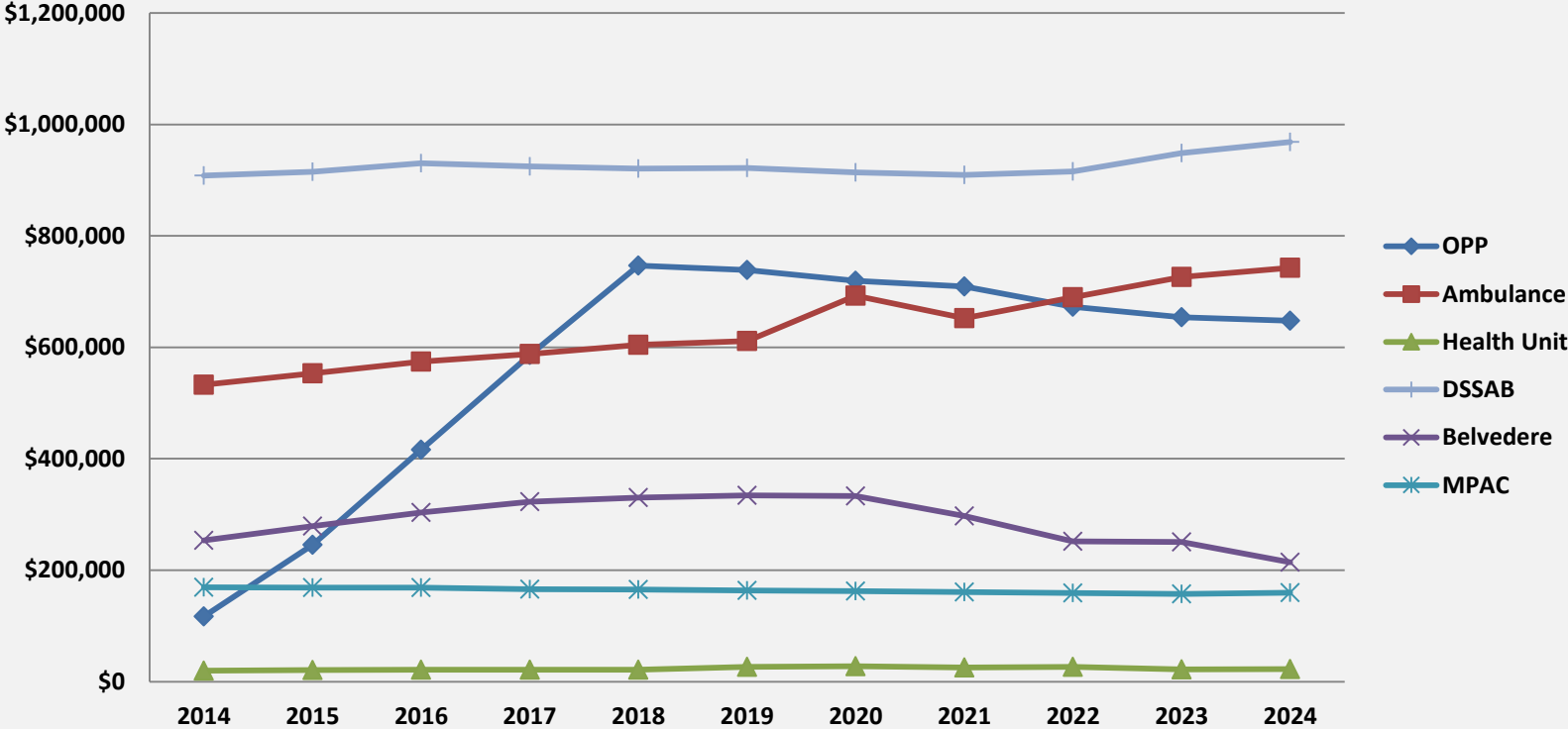
Taxation Assessment at Risk

- 0 open Requests for Reconsideration

User fees and all other sources of revenue to be discussed during April's Budget Meeting

CORE SERVICE LEVY TRENDS

Service Levy Trends



Township of The Archipelago 2025 Preliminary Budget Outlook

CORE SERVICE
LEVY HISTORICAL
AVERAGE
INCREASE

- 2025 Projections based on 5 year average
- OPP projection based on 2025 Annual Billing Statement received

Service Levy	10 Year Avg Increase/Decrease	5 Year Avg Increase/Decrease	2025 Projections	2025 Actual
OPP	23.38%	-2.58%	\$ 631,182	\$ 783,721
Ambulance	3.47%	4.15%	\$ 773,473	
Health Unit	1.85%	-2.77%	\$ 21,905	
DSSAB	0.65%	1.01%	\$ 978,561	
Belvedere	-1.27%	-8.27%	\$ 196,642	
MPAC	-0.58%	-0.49%	\$ 158,796	

HOW ARE THE
LEVY'S
CALCULATED?

External Agency	Calculation	Details
MPAC	Current Value Assessment (A) Property Count (B) MPAC Cost Recovery(C)	$[(A+B)/2] \times C$
Ambulance	Weighted Assessment (Current Year)	
Belvedere Heights	Weighted Assessment (2 years prior from FIR)	
DSSAB	Current Value Assessment & Apportionment Calculation	
Health Unit	Population	
OPP	Property Count/Calls for Service	

THANK YOU