

2025 Preliminary Draft Tax-Supported Operating Budgets



Agenda

1. Tax-Supported Operating Budget
 - Base
 - Contribution to Asset Management Fund (formerly named as the Asset Replacement Fund)
 - Growth
2. Impact to an average residential home
3. Summary
4. Next Steps



1. Tax-Supported Operating Budget

- Every year, the Town undertakes a detailed budget process to ensure we are meeting the needs of our community now and into the future

The Goal:

- To find the balance between keeping municipal taxes low while investing in Town's infrastructure, preparing for the future and maintaining the high level of services that make Newmarket a top place to live in Canada



1. Tax-Supported Operating Budget

- Supports the day-to-day operations



1. Tax-Supported Operating Budget

Proposed Tax Levy

Component	Tax Levy
Base	1.49%
Contribution to Asset Management Fund (AMF)	1.50%
Proposed 2025 Tax Levy	2.99%

Assumptions

- 1% tax levy increase - \$767,000 additional property taxes
- Assessment growth – 0.65%
- 2025 CPI forecast – 2.1%



1. Tax-Supported Operating Budget Net Incremental Changes

Components \$ in millions	Base	Growth	AMF	Total
Town	\$0.60	\$0.48	\$1.13	\$2.21
CYFS*	\$0.43**	\$0.00	\$0.02	\$0.45
Library	\$0.11	\$0.02	\$0.00	\$0.13
Mulock Park	\$0.00	\$0.25	\$0.00	\$0.25
Total	\$1.14	\$0.75	\$1.15	\$3.04

- Base + AMF = \$2.29 million, equivalent to a 2.99% tax levy
- Growth has no impact to the tax levy (net against growth revenues)



1. Tax-Supported Operating Budget Base

- Base Budget – net costs to maintain the Town’s service levels
- Incremental changes account for:
 - Inflation (current forecast for 2025 at 2.1%)
 - Higher costs of goods and services
- Proposed 2025 user fee and charges increase on average by 3.1%
 - Catch up with inflation (increases were waived in 2020 and 2021)



1. Tax-Supported Operating Budget Contribution to AMF

- Contribution to Asset Management Fund (AMF) - to build the reserve to more appropriate level in order to fund current and future asset replacements
- The proposed 1.5% tax levy aligns with the Fiscal Strategy, Asset Management Plans and the Reserve and Reserve Fund Review



1. Tax-Supported Operating Budget Growth

- Growth revenues – additional property tax revenues from new properties being added to the assessment roll
- Growth expenses - incremental expenses necessary to maintain service levels for a growing population
- Continues to use the sustainable practice of applying assessment growth revenues to support growth expenditures only



1. Tax-Supported Operating Budget Growth

\$ in millions	Assessment Growth Revenues
2025 growth (0.65%)	\$0.50
Additional growth from 2024	\$0.25
Total 2025 available growth allocation	\$0.75

- Funds growth expenses for the Mulock Park, new parkettes, sports pad and additional waste collection.



2. Impact to an average residential home

Proposed 2025 tax levy	2.99%
Impact to an average residential home – Town's portion only (assessment value at \$711,000 by MPAC*)	\$75

- Municipal Property Assessment Corporation
- Assessment values are based on 2016 market values conducted by MPAC



3. Summary

- Achieved the tax levy target of 2.99% while
 - maintaining service levels
 - delivering Well beyond the ordinary programs and services
 - funding growth expenditures with assessment growth revenues
 - building budget on the foundation of the Fiscal Strategy
 - building an even better and brighter future



4. Next Steps

Date	Meeting	Item
December 2	CoW*	Presentation of the draft budgets
December 9	Council	Council approval

* Committee of the Whole

