



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

Email: [info@newmarket.ca](mailto:info@newmarket.ca) | Website: [newmarket.ca](http://newmarket.ca) | Phone: 905-895-5193

## **2025 Preliminary Draft Capital and Rate-Supported Operating Budgets Staff Report to Council**

Report Number: 2024-61

Department(s): Financial Services

Author(s): Andrea Tang, Director, Financial Services / Treasurer

Meeting Date: October 21, 2024

### **Recommendations**

1. That the report entitled 2025 Preliminary Draft Capital and Rate-Supported Operating Budgets dated October 21, 2024 be received; and,
2. That subject to any additional direction from Committee, the proposed Capital Budget be incorporated into the Draft Budgets to be presented to Committee of the Whole on December 2, 2024; and
3. That the proposed list of Capital Projects be included in the Capital Program for 2025, subject to changes that may be made by Council during the year; and
4. That subject to any additional direction from Committee, the proposed Rate-Supported Operating Budgets be incorporated into the Draft Budgets to be presented to Committee of the Whole on December 2, 2024; and
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

The preliminary draft of the 2025 Capital Budget is developed with consideration for both resource and financial capacity. The 2025 preliminary draft capital budget is \$74.6 million, comprised of the standard program at \$30.1 million and major projects at \$44.5 million. The standard program is established with consideration of resource capacity to deliver the capital program in 2025. Major projects, such as the Mulock Park, do not

impede the delivery of the standard program as major projects are managed by dedicated staff.

A multi-year capital plan is developed by integrating various capital management plans such as the Development Charge (DC) Background Study, Parks & Recreation Capital Plan and Asset Management Plans for core and non-core assets.

The 2025 water and wastewater rates are proposed to be increased by 3.5% in accordance with the 10-year Water and Wastewater Financial Plans. The stormwater rate is proposed to be increased by 3.8%.

## **Purpose**

The purpose of this report is to obtain Council approval on the overall Capital Budget, including specific projects in the capital program, and rate-supported operating budgets for Water, Wastewater, Stormwater, Building Services, Planning and Development Engineering.

## **Background**

### **Capital Budget**

The Capital Spending Authority (CSA) is the total of all capital expenditures approved by Council and may span more than one year. Due to the resource capacity and timelines for design and project delivery, some capital projects take more than one year to complete.

The Capital Spending authority for future years will ensure continuity and financial stability to complete projects that span more than one year.

The 2024 approved CSA for 2025 is the starting point for developing the 2025 capital budget. As well, the Asset Management Plans, Development Charge (DC) Background Study, and Parks & Recreation Capital Plan are also taken into consideration.

Central York Fire Services (CYFS) Joint Council Committee (JCC) recommended the proposed 2025 CYFS budget at the October 1, 2024 JCC meeting. Aurora Council will review the proposed budget on November 18, 2024.

The Newmarket Library Board has endorsed the 2025 capital projects being brought forward for consideration.

### **Rate-Supported Operating Budgets**

It is proposed to increase the 2025 water and wastewater fees by 3.5% as outlined in the 10-year financial plans. The stormwater rate is being proposed to be increased by 3.8% as condition assessments are underway.

## Discussion

This report will provide details on the 2025 preliminary draft capital and rate-supported operating budgets for Water, Wastewater, Stormwater, Building Services, Planning and Development Engineering.

### Capital Budget

The capital budget funds the purchase, construction and financing of tangible capital assets (TCA) for infrastructure, land, buildings, machinery, equipment and other assets. It also provides funding source for major corporate studies.

The capital budget will continue to be separated according to major funding sources. Capital requests will be subject to the availability of funding and resource capacity.

As part of the 2024 Budget, Council approved 2025 CSA of \$67.9 million for 2024 capital projects that would continue into 2025. Based on the revised project timelines, \$51.6 million of the 2025 CSA remain in the proposed 2025 capital budget, \$0.2 million has been accelerated to 2024 for the design of a paved surface parking area in downtown Newmarket ([Report: Downtown Parking Update 2024](#)), and \$16.1 million will be deferred to 2026. New requests for 2025 Capital budget total \$23.0 million which brings the total proposed 2025 Capital Budget to \$74.6 million and CSA for future years are outlined below. (refer to Appendix A for a summary of the Proposed 2025 Capital Budget by project).

\$ in millions	2025 Budget	2026 CSA	2027 CSA	2028 CSA
Standard Program	\$30.1	\$32.4	\$3.4	\$0.3
Major Projects	\$44.5	\$21.3	\$3.9	\$0.0
<b>Total</b>	<b>\$74.6</b>	<b>\$54.2</b>	<b>\$7.3</b>	<b>\$0.3</b>

### Multi-Year Capital Plan

The Town has various comprehensive capital management plans. The Development Charge (DC) Background Study and Parks and Recreation Capital Plan outline the capital infrastructure requirements to address growth. The Asset Management Plans for core and non-core assets outline the asset replacement requirements in order to keep the Town's assets in a state of good repair.

Information from these plans is integrated into the multi-year capital plan. The multi-capital plan will be updated and reviewed as part of the annual budget process.

The plan includes the proposed 2025 capital budget and capital requirements for the following four years from 2026 to 2029.

\$ in millions	2025	2026	2027	2028	2029
Capital Plan	\$74.6	\$60.2	\$52.8	\$50.6	\$40.5

## 2025 Rate-Supported Operating Budgets

### A. Water & Wastewater

The proposed 2025 water and wastewater rate increase of 3.5% accounts for:

- Region's increase of 3.3% for water purchases and wastewater treatment services
- Inflation for day-to-day operations
- Contribution to AMF for asset replacements

Based on an annual consumption of 200 cubic metres, the 2025 annual increase is \$49.

Below outlines the preliminary draft 2025 Water & Wastewater Operating Budget

\$ in millions	Water \$	Wastewater \$	Total \$
Revenues	\$22.9	\$26.8	\$49.7
Expenditures			
Regional Costs	\$11.4	\$17.5	\$28.9
Operating Costs	\$5.5	\$1.7	\$7.2
Support Costs	\$1.4	\$1.3	\$2.7
Contribution to ARF	\$4.0	\$5.0	\$9.0
Transfer to Reserve	\$0.6	\$1.3	\$1.9
Total Net Expenditures	\$22.9	\$26.8	\$49.7
Net	\$0	\$0	\$0

### B. Stormwater

The 2025 stormwater rate accounts for expenditures such as wages and benefits, CCTV program, catch basin cleaning and maintenance on stormwater ponds, and contribution to AMF for asset replacements. The proposed 2025 rate increase is 3.8%. Based on a 465 square metre lot, the 2025 annual increase will be \$7.

Below outlines the preliminary draft 2025 Stormwater Operating Budget:

\$ in millions	Stormwater \$
Revenues	\$9.9
Expenditures	
Operating Costs	\$1.6
Support Costs	\$0.2
Contribution to ARF	\$8.0
Transfer to Reserve	\$0.1
Total Net Expenditures	\$9.9
Net	\$0

### C. Other Rate-Supported Operating Budgets

Other rate-supported operating budgets include Building Services, Planning and Development Engineering. Each of the operating budgets is funded by their respective fees and charges, and dedicated reserves are set up. 2025 fees and charges are proposed to be increased by 3.1%.

\$ in millions	Building Services \$
Revenues	\$2.4
Expenditures	
Operating Costs	\$2.5
Support Costs	\$0.7
Draw from Reserve	(\$0.8)
Total Net Expenditures	\$2.4
Net	\$0

\$ in millions	Planning \$
Revenues	\$1.8
Expenditures	
Operating Costs	\$1.6
Support Costs	\$0.6
Draw from Reserve	(\$0.4)
Total Net Expenditures	\$1.8
Net	\$0

\$ in millions	Development Engineering \$
Revenues	\$0.6
Expenditures	
Operating Costs	\$0.3
Support Costs	\$0.1
Transfer to Reserve	\$0.2
Total Net Expenditures	\$0.6
Net	\$0

## Conclusion

### Upcoming dates:

- November 11 – Committee of the Whole (CoW) – Review of the Tax-Supported Operating Budget and 2025 fees & charges; and
- December 2 – CoW - Presentation of the Draft 2025 Budgets; and
- December 9 – Council - this is the target date for approval of the 2025 Budgets.

Council may choose to extend this time for further deliberations. There will also be opportunities for Councillors to meet with or to obtain additional information from the Treasurer or other Members of Staff.

## **Business Plan and Strategic Plan Linkages**

The following guiding principles were applied when developing the 2025 Capital and Rate-Supported Operating Budgets that align with Council's values for service delivery:

- keep up with inflation and growth;
- maintain existing assets in state of good repair;
- develop the 2025 Capital Budget and Multi-Year Capital Plan based on the capital management plans such as the DC Background Study, Parks and Recreation Capital Plan and the Asset Management Plans for core and non-core assets; and
- evaluate resource and financial capacity.

## **Consultation**

Strategic Leadership Team (SLT) and Operational Leadership Team (OLT) have been consulted throughout the process.

## **Human Resource Considerations**

Direct costs for contract staff are included in various capital requests. Contract staff are required in the delivery and implementation of the capital projects.

## **Budget Impact**

The proposed 2025 capital program is at \$74.6 million.

The CSA for 2026, 2027, and 2028 are \$54.2 million, \$7.3 million, and \$0.3 million respectively to ensure continuity and financial stability for the 2025 projects that span more than one year to complete.

The proposed Capital Program will impact the Operating budget with additional annual expenditures. The financial impact will be included in the Tax-Supported Operating Budget to be presented at the November 11, 2024 CoW.

The annual increase for water and wastewater is \$49 based on annual consumption of 200m<sup>3</sup>, and stormwater is \$7 based on 465 square metre lot.

## **Attachments**

Appendix A – Proposed 2025 Capital Budget and Capital Spending Authority

## **Approval**

Andrea Tang, CPA, CA  
Director of Financial Services / Treasurer

Esther Armchuk, LL.B  
Commissioner, Corporate Services

Ian McDougall  
Chief Administrative Officer, Office of the CAO

## **Contact**

For more information on this report, contact: Andrea Tang at 905-953-5300 ext. 2104 or via e-mail at [atang@newmarket.ca](mailto:atang@newmarket.ca)

If you require this document in an alternative format, please contact the Town of Newmarket at 905-895-5193