

Staff Report



To	City Council
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, January 22, 2025
Subject	2025 Budget Update Local Boards and Shared Services Agencies

Recommendation

That the following recommendations be approved:

1. That an amended 2025 operating budget for the City's local boards and shared services (LBSS) agencies be approved, inclusive of the following:
 - a. The LBSS agencies budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement over 2024 of \$10,192,159 or 3.14 per cent inclusive of the following:
 - i. Guelph Police Services: an increased net levy requirement over 2024 of \$5,142,214;
 - ii. Guelph Public Library: an increased net levy requirement over 2024 of \$624,346;
 - iii. County of Wellington: an increased net levy requirement over 2024 of \$4,603,154;
 - iv. Guelph-Wellington-Dufferin Public Health: an increased net levy requirement over 2024 of \$83,051;
 - v. The Elliott Community: a decreased net levy requirement over 2024 of (\$260,606).
 - b. Grand River Conservation Authority budget with an increase in gross operating expenses over 2024 in the amount of \$51,700.
 - c. Total transfers to/from Reserve and Reserve Funds in 2025 in accordance with the LBSS reserve and reserve fund update.
2. That Council acknowledges the administrative adjustment for debt funding in the amount of \$1,634,000 between the City budget and Guelph Public Library budget, totalling a net zero impact to the total Guelph tax levy.
3. That an amended 2025 net levy requirement from taxation and payment in lieu of property taxes inclusive of City and LBSS agencies up to \$351,179,344 be approved.
4. The Downtown Guelph Business Association budget with gross expenditures of \$787,929 and a total levy of \$721,200.
5. A 2026-2027 operating budget forecast to be received as information.
6. An amended 2025 LBSS capital budget with a net increase of \$632,708 from the 2025 adopted budget resulting in the gross 2025 expenditure amount of

\$7,004,308 inclusive of funding transfers from capital reserve funds and other sources including partnerships, grants, and debt financing.

Executive Summary

Purpose of Report

Guelph's 2025 budget was adopted at a tax levy increase of 9.80 per cent over 2024 on November 29, 2023 as part of the 2024-2027 Multi-Year Budget (MYB). The *Municipal Act, 2001* requires that if a municipality passes a MYB, it must "readopt" the budget for every second or subsequent year, either in the year that the budget applies, or in the preceding year. The 2025 budget confirmation is Guelph's first confirmation year in this four-year MYB cycle. The budget confirmation process, which includes reviewing, updating, and confirming the budget, is the mechanism for readoption in the City's [Budget Policy](#).

New this year, the City has separated the budget process into two phases for the 2025 confirmation: City budget confirmation and LBSS agencies budget confirmation.

The 2025 City services budget was confirmed by Council following the Strong Mayor budget process on November 27, 2024, with a gross expenditure budget of \$467,161,683 and a 2025 property tax and payment in-lieu of taxes levy requirement of \$11,900,743 or 3.66 per cent over 2024.

The LBSS budget process does not trigger the Strong Mayor timelines given that the budget preparation and submission processes are defined in the governing statute applicable to each LBSS organization. The power of Council to amend and/or approve the budget of each local board or shared services provider also varies based on the governing legislation.

The purpose of this report is to present the City's LBSS agencies' 2025 budgets for confirmation. The full budget can be viewed at www.guelph.ca/budget, with the LBSS specific information found under the [LBSS](#) tab.

Key Findings

The 2025 LBSS budget was adopted through the 2024-2027 MYB in November 2023 with a net budget increase of \$9,058,176 and a 2025 property tax and payment in-lieu of taxes levy increase requirement of \$7,825,865, or 2.41 per cent over 2024.

LBSS agencies were respectfully requested to bring forward a 2025 budget update no greater than the LBSS proportionate share of a four per cent increase over 2024, equivalent to a total 2025 property tax and payment in lieu of taxes levy requirement of \$4,444,051 or 1.37 per cent over 2024.

The 2025 LBSS agencies budget update presented for Council confirmation represents a 2025 budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement over 2024 of \$10,192,159 or 3.14 per cent.

Strategic Plan Alignment

The 2025 LBSS Budget Update aligns with the Foundations theme of the Future Guelph Strategic Plan, objective 4: Maintain our financial health by implementing

the Long-term Financial Planning Framework, specifically, supporting action 4.1.1: implement the MYB planning process aligned to our strategic planning process.

Financial Implications

The financial implications of the budget are fully documented and presented in the 2025 Budget Confirmation materials.

Report

Guelph's first four-year MYB covering 2024-2027 was adopted on November 29, 2023. The *Municipal Act, 2001* states that if a municipality passes a MYB, it must readopt the budget every second or subsequent year. The City has a three-step budget confirmation process, which includes reviewing, updating and confirming the budget.

The budget confirmation process acts as a pulse check done each year after a full MYB is approved. It provides administration and Council with the opportunity to review what was planned and work in an agile and flexible way to adjust for the current environment, including new direction from the Mayor or Council.

The City funds all or part of the operations of several LBSS agencies that have separate governance structures and varied types of relationships with the City. The City's LBSS agencies impact both the City's tax-supported and non-tax-supported total budget. While Council does not have direct oversight of these boards and agencies, City Councillors sit as members of the board of governors for each of these entities. More information about each of the City's LBSS agencies is available in the [budget manual](#).

With the passage of the *Strong Mayors, Building Homes Act, 2022* in September 2022 and its coming into force in July 2023, the budget process was altered to follow a new time-limited progression, with the budget to be deemed adopted as the final step. Although each of the LBSS budgets are funded, in whole or in part, by the municipality and approved by Council, the budget preparation and submission process for each LBSS is defined in its governing statute. The Strong Mayor budget process does not apply to LBSS budget preparation and submission, therefore the City has separated the budget adoption process into two phases for the 2025 confirmation: City budget confirmation and LBSS agencies budget confirmation. The power to amend and/or approve the budget of each LBSS organization varies based on the governing legislation of each organization, and is summarized here for Council's awareness:

- Downtown Guelph Business Association – Council may approve the proposed budget, in whole or in part, but may not add expenditures.
- Guelph Public Library – Council may approve or amend the budget estimates submitted by the Library board.
- Guelph Police Service – Council may approve or amend (increase or decrease) the overall budget submitted by the Police board but does not have the authority to approve or disapprove specific items in the estimates. If the Police board is not satisfied with Council's amendments, there is an arbitration process managed through the Ontario Police Arbitration and Adjudication Commission to resolve the matter.
- The Elliott – Council may approve the proposed budget, in whole or in part, and may amend the budget.

- Wellington-Dufferin-Guelph Public Health – The City is an obligated municipality under governing public health legislation and is required to pay a portion of public health expenses. The Public Health board is accountable to the municipality and must specify in its annual estimates what is required to cover expenses, but there is no explicit authority for Council to amend or edit the estimates or control the payment of expenses.
- Grand River Conservation Authority – Conservation authority budgets are approved by the Conservation board following a legislated process that includes preparation of a draft budget, meeting to approve the draft budget, and consultation with participating municipalities affected by the draft budget as necessary to finalize the annual budget.
- County of Wellington Shared Services – The County of Wellington is the delivery agent for the County of Wellington and the City of Guelph under the *Ontario Works Act, 1997* and the service manager under the *Housing Services Act, 2011*. Costs are apportioned to the City in accordance with the legislation.

The 2025 LBSS budget was adopted through the 2024-2027 MYB in November 2023 with a net budget increase of \$9,058,176 and a 2025 property tax and payment in lieu of taxes levy increase requirement of \$7,825,865, or 2.41 per cent over 2024. In the presentation of the MYB, a portion of the LBSS impact was separated out into the Provincial housing and homelessness budget requirement (\$1,150,000). In alignment with the updated presentation of the 2025 budget update, this allocation has been included with the LBSS increase.

LBSS agencies were respectfully requested to bring forward a 2025 budget update no greater than the LBSS proportionate share of a four per cent increase over 2024, equivalent to a total 2025 property tax and payment in-lieu of taxes levy requirement of \$4,444,051 or 1.37 per cent over 2024.

The 2025 LBSS agencies budget update presented for Council confirmation represents a 2025 budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement over 2024 of \$10,192,159 or 3.14 per cent.

The City requested and has received correspondence from several LBSS agencies outlining the 2025 budget updates for their organizations, which are included in Attachment-1 through Attachment-5 of this report.

Financial Implications

The financial implications of the budget are fully documented and presented in the 2025 Budget Confirmation materials.

Consultations and Engagement

Jennifer Charles, General Manager/City Solicitor, Legal and Court Services, City of Guelph

Shaun Hewitt, Manager of Finance, Guelph Police Services

Dan Atkins, Chief Executive Officer, Guelph Public Library

Shauna Calder, Manager of Finance, County of Wellington

Brian Herman, Chief Financial Officer, Guelph-Wellington-Dufferin Public Health

Michelle Karker, Chief Executive Officer, The Elliott Community

Karen Armstrong, Deputy CAO and Secretary/Treasurer, Grand River Conservation Authority

Downtown Guelph Business Association

Attachments

Attachment-1 Guelph Police Services

Attachment-2 Guelph Public Library

Attachment-3 Wellington-Dufferin-Guelph Public Health

Attachment-4 The Elliott Community

Attachment-5 Grand River Conservation Authority

Departmental Approval

None.

Report Author

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This report was approved by:

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