

TOWN OF WHITBY

Mayoral Decision #01-2024



Pursuant to the *Municipal Act, 2001*

11/18/2024

Re: 2025 to 2027 Strong Mayor's Budget

The 2025 to 2027 Strong Mayor's Multi-Year Budget appended to this Mayoral Decision has been proposed for the Town and is being made available to the public and is provided to Council for Council's consideration pursuant to section 284.16 of the Municipal Act, 2001 and section 7 of Ontario Regulation 530/22.

Original Approved and Signed. _____

Elizabeth Roy
Mayor

Attachment 1 – Memorandum from Mayor Roy dated November 18, 2024 regarding the 2025 to 2027 Strong Mayor's Budget



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November 18, 2024

RE: 2025 to 2027 Strong Mayor Budget

To: Members of Council, Town of Whitby Clerk, Residents, and Other Stakeholders

The [Municipal Act](#) requires the Town of Whitby Mayor, as Head of Council, to prepare a proposed budget on or before February 1 of each year and to:

- provide the proposed budget to each member of Council and to the Town Clerk; and,
- make the proposed budget available to the public

This memo builds upon the Draft Budget (prepared by Staff) published on the Town's website on November 4, 2024, and fulfills the Municipal Act requirement.

Strong Mayor Powers and Strong Mayor's Budget

On June 16, 2023, the Minister of Municipal Affairs and Housing announced that the Town of Whitby would be one of 26 other municipalities granted "Strong Mayor Powers" ("SMP") under the Municipal Act. These municipalities are in addition to the City of Toronto and The City of Ottawa, which have had SMP since the beginning of the 2022 to 2026 term of Council. The effective date for Whitby's (and the other 25 other municipalities) was July 1, 2023.

Despite having Strong Mayor Powers since 2023, this is the Town's first Strong Mayor's Budget (or budget prepared in accordance with the Strong Mayor Power provisions of the Municipal Act). This is also the Town's first multi-year budget (covering 2025, 2026, and 2027) and first budget, in recent years, to be approved before the start of the budget year.

Rationale for Change in Budget Process

The multi-year budget approach ensures we continue to prioritize implementing action items in Whitby's Community Strategic Plan. Thousands of residents provided input into the plan, and its 62 action items reflect what matters most to our community, including improvements to the waterfront, support for our most vulnerable residents, bringing healthcare close to home, affordable housing and so much more. The budget also reflects the feedback we heard from residents through online engagement opportunities



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and a series of “Talk Budget with Mayor Roy” events I hosted in the community this fall. Approving the budget before the new year enables the Town to procure for equipment, materials, and services earlier, securing better prices and delivery dates/project completion timelines for taxpayers. The Town’s budget will be adopted no later than December 16, 2024, which is approximately two months earlier than in previous years.

Draft Budget Prepared by Staff

On November 4, 2024, Staff prepared a Draft Budget for 2025 to 2027 that outlined budget pressures, including previous Council decisions (such as staffing for a new fire station and for the Whitby Sports Complex that is currently under construction, negotiated wage settlements, and market adjustments to attract and retain staff), inflationary pressures, citizen engagement, the need to keep the Town’s aging infrastructure in a state of good repair, and implementation of Community Strategic Plan action items.

Based on the budget pressures and projections prepared by Staff, the draft multi-year budget increases and impacts to an average homeowner is as follows:

Budget Year	2025	2026	2027
Net Budget Increase (in thousands)	\$7,345	\$7,795	\$8,026
	5.7%	5.6%	5.4%
Impact on Total Residential Property Tax Bill for Town Services*	\$125	\$129	\$130
	1.96%	2.00%	1.97%

*for an Average Whitby Home assessed at \$503,000 by the Municipal Property Assessment Corporation, (“MPAC”).

Details of the Draft Budget, prepared by Staff is available in the Draft Budget Book online at connectwhitby.ca/Budget

Strong Mayor’s Budget

From the date the Draft Budget was published until November 17th, the Virtual Budget Forum was open for residents to provide feedback at connectwhitby.ca/Budget. I have reviewed the Draft Budget, listened to residents and heard their concerns, spoken to Members of Council, and recommend the following edits to the Draft Budget:



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- **Asset Management Funding:** The Draft Budget includes \$3 million of incremental funding, each year (2025 to 2027), in support of the Town's aging infrastructure. I am recommending a slower phase-in of asset management funding as follows: \$1.45 million, \$1.85 million, and \$2.6 million in 2025, 2026, and 2027, respectively. At the [October 28th Committee of the Whole meeting](#), Staff outlined that the Town currently has an infrastructure funding gap of \$10.8 million – that is the Town's annual funding vs. the Town's required annual funding to keep the Town's aging infrastructure in a state of good repair is short \$10.8 million, annually. However, Town Staff noted that they are working on an update of the plan to include levels of service and a financial strategy. Further, the Province recently announced that the Town is eligible for \$5.4 million of Building Faster Funding ("BFF") for meeting 88% of Provincial Housing targets in 2023. My proposed reductions allows for staff to finalize the update to the Municipal Asset Management Plan and utilize BFF grant funding to supplement infrastructure funding shortfalls, where applicable.
 - **Funding to Hire 20 Additional Fire Fighters in 2025:** I also propose phasing in the funding for the 20 additional fire fighters over two years (2025 and 2026) instead of four. Staff suggested spreading the \$2.2 million cost over four years in the Draft Budget. However, based on feedback received since the Draft Budget was published, I recommend allocating \$1.1 million in the 2025 budget and an additional \$1.1 million in the 2026 budget. This would allow for the recruitment of an additional 20 fire fighters in 2025. Budget adjustments required to support this change are as follows:
 - The reduction to the Asset Management funding, noted above, will help to partially offset the impact on the 2025 budget.
 - To offset the impact on the 2026 budget, I am reducing the provision for Work Force Planning and Growth in 2025 by \$0.4 million. With this proposed change, the proposed budget will include \$0.6 million and \$1.0 million for Work Force Planning and Growth for 2026 and 2027, respectively.
 - **Increase in Assessment Growth:** Assessment growth-related revenue is incremental property tax revenue from new homes/businesses added to the assessment roll by MPAC and changes to assessment values for existing properties (e.g. assessment value may increase with the addition of a pool). Staff have informed me that assessment growth-related tax revenues have increased by \$0.509 million since the Draft Budget was prepared. I am recommending amending the 2025 proposed budget to include the incremental



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assessment growth revenues which has an impact of reducing the Town's proposed budget shortfall and lowering the impact of the proposed budget to taxpayers.

Following the above budget changes, the revised Draft Budget will become the proposed Strong Mayor's Budget for 2025 to 2027:

Budget Year	2025	2026	2027
Original Draft Budget (prepared by Staff) (in thousands)	\$7,345 5.7 %	\$7,795 5.6 %	\$8,026 5.4 %
Strong Mayor's Budget Changes (in thousands)	(\$1,508)	(\$1,000)	(\$850)
Revised Budget Increases	4.5%	4.9%	4.8%
Strong Mayor's Budget Impact on Total Residential Property Tax Bill for Town Services*	\$99 1.6%	\$112 1.7%	\$115 1.8%

*for an Average Whitby Home assessed at \$503,000 by MPAC

The proposed Strong Mayor's Budget, comprised of the Draft Budget (prepared by Staff) and the changes noted above, requires Town budget increases of 4.5%, 4.9%, and 4.8% in 2025, 2026, and 2027, respectively. The net impact of the changes results in a balanced budget for all years, as required by the Province, with the 2025 budget reflecting:

- Total 2025 Revenues of \$187.2 million comprised of:

(\$millions)
 \$ 137.8 Property Taxes
 \$ 28.2 User Fees
 \$ 14.9 Reserve Transfers
 \$ 6.1 Other Revenues
\$ 0.2 Provincial/Federal Support
 \$ 187.2

- Total 2025 Expenditures of \$187.2 million comprised of:

(\$millions)
 \$ 103.8 Salaries, Wages and Benefits



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\$ 7.5	Building Related Costs & Utilities
\$ 3.2	Vehicle, Equipment, & Fuel
\$ 11.7	Purchased Services & Supplies
\$ 8.2	Administrative Costs
\$ 7.8	Grants
\$ 1.5	Debt Charges
\$ 37.0	Transfer to Asset Maintenance & Growth Programs
\$ 6.5	Other Transfers to Reserve & Internal Transfers
<u>\$ 187.2</u>	

Strong Mayor’s Budget – Impact to the Average Whitby Homeowner in 2025

As shown in the graphic below, the average Whitby Homeowner (with a home assessed at \$503,000 by MPAC), currently (in 2024) pays \$6,352 per year in property taxes (Town, Region, and Education):



As outlined in the Strong Mayor’s Budget section, above, my proposed budget for 2025 will result in a **\$99 increase** for Town services (e.g. from \$2,189 to \$2,288). The \$99 per year increase represents a **1.6% increase** on the overall property tax bill of \$6,352.

Articles about Whitby having the Highest Residential Tax Rates

There have been a couple of articles noting that the Town of Whitby has the highest Property Tax Rates in the GTA. The articles often provide an apples-to-oranges comparison between various municipalities such as comparing property taxes for a \$750,000 home in Whitby to property taxes for a \$500,000 home in another municipality. The table below is an excerpt from [a July 2024 Zoocasa article](#) and provides a good start in making an apples-to-apples comparison. The table outlines property taxes, by municipality, for a house valued at \$500,000. The values from this article are often referenced in claims about Whitby having the highest tax rates.



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Property Taxes on a Home assessed at \$500,000 (source: Zoocasa article):

Municipality	Property Taxes on Home Assessed at \$500,000
Orangeville	\$7,228
Oshawa	\$7,159
Barrie	\$6,767
Brock	\$6,746
Clarington	\$6,456
Whitby	\$6,315
Ajax	\$6,309
Scugog	\$6,286
Pickering	\$6,120
Uxbridge	\$5,886

As shown in the above table, Whitby does not have the highest property taxes in the GTA when the same value home is used to calculate property taxes. Additional factors that make it difficult to compare municipal taxes only are:

- 1) Differences in services that are provided by municipalities. For example, within the Durham region, Whitby and Oshawa provide garbage pick-up services directly while the other Durham municipalities have waste pick-up covered by the Region of Durham. Accordingly, the budgets for Whitby and Oshawa are impacted by wage increases and the consumer price index for staff, services, materials and equipment required to service their respective communities.
- 2) Revenues sources that may not be available to all municipalities. For example, the City of Toronto has access to revenue tools such as a Toronto Land Transfer Tax. The cities of Pickering and Ajax both have casino revenues.

Requests to Balance the Operating Budget through Reserves

Some taxpayers suggest using reserves to balance the budget instead of raising taxes. However, most reserves are allocated for future infrastructure projects. Using these funds would delay necessary repairs and growth-supporting infrastructure. Additionally, legislative restrictions prevent using some reserves for ongoing operations, which should be tax-funded. Finally, reserves are finite, and relying on them to fund on-going operations or a new program/service could lead to larger tax increases in the future (i.e. deferred tax increase + budget pressures in the future year) or program cuts once the reserve is fully depleted. As a numerical example:



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- if the Town has \$200,000 in a reserve and implements a new program in the 2025 budget that costs \$100,000 per year; and
- if the Town used this reserve in the 2025 budget instead of increasing property taxes;
- In 2027, the reserve will be fully depleted and the Town will need to:
 - Increase taxes by \$100,000 in 2027 + the budget pressures (e.g. new programs, inflation) in 2027; OR
 - Cut the new program in 2027 because the funding for the program (i.e. the reserve) is fully depleted and the Town is still not willing to increase property taxes to sustain this new program.

Budget Highlights

The attached Budget Highlights document provides more information on the Town's 2024 accomplishments and progress towards meeting the goals in the Community Strategic Plan. The Budget Highlights document also provides high level budget information. As noted above, more detailed information regarding the Town's 2025 to 2027 budget is included in the Draft Budget available online, at www.ConnectWhitby.ca/budget subject to my budget edits noted in the Strong Mayor's Budget section, above.

Next Steps in the Budget Process

The Budget Schedule for the Town's inaugural Strong Mayor's Budget is outlined in the [June 10, 2024 Staff Report FS 21-24](#), which was approved by Council.

The deadlines noted below for Council amendments and override motions for vetoes to amendments have been provided by the Town Clerk.

More information on meetings and further budget discussions is outlined below:

1) Council Budget Education Session

- When: Monday, November 18, 2024, 5:30 p.m.
- Where: Attend the meeting in-person at Whitby Council Chambers or tune in online at whitby.ca/CouncilCalendar
- What: Mayor Roy and Staff will provide Council an overview of the Strong Mayor's Budget for 2025 to 2027



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2) Budget Public Meeting

- When: Tuesday, November 19, 2024, 7 p.m.
- Where: Attend the meeting in-person at Whitby Council Chambers or tune in online at whitby.ca/CouncilCalendar
- What: Residents will have the opportunity to learn about and to provide feedback on the Strong Mayor Budget. Residents interested in speaking at the Budget Public Meeting virtually or in-person are required to register with the Town Clerk by 8 a.m. on the day of the meeting (Tuesday, November 19). Delegation Forms are available online at whitby.ca/Delegation. Note: the Budget Public Meeting is being hosted by Mayor Roy and is not a meeting of Council.

3) Special Council Meeting (for Council amendments to Strong Mayor Budget)

- When: Thursday, November 28, 2024, 7 p.m.
- Where: Attend the meeting in-person at Whitby Council Chambers or tune in online at whitby.ca/CouncilCalendar
- What: At this meeting amendments to the Strong Mayor Budget submitted in advance by Council Members with a confirmed mover and seconder will be considered. If there are no amendments submitted to the Town Clerk by November 25th at 4:30pm, the 2025 to 2027 Multi-Year Budget is deemed adopted and the November 28th meeting will be cancelled. Residents interested in speaking at the Special Council Meeting virtually or in-person are required to register with the Town Clerk by 8 a.m. on the day of the meeting (Thursday, November 28). Delegation Forms are available online at whitby.ca/Delegation.

4) Council Meeting (for Council override of Mayor's Veto of Council Budget amendments)

- When: Monday, December 16, 2024, 7 p.m.
- Where: Attend the meeting in-person at Whitby Council Chambers or tune in online at whitby.ca/CouncilCalendar



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- What: At this meeting, any motions submitted in advance from Council Members to override the Mayor's veto (if any) of Council amendments to the Strong Mayor Budget will be considered. Override motions must be submitted to the Town Clerk by December 11 at 4:30pm and such motions require a two-thirds (2/3) vote of Council in favour of the override to pass. Residents interested in speaking at the Special Council Meeting virtually or in-person are required to register with the Town Clerk by 8 a.m. on the day of the meeting (Monday, December 16). Delegation Forms are available online at whitby.ca/Delegation.

The *Municipal Act* considers the budget adopted if there are:

- No Council amendments to the proposed Strong Mayor's Budget;
- No Mayor's veto of any Council budget amendments;
- No Council overrides to the Mayor's veto of budget amendments; or
- After the December 16th Council meeting where all Council overrides have been voted on by Council.

Thank you to everyone who has taken the time to share feedback on the 2025 Budget.

We've worked hard to balance your priorities with the financial challenges all municipalities are facing.

Together, we're ensuring Whitby stays vibrant, inclusive, and sustainable for generations to come.

I look forward to all we will achieve as we bring this budget to life in the year ahead.

Sincerely,

Elizabeth Roy
Mayor

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