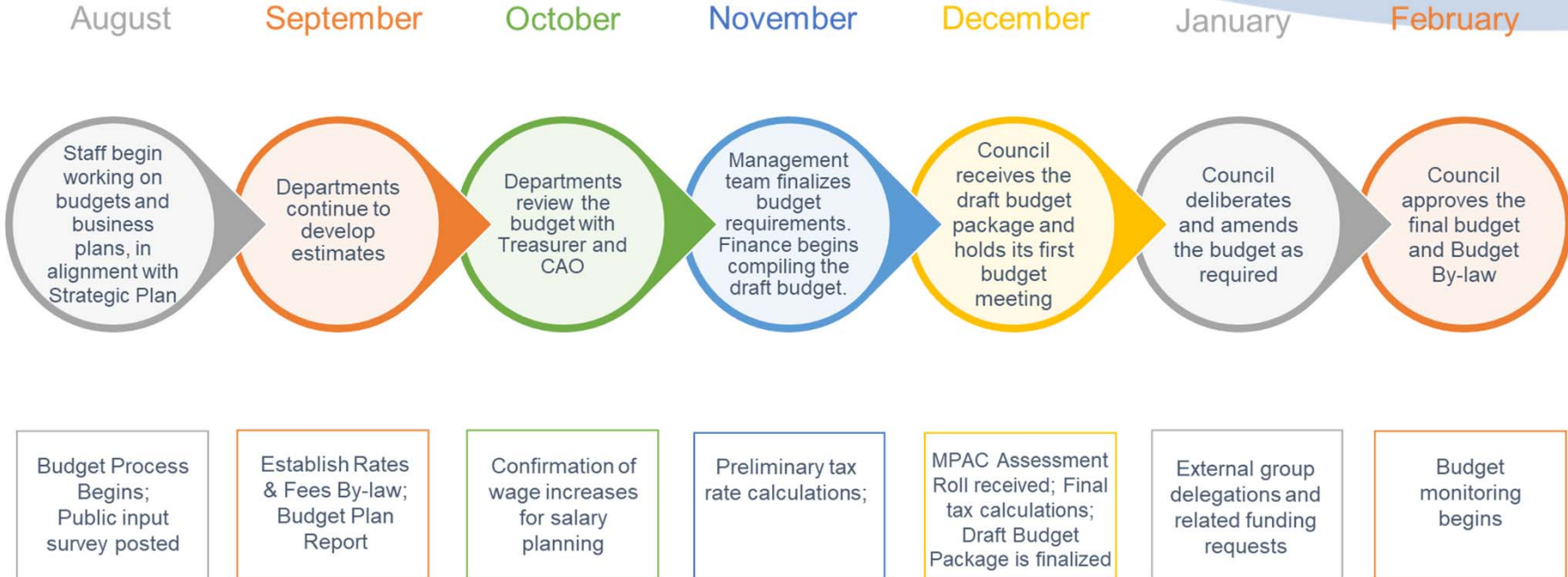


2025 Budget Presentation

December 10, 2024



Budget Process:



2025 Budget Approach

- 2025 Budget Plan report was presented in September providing estimates and budgetary impacts available at that time
- Council approved the 2025 wage increase using the 12-month July CPI of 2.5% and the 2025 budget be drafted to incorporate this economic increase accordingly
- Council implemented the results of the market study for compensation and benefits, and to include the financial impacts in the 2025 budget
- Council provide direction on the maximum 2025 property tax rate increase to be no more than 8%, inclusive of a 3% tax rate increase for Asset Management
- In the absence of a finalized Strategic Plan, staff attempted to incorporate the some of the actions and objectives discussed in the workshops into this budget
- Draft 2025 budget has been developed with a 7.99% tax rate increase

Budgeting Basics

Operating Budget:

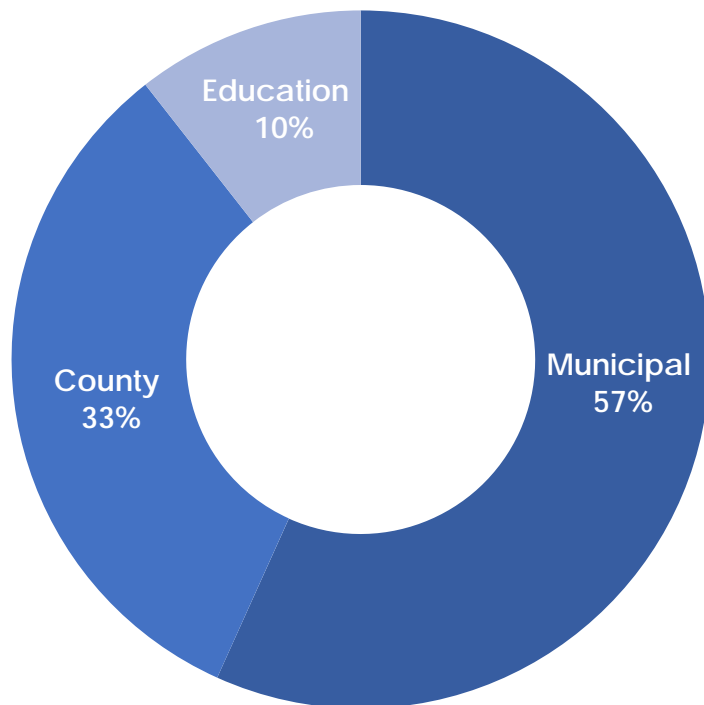
- The operating budget covers the day-to-day expenses needed to deliver services to residents. These costs are recurring and include expenses such as staff wages, office supplies and utilities
- General Levy Operating Budget:
 - Pays for the programs and services of the Municipality, including staff to deliver the services, supplies and repayment of debt
 - Paid for by municipal property taxes, user fees, and some grants
- Rate-based Operating Budget:
 - Pays for rate-based services of water and wastewater treatment, as well as the Building Department

Budgeting Basics

Capital Budget

- The capital budget represents the Municipality's plan to purchase, build, maintain, repair and replace assets and infrastructure.
- The capital budget directly and indirectly impacts the operating budget as funds are needed to cover day-to-day operating expenses associated with the asset.
- The 2025 capital budget is funded through a combination of:
 - Reserves and Reserve Funds
 - Grants (OCIF, CCBF)
 - Developer contributions
 - Donations
- As none of the capital projects are directly funded by the general tax levy, removing or deferring a capital project will not increase or decrease the 2025 tax rate. It will only impact the balance of the related reserve fund.

Property Tax Dollars Allocation



The tax bill is split in 3 separate portions:

- 57% to pay for services provided by the Municipality of Kincardine
- 33% goes to pay for Bruce County services
- 10% is allocated to School Boards for education

The County has not yet approved its 2025 net tax levy, nor has the Province has not yet set the 2025 Education tax rate.

Municipal Property Tax Levy

In 2016, MPAC updated the assessed values of every property in Ontario. These values will continue to be used to calculate the property taxes for 2025, unless there have been changes to the property that resulted in an updated assessment from MPAC.

The Province will conduct a review of the property taxation and assessment system focusing on fairness, equity and economic competitiveness. Property reassessment will be deferred until this work has been completed.

The table below details the change in the total taxes collected over the past 6 years (*includes PIL education retained*):

Year	Total Municipal Levy	Yr over Yr % Change	Local Municipal Tax Rate	Yr over Yr % Change
2020	\$18,411,953	8.16%	0.00715794	5.60%
2021	\$19,078,863	3.62%	0.00737268	3.00%
2022	\$20,141,158	5.57%	0.00772018	4.71%
2023	\$21,700,301	7.74%	0.00820810	6.32%
2024	\$23,247,926	7.13%	0.00877118	6.86%
2025	\$25,144,068	8.16%	0.00947200	7.99%

1% Tax Rate Increase:

- \$212,000 in additional municipal property tax revenue
- \$9 increase in property tax bill for every \$100,000 CVA
- \$24 increase for the average residential household assessed at \$275,000

How does the assessed value of a home impact the property tax bill?

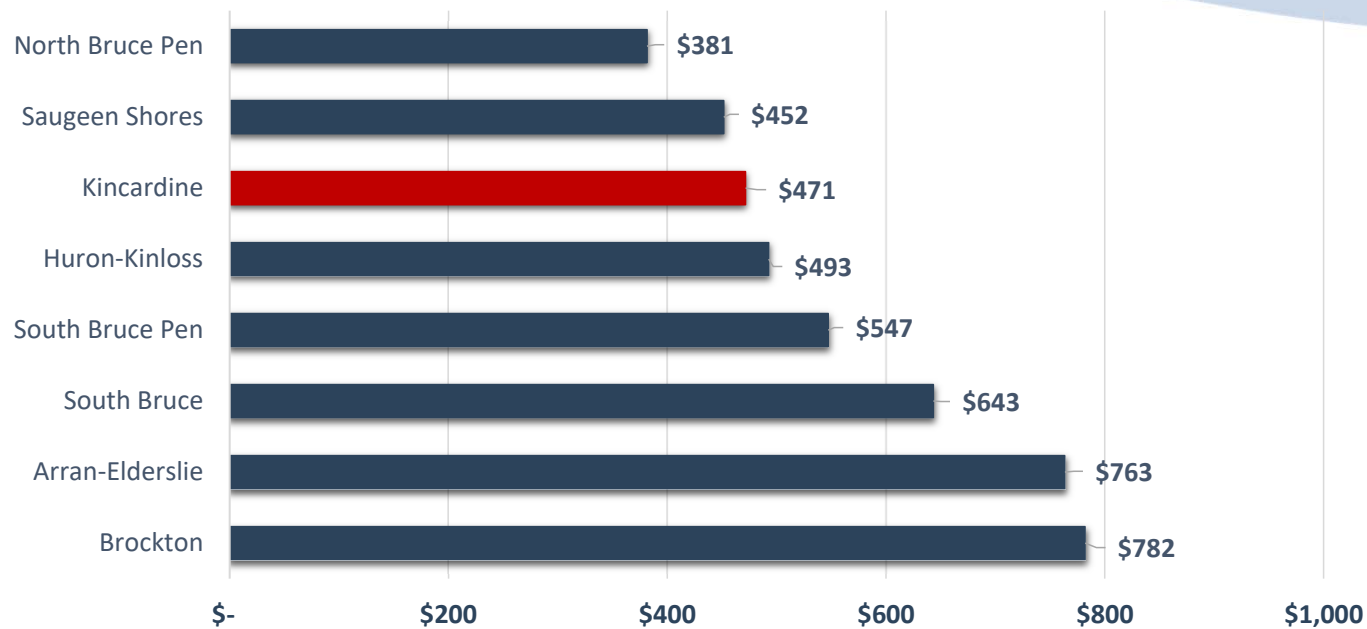
Property Tax Calculation Examples with a 7.99% tax rate increase:

	A	B	A x B = C	D	C - D
	Property Assessment Value	Draft 2025 Municipal Tax Rate	Draft 2025 Municipal Property Tax Bill	2024 Property Tax Bill	Cost of 7.99% Increase
	\$ 100,000	0.009471997	\$ 947.20	\$ 877.12	\$ 70.08
	\$ 275,000	0.009471997	\$ 2,604.80	\$ 2,412.07	\$ 192.72
	\$ 300,000	0.009471997	\$ 2,841.60	\$ 2,631.35	\$ 210.25
	\$ 400,000	0.009471997	\$ 3,788.80	\$ 3,508.47	\$ 280.33
	\$ 500,000	0.009471997	\$ 4,736.00	\$ 4,385.59	\$ 350.41
	\$ 600,000	0.009471997	\$ 5,683.20	\$ 5,262.71	\$ 420.49
	\$ 700,000	0.009471997	\$ 6,630.40	\$ 6,139.83	\$ 490.57
	\$ 800,000	0.009471997	\$ 7,577.60	\$ 7,016.94	\$ 560.65

Assessment Values are determined by MPAC

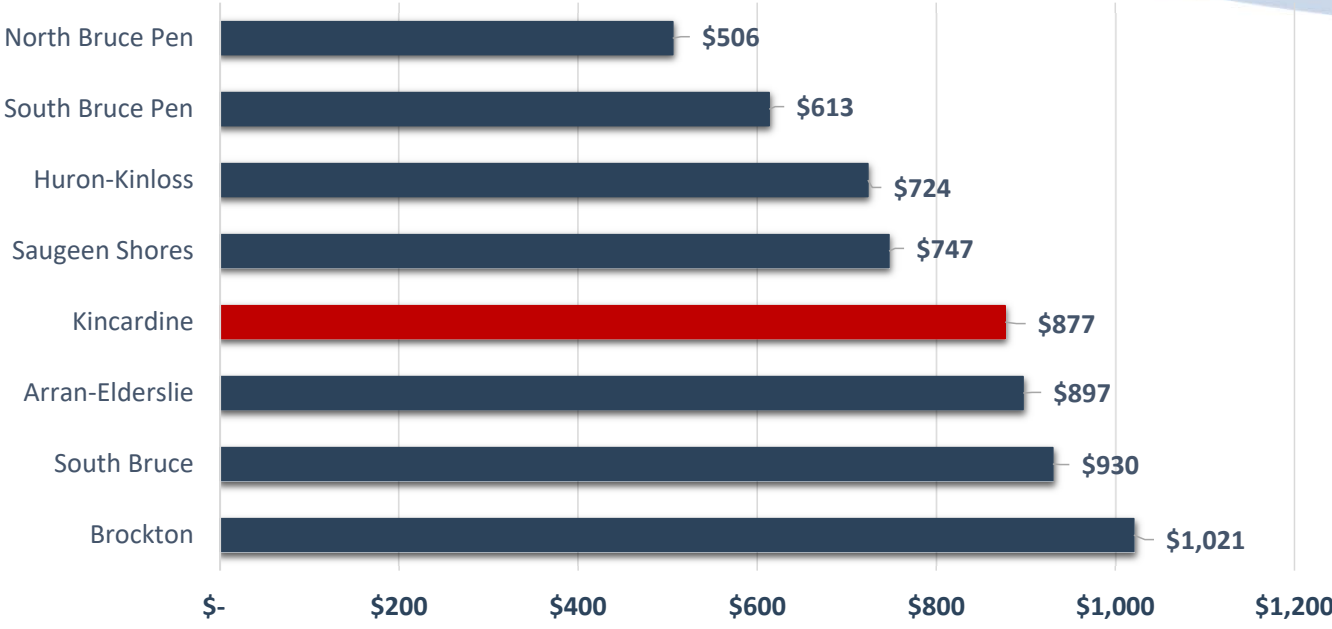
Tax rate determined by Municipality

2012 Municipal Taxes per \$100,000 CVA in Bruce County



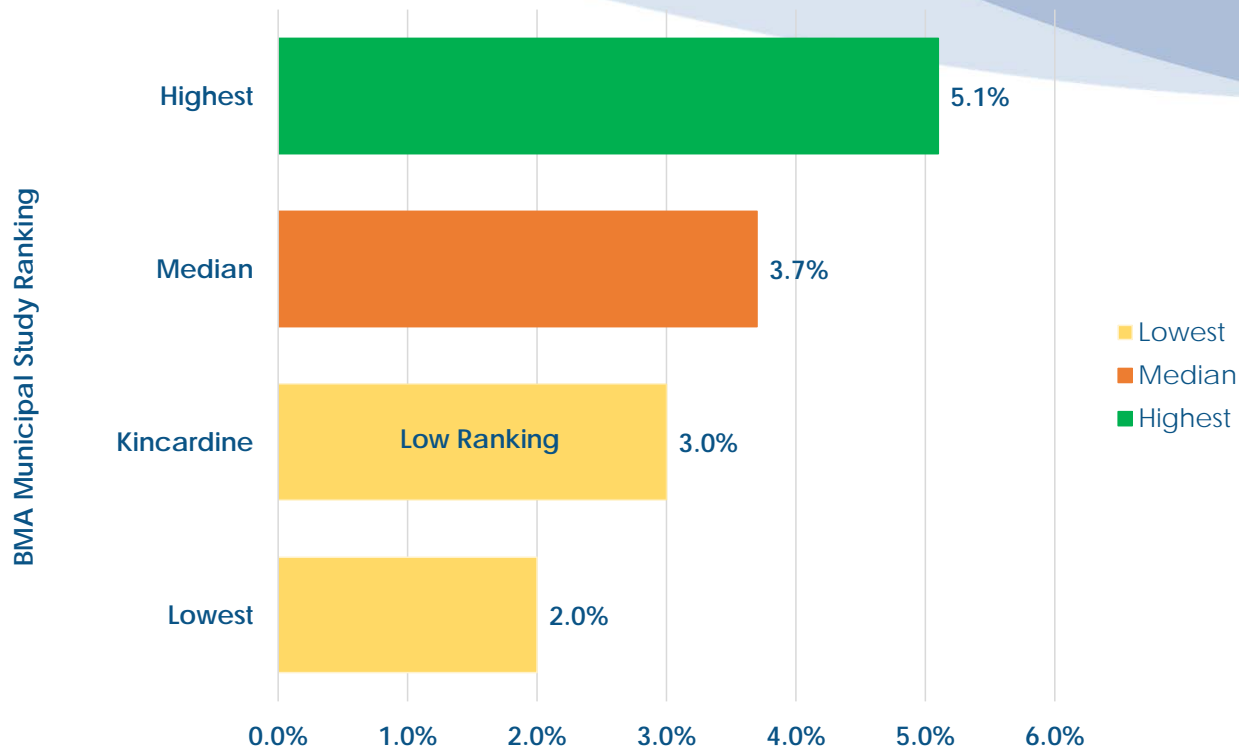
Kincardine
had the 3rd
lowest tax
rate in 2012

2024 Municipal Taxes per \$100,000 CVA in Bruce County



Median Taxes per \$100,000 CVA = \$812

2024 Property Taxes as a % of Household Income

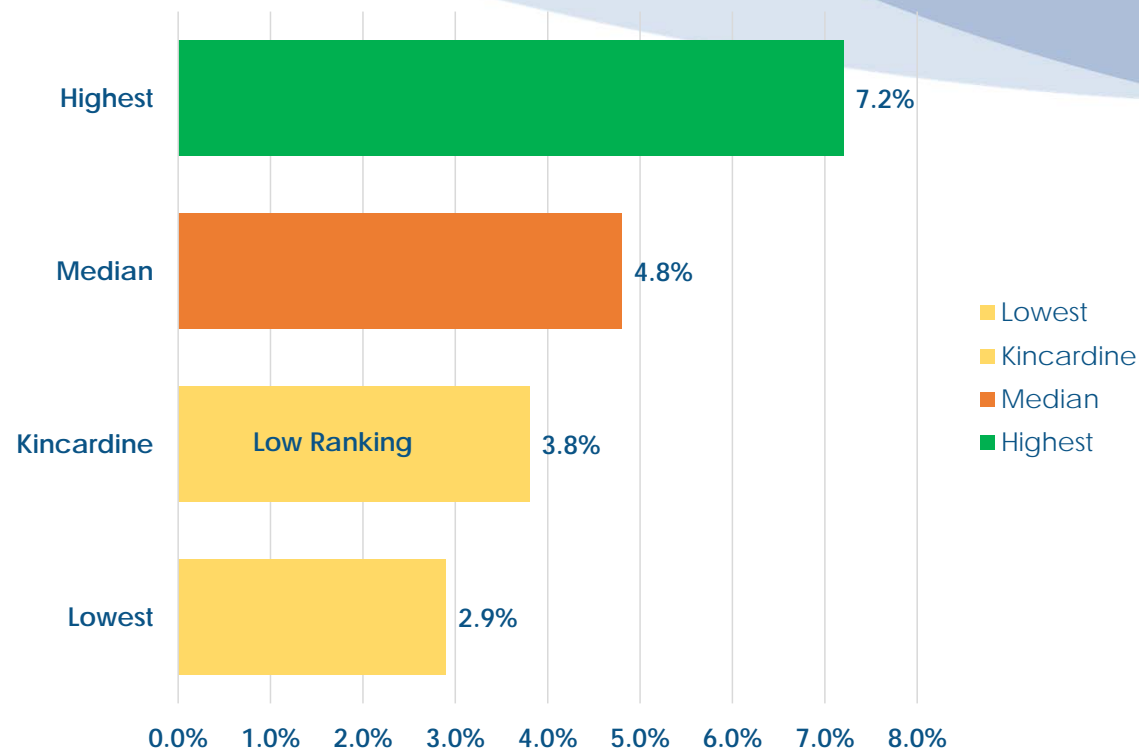


2024 Average Household Income:
\$117,448 Median
\$124,639 Average
\$145,158 Kincardine

Low < 3.4%

Based on 2024 BMA Municipal Study with 126 participating municipalities.

2024 Municipal Burden as a % of Household Income

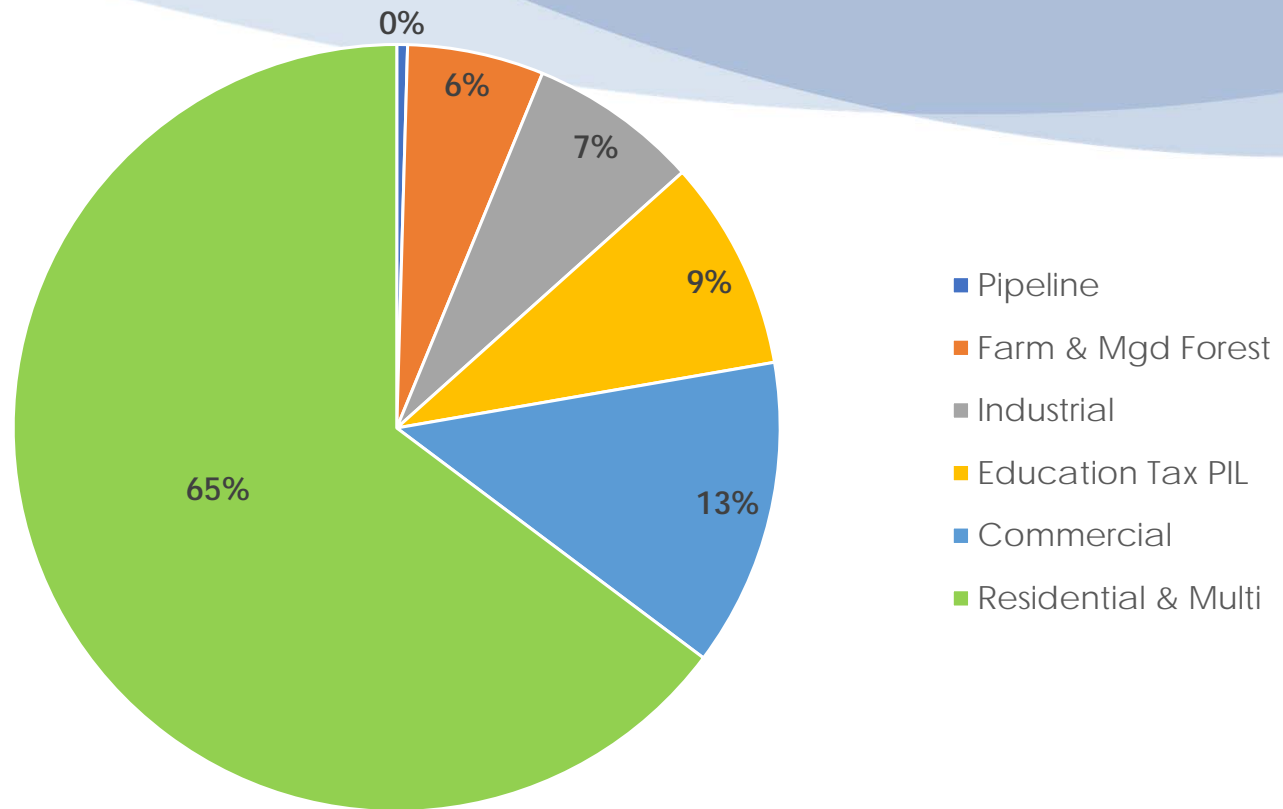


Municipal Burden includes property taxes as well as water and sewer costs on a typical home, assuming average annual consumption of 200 m³.

Low < 4.5%

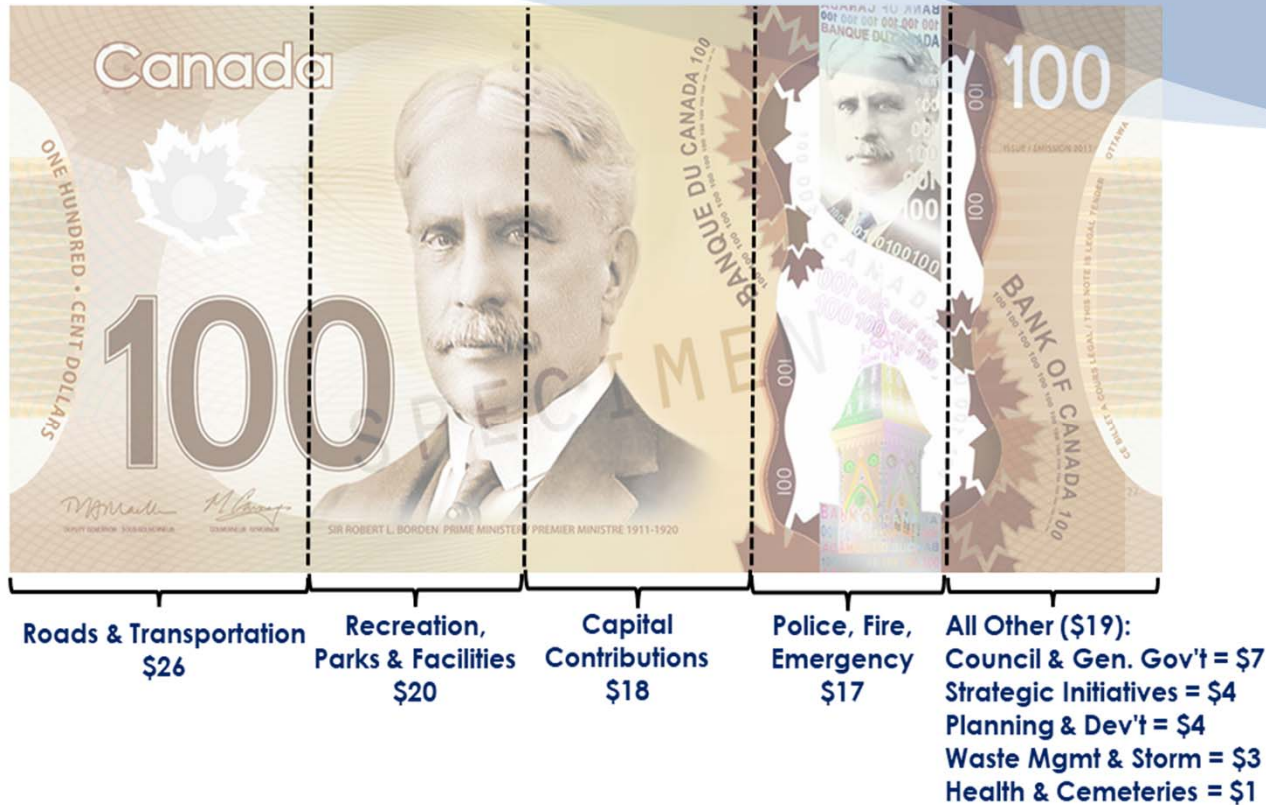
Based on 2024 BMA Municipal Study with 126 participating municipalities.

2025 Property Tax Revenue by Tax Class



Total Property Tax Revenue = \$25.144 million

Where do the municipal tax dollars go?

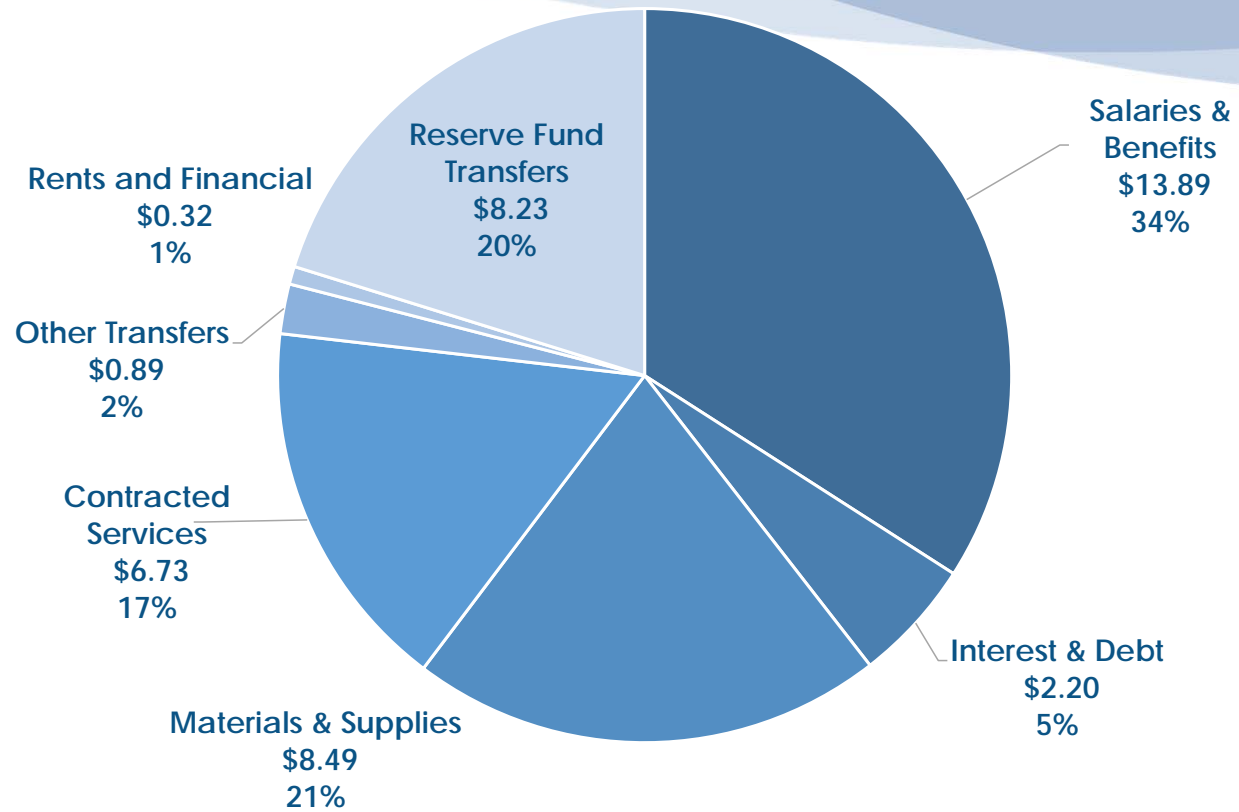


A few examples:

- Winter road maintenance
- Recreation programming
- Waste management & collection
- Emergency services
- By-law enforcement
- Facilities maintenance
- Parks & trails
- Economic development & tourism
- Cemetery maintenance
- Airport operations
- Physician recruitment program
- Capital contributions

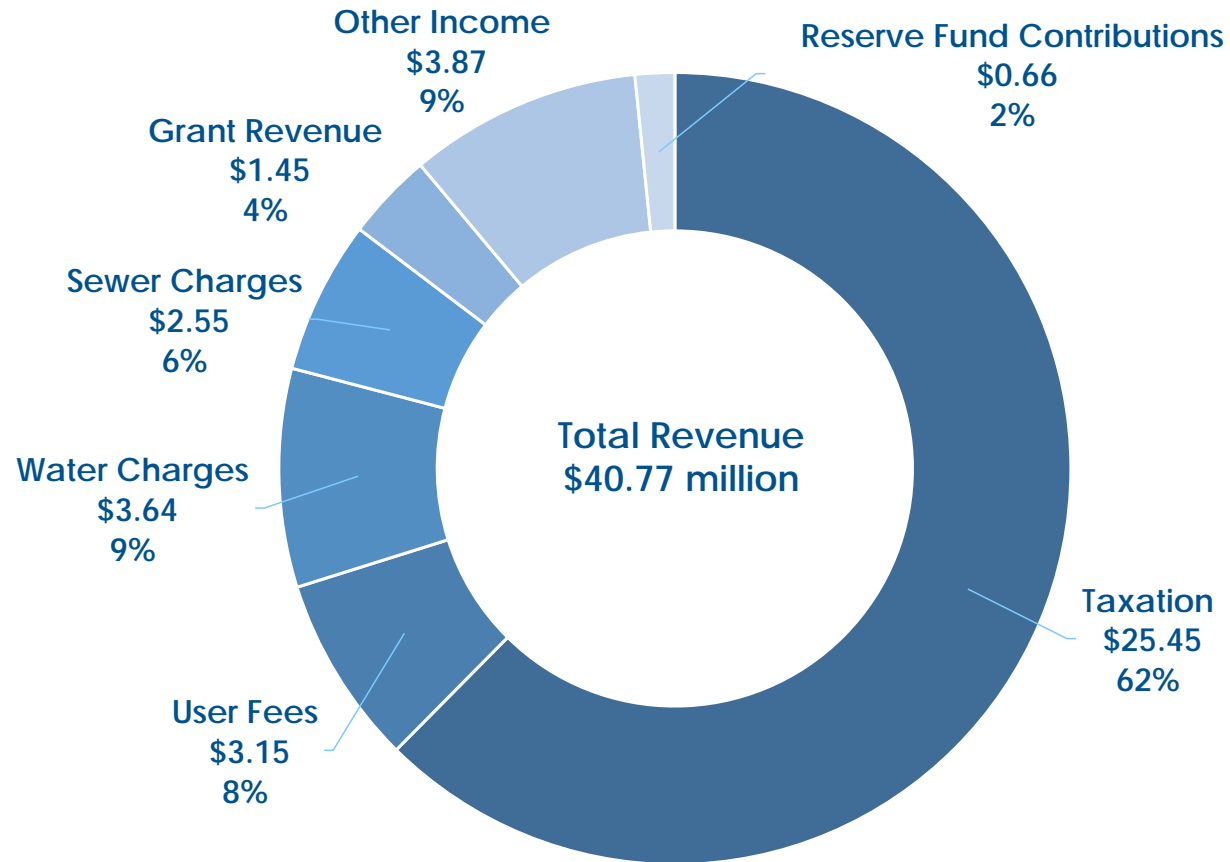
Note: Chart is based on the 2024 budget

Operating Expenses by Type



* in millions

Revenue Sources



Operating Budget Impacts

2025 Unfavourable Cost Increases:

Significant Changes from the 2024 Municipal Levy to the 2025 Proposed Municipal Levy					
Unfavourable Cost Increases:	Tax Levy Impact	User Funded Portion	Total Budget Impact	% Tax Rate Impact	Reason
Salaries & Benefits	\$ 543,486	\$ 56,264	\$ 599,750	2.56%	COLA at 2.5%; Market Study; Merit Increase; Legislated
New Debenture - Infrastructure Ontario	\$ 345,000	\$ 230,000	\$ 575,000	1.63%	5-year debenture for servicing the 9/21 business park
OPP Contract Cost Increases	\$ 268,000	\$ -	\$ 268,000	1.26%	Contractual obligation
Software Maintenance Contracts	\$ 94,150	\$ 23,850	\$ 118,000	0.44%	Payroll system, eScribe, Website, etc.
Insurance Premiums	\$ 16,722	\$ 16,478	\$ 33,200	0.08%	Inflationary
Total Unfavourable Cost Increases:	\$ 1,267,358	\$ 326,592	\$ 1,593,950	5.98%	

New Revenues & Budgetary Reductions:

New Revenues & Budgetary Reductions:					
LED Streetlight Loan Repayment	\$ (34,000)	\$ -	\$ (34,000)	-0.16%	Completion of 10-year loan
Office Lease rental income	\$ (39,400)	\$ -	\$ (39,400)	-0.19%	New tenant agreements
IDEA Budget	\$ (55,800)	\$ -	\$ (55,800)	-0.26%	Strategic Plan alignment
Landfill Tipping Fee Revenues	\$ (60,000)	\$ -	\$ (60,000)	-0.28%	Increase in 2025 user fees
Reduction to MCR municipal tax transfer to Sewer RF	\$ (94,000)	\$ -	\$ (94,000)	-0.44%	Internal loan repaid in full
Bank Interest Income	\$ (150,000)	\$ (8,500)	\$ (158,500)	-0.71%	Favourable interest rates
OMPF Funding Increase	\$ (159,100)	\$ -	\$ (159,100)	-0.75%	Favourable increase in grant funding
Total New Revenues & Budgetary Reductions:	\$ (558,300)	\$ (8,500)	\$ (566,800)	-2.63%	

Impact of 2024 One-Time Tax Mitigation Measures

The 2024 Budget included some one-time mitigation measures that aimed to reduce the property tax rate increase in 2024. Unless permanent budget reductions or service level reductions are made, these one-time offsets will impact the following year's budget.

The following chart summarizes the tax rate impact of the 2024 decisions for the 2025 budget:

Impact of 2024 One-Time Tax Mitigation Measures	Tax Levy Impact	User Funded Portion	Total Budget Impact	% Tax Rate Impact	Reason
50% Bruce Telecom dividend allocated to Operating Budget	\$ 250,000	\$ -	\$ 250,000	1.18%	Sale of BT - no dividend in budget; Legacy Fund
Nurse Practitioner/Physician Incentives - RF	\$ 235,200	\$ -	\$ 235,200	1.11%	Reversal of One-time funds
Westario Power Dividend to Operating	\$ 54,000	\$ -	\$ 54,000	0.25%	Reversal of One-time funds
Total 2024 Tax Mitigation Measures:	\$ 539,200	\$ -	\$ 539,200	2.54%	

Unfavourable Cost Increases:

(1) Salaries & Statutory Benefits (+2.56% tax rate impact)

	2024 Budget	2025 Budget	\$ Variance	% Variance
Salaries	\$10,173,563	\$10,744,729	\$571,166	5.6%
Statutory & Health Benefits	\$3,108,221	\$3,136,805	\$28,584	0.9%
Total Payroll Costs	\$13,281,784	\$13,881,534	\$599,750	4.5%

Unfavourable Cost Increases:

(2) New Debenture (Hwy 9/21 Business Park servicing) - \$575,000 increase (+1.63% tax rate impact)

- 5-year debenture
- Closing date December 2, 2024
- Principal amount = \$2,626,000
- Interest rate = 3.49%
- Annual debt payments are \$575,000
- Allocated between tax-supported (60%), water (30%) and sewer rate (10%) funded budgets
- Recoverable from future developers through Area-Specific Development Charges (ASDC's)
 - Institutional development is exempt

Unfavourable Cost Increases:

(3) OPP Contract - \$268,000 increase (+1.26% tax rate impact)

- Estimated cost per property is \$380.27 vs. \$360.96 (2024) - \$19.31 (5.3%) increase
- Property count = 6,770
- Total cost = \$2.574 million
- Increase of \$268,000 (11.1%), and translates to a direct tax rate impact of 1.26%
- If the School Resource Officer (SRO) contract enhancement had remained in the 2025 policing bill, the total increase to the OPP costs would have been \$457,000 (19%)

The increase in policing costs have been significant across all 327 municipalities serviced by the OPP.

The increase is primarily attributed to the ratification of four-year collective agreements for uniform and civilian employees.

UPDATE: On November 29th, Ontario announced a proposal to provide financial relief to municipalities to offset the increase in OPP costs. Kincardine's relief = \$396,870.

Unfavourable Cost Increases:

(4) Software Maintenance Contracts - \$118,000 cost increase (+0.44% tax rate impact)

- New payroll system = \$43,000
- Laserfiche Cloud migration = \$26,000
- New water metering system = \$19,000
- Annual website hosting = \$10,000

As the municipality increases its use and dependence on new IT systems and products, our annual costs can be expected to continue to increase.

Unfavourable Cost Increases:

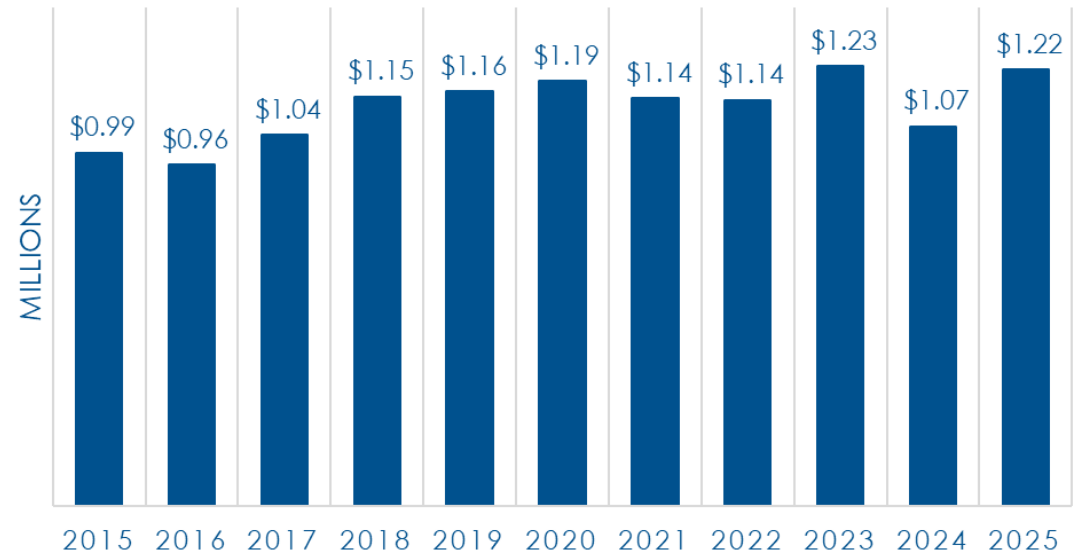
(5) Insurance Premiums - \$33,200 increase (+0.08% tax rate impact)

- 2025 annual insurance premium, excluding cyber coverage, has been estimated at \$640,000, which represents an increase of \$33,200 (5%) over the prior year.
- Cyber insurance coverage has remained comparable to 2024 and is estimated at \$44,000 for 2025. Increasing premiums are the result of a rise in ransomware attacks in the public sector, and in some cases, it has become difficult to even qualify for insurance coverage.

New Revenues & Budgetary Reductions:

(1) OMPF Funding: Grant increase = \$159,100 (-0.75% tax rate impact)

- 2025 allocation = \$1.2447 million
- 15% overall increase over 2024
- 2025 grant funding remains less than the 2023 allocation



New Revenues & Budgetary Reductions:

(2) Bank Interest Income - \$150,000 revenue increase (-0.75% tax rate reduction)

- Higher interest rates

(3) Property tax transfer for OPF lands business park - \$94,000 revenue increase (-0.44% tax rate reduction)

- Internal loan for OPF Business Park servicing has been repaid
- These funds can now be directed towards the operating budget

(4) Landfill Tipping Fee Revenues - \$60,000 revenue increase (-0.28% tax rate reduction)

- 14% increase in landfill tipping fees due to fee increase for unsorted waste
- \$250/tonne to \$375/tonne

(5) Inclusion, Diversity, Equity and Access (IDEA) Budget - \$55,800 budget (-0.26% tax rate reduction)

- Reprioritized the SI budget to match council's proposed new initiatives, which includes developing a short-term licensing program and a municipal accommodation tax
- New SI staffing resources would be required to continue with existing services in this budget area, which is not possible with a maximum 8% tax rate increase
- Both mandates simultaneously are not feasible

(6) Office Lease Rental Income - \$39,400 revenue increase (-0.19% tax rate reduction)

- New tenant leases executed for 2025 at Municipal Administration Centre and Medical Clinic

Impact of 2024 One-Time Tax Mitigation Measures:

(1) Bruce Telecom Dividend - \$250,000 (+1.18% tax rate increase)

- Creation of Legacy Fund with preservation of principal investment in perpetuity
- Interest income to fund capital projects only
- First interest earning draw in 2026 budget

(2) Contingency Reserves to fund Physician Recruitment -\$235,200 (+1.11% tax rate increase)

- Ongoing operating costs should be funded through property taxes or user fees
- Not sustainable to fund through reserves or reserve funds

(3) Westario Power Dividend - \$53,900 (+0.25% tax rate increase)

- Investment income should be directed to the capital budget

Operating Budget Summary

Summary of Operating Budget Impacts	Tax-Based Budget Impact	% Tax Rate Impact
Unfavourable Changes	\$ 1,267,358	5.98%
New Revenues & Budgetary Reductions	\$ (558,300)	-2.63%
2024 Tax Mitigation Measures - reversal	\$ 539,200	2.54%
Total Impact on Operating Budget	\$ 1,248,258	5.89%
Add: Other cumulative budgetary variances	\$ 12,775	0.06%
Less: Property Assessment Growth Impacts	\$ (200,921)	-0.95%
Net Property Tax Increase Requirement	\$ 1,060,112	4.99%
Add: 3% Tax Increase for Asset Management Funding	\$ 636,000	3.00%
Total Draft Tax Rate Increase	\$ 1,696,112	7.99%

The impact of each of these factors described results in an operational tax rate increase of 4.99%.

With the addition of the 3% AMP Funding, the total draft tax rate increase is proposed at 7.99%.

New Estimates & Information:

- **Saugeen Valley Conservation Authority Draft Levy - \$496,000:**
 - Levy increase of \$76,554 (17.6%)
 - Apportionment increase of \$1,696
 - Tax rate impact = + 0.37%
- **SMART Levy- \$94,120**
 - Levy increase of \$5,165 (5.8%)
 - \$4,015 higher than the draft budget estimate
 - Tax rate impact = +0.019%
 - Proposal for Enhanced Transportation Services (attached)
- **OPP Billing Adjustment = - \$396,870**
 - Tax rate impact = -1.87%
 - Option to transfer 50% (~\$200,000) of the financial relief to a Reserve Fund to mitigate the impact to the 2026 budget
- **2025 Final Assessment Roll**





Revised Tax Rate Increase = 6.45%



New Position Requests for 2025:

The Budget Report also includes information on staff complement, as well as proposed new staffing additions. Appendix F includes further details for each of these proposed new positions.

The addition of new staff positions would place further pressure on the property tax rate and would result in exceeding the 8% maximum limit imposed by Council.

None of these positions have been incorporated into the draft operating budget.

- Manager of Planning Services
- Environmental Services Maintenance Coordinator
- Executive Administrative Assistant, Community Services
- Lead Hand Parks & Facilities
- Parks & Facilities Maintainer
- 2 Parks Students (18-week contract)
- Special Events Coordinator
- Accessibility Coordinator
- Purchasing & Procurement Coordinator
- Voter's List Assistant (summer student) – Election Reserve



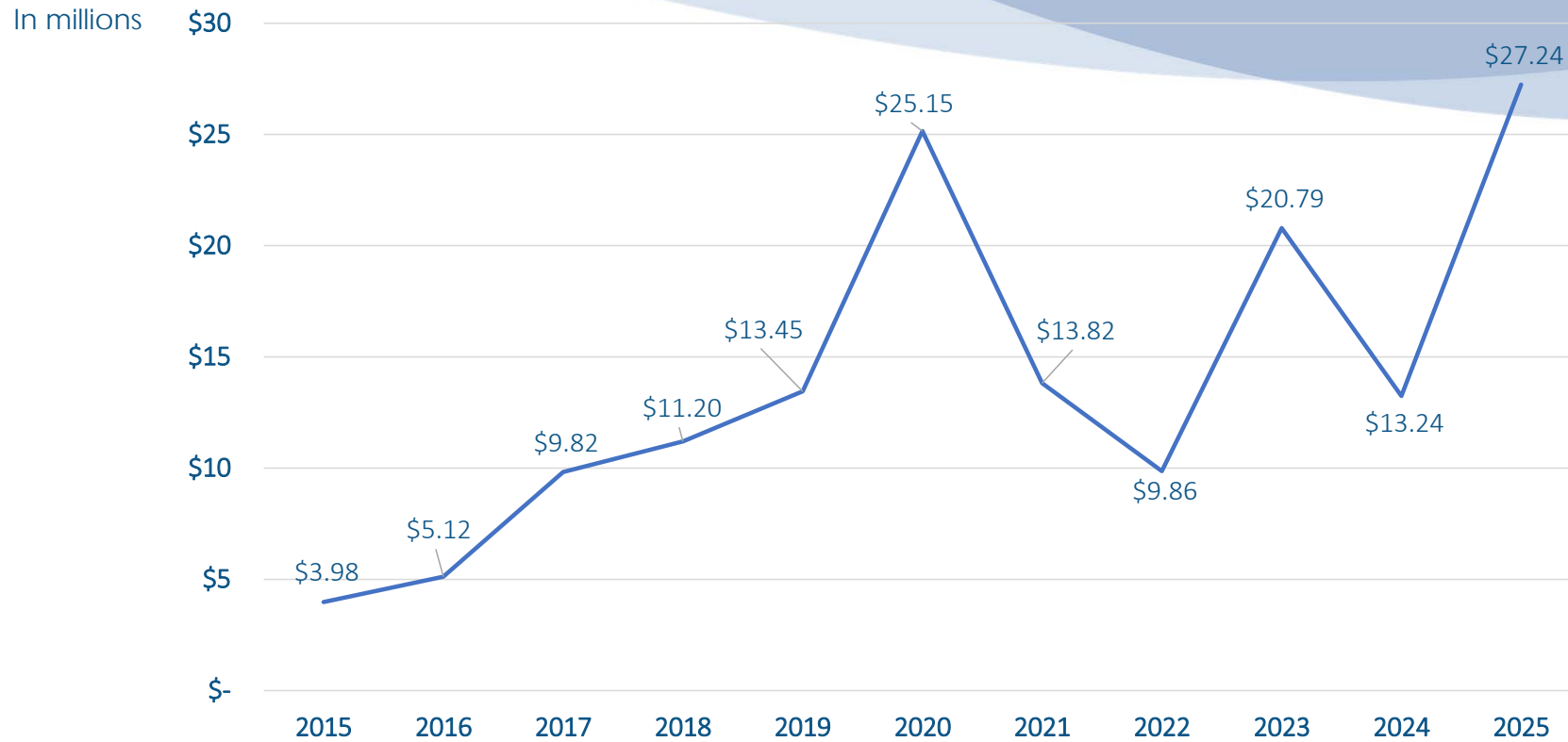
Capital Budget



5-Year Capital Plan Summary

	Carry Forward	2025	2026	2027	2028	2029
Corporate Services						
Treasury		21,000				
Legislative Services		15,000				
Total Corporate Services		36,000				
Strategic Initiatives						
Tourism			25,000			25,000
Total Strategic Initiatives			25,000			25,000
Infrastructure & Development						
Development Services			30,000			
Environmental Services	720,000	11,555,402	6,520,750	8,717,000	2,887,200	1,914,000
Operations	2,569,949	8,282,200	8,985,000	4,538,000	9,484,000	6,667,000
Total Infrastructure & Development	3,289,949	19,837,602	15,535,750	13,255,000	12,371,200	8,581,000
Community Services						
Parks & Facilities	1,547,026	3,636,000	6,101,000	4,803,000	1,090,000	850,000
Community & Recreation Programs		25,000	40,000			
Total Community Services	1,547,026	3,661,000	6,141,000	4,803,000	1,090,000	850,000
Fire Department						
Fire Department	227,096	3,708,000	300,000	5,100,000		
Total Fire Department	227,096	3,708,000	300,000	5,100,000		
Total Capital Departments	5,064,071	27,242,602	22,001,750	23,158,000	13,461,200	9,456,000

10-year Capital Budget Historical Spending



Allocation of Accessibility Funding:

The 2024 Budget earmarked \$100,000 in funding for accessibility projects.

The 2025 capital budget has allocated a portion of these funds to the following projects:

- \$35,000 – 9704 Tiverton Washroom Rehabilitation
- \$30,000 - I079 Accessible Parking Spaces
- \$20,000 - P069 Rotary Park Washroom Rehabilitation

A balance of \$15,000 remains to be spent.

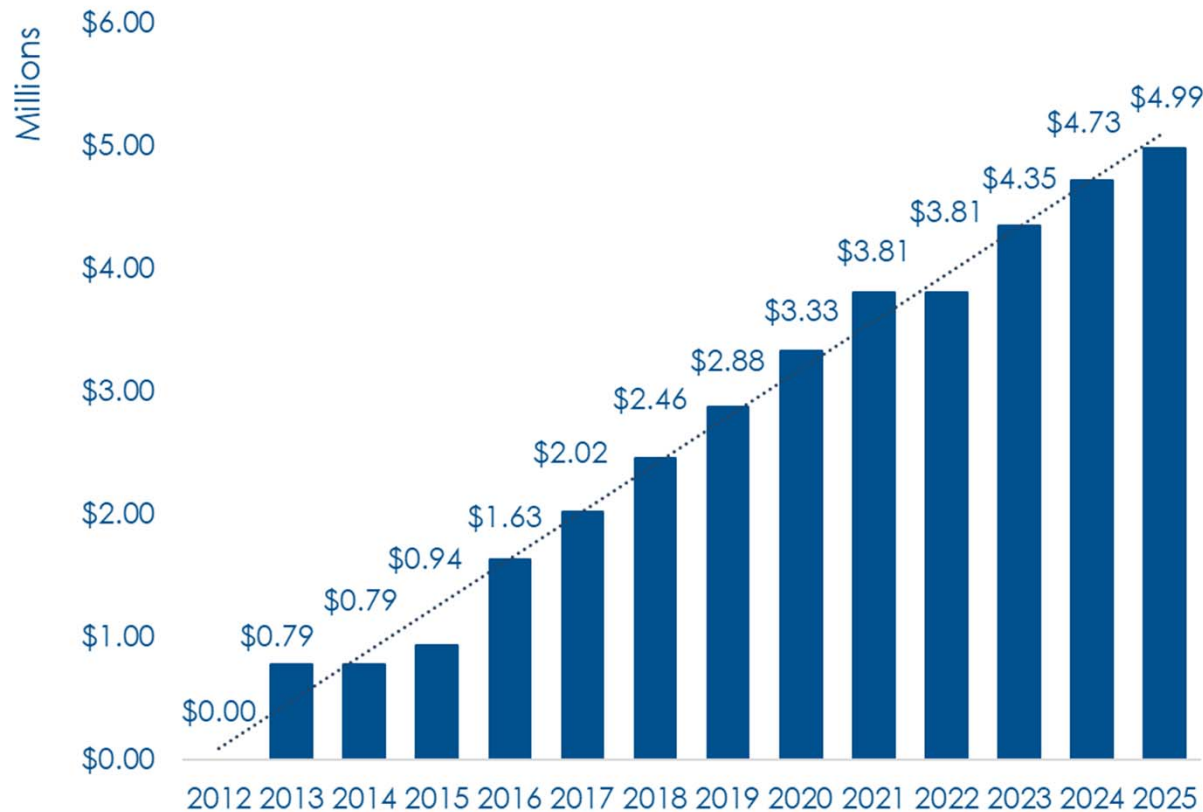




Reserve Funds



Lifecycle Reserve Fund – Annual contributions



- Total Lifecycle RF Contributions from 2013 – 2024 = \$36.505 million
- 2025 Budget includes 3% tax rate increase
- End of 2025 projected balance = \$4.703 million



Summary of Reserve Fund Transfers:

While the budget includes a \$4.985 million capital contribution into the Lifecycle RF, the budget draws on this fund by \$9.292 million, resulting in a net reduction of the fund of -\$4.307 million.

A summary chart showing the transfers in and out of key reserve funds is provided below:

Reserve Fund	Transfers In	Transfers Out	Net Contribution/ (Withdrawal)
Lifecycle RF	\$4,985,000	(\$9,292,017)	(\$4,307,017)
Water RF	\$1,115,812	(\$5,076,770)	(\$3,960,958)
Sewer RF	\$791,625	(\$1,654,500)	(\$862,875)
Recreation RF - Davidson Centre	\$50,000	(\$30,000)	\$20,000
Equipment Replacement - Fleet	\$100,000	\$0	\$100,000
Equipment Replacement - Fire	\$100,000	(\$510,000)	(\$410,000)
Equipment Replacement - Landfill	\$100,000	(\$75,000)	\$25,000
Community Benefits RF	\$669,000	(\$716,000)	(\$47,000)
Total	\$7,911,437	(\$17,354,287)	(\$9,442,850)

The Lifecycle Reserve Fund will be used to pay for the following 2025 projects:

- Reconstruction of Brown's Hill Bridge - \$3,235,000
- Tiverton Sports Centre Arena Boards, Chiller, Compressors - \$565,000
- Davidson Centre Generator - \$600,000
- Vactor Truck - \$400,000
- Playground and Park improvements - \$365,000
- Davidson Centre wall repairs & sealing - \$275,000
- Culvert Repairs - \$275,000
- Station Beach Boardwalk Reconstruction - \$200,000
- Broadway Street Multi-Use Path - \$170,000
- Bruce/Saugeen Townline Reconstruction - \$160,000

Without investing in the Lifecycle RF, we could not afford to invest in our existing municipal assets or acquire new assets.

Departmental Budgets



Council



Council 2025 Priorities

The Municipality has been working on developing a Strategic Action Plan to provide a focused road map for action on the goals, priorities and achievable actions for the remainder of this term of Council.

- **Financial Stability**
- **Welcoming & Vibrant Community**
- **Strong Local Economy & Healthy Growth**
- **Organizational Effectiveness**

The Strategic Plan will help Council focus on specific priorities and actions to support key deliverables for the remainder of the term.

Council Operating Budget

Council's operating expenses primarily include:

- Wages and benefits of \$308,000
- Travel, conferences and training totalling \$55,000
- Integrity Commissioner expenses of \$12,500
- \$11,000 for memberships including AMO, Canadian Association of Nuclear Host Communities, and Great Lakes St. Lawrence Cities
- \$3,000 for meeting and events expenses

The overall budget is comparable to the prior year.



Chief Administrative Officer



CAO Pressures & Trends

- **Council Strategies and Priorities:**
 - Significant changes to Council's objectives are expected to alter the CAO's Business Plan.
- **New Nuclear:**
 - Proud host community of the Bruce Power Nuclear Generating Station and a strategic partner in supporting the province's plan for electrification of the power grid.
 - The federal process for potential expansion nuclear power generation in our community requires municipal engagement and capacity to support and inform new nuclear development.
- **Infrastructure Development and Community Growth:**
 - Responsible for critical infrastructure such as roads, public spaces, and several utilities.
 - Kincardine is interested in working together to synchronize efforts to integrate electrification infrastructure into existing land use planning, which ensures a coordinated and efficient approach to infrastructure development and maintenance.
- **Advocacy Work related to Provincial Assessment Valuation Policy:**
 - Staff have prioritized and focused efforts on intelligence gathering, building key messaging, and undertaking advocacy to raise awareness and understanding on provincial policy issues that have significant financial implications on municipal taxpayers.

CAO Pressures & Trends

- **Legislative Changes:**
 - Rapidly changing legislative environment due to significant new laws and regulations brought in by the Ontario government to support provincial goals.
 - Direct impact on municipal operations. Future provincial changes may require that staff be diverted from planned activities to support Council goals towards new tasks to support provincial requirements.
- **Emergencies or disasters may require re-prioritization of resources**
- **Unexpected financial requirements which impact other departments**

CAO Operating Budget

Expenses include:

- Salaries and benefits of \$358,000
- Materials & Supplies:
 - Municipal Innovation Council (MIC) membership fees of \$27,000
 - Training, conferences and travel costs of \$18,000
 - Office supplies and equipment
- Municipal capacity funding from Bruce Power has been provided for 2025 and 2026 to help fund one full-time position to lead the Municipality's engagement with Bruce Power on the Bruce C Project.
- This position will assist in providing timely information and input to Bruce Power, the Impact Assessment Agency of Canada, and the Canadian Nuclear Safety Commission throughout the Impact Assessment Process.



Corporate Services



Corporate Services Pressures & Trends

- **Union:** Formation of the new IUOE Local 793 unionized workforce has impacted staff resources.
- **Water Meters:** Implementation of the new water meter system for the Tiverton area has required significant finance staff time.
- **Payroll:** New system successfully launched in October 2024. Payroll staff continue to work on refining the system to ensure it is functioning as it should.
- **Bruce Telecom:** The sale of Bruce Telecom has required additional staff resources with respect to investments and management of the newly created Legacy Fund, as well as preparing the accounting entries and financial statements associated with the sale transaction.
- **Accessibility:** The Municipality's commitment to improving municipal assets to meet the Accessibility for Ontarians with Disabilities Act and the adherence to the City of London's Facility Design Standards
- **Legislative Changes:**
 - AMP and O.Reg. 588/17
 - Asset Retirement Obligations (PS 3280)
 - Detachment-level PSB
 - Development Charges
 - Heritage Act
 - Bill 190 *Working for Workers Five Act*
- **Community Growth:** Impact on workload from community growth and processing higher volume of capital and operating purchases
- **Program Growth:** Involvement of Finance and IT staff in new software implementation across the organization
- **Cross Training:** Core services critical to the organization require redundancies (e.g. payroll, tax collection, Council meetings, etc.)

Financial Services Operating Budget

The Financial Services budget consists of the Treasury and General Government budgets and includes administrative activities that are common to all departments within the Municipality such as grants, reserve fund transfers, audit, banking and legal fees, and interest income.

Revenues:

- User Fees of \$118,200 consist of fees for administrative services such as tax certificates, arrears notices, ownership changes, and transfers to roll
- Grant Revenue is the Ontario Municipal Partnership Funding (OMPF) of \$1,224,700 which is increasing by \$159,100 (14%) over 2023
- Other Income includes the Armow Wind contribution of \$674,000 which is transferred to the Community Benefits RF, bank interest of \$500,000, and penalties earned on past due amounts.
- The Reserve Fund contribution represents a transfer from the Contingency Reserve to offset consulting fees for a 2025 AMP update to develop a Natural Assets inventory.

Financial Services Operating Budget

Expenses:

- Salaries and benefits of \$990,372
- Materials and supplies of \$257,782 primarily include insurance premiums, software costs, postage, travel, conferences and training, and office supplies. The budget includes \$44,000 in annual payroll system costs.
- Contracted Services includes \$47,000 for consulting fees to update the Municipality's AMP to develop an asset inventory for green infrastructure assets.
- Reserve Fund transfers include \$4,985,000 for the AMP to the Lifecycle RF, which includes \$635,000 for the 3% annual tax rate increase, as well as \$674,000 to the Community Benefits RF for use towards capital infrastructure projects.
- No Westario Power or Bruce Telecom investment earnings in operating budget

Information Technology:

Expenses:

- Salaries and benefits of \$126,487
- Materials and supplies of \$186,260 includes the purchase of computer supplies and software contracts, as well as travel and training.
- Contracted Services represents the contract with Bruce County for the IT Services Agreement

Human Resources Operating Budget

Human Resources:

Expenses:

- Salaries and benefits of \$188,313
- Materials and supplies include employee service recognition awards, memberships, training and travel, recruitment costs, and wellness initiatives.
- Contracted services includes legal fees and consulting expenses for job evaluation maintenance, market review, and employee engagement.

Health & Safety:

Expenses:

- Salaries and benefits of \$17,690, which represents 0.2 of an FTE allocated to H&S activities
- Materials and supplies include H&S training, first aid training, as well as subscriptions for the Safety Data Sheet (SDS) system.

Legislative Services Operating Budget

The Legislative Services division includes the Clerk's department, Grants to Organizations, By-Law Enforcement, Policing, and Accessibility.

Clerk:

Revenues:

- Other income of \$16,680 includes marriage licence fees, burial permits, lottery licences, food vendors, and taxi licences.

Expenses:

- Salaries and benefits of \$452,107
- Materials and supplies primarily include software maintenance contracts for Laserfiche, Zoom, Ricoh, and Consigno. The increase in materials and supplies of \$31,060 is primarily due to the Cloud migration of Laserfiche.
- Other transfers include \$69,000 for Community Investment Grants for grants to external organizations to support Arts, Culture & Heritage, Sports & Recreation, Social & Environmental and Tourism initiatives.

Legislative Services Operating Budget

By-Law Enforcement:

Revenues:

- Other income primarily includes dog licence fees and parking violations
- The Reserve Fund transfer of \$11,920 represents a transfer from the Contingency Reserve to offset the one-time costs associated with the implementation of a 3-hour parking limit on Queen St.

Expenses:

- Salaries and benefits of \$41,660
- Materials & Supplies includes \$10,920 costs for new signage and communication fees associated with the implementation of a 3-hour parking limit on Queen St. in 2025. These costs are offset by a Contingency Reserve transfer.
- Contracted services of \$132,019 for by-law enforcement services. This includes two full-time by-law enforcement officer plus one seasonal officer.

The Legislative Services operating budget also includes the following other sub-departments:

- **Accessibility:** The Accessibility budget amounts to \$4,000 and primarily includes training and public education expenses.
- **Heritage Kincardine:** The Heritage Kincardine budget amounts to \$6,250 and includes legal fees, printing costs, and other materials.

Police Services Operating Budget

Revenues:

- Grant revenue has decreased by \$32,388 due to the termination of the School Resource Officer (SRO) as part of the OPP contract billing enhancement.
- Other income of \$16,000 includes security checks and other miscellaneous revenues

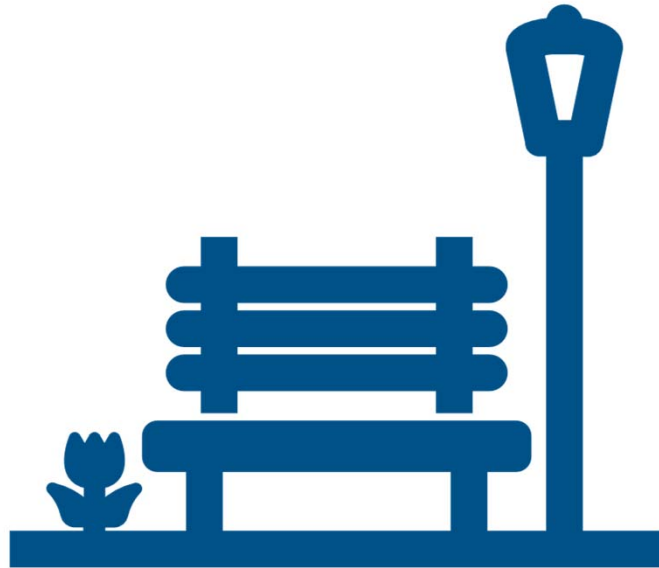
Expenses:

- Salaries and benefits of \$7,793 have been removed from the Police Services Board (PSB) budget due to the newly formed detachment-level PSB.
- Materials and supplies of \$5,870 includes a \$5,000 municipal contribution to the newly formed PSB. Under the new structure, all participating municipalities will be required to make a financial contribution annually as their share of the new PSB.
- Contracted services primarily includes the OPP Policing Contract of \$2,678,080. For 2025, the estimated cost per property is \$380.27 compared to \$360.96 in 2024, which is an increase of \$19.31 (5.3%). With a property count of 6,770 (household, commercial and industrial), this amounts to a total cost of \$2.678 million. This represents an increase of \$268,000 (11.1%) and translates to a direct tax rate impact of 1.26%. If the SRO contract enhancement had remained in the 2025 policing bill, the total increase to the OPP costs would have been \$457,000, representing an increase of 19%.

Corporate Services Capital Budget Highlights

The Capital Budget includes the following new projects for the Corporate Services Department:

- \$13,000 – Replacement Folder/Insertter
- \$8,000 – Replacement Printer



Community Services



Community Services Pressures & Trends

Changes/risks that will impact program delivery include:

- Equipment malfunctions due to aged infrastructure
- Staff capacity and reliable equipment to accommodate the level of standards
- Limited provincial and federal funding opportunities that align with municipal business plans
- Limited long-term planning for deteriorating recreation infrastructure
- Differing community expectations when it comes to improving municipal assets

Community Growth: Added strain on current resources including facility usage, staffing, budgets, etc.

Program Growth: As the population of the community continues to increase, staff will need to focus on meeting the program and service needs of all residents.

Cross Training: The department has been working on cross training operations staff between Parks and Facilities. This is currently necessary due to capacity challenges, but constantly leaves a division short staffed during the height of shoulder season when both divisions are fully operational.

Parks & Facilities Operating Budget

Trails:

Revenues:

- The Reserve Fund Contribution is a transfer from the Contingency Reserve to offset the costs of a Trails Master Plan.

Expenses:

- Trails salaries and benefits amount to \$18,744
- Materials and supplies amount to \$21,000 and include various tools and equipment, training, fuel, and advertising expenses
- Contracted Services include \$50,000 for a Trails Master Plan

Parks Operating Budget

The Parks budget includes municipal parks and beaches, including Connaught Park, Reunion Park, Bluewater Trailer Park, horticulture, and the Community Garden.

Revenues:

- User fees of \$26,500 includes rental fees for tournaments and parks user groups, including the Connaught Park ball diamonds and the soccer fields. A \$5,000 increase is projected to reflect fee increases and to adjust for actual revenues.
- Other income of \$50,733 includes rental income for the management and operation of the Bluewater Trailer Park, as well as \$10,000 for the park bench program. Interdepartmental revenue of \$4,300 has also been recorded to adjust for new special events fees in 2025 for municipal events.

Expenses:

- Salaries and benefits of \$913,509
- Materials and supplies of \$437,776 include grounds maintenance of \$108,000 for general parks and sports fields maintenance, playgrounds, and park water feature repairs/restoration.
- Contracted services are higher by \$48,400 (66%) for the removal of hazard trees of \$30,000 and garbage bin rentals (\$3,000).
- Rent and financial expenses of \$41,600 includes vehicle leases for parks and horticulture (\$36,600) and equipment rental (\$5,000).

Facilities Operating Budget

Recreation facilities include the Davidson Centre, Tiverton Sports Centre, Brucedale Community Centre, Kincardine Pavilion, Whitney Crawford Community Centre, Tiverton Lions Hall, and the Arts Centre. Other facilities include the Municipal Administration Centre, Underwood, Lighthouse, Hawthorne Medical Clinic, Tiverton and Kincardine libraries, Armow Women's Institute, and the W.E. Thompson building.

Revenues:

- User fees and charges of \$533,900 include rental fees, arena, admissions, and membership income from the Davidson Centre and Tiverton Sports Centre. The budget includes an increase in revenues of \$48,400 (17%) to reflect actuals realized year-to-date in 2024, as well as new fitness memberships being introduced in 2025.
- Grant revenue of \$113,689 includes a recreation contribution from Huron-Kinloss of \$53,150, as well as \$60,539 from the County of Bruce for the Kincardine and Tiverton libraries.
- Other income of \$495,379 includes revenues earned from the rental and use of various municipal facilities including the medical clinic, Municipal Administration Centre, Arts Centre, W.E. Thompson, locum houses and community centres. This line item includes a \$30,000 in fundraising revenues towards the Davidson Centre 50th anniversary celebration planned for 2025.
- Reserve Fund contributions of \$65,000 include a \$30,000 transfer from the Contingency Reserve to fund a Facility Compliance Review in 2025, as well as \$30,000 to offset consulting costs to conduct an HVAC Review for the Municipal Administration Centre.

Facilities Operating Budget

Expenses:

- Salaries and benefits amount to \$1,531,545
- Interest and debt payments of \$200,704 represent borrowing costs for the renovations at the Municipal Administrations Centre (MAC). The final loan repayment is in 2025.
- Materials and supplies of \$1,507,540 includes utilities, insurance, equipment and building maintenance costs, telecommunications, and other supplies/consumables. These expenses are primarily for the general upkeep and maintenance of the various municipal buildings. The costs are increasing by \$14,617 (1%) over prior year for several factors including:
 - \$30,000 for the Davidson Centre's 50th Anniversary Celebration
 - \$14,000 in washroom and outdoor wall repairs at the medical clinic
 - \$10,000 for new window coverings in the Council Chambers
 - \$7,000 for LED lights on the 2nd floor of the MAC
- Contracted services of \$272,974 includes janitorial services, grass cutting, alarm monitoring, and other maintenance and repair costs incurred by external contractors as required. Costs are increasing by \$63,704 (30%) due to:
 - \$30,000 for the HVAC Review for the MAC building
 - \$30,000 for the 2025 Facility Compliance Review for the Davidson Centre

Recreation Programs Operating Budget

The Recreation Programs budget includes various programming such as summer day camp and school break programs, archery, volleyball, fitness bundles, Kindergym, babysitting courses, and pickleball.

Recreation Programs	2024 Budget Net Deficit/ (Surplus)	2025 Budget Net Deficit/ (Surplus)	\$ Variance	% Variance
7116 D.C. KINDERGYM	(3,000)		3,000	100%
7139 D.C. FITNESS BUNDLES	1,607	(2,101)	(3,708)	231%
7146 D.C. MIXED REC VOLLEYBALL	(14,100)		14,100	100%
7147 D.C. SENIOR GAMES	800		(800)	100%
7148 D.C. YOUTH ARCHERY	(1,000)		1,000	100%
7149 PICKLEBALL	(11,500)		11,500	100%
7161 D.C. SCHOOL BREAK PROGRAM	(3,967)	2,976	6,943	175%
7163 D.C. BABYSITTING	(6,028)	582	6,610	110%
7167 SUMMER DAY CAMP		(3,052)	(3,052)	100%
7190 D.C. NEW PROGRAMS (15 & older)	(1,000)		1,000	100%
7197 RECREATION PROGRAMS		(32,800)	(32,800)	(100%)
7199 RECREATION GENERAL ADMINISTRATION	504,669	571,040	66,371	(13%)
7200 REC FINANCIAL ASSISTANCE PROGRAM				
Total Recreation	466,481	536,645	70,164	(15%)

Pool Operating Budget

- Pool revenues are budgeted to increase by \$18,750 (6%) while operating expenses are budgeted to increase by \$37,7110 (10%).
- The majority of the revenue increase is attributed to higher swim memberships and increased participation. The increase in expenses is attributed to wages and benefits.
- The budget also includes a \$50,000 transfer to the Recreation Reserve Fund earmarked for future rehabilitation costs of the pool.

Pool	2024 Budget	2025 Draft Budget	\$ Variance	% Variance
7014 D.C. POOL	400,820	436,535	35,715	(9%)
7100 AQUATICS PROGRAMS		(62,179)	(62,179)	100%
7111 D.C. ADULT SWIM	(1,357)		1,357	100%
7112 D.C. STAFF TRAINING	27,350	27,929	579	(2%)
7114 D.C. CHILDREN'S LESSONS	(62,921)		62,921	100%
7118 D.C. BRONZE & BRONZE CROSS	4,588		(4,588)	100%
7119 AQUATIC WATER SAFETY INSTRUCTOR(AWSI)	(801)		801	100%
7121 D.C. INSTRUCTORS	897		(897)	100%
7122 D.C. NATIONAL LIFEGUARD	1,596		(1,596)	100%
7126 D.C. AQUA FIT	(6,237)		6,237	100%
7185 D.C. FIRST AID/CPR	5,941	5,302	(639)	11%
Total Pool	369,876	407,587	37,711	(10%)

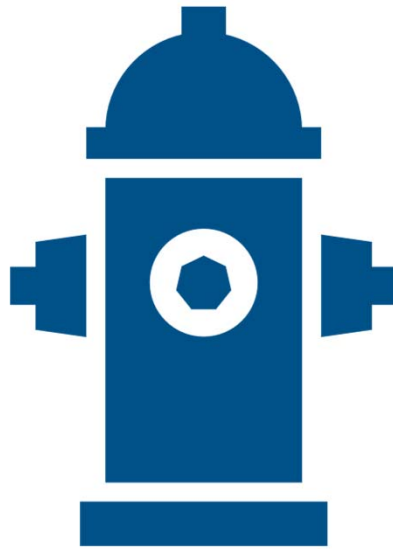
Marina Operating Budget

- The Kincardine Marina is operated by the Kincardine Yacht Club (KYC) under a lease agreement.
- The operating budget is included within the overall municipal budget, however there is no direct financial impact to taxpayers as user fees are sufficient to offset operating costs.
- The agreement includes a 50/50 cost-sharing model whereby 50% of all profits are deposited into the Kincardine Marina Reserve Fund for future capital costs.
- The 2024 Marina operating expenses included a significant cost for dredging in the amount of \$317,505, which were funded in part through the revenues generated from marina operations and the Marina Reserve Fund.
- The 2025 Marina operating budget includes \$35,000 for dock maintenance.

Community Services Capital Budget Highlights

The Capital Budget includes the following new projects for Community Services:

- \$750,000 Station Beach Boardwalk Reconstruction
- \$600,000 DC Generator Replacement
- \$365,000 Various Playground and Parks Improvements
- \$325,000 Tiverton SC Compressors and Chiller
- \$320,000 Tiverton SC Boards Replacement
- \$275,000 DC Wall Repairs & Sealing
- \$110,000 Seashore Playground construction



Fire & Emergency Services



Fire & Emergency Services Pressures & Trends

Changes/risks that will impact program delivery include:

- **Volunteer Numbers:** Increased training requirements and the demanding nature of the job.
- **Increasing Call Volumes:** The number of emergency calls has been rising, including medical emergencies, fire incidents, and responses to other emergencies .
- **Aging Equipment:** Budget constraints have affected the Capital replacement cycle
- **Health and Safety Concerns:** Firefighting has been reclassified as a top-tier carcinogenic occupation, highlighting the health risks associated with the job.
- **Pressures from other agencies and levels of government:** As additional Regulations are put in place the Municipality is forced to comply, such as Mandatory Fire Fighter Certification and Cancer Prevention Legislation.
- **Climate Change:** Increasingly severe weather events, such as Wind/Tornados and Winter weather events.
- **Community Growth:** As the community grows with new residents and industries, it could potentially put a strain on current resources including staffing and budgets.

Fire Department Operating Budget

Revenues:

- User Fees primarily represent funds recovered for fire calls from the MTO. Grant revenue represents \$5,000 for the Bruce County Tiered Response Grant.
- Other Income primarily include burn permits budgeted at \$25,000, consistent with prior year.
- Reserve Fund Contributions of \$50,000 represent a transfer from the Contingency Reserve to offset the costs of a Fire Master Plan.

Expenses:

Expenses for the Fire Department are increasing by \$26,411 (2%) over the prior year primarily due to the following:

- Salaries and benefits decrease of \$43,439 (5%)
- Materials and supplies are increasing by \$20,937 primarily due to the replacement parts (\$17,000) for aging equipment/fleet.
- Contracted services are increasing by \$48,064 primarily due to consulting costs to develop the Fire Master Plan.

Emergency Planning Operating Budget

Revenues:

- Other Income represents the funding agreement between Bruce Power and the Municipality of Kincardine for nuclear emergency preparedness (\$137,000). The revenue also includes cost recovery for the maintenance of the emergency notification sirens that were transferred to the Municipality by Bruce Power.

Expenses:

- Salaries and benefits increase of \$10,471.
- Materials and supplies are increasing by \$6,150 primarily due to relocation costs of the EOC.
- Contracted Services of \$34,562 include \$20,000 for the Sirens Maintenance contract, \$7,500 for a Continuity of Operations Plan, and \$4,000 for EOC relocation costs.

MYSIS:

The Mysis vessel is based in the Kincardine harbour and operated by the Canadian Coast Guard Auxiliary Unit through Bluewater Rescue Inc. The group conducts search and rescue activities in the area between Goderich and Southampton on Lake Huron. The organization is primarily funded by the Municipality of Kincardine.

The 2025 operating budget amounts to \$12,100 in expenses, which is consistent with the prior year. Expenses include equipment & parts (\$10,500), and fuel (\$1,100).

Fire & Emergency Services Capital Budget Highlights

The Capital Budget includes the following new projects for Fire Services:

- \$2,400,000 Replacement of 1999 Aerial Truck
- \$550,000 Tiverton Mini Pumper Truck
- \$325,000 Compressor Replacement
- \$150,000 Women's Washroom Facility Upgrades



Infrastructure & Development



Infrastructure & Development Pressures & Trends

Development Services:

- **Building Permit volume:** Planning and Building functions are mandated with specific response timelines.
- **Increased Planning and Development inquiries:** Turn around times are directly affected by staffing compliment
- **Industry pressures:** Added cost of construction, added cost of down time, and implementation of new Development Charges.
- **Bill 109 and Building Code:** Ambitious timelines
- **Implementation of the new Tree By-law:** Learning experience for all stakeholders.

Environmental Services:

- **Consolidate Linear Infrastructure (CLI) for sanitary and storm:** Additional maintenance, responsibilities.
- **Environmental Compliance Agreements:** Wastewater exceedances around discharge criteria. Significant investment is required to address sludge buildup at our treatment sites as a result.
- **Aging underground infrastructure:** Managing replacement needs and rehabilitation upgrades and ensuring alignment with Operations projects.

Operations:

- **Aging infrastructure:** Infrastructure continues to deteriorate year over year making it challenging to depict which asset requires replacement over the next.
- **Environmental Impacts:** Added pressure of environmental studies and sign-offs for bridge and culvert replacements.
- **Growth and Customer Demand :** Community growth creates added pressure to maintain more assets with the same staffing and equipment resources.

Development Services Operating Budget

Building Department:

The Building Department is a revenue-neutral function. Any operating surplus or deficit is funded to/from the Obligatory Building Permit Reserve Fund.

Revenues:

- User fees and charges include administration fees, occupancy permit fees, and plumbing permit fees.
- Other income includes building permit fee revenue, which is budgeted to increase by \$35,000 (11%) over prior year.
- Reserve Fund contributions are budgeted to increase by \$23,192 (11%) to offset operating costs and to balance the budget to maintain a revenue neutral position.

Expenses:

- Salaries and benefits are increasing by \$28,966 (6%)
- Materials and supplies include \$14,500 for building permit software, \$26,200 for conferences, travel and training, \$5,126 for insurance, and \$6,200 for telecommunications.
- Contracted services are increasing by \$25,000 due to increased costs associated with enforcement of the Building Code Act. Legal costs amount to \$40,000, and the budget also includes \$15,000 for a Building Permit fee review.

Development Services Operating Budget

Planning:

Revenues:

- User fees and charges include administration fees, site plan control fees, developer control fees, compliance paper fees, and encroachment agreement fees. These revenues are comparable to the prior year.
- Reserve fund contributions are decreasing by \$55,000. The prior year budget included \$80,000 to complete the remaining work for the Zoning by-law.

Expenses:

- Salaries and benefits are increasing by \$10,991
- Materials and supplies amount to \$66,293 and are comparable to the prior year.
- Contracted services are increasing by \$11,000 primarily due to higher legal fees.
- Other transfers represents the annual levy paid to the Saugeen Valley Conservation Authority (SVCA). This line item has not yet been adjusted for 2025 as the levy has not yet been established.

GIS:

The GIS budget consists primarily of wages/benefits and remains comparable to the prior year.

Environmental Services Operating Budget

Water Operations:

The Municipality's water system is fully-funded by the water rates paid for by the users of the system and does not rely on property taxes. All water customers in the Municipality are charged the same water rates regardless of whether they are on the Tiverton or Kincardine municipal water system.

Revenues:

- Water charges are budgeted to increase by \$132,349 (4%), primarily due to an increase in water user rates of 7% for 2025.
- Other income includes a \$100,000 line item to separately track the Bruce Power revenue contributions that directly offset the costs associated with the Bruce Power water supply project.
- The Reserve Fund contribution of \$9,948 represents the amount of funding needed from the BEC Water Reserve Fund in order to pay for BEC water operating costs, as an operating deficit is planned for 2025.

Environmental Services Operating Budget

Water Operations:

Expenses:

- Salaries and benefits are increasing by \$155,148 (19%)
- Interest and debt payments include the 9/21 Business Park (\$172,444), Huron Terrace Forcemain (\$162,927) and the Queen Street Bridge reconstruction (\$25,126).
- Materials and supplies are decreasing by \$115,436 (10%) primarily due to the following budgetary changes:
 - \$65,000 was included in the 2024 budget for the Walkerton Clean Water Centre pilot project for Scott's Point and Underwood wells.
 - \$45,000 for municipal upgrades in 2024 required for the Bruce Power water servicing project
 - \$44,600 in building maintenance costs required in 2025
 - \$57,325 for software costs, including \$18,850 for annual water meter software costs
 - \$25,000 in additional hydrant maintenance costs for fire flow testing
 - \$10,000 for the DWQMS audit
- Contracted services amount to \$208,605 and are comparable to prior year.
- Reserve fund transfers are estimated at \$1,141,790. The actual transfer to the Water Reserve Fund will be reconciled and transferred at year-end depending on actual revenues and costs incurred.

Environmental Services Operating Budget

Wastewater Operations: The Municipality's wastewater system is fully-funded by the sewer rates paid for by the users of the system and does not rely on property taxes.

Revenues:

- Sewer charges represent user fees charged for the use of wastewater services.
- While the fees and charges are increasing by 8% in 2025, the budget has not been upwardly adjusted as actual 2024 revenues are lower than expected.

Expenses:

- Salaries and benefits are decreasing by \$127,850 (22%) primarily due to reallocation of wages between the water and wastewater budgets.
- Interest and debt payments include the 9/21 Business Park (\$57,482), Huron Terrace Forcemain (\$422,128) and the Queen Street Reconstruction project (\$185,140).
- Materials and supplies are increasing by \$116,792 (19%) primarily due to the following budget impacts:
 - \$78,000 for pumphouse maintenance activities, including replacement power supply and floats
 - \$40,000 increase for manhole repairs
 - \$20,000 increase for hydro costs
 - \$14,000 for increased insurance premiums

Environmental Services Operating Budget

Wastewater Operations:

Expenses:

- There is an offsetting reduction of \$25,000 for sign purchases incurred in 2024 that are not required in 2025.
- Contracted Services of \$112,820 include \$30,000 in consulting fees for lagoon and sludge compliance, \$60,000 for lagoon sludge removal and geotubes, and \$16,600 for sewer monitoring costs.
- Reserve fund transfers are estimated at \$791,000. The actual transfer to the Wastewater Reserve Fund will be reconciled and transferred at year-end depending on actual revenues and costs incurred.

Environmental Services Operating Budget

Waste Management Operations: The waste management department consists of garbage collection, landfill operations, and the leachate treatment facility.

Revenues:

- User fees and charges include bag tag sales, landfill tipping fees and other waste disposal fees collected at the waste management centre. Revenues are projected to increase by \$60,500 (5%) due to higher landfill tipping fee revenues being projected due to higher rates for unsorted waste.

Expenses:

- Salaries and benefits amount to \$511,156
- Materials and supplies are increasing by \$35,744 (16%) primarily due \$20,000 in additional costs to clean sediment out of the storm pond, \$7,500 for replacement security cameras, and \$7,500 for public engagement for the Bluebox transition. Other material expenses include grounds maintenance, building maintenance, chemicals for the leachate facility, and utilities.
- Contracted services include contracted costs for recycling, garbage and cardboard collection. These costs amount to \$602,610 and include an estimated 3% increase over 2024.
- Reserve fund transfers include \$100,000 for future cell replacement at the landfill, which is consistent with prior year.

Environmental Services Operating Budget

Leachate Treatment Facility:

Expenses:

- Salaries and benefits amount to \$112,474. The increases in wages amounts to \$38,385 and represents 97% of the overall increase in expenses.
- Materials and supplies are increasing by \$1,300. Total costs include chemicals, hydro, and various maintenance activities.

Stormwater: The stormwater budget includes storm sewers, storm water pond operations, and municipal drains.

Revenues:

- Grant revenue represents the estimated provincial grants for drainage works including the drainage superintendent.
- Other income represents estimated amounts to be collected from ratepayers for repayment of drain maintenance works.
- Reserve fund contributions of \$24,000 represent funds budgeted in 2024 for Stoney Island Cres. Pond maintenance activities which did not take place and are being carried forward into 2025 for completion.

Expenses:

- Salaries and benefits amount to \$182,263.
- Materials and supplies include municipal drain maintenance costs and training.
- Contracted services includes storm pond cleanout costs at Stoney Island Crescent, storm flushing and camera work, drainage superintendent costs, and contracted drain maintenance costs.

Operations Operating Budget

Roads: Includes winter maintenance (salt, sand, snow clearing, etc.), streetlighting, Saugeen Mobility and Regional Transit (SMART), tree planting, ditching, loosetop and hardtop maintenance, crack sealing, and road signs.

Revenues:

- Other income shows an increase of \$13,500 over prior year for on-street patio licencing and road cut permits.

Expenses:

- Salaries and benefits are increasing by \$19,193 (1%)
- Interest and debt payments include the 9/21 Business Park (\$344,887), Huron Terrace Forcemain (\$155,521) and the Queen St reconstruction (\$185,140).
- Materials and supplies are increasing by \$38,588 (3%). Some significant budgetary variances include the following:
 - \$34,200 for new signage, including radar signs, thermal plastic stencils, battery backup and traffic cones and barrels
 - \$9,500 for Permit Central, a new program that would streamline the application process for road cuts, road occupancy and municipal consent through a web-based application system.
 - \$7,000 for a new Seacan for storage at the Ward 3 shop
 - \$5,000 for two new streetlight poles in Huron Ridge

Operations Operating Budget

Roads Continued...

Reductions include:

- \$25,000 for a reduction to loosetop maintenance
- \$15,000 for salt and sand purchases for winter maintenance
- Contracted services are increasing by \$13,850 (3%) primarily due to a \$17,000 (22%) increase in general contracting costs for increased dust control measures on soft surface (gravel) roads. Due to reductions to this budget in prior years, an increase is now required to this line item.
- Rent and financial expenses are increasing by \$10,000 for excavator rental costs associated with tree removal operations.

Bridges:

Expenses:

- Salaries and benefits are increasing by \$10,802 (11%)
- Interest and debt payments include \$142,380 for the Queen Street Bridge project.
- Materials and supplies are decreasing by \$10,000 due to erosion control work for a pedestrian bridge in 2024
- Contracted services are increasing by \$30,000 (73%) due to engineering work required for the OSIM Bridge Inspections in 2025.

Operations Operating Budget

Fleet:

The Fleet budget includes costs labour and parts/material costs associated with maintaining the Municipality's fleet.

Revenues:

- Other income represents interdepartmental revenue with offsetting expenses in the airport budget for the use of the municipal tractor for winter maintenance on runways, as well as \$10,000 for the sale of surplus fleet.

Expenses:

- Salaries and benefits are increasing by \$17,551 (6%)
- Materials and supplies are decreasing by \$15,300 (2%) over prior year. Reductions include the following:
 - \$20,000 reduction in diesel purchases
 - \$25,000 for fleet parts purchases for various equipment
 - \$16,000 required in 2025 for roadside mower attachment repairs and boom mower repairs
- Reserve fund transfers include \$100,000 for future fleet replacement which is consistent with prior years

Operations Operating Budget

Cemeteries:

- 3 active cemeteries in Kincardine, Tiverton and Port Bruce
- Care & Maintenance (C&M) Fund is a legally required trust fund that helps ensure the long-term upkeep of the cemeteries indefinitely. Only the interest earned from this fund can be used to maintain the cemetery.
- The Trust Funds are reported in separate financial statements and are audited annually by the municipal auditors.

Revenue:

- User fees and charges include revenues earned from interments, cremations, burials, perpetual maintenance, and lot sales. The budget remains comparable to the prior year.
- Other income represents bank and investment income earned on Care & Maintenance funds. Interest is budgeted to increase by \$6,800 due to higher interest rates.

Expenses:

- Salaries and benefits are increasing by \$13,289 over prior year
- Materials and supplies are increasing by \$10,884 (17%) due to \$4,600 for a transporter cart, \$1,500 for pesticides storage, and \$1,500 for increased fuel costs.
- Rents and financial expenses represent credit card transaction charges
- Reserve Fund transfers represent the estimated amount to be transferred to the perpetual care reserve fund for care and maintenance.

The budget also includes \$4,100 as a contribution to the Lovat Cemetery (private cemetery) for grounds maintenance.

Operations Operating Budget

Airport Operations:

Revenue:

- User fees includes tie-down revenues and landing fees
- Other income includes fuel sales (\$81,000), airport land lease (\$20,000), hangar rental income (\$16,000), hangar property tax recovery (9,500), food vendor lease (\$2,000), and hydro cost recovery (\$2,000).

Expenses:

- Salaries and benefits are increasing by \$8,029 (9%)
- Materials and supplies are increasing by \$1,283 (1%) primarily due to software costs associated with the fuel system.
- Contracted services includes the contracted costs for airport management of \$118,000, as well as \$10,000 for annual monitoring fees and the Automated Weather Observing System (AWOS).

Infrastructure & Development Capital Budget Highlights

The Capital Budget includes the following new projects for Infrastructure & Development:

- \$6,568,000 Kincardine Water Treatment Plant Upgrades
- \$4,200,000 Brown's Hill Bridge Reconstruction
- \$1,500,000 Rural Paving Concession 9 (SDR 15 – Cty Rd 1)
- \$800,000 Sterling Vactor Truck
- \$948,000 Andrew Malcolm Watermain Replacement
- \$325,000 Bruce Energy Centre Repairs
- \$275,000 Replacement Trackless Sidewalk Plow
- \$275,000 Various Culvert Repairs
- \$265,000 Broadway Street Multi-use Path
- \$150,000 Columbarium Expansion



Strategic Initiatives



Strategic Initiative Pressures & Trends

Communications

- Diversified departments and divisions
- Increases to media purchasing costs continues to be a barrier to reaching audiences
- Accessibility for Ontarians with Disabilities Act (AODA) website compliance (2025 deadline)
- Improvements and training on the new corporate website
- Engage, communicate, respond, and use social media as an information distribution point

Economic Development

- Community pressure for more business and development, but some resistance to change.
- Lack of available commercial, industrial and office space
- Struggle to get key business parks and commercial properties moving forward with new builds
- Increased interest from businesses since Bruce C announcement and staffing resources to keep up with growing requests from new businesses and business expansions.
- Lack of housing supply particularly affordable and rental housing
- Labour shortages

Physician Recruitment

- While health care services is a Provincial responsibility, the wait list for physicians in this community has created strong community need for health care access.
- Provincial and community response is needed to address this challenge.

Tourism

- The attraction of tourists to an area is reliant on several factors outside the Municipality's control (e.g. quality of accommodation, community response, safety, staff knowledge of the area)

Strategic Initiatives Operating Budget

Strategic Initiatives	2024 Budget	2025 Draft Budget	\$ Variance	% Variance
Strategic Initiatives	202,971	182,920	(20,051)	10%
Tourism	303,300	316,986	13,686	(5%)
Economic Development	417,730	365,147	(52,583)	13%
Physician Recruitment	91,035	349,761	258,726	(284%)
Total Strategic Initiatives	1,015,036	1,214,814	199,778	(20%)

Strategic Initiatives:

The operating budget for Strategic Initiatives consists primarily of wages/benefits for Strategic Initiatives staff.

Expenses:

- Salaries and benefits are increasing by \$2,949 (2%)
- Materials and supplies includes \$5,800 for mural maintenance as well as maintenance of grass and natural areas around tourism signage. Volunteer appreciation is also included in this budget in the amount of \$3,000.

Strategic Initiatives Operating Budget

Economic Development:

Revenue:

- Other income of \$1,750 includes sponsorships and registrations associated with the Bruce County job fair.
- The Reserve fund contribution of \$30,000 represents Community Improvement Plan (CIP) funding that was not utilized in 2024 and is therefore carried forward to offset 2025 CIP program costs.

Expenses:

- Salaries and benefits are increasing by \$6,123 (6%)
- Materials and supplies includes \$10,900 for various initiatives such as workshops and partner events, \$6,900 for conferences and training, \$3,000 for promotional materials, and \$3,000 for advertising.
- Other Transfers of \$60,000 represents the budget allotment in 2025 for CIP program initiatives

Strategic Initiatives Operating Budget

Communications:

Expenses:

- Salaries and benefits are increasing by \$9,844 (11%)
- Materials and supplies include printing & advertising (\$21,700), travel and training (\$6,000), software (\$18,250), and promotional materials (\$4,000). Additional costs of \$11,600 have been included for website hosting costs.
- Contracted services includes \$40,000 for website maintenance, graphic design, AODA remediation and social media support.

Strategic Initiatives Operating Budget

Inclusion, Diversity, Equity, and Access (IDEA):

- Prior year budget included net operating expenses of \$55,800 for various IDEA initiatives:
 - Cultural awareness
 - Journey to reconciliation
 - Afro-Caribbean awards
- Actions undertaken over the last 2 years have helped launch a variety of council's initiatives supporting inclusion, diversity, equity and access to help those values to become embedded within the municipal organization and the community, while also helping to establish new initiatives to get off the ground so that they can be run through community organizations and volunteers moving forward.
- For 2025, the SI budget has been reprioritized to match council's proposed initiatives highlighted through its strategic planning exercise:
 - Development of a program licensing short-term rentals and establishing a municipal accommodation tax
- Reductions are proposed in the SI budget to stay within the tax rate increase of 8%
- Continuing with the existing levels of service would require additional funds, as well as a new staff resource in Strategic Initiatives.
- Both mandates would not be feasible concurrently

Strategic Initiatives Operating Budget

Tourism:

There are various initiatives delivered through the Tourism operating budget including the general tourism budget, Cruise Nights, Canada Day, Gathering of the Bands, Saturday Night Pipe Band parades, Marine Heritage event, and seasonal decorations. The net budget deficits have been summarized on the schedule above.

Significant variances over prior year include the following:

- \$75,000 has been included in the Tourism budget for consulting fees to develop a Short-Term Rental and Municipal Accommodation Tax program. These costs are offset by a transfer from the Contingency Reserve.
- \$18,000 has been included for upgrades to the Tourism Welcome Centre, funded through the Tourism Reserve Fund.
- \$8,000 has been added to supply and install seasonal lighting in Tiverton and Kincardine.
- \$3,000 has been added to fund the costs for providing barricade support during the pipe band parades to assist with road closures.

Business Improvement Area (BIA) Levy:

The BIA has approved the 2025 levy and is proposing a 2% increase. The proposed 2025 levy is \$80,530.

Strategic Initiatives Operating Budget

Physician Recruitment:

The Municipality has created a comprehensive physician recruitment and retention program to attract new physicians to our community.

Revenues:

- Grant revenues include a \$17,000 contribution from Huron-Kinloss towards physician recruitment.
- Other income represents a contribution from Bruce Power of \$75,000 to support the existing ER Program and to support the physician recruitment and retention program in Kincardine. In total, Bruce Power has committed \$100,000 per year over 2024 – 2026, with \$25,000 going to the hospital in support of their ER programs.
 - Other income also includes \$41,320 from the Family Health Organization (FHO) for the dual role of the Physician Recruiter/Clinic Manager position.
- Reserve fund contributions in 2024 were made to offset the tax rate impact for physician incentives and healthcare funded by the Municipality.

Strategic Initiatives Operating Budget

Physician Recruitment:

Expenses:

- Salaries and benefits are increasing by \$23,526
- Materials and supplies have increased by \$50,000 as a direct result of Bruce Power's 2025 contribution towards providing support for physician recruitment and retention initiatives. Costs include funds for physician visits such as hotel rooms, dinners, souvenirs, and recruitment event costs. Other costs include promotional materials, travel, memberships, advertising, and trade booths.
- Contracted services include legal fees required for assistance in reviewing various physician agreements
- Other transfers include \$140,000 for physician incentive payments, \$85,200 for the contribution towards the Nurse Practitioner, and \$35,000 for the ER locum stipend program.



End of Departmental Budgets



Next Steps:



- 2025 Operating Budget
- 2025 Capital Projects
- 2025 New Position Requests
- Community Requests for Funding



Questions & Discussion

