

Staff Report

Report To: City Council
Report From: Kate Allan, Director of Corporate Services
Meeting Date: February 10, 2025
Report Code: CR-25-020
Subject: 2025 Municipal Levy - Approval

Recommendations:

THAT in consideration of Staff Report CR-25-020 respecting 2025 Municipal Levy, City Council directs staff to bring forward:

1. A by-law to authorize a total municipal levy of \$36,247,585; and
2. A report respecting tax ratios in coordination with the County of Grey.

Highlights:

- The proposed Municipal levy increase is 2.57%.
- Once combined with upper-tier and education levies, the combined rate increase is 2.52%.
- Included in the total increase is a dedicated 1% increase allocated to capital.
- The 2.57% increase is below the mandate provided by Council.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by considering climate adaptation in the development of the City's strategies, plans and policies.

Previous Report/Authority:

[CR-24-127 2025 Draft Budget Committee Engagement Wrap-Up](#)

[Draft 2025 Budget Presentation - December 9, 2024](#)

Background:

Section 290 of the Ontario Municipal Act requires every Ontario Municipality to prepare and approve a yearly budget. Municipalities must identify the sources of financing for all obligations and disbursements that will come due in the fiscal year covered by the budget.

Unlike Federal and Provincial budgets, municipal budgets must be balanced.

In 2024, Committees and Council reviewed detailed draft budgets at each of the standing committees through the month of October. As linked above, a wrap-up report was provided to Council on November 18, 2024. At that time Council directed staff to bring forward a budget with a proposed rate increase between 3% and 5%.

On December 9, the draft budget package was presented to Council for further deliberations.

A public meeting was held on January 27.

This approval report is being presented to Council on February 10. Although the levy by-law will be approved at Council on February 24, the tax rate by-law will not be presented for approval until after Council has had an opportunity to discuss and potentially adjust ratios.

Final tax bills will be printed and mailed in early June. The first instalment's due date is at the end of June 2025.

The draft budget presented to Council on December 9 estimated a Municipal Levy increase of 2.65%. The final budget presented today has reduced that increase to 2.57%.

Analysis:

Attached to this report is a detailed budget package including a departmental tally sheet, overall variance summary, impact to average household and segmented budget.

Incorporated in the budget are the following two increases not previously included:

1. Fully funding the increase associated with the Grey Sauble conservation authority levy from tax dollars.

At the meeting on December 9, the following resolution was carried: "THAT in consideration of the 2025 draft operating budget, City Council directs staff to bring forward a report to evaluate funding the Grey Sauble Conservation Authority levy increase through the municipal tax levy."

On January 25, the Grey Sauble Conservation Authority approved their total levy, which resulted in a proposed operating levy increase of \$17,410 for the City of Owen Sound and an apportionment for the admin centre totalling \$31,915.52. Prior budget estimates for the City did not include the admin centre apportionment.

In the budget presented today, and as discussed in this staff report, the full increase of \$49,326 is proposed to be funded by the tax levy. This impact accounts for 0.11% of the total combined increase of 2.52% and adds \$4.54 to the average household's annual tax bill.

The rationale for funding the Conservation Levy from a blended source of tax and water rate funding supports the scope of services provided by the conservation authority, which extends beyond source water protection. With the full \$49,325 increase funded by the tax levy, the operating levy (\$322,220) will be funded 95% from water and 5% from taxation, while the admin centre apportionment (\$31,915) will be funded 100% from taxation.

2. Including a sponsorship to Georgian Bay Folk Society for \$10,000 as a Summerfolk title sponsor in response to the request received and included as public correspondence at the Public meeting on January 27.

The public input on January 27 includes a letter from Jaret Koop, Georgian Bay Folk Society, requesting financial support through a partnership as a title sponsor for \$10,000.

While not explicitly stated in the letter, staff assumes that this request pertains to the 50th year of the annual Summerfolk Music Festival and is not an annual funding request. As a one-time contribution, the amount is currently shown to be \$10,000 in 2025 and is funded from the events reserve. The balance of the events reserve is forecasted to be \$75,480 and

would be reduced to \$65,480 pending no other 2024 year-end adjustments and no further transactions in 2025.

Feedback from Public Meeting

Comments received at the public meeting have also been considered ahead of this final budget report. The public comments include a letter written to the editor of the Owen Sound Current and also forwarded to the City of Owen Sound by David McLeish. The letter relates to how gallery attendance data is being considered in light of the upcoming Fundraising Feasibility study for a proposed Gallery expansion. In response to the letter, city staff, including the City Manager, Director of Community Services, and the Director and Chief Curator – Art Gallery, Culture, Tourism, met with David McLeish, Ruth Lovell Stanners and Leigh Greaves on February 3. Staff reviewed data in detail and responded to questions that were raised.

Four individuals attended the public meeting and spoke about acknowledging and investing in climate change adaptation and mitigation efforts. Sonja and Lucas Ostertag highlighted that the City was not allocating budget dollars to commitments made following a youth delegation to Council five years ago. Joachim Ostertag asked, “Why does this city refuse to hire a Climate Action (sustainability) coordinator”? Hilary Coburn suggested that City staff may collaborate with the Sustainability Coordinator at Georgian Bluffs and partner on collectively addressing action items from our respective climate change plans. Already scheduled at the time of the public meeting is an update report to Corporate Services Committee on the progress of actions under the City’s Climate Action Strategy. That report can be accessed through the city’s Council and Committee Agenda calendar and this link: [Corporate Services Committee February 6, 2025 agenda](#). The report includes two appendices that provide a visual of the status of action items, including those that are in progress and have been completed.

Finally, written communication from Lesley Etchegary-Nicholson focussed on how household incomes and stagnant population growth in the City. Lesley’s letter commented that each year “you expand FTE’s and taxes Owen Sounders have to pay”. It is worth highlighting again in response to this letter that for the second year in a row, excluding the Police Board budget, there are zero net new positions in the city’s operating budget. Ability to pay is a critical factor in service level discussions, and the current increase of 2.52% will further reduce the gap between taxes in Owen Sound and the average of Grey County.

Financial Implications:

The combined levy increase is estimated to cost the average household assessed at \$232,150 (2016) an additional \$9.30 a month in 2025. Pending the outcome of tax policy decisions made in tandem with Grey County, the actual increase realized by tax class is subject to change.

Communication Strategy:

Budget documents, meetings and agendas are available on the City's website.

Consultation:

Owen Sound City Staff

Grey County Treasurer

Owen Sound Police Board

Chief Librarian, North Grey Union Public Library

Chief Administration Officer, Grey Sauble Conservation Authority

Attachments:

1. 2025 Draft Budget Package
2. Final Budget Presentation

Recommended by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Kate Allan, Director of Corporate Services at kallan@owensound.ca or 519-376-4440 ext. 1238.