

To: City Council

From: Stephanie Sinnott,, Commissioner,
Corporate and Finance Services Department

Report Number: CNCL-24-123

Date of Report: November 13, 2024

Date of Meeting: November 22, 2024

Subject: 2025 Mayor's Budget -Tax Levy and Other Revenue Sources

Ward: All Wards

File: 03-05

1.0 Purpose

Each year the City is legislated, through the Municipal Act, 2001 (Section 290), to adopt a balanced budget. The operating and capital budgets of the municipality detail the financial obligations and required revenue needed to deliver goods and services to the community as well as investing in capital infrastructure priorities.

In June of 2023, the Province introduced legislation to grant Strong Mayor Powers to the Mayors of a number of growing municipalities which has been in effect as of July 1, 2023. Strong Mayor Powers includes responsibility for the budget. While legislation that guides municipal budgeting processes has been changed by the Province, the adoption of revenue sources, including the tax levy and user fees remains within Council authority.

The purpose of this report is to obtain City Council approval regarding the City's Tax Levy requirements and other revenue sources as required to balance the 2025 Mayor's Budget, as may be amended.

This is the first of two reports outlining the revenue requirements for the 2025 Mayor's Budget. The second report relates to the use of Reserve and Reserve Funds (Report CNCL-24-124).

2.0 Recommendation

It is recommended to City Council:

That pursuant to Report CNCL-24-123 dated November 13, 2024, Council approve:

The Tax Levy and other revenue sources as detailed in this report that are required to fund the 2025 Mayor's Budget, as may be amended.

3.0 Input From Other Sources

Not applicable

4.0 Analysis

On June 16, 2023, the Minister of Municipal Affairs and Housing announced the expansion of the Strong Mayors powers under Bill 3, Strong Mayors, Building Homes Act, 2022 and Bill 39, Better Municipal Governance Act, 2022 to the mayors of 26 large and fast-growing municipalities beyond the City of Toronto and City of Ottawa.

The Mayor of the City of Oshawa, along with the mayors of the other 25 municipalities were legislated these new powers effective July 1, 2023.

Pursuant to Bill 3:

Section 226.14 (1) In accordance with this section and subject regulations, the powers and duties of the City with respect to proposing and adopting a budget are assigned to the head of council; and

Section 226.14(2) The head of council, in accordance with the regulations, prepare a proposed budget for the City and provide the proposed budget to city council's consideration; and

Section 226.14(3) After receiving the proposed budget, city council may, in accordance with the regulations, pass a resolution making amendments to the proposed budget.

As per Report CNCL-24-23, dated March 20, 2024, states that on March 14, 2024, per Mayoral Direction MDIR-2024-01, Mayor Carter directed the Commissioner, Corporate and Finance Services/Treasurer and the Chief Administrative Officer to prepare a proposed 2025 Operating Budget, 2026 Operating Forecast, 2025 Capital Budget and Nine-year Capital Forecast; to be presented to Council on November 1, 2024. Once the Budget has been presented, any and all amendments must be made by motion passed at a meeting of Council.

4.1 2025 Mayor's Budget – Revenue

The 2025 Mayor's Budget was presented to City Council at a special meeting on November 1, 2024. Included in the 2025 budget were revenues totaling \$197.5 million, comprised of taxation revenues of \$173.1 million, Corporate Revenues of \$10.8 million and a 7.87% tax levy increase of \$13.6 million.

Council will be considering the Mayor's 2025 Budget and the corresponding revenue requirements at a Special Meeting of Council on November 22, 2024. At the end of the budget process, as outlined in Bill 3, City Council is required to approve all revenues including the tax levy in order to raise the amount of tax revenue approved in the budget.

This report recommends, the City's 2025 tax levy required for municipal purposes to balance the 2025 Mayor's Budget. If the Mayor's Budget is amended by Council so as to

affect the other revenues or tax revenue to be raised from property taxes, the tax levy recommended in the 2025 Mayor's Budget will have to be adjusted accordingly.

5.0 Financial Implications

The 2025 Mayor's Budget was presented to City Council at a special meeting on revenue requirements for the Mayor's Proposed 2025 Budget may be amended based on Council decisions.

6.0 Relationship to the Oshawa Strategic Plan

This report responds to the Oshawa Strategic Plan Priority Area "Lead: Governance and Service Excellence" with the goal to provide transparent, efficient, and responsible fiscal stewardship and use of resources.



Stephanie Sinnott,, Commissioner,
Corporate and Finance Services Department