



# 2025 Business Plan

TOWN OF SAUGEEN SHORES





# INTRODUCTION

# Business Plan Presentation Format

- Last year we presented the full Department Business Plans over a two-day period.
- This year, with the 10-year Capital Plan in place and very few changes to that Plan, our attention on Day 1 will be the Departmental presentations of the 10-year Operating Plan. All Departments will present on Day 1.
- Day 2 will start with the changes instructed by Council direction from Day 1 and then move into Departments presenting the 10-year Capital Plan and the Future Year Highlights.
- Day 2 Council to move into deliberations on the full Business Plan with a goal of having final Council instruction on Day 2 for the Business Plan to be presented as final on December 9<sup>th</sup>.



# DAY 1

## Financial Overview

# Better Decisions via a Long-Term Perspective

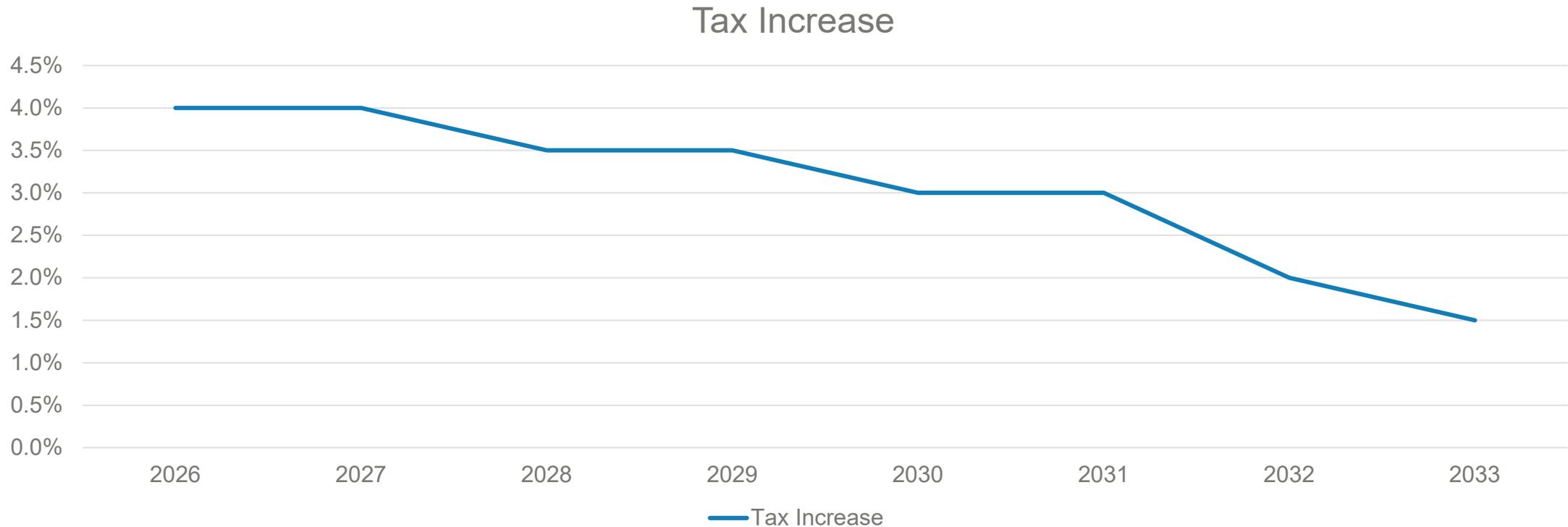
- Understanding the long-term implications of a decision, combined with understanding the long-term needs and challenges facing the Town, will better enable Council to prioritize needs.
- The 2024 Business Plan included the first ever 10-year Capital Plan based on the core assets identified in the Asset Management Plan.
- The 2025 Business Plan, for the first time, includes a 10-year Plan for:
  - Operating (including Personnel)
  - Reserves
  - Debt
- Low Priority items in the Business Plan will be excluded from the approved Plan. During deliberations, Council can adjust the draft Plan by moving items into and out of Low.

# Operating – 2025 Tax Impact

<b>Key Impacts <i>excluding OCIF and exceptional Police</i></b>	<b>Percent</b>	<b>Avg Home *</b>
Inflation	2.0%	\$47
Staffing	0.8%	\$19
Southampton Arts Society Operating Grant	0.5%	\$11
Municipal Housing Subsidy	0.4%	\$9
Other Major Initiatives, Division Highlights and Growth	0.3%	\$6
Westario Power Dividend	(0.5%)	(\$11)
<b>TOTAL (excluding OCIF and exceptional Police)</b>	<b>3.5%</b>	<b>\$81</b>

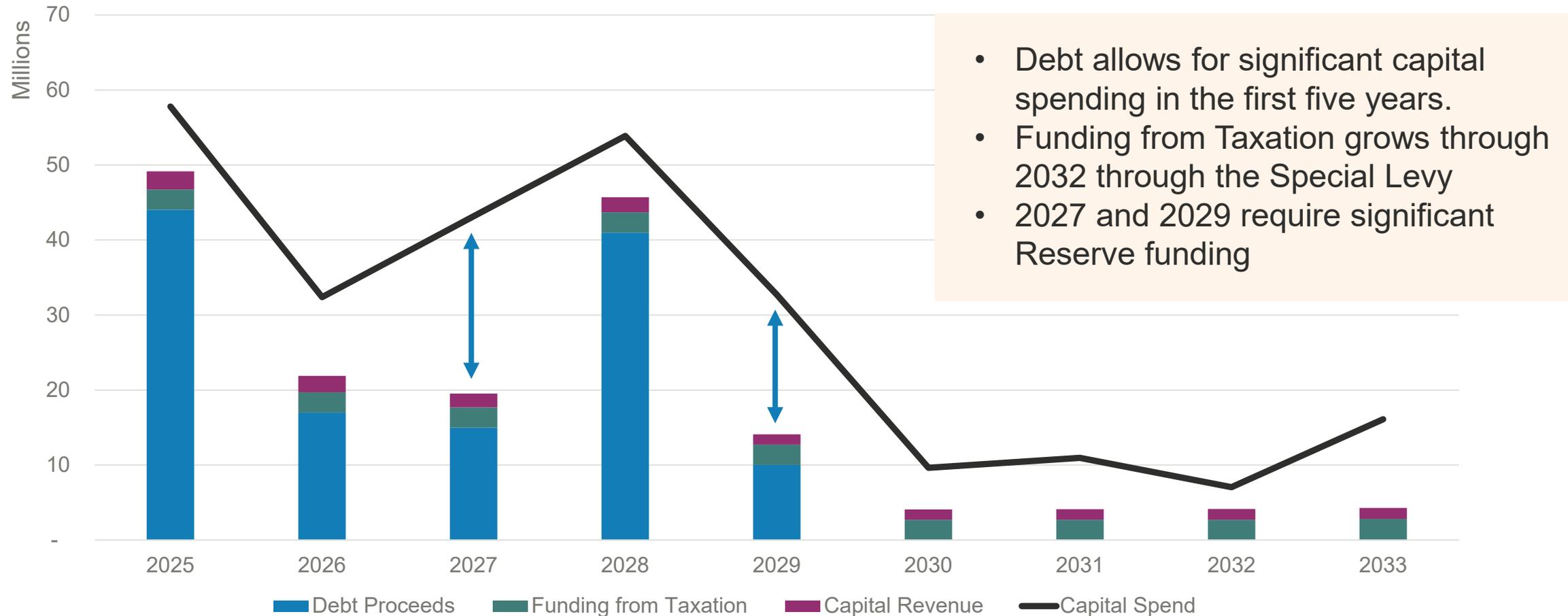
\* Average Home has a Current Assessed Value (CVA) of \$314,000 and paid Town tax of \$2,318 in 2024.

# Operating – 2026-2033 Tax Impact



Tax increases reducing to the rate of inflation by end of plan provides Council with flexibility to adjust for external factors such as government legislation and economic factors.

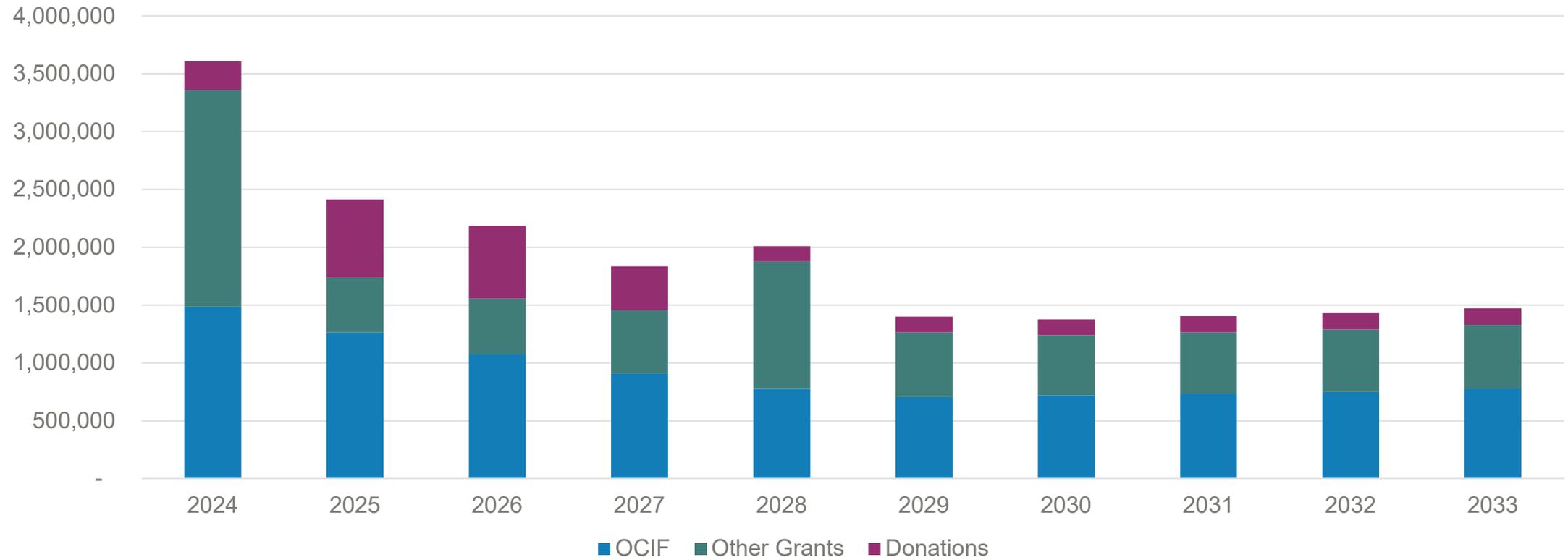
# Capital Spending and Funding



# Debt

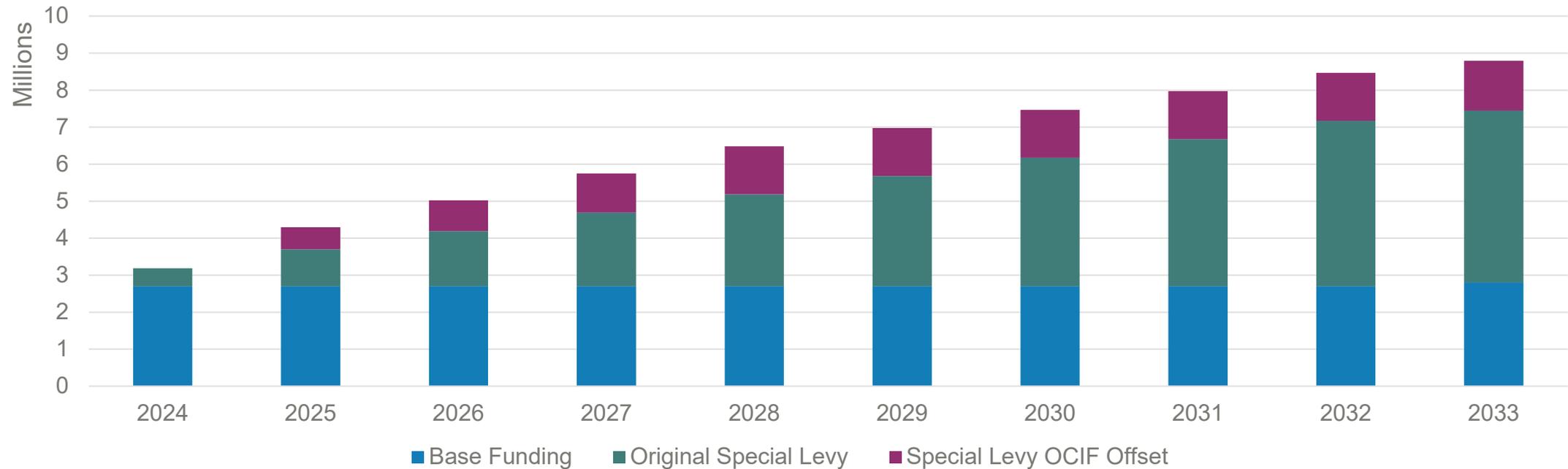
- A further \$18 million of debt in 2025 for the AWC (for a total of \$42 million)
- Large facilities projects (Fire Hall, Central Depot, Town Hall / Southampton Library, Medical Centre) require \$28 million of debt in 2026-2028
- Water and wastewater of \$14 million in 2024, \$26 million of debt in 2025 and a further \$40 million in 2027-2029 which would need to be funded by rate increases (may change pending results of studies)
- Other debt of \$15 million in 2026 to support the nine years of measured increases in the Special Levy
- Annual loan payments will hit a high of over \$11 million based on 5% interest rate to support total debt equal to 70% of our Annual Repayment Limit of \$16 million
- Debt plan needs to be evaluated project by project on an annual basis to make sure debt is scaling appropriately with revenues

# Capital Revenue



Ontario Community Infrastructure Fund (OCIF) loss starting in 2024 growing to \$1.3 million by 2029

# Taxation's Support of Capital Program

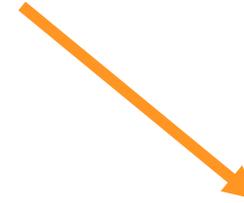


- Base Funding and dedicated Future Infrastructure Special Levy should increase by construction inflation starting in 2033
- Original Special Levy increases at \$486,000 annually
- Incremental \$1.3M in Special Levy would offset OCIF losses

# OCIF Loss - Options

## Base Option

Increase Capital Special Levy  
by incremental \$1.3 million by 2028



*Which option does  
Council prefer?*

## Option A

Increase regular tax levy  
By 2.6% in 2025, 1% in 2026-2028

## Option B

Decrease Capital Spending  
By \$13 million (\$1.3 million annually)

# OCIF Loss - Options

Options to Offset OCIF Loss	2025 Impact on Average Home excluding exceptional increase for Police			
	Base %	Base Tax	Spec. Levy	Total
Base Option – Increase Capital Special Levy	3.5%	\$81	\$108*	\$189
Option A – Increase regular tax levy	6.0%*	\$140	\$49	\$189
Option B – Decrease Capital Spending**	3.5%	\$81	\$49	\$130

\* 2026–2028 would require further tax increases of either 1% base tax or \$23 Special Levy

\*\* A reduction of approximately \$13 million in total from 2025- 2033. Options to consider that would contribute are:

- A reduction of almost \$10 million by a 10-year delay to either Fire Station, Centralized Operations Centre, or Southampton Town Hall and Library.
- Slowing the rate of road reconstruction through a reduction of up to \$1.3 million each year.

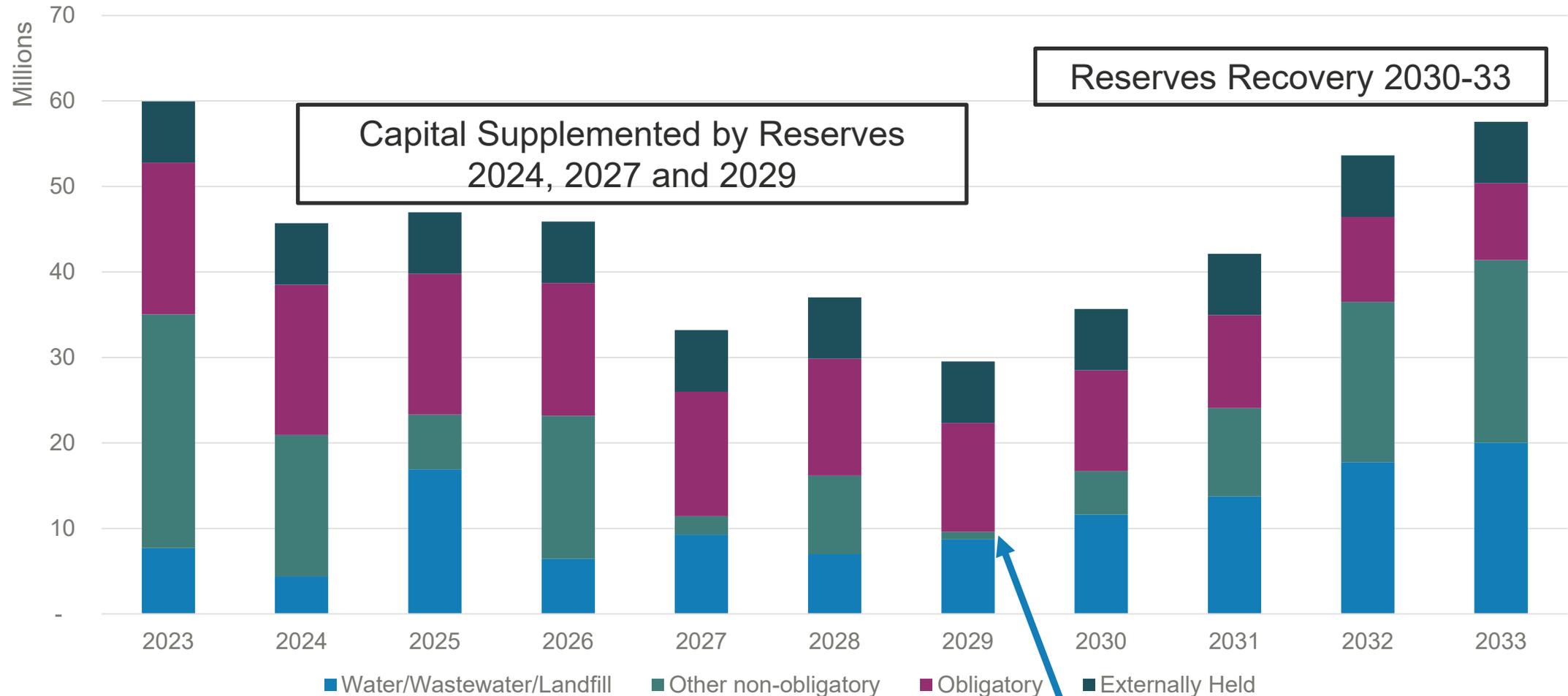
# Option B – Decrease Capital Spend Service Impact

- Fire Station
  - Contrary to Ontario Health & Safety Act Section 21 Firefighter Cancer Prevention Checklist
    - Require room for bunker gear dryers
    - Require space for second set of bunker gear
  - Present location affecting emergency response due to traffic congestion and lack of firefighter parking
  - Efficiency of Public Education Division service delivery will be affected.
- Centralized Operations Centre
  - Current two facilities are at the end of their useful life and will require costly upgrades and expansion
  - Current facilities do not meet current employment and other regulatory standards
  - Port Elgin location has land size and land ownership constraints

# Option B – Decrease Capital Spend Service Impact

- Southampton Town Hall and Library
  - Existing facility infrastructure would require significant upgrades
  - Extend the piecemeal approach to facility deficiencies
  - Lack of accessibility
- Roads
  - Contrary to broader strategic goal of closing the infrastructure gap
  - Since planned investments in road reconstruction also address the need to replace end-of-life underground infrastructure, reduced funding would impact negatively the replacement of asbestos pipes, increase risk of failures and create operational challenges.

# Reserves



Other Non-Obligatory temporarily drops to a low of \$1 million

# Community Contributions

- In 2023, Council adopted By-law 95-2023 a Community Donation Policy (see Attachment VI).
- An update was provided on October 28, 2024, noting that the 2025 Budget will be following the existing practice of individual requests.
- The current budget allocates \$25,000 toward Community Donations.
- In 2024, the Town received two significant requests: 1) \$175,000 Southampton Tennis Club; and 2) \$100,000 Southampton Art School.
- These requests have led to questions around what the Town funds in Community Contributions above the Donation Policy.
- Community Contributions are Town funds or external transfers / in-kind support to third parties that enable another entity to carryout their priorities that are not Town operations.
- Community Contributions exclude funding that is statutory in nature (i.e. Polices Services, Conservation Authority).
- The following slides outline the start to making Community Contributions visible. This will be an ongoing effort in 2025 to develop a fulsome picture for Council consideration and potentially a Policy update.

# Community Contributions

Goal	Description	Budget	Priority	Outcome
Special Event In-Kind Support	Resources allocated to support all special events. The estimated in-kind support for larger community events is 552hrs annually (+/- \$18K annually).	\$0K 2025-2033: \$0K Total	Base Operating	Support Provided
Airport Operating Grant	Funding to support the operation of the Airport. In 2025, \$10,449 is allocated for the operating grant.	\$0K 2025-2033: \$0K Total	Base Operating	Grant Provided
Saugeen Rail Trail Operating Grant	Funding provided to support the maintenance of the Rail Trail. In 2025, \$21,902 is allocated for the operating grant.	\$0K 2025-2033: \$0K Total	Base Operating	Grant Provided
Saugeen Memorial Hospital Grant	\$50K annual donation (5-year commitment 2022-2026) funded by the Nuclear Waste Management Organization (NWMO).	\$0K 2025-2026: \$0K Total	Base Operating	Grant Completed

# Community Contributions

Goal	Description	Budget	Priority	Outcome
Minor Sports Subsidy	The total subsidy for minor sports (ball, hockey, soccer, figure skating) will be tracked, calculated and reported on in the 2026 Business Plan.	\$0K 2025-2033: \$0K Total	Base Operating	Subsidy Provided
Marine Heritage Society	Multiple Agreements and annual support provided for Marine Heritage Society and initiatives will be tracked, calculated and reported on in the 2026 Business Plan.	\$0K 2025-2033: \$0K Total	Base Operating	Support Provided

# Community Contribution 2025 Requests

Goal	Description	Budget	Priority	Outcome
Community Donation Requests	\$25K ongoing annual grant budget. \$5K annual committed to Hospice for 2024-2026. \$2500 Chambette request for Fall contribution Food Bank.	\$0K 2025-2033: \$0K Total	Base Operating	Grants Completed
Tennis Club Project Grant	The Southampton Tennis Club is requesting funding for their court improvements. Impact on taxation of 0.82%.	\$175K 2025	Low Operating	Grant Provided
Arts Society Operating Grant	\$100K requested annually in response to delegation, annual operating grant for the Arts Society. Impact on taxation of 0.47%.	\$100K 2025-2033: \$900K Total	Medium Operating	Grant Provided

# Community Contributions (tax impact)

- New Requests, if approved, would require a tax increase.
  - Art Society 0.5% Medium and Tennis Club 0.8% Low.
- Council may wish to consider the need/benefit to increase taxes to fund these new requests. Considerations could include:
  - The \$100,000 operating funding request from the Art School could be reduced or reprioritized as Low.
  - The \$175,000 project funding request from the Tennis Club could be moved to medium for funding over multiple years for Council to review the tax increase in a future year when rates are proposed to be lower.
    - This would effectively increase the \$25K Community Donation funding to accommodate the Tennis Club request and increase for future request funding.

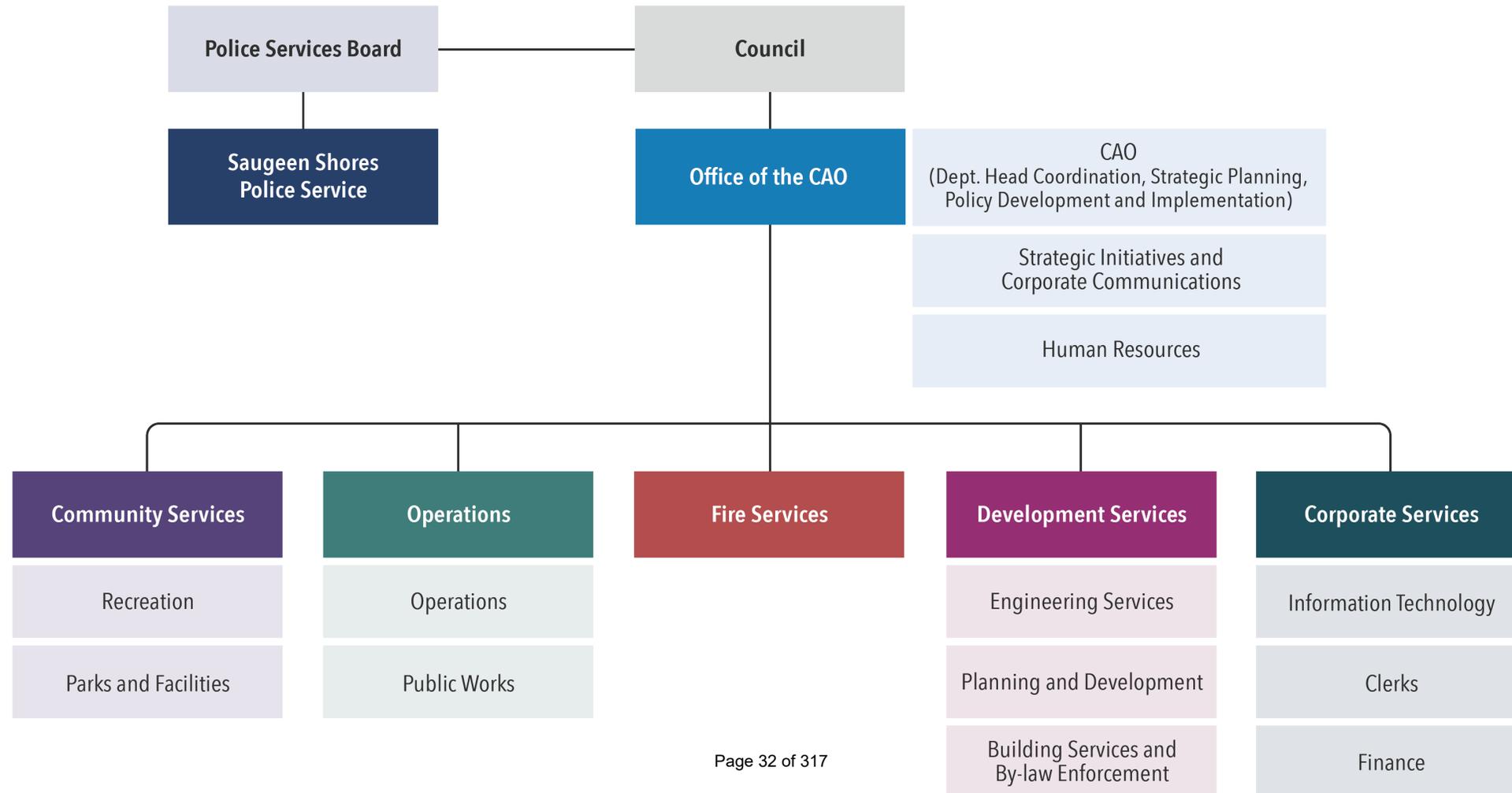
# Fees and Charges

- The base increase built into the schedule is 3.50%, which is the full inflation rate felt when combining operating and salary inflation.
- Each fee has been reviewed, and some have been adjusted to lower or higher increases based on the service cost inputs, the demand for the service, or other factors that lead to a fee change that better aligns with the long-term revenue goals of the service.
- New charges and charges with increases above or below the base 3.50% are shown in Attachment V in red, and removed charges are shown in red with strikethrough.
- The Fees and Charges By-Law forms an important document in ensuring that services are being charged in a consistent manner and acts as a tool for information for all users on the services and prices offered by the Town.
- Total revenues in tax-funded areas in 2025 would increase approximately \$120,000 with the increases proposed in the schedules.
- Total revenues in all areas would increase approximately \$530,000 with the increases proposed in the schedules.



# 10-Year Personnel Plan

# Organization Structure



# 10-year Personnel Plan

- Whereas last year was the first ever 10-year Capital Plan, this year's Business Plan contains the first ever 10-year Operating Plan.
- A long-term operating plan allows Council to consider the implications of growth and community needs through a lens that allows decisions to be viewed in perspective.
- As part of that 10-year Operating Plan, the Senior Leadership Team has developed a 10-year Personnel Plan.
- While Council will only be deciding on the staff positions for 2025 through its deliberations, by developing a 10-year Personnel Plan, Council can see the outlook for staff requirements to keep pace with projected growth and service level increases.
- Each Director will overview their 2025 requests through the presentation of a draft Organizational Chart for their Department. They will also briefly outline the potential new positions for future years.
- The following slides provide a high-level overview of the 10-year Personnel Plan.

# Organizational Personnel 2026-2033

Department	2026	2027	2028	2029	2030	2031	2032	2033
CAO Office	–	2 PFT	1 PFT	1 PFT	–	1 PFT	–	1PFT
Community Services	–	1 TFT 2 HBP	2 HBP 3 PFT	–	–	1 TFT	–	1 TFT
Corporate Services	1 PFT 1 RPF	–	–	–	1 PFT	–	1 PFT 1 RPF	–
Development Services	2 PFT	1 PFT	–	–	–	1 PFT	–	–
Fire Services	–	–	–	–	–	–	–	–
Operations	2 PFT	–	1 PFT 1 TFT	1 PFT	2 PFT	–	1 PFT	1 PFT

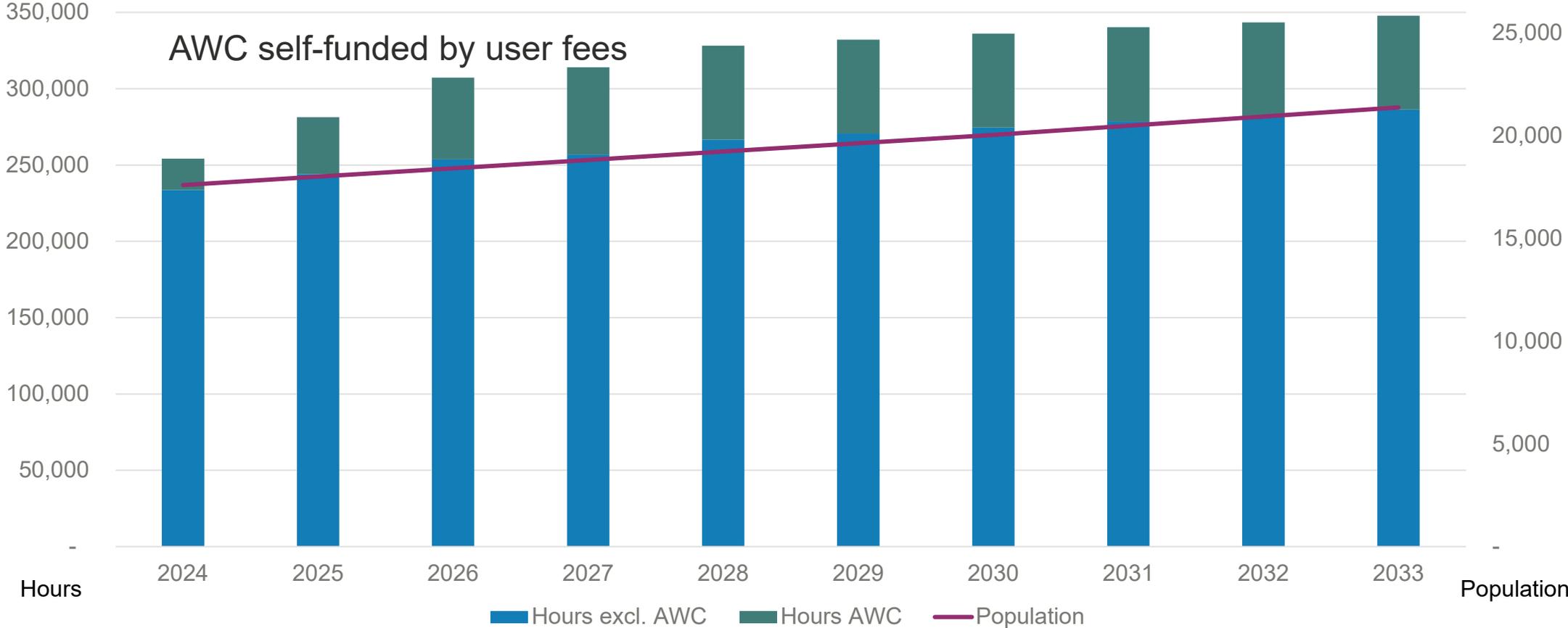
**PFT** = Permanent Full-Time

**TFT** = Temporary Full-Time

**HBP** = Hours-based Position

**RPF** = Reprofile

# Staffing Hours and Population Growth



# Staffing Costs 2025

New proposed staffing cost increases for 2025 necessitates a 0.8% increase in taxes in the coming year:

Position	Impact on Taxes
By Law Enforcement Co-Op Student	0.1%
Legislative and Council Coordinator	0.4%
Supervisor, Harbour & Tourist (Reprofiled)	0.2%
Permit Technician (Self-funded)	0.0%