

**THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS**

**STAFF REPORT**

**DATE:** October 24, 2024  
**TO:** Council  
**FROM:** Kathy Davis, Director of Corporate Services, Treasurer  
Andrew Hodge, Deputy Treasurer  
**SUBJECT: 2025 Draft Budget Updates and Details 2**

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**RECOMMENDATION:**

**THAT Council receive this report as information.**

**BACKGROUND:**

Subsequent to the tabling of the 2025 Draft Budget on October 8, 2024, new information and reviews have required updates to the draft budget as follows:

1. Adjustment of police fees per receipt of 2025 billing and 2023 adjustment
2. Adjustment of debt charges to align with debt statement
3. Adjustment of expenses to align with actuals for Light up the Night
4. Adjustment of expected MRPC dividend revenues to correct an erroneous estimate
5. Adjustment of Water & Sewer contributions to Reserves

**DISCUSSION:**

The net impact of the changes described below is additional expenditures of \$565,003.

1. Police Fees

Staff have received the 2025 Police Billing Statement, which is higher than originally estimated in the draft budget tabled on October 8. Below is an updated budget summary which will be reflected in Revision B of the draft budget.

Budget item	2025 Draft Budget as tabled	2025 Draft Budget Revision B	Variance / notes
Police Services Miscellaneous Costs including Police Services Board	\$45,802	\$45,802	\$0

OPP Contract – 2025	\$1,940,874	\$2,161,576	\$220,702
OPP Contract – 2023 Adjustment	\$0	\$168,262	\$168,262
<b>TOTAL</b>	<b>\$1,986,677</b>	<b>\$2,375,640</b>	<b>\$388,964</b>
Police Levy (0% tax increase)	\$1,931,117	\$1,931,117	
Unfunded portion	\$55,560	\$444,523	
Proposed Reserve Utilization		\$168,262	
<b>Remaining Unfunded</b>	<b>\$55,560</b>	<b>\$276,261</b>	
As % tax rate increase	0.47%	2.34%	

There is \$247,194 in the Reserve for Policing. All of part of this reserve could be used. Staff propose that reserves be used to fund the 2023 adjustment, which would leave \$78,932 in the reserve and lower the tax impact of the increase.

2. In the October 22, 2024 Budget Update, staff identified that an additional loan was to be added to the schedule. An updated Loan Schedule is included in this package. In addition, staff have included a summary schedule for Council’s reference related to Debt.

Subsequent to the addition of the loan for County Road 29 Watermain, staff reviewed all current and upcoming loan payments in accordance with the loan schedule, in particular, incorporating debt payments for loans that were approved in the 2024 budget process. Further adjustments and corrections were made as detailed below.

Transportation loan payments increased from \$1,025,144 to \$1,070,568

Water & Sewer\* loan payments increased from \$793,056 to \$1,084,163

Recreation loan payments increased from \$256,759 to \$285,600

Fire loan payments increased from \$106,238 to \$138,765

3. Actual expenditures for Light up the Night are generally between \$18,000 and \$20,000. Community groups fundraise for this event, which helps offset Municipality costs. In 2024, grant funding was also utilized for this event, so budgeted expenditures appeared lower than normal. In 2025, to ensure that revenues and expenditures are properly reflected in the budget, staff have made a correction to show costs of \$19,344 and associated projected revenue from fundraising in the amount of \$6,000. Council may note a variance in this expense line, however, the change is only being made to ensure that revenues

and expenditures are tracked in the appropriate accounts; no increase in budget is being proposed as compared to prior year events.

4. In 2023 and 2024, MRPC dividends have been declared in the fall for the current year. Each year, this dividend was \$225,000. Although it is difficult to predict future year dividends, an amendment has been made to the tabled budget to reflect this. Per Council direction, this dividend is split between water and sewer revenues, and general operating revenues. The amendments are detailed below.

Other Revenue (MRPC and ORES), which is line 89 on the Revenue budget sheet, was originally calculated as an average of prior years. This resulted in an overstatement of projected revenue. As such, the number has been reduced from \$369,292 to \$172,500. This is comprised of projected revenue of \$112,500 from MRPC and \$60,000 from ORES.

Interest Income – MRPC Loan, which is line 85 on the Revenue budget sheet, was originally calculated as 5% of the entire loan, however, the interest should be split between water and sewer and general operating revenues. As such, the number has been reduced from \$69,433 to \$34,716.

Interest and Dividends – MRPC\*, which is line 2 on the Water and Sewer budget sheet, was originally calculated based on very conservative estimates. As such, the number has been increased from \$66,200 to \$147,216. This is comprised of projected revenue of \$112,500 from MRPC in dividends and \$34,716 in interest revenue.

5. Due to the changes detailed above related to loan payments and revenues in the Water and Sewer budget, the corresponding contribution to reserves has been reduced from \$275,484 to \$65,394.

**OPTIONS:**

That Council receive this report as information.

**FINANCIAL IMPLICATIONS:**

Financial implications are summarized below. While this increases the overall draft budget shortfall, it does not incorporate any tax increases, and does not consider further borrowing or draws from reserves for operating or capital expenditures.

<b>Draft Budget Revision A Budget Shortfall</b>			<b>\$1,764,963</b>
Police Services	Increased Costs	2025 Billing	\$388,963
Police Services	Draw From Reserves	2023 Adjustment	(\$168,262)
Transportation	Debt Calculations	2024 New Debt	\$45,424
Recreation	Debt Calculations	2024 New Debt	\$28,841
Fire	Debt Calculations	2024 New Debt	\$32,527

Recreation	Light Up the Night	2025 Correction	\$6,000
Revenue	MRPC	Revised Dividend	\$196,792
Revenue	MRPC	Revised Interest	\$34,716
<b>Draft Budget Revision B Shortfall</b>			<b>\$2,329,966</b>

Financial implications for Water and Sewer are summarized below.

<b>Draft Budget Revision A Contribution to Reserves</b>			<b>\$275,484</b>
Water & Sewer	Debt Calculations	2024 New Debt	\$291,107
Water & Sewer	MRPC	Revised Dividend	(\$81,016)
<b>Draft Budget Revision B Contribution to Reserves</b>			<b>\$65,394</b>

## STRATEGIC PLAN

The information in this report is intended to support Council's deliberations and decision making related to all Strategic initiatives.

## PUBLIC ENGAGEMENT

N/A

## SUMMARY:

This report is provided to give updated estimates to Council along with related explanations. The inclusion of the recently received 2025 Police Billing and associated 2023 Adjustments, along with revisions to include new 2025 debt and updates to dividend projections have resulted in an increase in expenses of \$565,003 compared to the originally tabled budget.

Further amendments have resulted in a proposed reduction in the amount of funding available to contribute to Water and Sewer reserves in the amount of \$210,090.

Respectfully submitted by,

Kathy Davis,  
Director of Corporate Services, Treasurer

## ATTACHMENTS:

1. Updated Summary, Schedule A, and Schedule B
2. Updated Revenue, Transportation, Recreation, Water and Sewer, Police, and Fire Services budgets
3. Updated Loan Schedule and additional ARL Schedule
4. Updated Reserves Summary
5. Updated One-Pager

