

Subject: Draft 2025 Operating and Capital Budgets

File Number: ACS2024-FCS-FSP-0017

Report to Council 13 November 2024

Submitted on November 13, 2024 by Cyril Rogers, General Manager and Chief Financial Officer, Finance and Corporate Services Department

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Ward: Citywide

Objet : Budgets préliminaires de fonctionnement et d'immobilisations de 2025

Numéro de dossier : ACS2024-FCS-FSP-0017

Rapport présenté au Conseil le 13 novembre 2024

Soumis le 13 novembre 2024 par Cyril Rogers, Directeur général et chef des finances, Direction générale des finances et des services organisationnels

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That City Council:

- 1. Receive and table the Draft 2025 Operating and Capital Budgets at its meeting November 13, 2024, for subsequent consideration by Council sitting in Committee of the Whole to be held December 11, 2024; and,**
- 2. Refer the relevant portions of the Draft 2025 Operating and Capital Budgets to each Standing Committee of Council and the Transit Commission for**

their consideration and recommendation to Council sitting in Committee of the Whole to be held December 11, 2024.

RECOMMANDATIONS DU RAPPORT

Que le Conseil municipal :

- 1. Reçoive et dépose les budgets préliminaires de fonctionnement et d'immobilisations de 2025 à sa réunion du 13 novembre 2024 et qu'il les examine subséquemment en comité plénier le 11 décembre 2024.**
- 2. Transmette les parties pertinentes des budgets de fonctionnement et d'immobilisations de 2025 à chaque comité permanent du Conseil et à la Commission du transport en commun pour que ces derniers les examinent subséquemment et formulent des recommandations au Conseil en comité plénier le 11 décembre 2024.**

EXECUTIVE SUMMARY

This report provides a high-level summary and overview of the Draft 2025 Tax and Rate Supported Operating and Capital Budgets tabled at City Council on November 13, 2024. These budgets are summarized in this report, while the budget books for each Standing Committee provide detailed proposed changes in each service area.

The Draft 2025 Operating and Capital Budget reflects an increase of 2.9 per cent for the Citywide levy and Police Services levy, and eight per cent for the Transit levy. The budget tabled on November 13, 2024, adheres to Council's direction of setting a municipal tax increase of no more than 2.9 per cent for Citywide tax levy supported departments, which includes funding for Ottawa Public Library and Ottawa Public Health. The Ottawa Police Services' draft budget reflects a Police Services levy increase of no more than 2.9 per cent. The rate supported budget is set in accordance with the approved 2017 Long Range Financial Plan (LRFP) V – Water, Wastewater and Stormwater supported programs. The Garbage Fee is increased in accordance with the approved Solid Waste Services Master Plan adjusted to Council's direction of a seven per cent increase for 2025.

The Draft 2025 Transit Operating and Capital Budget continues to make significant investments in Transit through a gross Draft 2025 Operating and Capital Budget of \$855.6 million. This represents the largest City of Ottawa Transit budget and one of the largest annual increases at 11.4 per cent.

The Draft 2025 Transit budget includes several levers which have been endorsed by the Transit LRFP working group and balances significant investments in transit and the \$120 million deficit identified in the Fairness for Ottawa campaign.

- i. Anticipated funding of \$36M from the federal and provincial governments for the Draft 2025 budget, as part of the Fairness for Ottawa Campaign in consideration of the \$120 million 2025 funding deficit;
- ii. A Transit levy increase of eight per cent;
- iii. A fare increase of five per cent;
- iv. Fare discount adjustments for seniors and school boards, itemized as part of the tabled Draft 2025 Transit Budget details;
- v. Operating efficiencies of \$12.4 million with minimal service impacts;
- vi. \$21.3 million in Capital efficiencies/deferrals as part of the tabled Draft 2025 Transit Budget; and
- vii. Ridership projections of 80 per cent of 2019 levels.

In addition, Finance staff will implement a business case review process for priority capital investments required in 2025 that will benefit service reliability for any capital projects that are not part of the Draft 2025 Capital Budget. Finance and Corporate Services will work with Transit Services on an as needed basis to address priority capital investments and will recommend a funding strategy to Finance and Corporate Services Committee and Council for approval.

Immediately following the approved Proposed 2025 Budget Directions, Timeline and Consultation Process, the Mayor, City Manager, General Manager/CFO of Finance and Corporate Services, and other City staff, collaborated with the Ottawa Public Health, Ottawa Public Library, and Ottawa Police Services, to support the development of the Draft 2025 Operating and Capital Budgets. Several efficiencies and one-time solutions were applied to each of the respective Boards to align to the approved directions and ensure continued investments and services for each respective Board.

The Draft 2025 Operating and Capital Budget continues to demonstrate responsibility to the community it serves. It builds on the stability achieved, sustaining investment in the essential services residents rely on, facing the challenges from aging infrastructure, climate change and funding security, while balancing affordability with a prudent approach to benefit the community into the long-term horizon. It's a budget that is fair, affordable and built for the residents of the City of Ottawa.

Throughout 2024, the City continued its implementation of the Service Review Framework to ensure continuous improvements throughout the organization that drive innovation, find efficiencies, improve market competitiveness, and increase engagement amongst staff, elected officials, residents and other stakeholders. All departments and services continue reviewing monthly expenditures, line by line, to ensure there are no service delivery impacts and that there is alignment to the 2023-2026 Term of Council Priorities as part of the budget development process.

The Draft 2025 Operating and Capital Budget underscores the City's dedication to making key investments in affordable housing; keeping residents, communities, businesses, and their well-being safe and secure; protecting the environment; and preserving and building resilient infrastructure to improve the quality of life throughout Ottawa. The Draft 2025 Operating and Capital Budget is an affordable approach for housing, growth in communities, improving mobility, and ensures remaining fiscally responsible by maintaining a prudent approach to long-term financial stability.

During the approval of the 2025 Budget Directions, Timeline and Consultation Process report ([ACS-FCS-FSP-0015](#)) on September 18, 2024, Council emphasized the importance of fairness; how tax dollars are collected from all levels of government and more importantly, how those dollars are allocated and invested back to Ottawa. Fairness and equity are a concern for many of the 444 municipalities in Ontario. In addition, Council highlighted the needs to improve public safety and mobility to progress as the nation's capital.

Following Council's approval of the Service Review Framework outlined in the 2023 Draft Operating and Capital Budgets Report ([ACS2023-FCS-FSP-0001](#)), the City launched a Service Review Program in March 2023 to identify potential improvements to service delivery and find efficiencies and cost savings to be reinvested in Term of Council Priorities.

Since the start of the Service Review Program, the City has:

- launched a comprehensive consultation process to solicit input from Members of Council, City staff, residents, and City of Ottawa Board Members and Commissioners on opportunities for service optimization, savings, cost avoidance, and new revenues;
- developed new tools to support the review and tracking of inputs received through the consultation process; and

- Achieved \$153.5 million in savings and identified an additional \$54.2 million in 2025 for a total of \$207.7 million, which is equivalent to the avoidance of an approximate 10 per cent property tax increase.

The City continues to build on the success of this initiative with ongoing consultation and assessment of inputs received and new opportunities for revenue-generation and cost savings identified through recent reviews.

Since the last budget, staff continue to improve and find opportunities to further enhance municipal budget literacy, ease accessibility of budget documentation, provide enhanced reporting in different formats, and emphasize investments towards services and programs that residents rely on and care about the most. The Draft 2025 Budget will also continue to identify how programs and services align with the Term of Council Priorities ([ACS2023-CMR-OCM-0008](#)).

Additional enhancements to the 2025 budget process were made in consultation with elected officials and with feedback from residents. The Draft 2025 Operating and Capital Budget includes a four-year forecast for Housing Development and Services, the Water, Wastewater and Stormwater programs, the Solid Waste Services Program and Transit Services. In addition, the Draft 2025 Operating and Capital Budget includes several new key performance indicators (KPIs), performance measures, and macroeconomic indicators that are considered when developing the budget. Meetings between the Mayor, City Manager and Chief Financial Officer with Councillors were held earlier in the budget process than in prior years. Furthermore, efforts were made to increase awareness of engagement opportunities using social media posts, and electronic advertisements at City facilities. Lastly, [Engage Ottawa](#), the City's online engagement platform, was used to gather feedback from residents and each Councillor had the opportunity to host engagement sessions in-person, virtually or hybrid.

After the Draft 2025 Budget is tabled on November 13, 2024, the next phase of consultation begins with public delegations at Standing Committee, Transit Commission and Board budget meetings. The draft budget will be available online and reference copies will be available in the City's libraries and client service centres. Council will consider the final Draft 2025 Budget, sitting as Committee of the Whole, on December 11, 2024.

RÉSUMÉ

Le présent rapport présente un sommaire général et un aperçu des budgets préliminaires de fonctionnement et des immobilisations de 2025 financés par les

recettes fiscales et les redevances et déposés au Conseil municipal le 13 novembre 2024. Ces budgets sont résumés dans le présent rapport, tandis que les documents budgétaires remis à chaque comité permanent détaillent les modifications proposées pour chacun des secteurs d'activité.

Le Budget de fonctionnement et des immobilisations de 2025 prévoit une augmentation de 2,9 % de la taxe prélevée à l'échelle de la ville et de celle pour le Service de police ainsi qu'une augmentation de 8 % de la taxe prélevée pour le transport en commun. Le budget déposé le 13 novembre 2024 respecte l'orientation du Conseil de limiter à 2,9 % l'augmentation des taxes municipales à l'échelle de la ville destinées aux services, dont la Bibliothèque publique d'Ottawa et Santé publique Ottawa. Le budget préliminaire du Service de police d'Ottawa correspond à une augmentation maximale de 2,9 % de la taxe prélevée pour les services de police. L'élaboration du budget préliminaire financé par les redevances est conforme au Plan financier à long terme V pour les programmes soutenus par les tarifs (l'eau et les égouts) approuvé en 2017. Les frais de collecte des déchets sont ajustés conformément au Plan directeur de la gestion des déchets solides approuvé, et augmentés de 7 % en 2025, conformément à l'orientation du Conseil.

Le Budget préliminaire de fonctionnement et des immobilisations du transport en commun de 2025 prévoit à nouveau des investissements importants dans le secteur, avec un budget préliminaire de fonctionnement et des immobilisations brut de 855,6 millions de dollars)

Le Budget préliminaire de transport en commun de 2025 comprend plusieurs leviers qui ont été approuvés par le groupe de travail sur le Plan financier à long terme du transport en commun. Ces leviers permettent d'équilibrer les investissements majeurs en transport en commun ainsi que le déficit de 120 millions de dollars soulevé dans le cadre de la campagne Équité pour Ottawa.

- i. Financement prévu de 36 millions de dollars de la part des gouvernements fédéral et provincial pour le budget provisoire de 2025, dans le cadre de la campagne Équité pour Ottawa, compte tenu du déficit de financement de 120 millions de dollars en 2025.
- ii. Augmentation de 8 % de la taxe prélevée pour le transport en commun.
- iii. Augmentation du tarif de 5 %.
- iv. Ajustements du tarif pour les aînés et les conseils scolaires, détaillés dans le budget préliminaire de transport en commun de 2025 déposé.
- v. Gains d'efficacité opérationnelle de 12,4 millions de dollars entraînant des répercussions minimales sur le service.

- vi. Gains d'efficacité et reports en matière d'immobilisations de 21,3 millions de dollars dans le cadre du budget préliminaire de transport en commun de 2025 déposé.
- vii. Prévisions d'achalandage de 80 % des niveaux de 2019.

De plus, le personnel des finances mettra en œuvre un processus d'examen de l'analyse de rentabilité pour les investissements en immobilisations prioritaires requis en 2025 pour tous les projets d'immobilisations non inclus dans le Budget préliminaire des immobilisations de 2025, ce qui permettra de garantir la fiabilité du service. Selon les besoins, le service des finances et des services organisationnels travaillera avec les services de transport en commun pour examiner les investissements en immobilisations prioritaires et recommander une stratégie de financement au Comité des finances et des services organisationnels ainsi qu'au Conseil aux fins d'approbation. Tout juste après l'approbation du rapport « Orientation, calendrier et processus de consultation proposés pour le Budget de 2025 », le maire, la directrice municipale, le directeur général et chef des finances, ainsi que d'autres membres du personnel de la Ville, ont collaboré avec Santé publique d'Ottawa, la Bibliothèque publique d'Ottawa et le Service de police d'Ottawa, pour appuyer l'élaboration du Budget préliminaire de fonctionnement et des immobilisations de 2025. Plusieurs gains d'efficacité ont été réalisés et diverses solutions ponctuelles ont été mises en place pour chacun des conseils afin de suivre les orientations approuvées et garantir le maintien des investissements et des services destinés à chaque conseil.

Le Budget préliminaire de fonctionnement et des immobilisations de 2025 témoigne toujours un engagement envers la communauté à laquelle il s'adresse. Il repose sur la stabilité acquise, et se concentre sur les investissements dans les services essentiels aux résidents, tout en répondant aux défis posés par le vieillissement des infrastructures, le changement climatique et le financement des mesures de sécurité. De plus, ce budget établit un équilibre en matière d'abordabilité grâce à une approche prudente qui profitera à la communauté à long terme. Il s'agit d'un budget juste, abordable et conçu en faveur des résidents de la Ville d'Ottawa.

Tout au long de 2024, la Ville a continué de mettre en œuvre le cadre d'examen des services afin d'assurer des améliorations continues à l'échelle de l'administration municipale, qui favorisent l'innovation, les gains d'efficacité, la compétitivité sur le marché et l'engagement du personnel, des représentants élus, des résidents et d'autres intervenants. Toutes les directions générales et tous les services continuent d'examiner ligne par ligne les dépenses mensuelles afin de déceler toute répercussion sur la

prestation de services et de veiller à ce que le processus d'élaboration du budget respecte les priorités du mandat du Conseil de 2023-2026.

Le Budget préliminaire de fonctionnement et des immobilisations de 2025 met en évidence l'engagement de la Ville à investir dans le logement abordable; à garantir la sécurité et le bien-être des résidents, des communautés, et des entreprises; à protéger l'environnement; à préserver les infrastructures existantes et à construire des installations résilientes pour améliorer la qualité de vie à Ottawa. Le Budget préliminaire de fonctionnement et des immobilisations de 2025 constitue une approche viable sur le plan financier pour soutenir l'accès au logement, la croissance au sein des communautés, l'amélioration de la mobilité et la responsabilité financière, tout en maintenant une approche prudente en matière de stabilité financière à long terme.

Le 18 septembre 2024, lors de l'approbation du rapport « Orientation, calendrier et processus de consultation proposés pour le Budget de 2025 » ([ACS2024-FCS-FSP-0015](#)), le Conseil a souligné l'importance de l'équité, c'est-à-dire la façon dont l'argent des contribuables est perçu auprès de tous les ordres de gouvernement et, plus important encore, la façon dont il est réparti et investi à Ottawa. La justice et l'équité constituent des enjeux pour bon nombre des 444 municipalités de l'Ontario. En outre, le Conseil a mis en évidence la nécessité d'améliorer la sécurité publique et la mobilité afin de favoriser le développement de la ville en tant que capitale du pays.

À la suite de l'approbation par le Conseil du cadre d'examen des services décrit dans le Budget de fonctionnement et des immobilisations de 2023 ([ACS2023-FCS-FSP-0001](#)), la Ville a lancé, en mars 2023, un programme d'examen des services visant à recenser les améliorations possibles en matière de prestation de services, à réaliser des gains d'efficacité et à économiser des sommes, qui pourront être réinvesties dans les priorités du mandat du Conseil.

Depuis le lancement du programme d'examen des services, la Ville a posé les actions suivantes :

- lancement d'un vaste processus de consultation afin de recueillir les commentaires des membres du Conseil, du personnel de la Ville, des résidents ainsi que des membres des commissions et des commissaires de la Ville d'Ottawa concernant l'optimisation des services, la réalisation d'économies, l'évitement des coûts et la production de nouvelles recettes;

- conception de nouveaux outils pour appuyer l'examen et le suivi des propositions reçues au cours du processus de consultation;
- réalisation d'économies de 153,5 millions de dollars et possibilités de dégager 54,2 millions de dollars d'économies supplémentaires en 2025 pour un total de 207,7 millions de dollars, ce qui équivaut à éviter une hausse de l'impôt foncier d'environ 10 %.

La Ville continue de tirer parti du succès de cette initiative grâce aux consultations en cours, à l'évaluation des propositions reçues, ainsi qu'aux nouvelles occasions de générer des recettes et de réaliser des économies, relevées lors des récents examens.

Depuis le dernier budget, le personnel continue de s'efforcer de repérer les occasions d'accroître les connaissances budgétaires municipales, de faciliter l'accès aux documents budgétaires, d'améliorer la production de rapports dans différents formats et de mettre l'accent sur les investissements dans les services et les programmes sur lesquels les résidents comptent et auxquels ils tiennent le plus. Le budget préliminaire de 2025 continuera de souligner la façon dont les programmes et les services cadrent avec les priorités proposées pour le mandat du Conseil ([ACS2023-CMR-OCM-0008](#)).

D'autres améliorations ont été apportées au processus budgétaire de 2025, notamment en ce qui concerne la consultation des représentants élus et des résidents. Le Budget préliminaire de fonctionnement et des immobilisations de 2025 comprend une prévision sur quatre ans concernant la création de logements et les services de logements, les programmes relatifs à l'eau, aux eaux usées et aux eaux pluviales, le programme des services des déchets solides et les services de transport en commun. De plus, le Budget préliminaire de fonctionnement et des immobilisations de 2025 prévoit plusieurs nouveaux indicateurs de rendement clés (IRC), des mesures du rendement et des indicateurs macroéconomiques intégrés dans le processus d'élaboration budgétaire. Des réunions avec le maire, la directrice municipale, le chef des finances et les conseillers ont été tenues plus tôt dans le processus budgétaire que par les années passées. De plus, des efforts ont été déployés pour accroître la sensibilisation aux occasions de participation, notamment au moyen de publications sur les médias sociaux et de publicités électroniques dans les installations de la Ville. Finalement, la plateforme de participation en ligne de la Ville, [Participons Ottawa](#), a permis de recueillir les commentaires des résidents. Chaque conseiller a pu organiser des séances de mobilisation en personne, virtuelles ou hybrides.

Après le dépôt du budget préliminaire de 2025, le 13 novembre 2024, une prochaine phase de consultation s'amorcera par la participation de délégations publiques aux

réunions budgétaires des comités permanents, des conseils et de la Commission du transport en commun. Le budget préliminaire sera publié en ligne, et il sera possible de s'en procurer des exemplaires dans les bibliothèques de la Ville et les centres du service à la clientèle. La dernière version du budget préliminaire de 2025 sera examinée par le Conseil municipal en comité plénier le 11 décembre 2024

BACKGROUND

On December 7, 2022, Council approved a Term of Council budget process as part of the 2022-2026 Council Governance Review report ([ACS2022-OCC-GEN-0030](#)). On September 18, 2024, the following guidelines were approved by Council as part of the 2025 Budget Directions, Timeline and Consultation Process report ([ACS2024-FCS-FSP-0015](#)):

- a) That the municipal tax increase be set at no more than 2.9 per cent overall inclusive of the following:
 - i. The Citywide tax levy, which includes funding for Library and Public Health be increased by no more than 2.9 per cent for 2025 and that Council request that the Library and Public Health Boards develop their draft budgets based on the pro rata share of this tax increase;
 - ii. The Police Services levy be increased by no more than 2.9 per cent and that Council request that the Police Services Board develop their draft budget based on this tax increase;
- b) That the Draft 2025 Transit Budget be developed in consideration of the \$120 million funding deficit identified in the Fairness for Ottawa campaign and include solutions in the following areas, depending on support from other levels of government and the work of the Transit Long-Range Financial Plan Working Group:
 - i. Funding of between \$0 and \$120 million from the federal and provincial governments
 - ii. A Transit levy increase of between 2.9 and 37 per cent
 - iii. A fare increase between 2.5 and 75 per cent
 - iv. Fare discount adjustments for consideration to be itemized as part of the tabled Draft 2025 Transit Budget
 - v. Operating efficiencies and/or service reductions between \$0 and \$120 million
 - vi. Identify a list of capital investment deferrals for consideration as part of the tabled Draft 2025 Transit Budget

vii. Identify any other levers for consideration as part of the tabled Draft 2025 Transit Budget

- c) That the assessment growth taxation revenues generated from new properties be estimated at 1.5 per cent of the current taxation for 2025 and that Council request that the Library, Public Health, Police Services Boards, and the Transit Commission develop their budgets within this allocation.
- d) That City user fees and charges increase in accordance with the direction outlined in the Fiscal Framework or the Long-Range Financial Plans.
- e) That the Garbage Fee be increased in accordance with the approved Solid Waste Services Master Plan, shifting the tax portion of the funding to a fully recoverable curbside collection fee and reducing the proposed 17 per cent increase in 2025 to a seven per cent increase in 2025.
- f) That the Draft 2025 Capital Budget be developed in accordance with the direction outlined in the 2024 Development Charge (DC) Provisional Background Study, Long-Range Financial Plans and Fiscal Framework.
- g) That the Draft 2025 Rate Supported Budget be developed in accordance with the approved 2017 Long-Range Financial Plan V - Water, Wastewater and Stormwater.

Transit LRFP Working Group

The working group continued to meet on a regular basis following the adoption of the Proposed 2025 Budget Directions, Timeline and Consultation Process to analyse and explore all financial levers at the City's disposal as input to the Draft 2025 Transit Operating and Capital Budget. Work was also done to address future, expected budget pressures for consideration as part of the planned 2025 updated Transit Long Range Financial Plan. The levers identified in the Draft 2025 Operating and Capital Budget can be implemented within a year to help solve the more immediate financial pressures as staff continue to advance work on longer-term solutions as part of the continued Transit LRFP Working Group.

The Draft 2025 Transit Operating and Capital Budget reflects continued significant investments in Transit, bringing the draft Transit gross budget to \$855.6 million, the largest overall Transit budget and one of the largest annual increases at 11.4 per cent.

The Draft 2025 Budget for OC Transpo has been developed to support continued investments and improvements to the overall Transit system. Key highlights include:

- Opening the extension of O-Train Line 1 to Trim Station in Q3/Q4 2025

- Implementing the New Ways to Bus route network in Q2 2025
- Investments to improve service reliability
- Investments to increase contributions to the reserve
- Investments to expand Para Transpo service
- Continuing to freeze at 2019 levels Equipass fares for customers with low income and Community Pass fares for customers receiving ODSP payments
- \$500 million of new capital projects to support improved service reliability and the delivery of Council's priority projects for transit.

As Council is aware, the financial situation of the City's transit services is such that continued investments are required as O-Train extensions come online, while revenue increases are held back both by residents working from home and by interrupted economic growth, both the result of the COVID-19 global pandemic. Most of the people who are now working from home some or all the time were previously paying full adult fares. Most customers who use discounted fares continued to use transit during the pandemic or have returned to using transit. The result of these changes is that more customers currently pay for transit with a discounted fare than with a full adult fare. For the first years of the pandemic the federal and provincial governments funded the resulting lost fare revenue, that funding ended in 2023.

As a result of the continued focus on investing more in transit and aligning to transit ridership profiles, the financial situation and an affordable approach to these investments, the Draft 2025 Transit Budget has been developed to support continued significant investments in transit with the following considerations:

1. Anticipated funding of \$36M from the federal and provincial governments for the Draft 2025 budget, as part of the Fairness for Ottawa Campaign in consideration of the \$120 million 2025 funding deficit;
2. A Transit levy increase of eight per cent;
3. A fare increase of five per cent;
4. Fare discount adjustments for seniors and school boards, itemized as part of the tabled Draft 2025 Transit Budget details;
5. Operating efficiencies of \$12.4 million with minimal service impacts;
6. \$21.3 million in capital efficiencies/deferrals as part of the tabled Draft 2025 Transit Budget (please refer to supporting document 3);

7. Ridership projection of 80 per cent of 2019 levels; and
8. The implementation of a business case review process for priority capital investments required in 2025, which are not already included in the Draft 2025 Capital Budget, that will benefit service reliability. Staff from Finance and Corporate Services and Transit Services will work together on an as-needed basis to address priority capital investments and bring forward the recommended funding strategy to the Finance and Corporate Services Committee and Council for approval.

The above allocation of each of these levers was endorsed by the Transit LRFP Working Group and demonstrates a balanced approach to the significant increase in the overall Draft 2025 Transit Budget. It represents a fair and affordable approach while growing the investments and improvements to the transit system.

Ottawa Police Services

The City's General Manager and Chief Financial Officer of Finance and Corporate Services held several meetings with Ottawa Police Services (OPS) staff including the CAO, Director of Finance, and Director of Strategy throughout September and October to implement funding strategies aligned to the City's financial strategies developed in the past. These meetings resulted in funding strategies enabling OPS to achieve the Ottawa Police Services Board endorsed direction of no less than 2.9 per cent tax rate increase and continue to prioritize the improvement of service delivery to the citizens of Ottawa through modernization projects and continue to manage and control the cost curve in delivering policing services.

Though the tax increase is a main component of the budget, there are other funding levers to apply to the OPS budget to address the 2025 budget pressures. The funding strategies are based on a combination of service improvements, efficiency exercises and deferring the commencement of some initiatives. The following is a summary of these strategies, resulting in a combined \$11.1 million of funding, which is equivalent to an incremental 3.2 per cent OPS tax levy:

- i. Allocate \$1.028 million of the PILT revenue increase to OPS;
- ii. Leverage the City's Capital Deferral Financial strategy and apply to the OPS capital forecast. OPS have realigned the ten-year capital forecast and includes \$7 million in capital deferrals in 2025. The main project relates to the forecasted \$6 million capital commitment for the fifteen acres at 55 Lodge Road, the location

of the South Facility. This forecasted commitment was part of the ten-year capital forecast and forecasted to allocate to the City upon the date of the disengagement from 245 Greenbank Road. This earmarked capital commitment is removed given 245 Greenbank Road is a City asset and will return for City use or be part of the City's disposal process upon OPS disengagement;

- iii. OPS has identified \$2.08 million in efficiencies;
- iv. Leveraging the previous funding strategy developed in 2019 for the Red Light Camera revenue transferred to Police beginning in 2019. Leveraging this same principle and applying to the automated speed enforcement revenue. The funding strategy allocates \$1 million of funding for the 2025 budget, with a forecast of increasing to \$3 million by 2027.

In addition to the above, the Draft 2025 OPS Operating and Capital Budget includes \$13.7 million of additional federal funding for the Parliament District (conditional and to be finalized) and provincial funding for the ByWard Market Safety Initiatives as part of the Ontario-Ottawa Deal. The OPS is committed to balancing municipal budget expectations with the urgent need to improve and modernize services. OPS staff have committed to conducting significant efficiency exercises beginning in 2025 as a means of managing the cost curve of policing. These exercises will include continuing to work with City colleagues to find efficiencies in fleet maintenance, reviewing use of overtime, travel and evaluating span of control. A new initiative to civilianize some police functions and increase the role of special constables will also begin in 2025. This will reduce the reliance on sworn officers, ensuring that these officers can focus their efforts on policing duties only, and will result in some cost savings.

The Draft 2025 Budgets will be considered by Standing Committees, Boards, and the Transit Commission. They consist of the following:

City Departmental Submission

- Agriculture and Rural Affairs Committee
- Audit Committee
- Community Services Committee
- Emergency Preparedness and Protective Services Committee
- Environment and Climate Change Committee
- Finance and Corporate Services Committee
- Planning and Housing Committee

- Transportation Committee

Boards and Transit Commission

- Ottawa Police Services Board
- Ottawa Public Library Board
- Ottawa Board of Health
- Committee of Adjustment
- Transit Commission

This report provides an overview of all the draft budgets being tabled at Council. The Draft 2025 Operating and Capital Budget Summaries for all Standing Committees, Boards and the Transit Commission are attached as Document 1 – 2025 Draft Operating Budget Summaries, and Document 2 – 2025 Draft Capital Budget Summaries. The committee structure per the 2022-2026 Council Governance Review report ([ACS2022OCC-GEN-0030](#)) is reflected in the 2025 Budget.

Council remains to play a leading role in the City's approach to fiscal management and financial sustainability. Strong fiscal management is a priority for the City, Council, and residents. Over time the City has adopted strong financial oversight, policies and plans including transparency that have led to financial sustainability. Alongside the Term of Council Priorities ([ACS2024-CMR-OCM-0008](#)), the Draft 2025 Budget looks to achieve its strategic priorities of:

- A city that has affordable housing and is more liveable for all;
- A city that is more connected with reliable, safe, and accessible mobility options;
- A city that is green and resilient; and
- A city with a diversified and prosperous economy.

DISCUSSION

Draft 2025 Budget

The Draft 2025 Operating and Capital Budget increases the Citywide levy and OPS levy by 2.9 per cent and eight per cent for the Transit levy. The budgets tabled on November 13, 2024, comply with the approved recommendations as per the Proposed 2025 Budget Directions, Timeline and Consultation Process report ([ACS2024-FCS-FSP-0015](#)) for the Citywide and OPS levies. Since the approval of the 2025 Budget Directions, Timeline and Consultation Process report in September, the Transit LRFP Working Group continued to meet frequently to address the \$120 million funding deficit

identified in the Fairness for Ottawa campaign and continued to advocate for support from the provincial and federal government. The levers that have been considered as part of the Draft 2025 Operating and Capital Budget are detailed in the previous section of this report.

Table 1 displays the property tax increase tabled in the Draft 2025 Budget.

Table 1: Assessment Growth, Tax Increases and Levies

Property Taxes and Levies	Draft 2025
Assessment growth (\$000s)	\$31,540
Tax increases (\$000s)	\$82,155
Total (\$000s)	\$113,695
Citywide levy (\$000s)	\$60,735
Ottawa Police Services levy (\$000s)	\$15,315
Transit levy (\$000s)	\$37,645
Total levy (\$000s)	\$113,695
Assessment growth (%)	1.5%
Citywide levy (%)	2.9%
Ottawa Police Services levy (%)	2.9%
Transit levy (%)	8.0%

Each annual budget cycle staff table a budget that is developed to provide for existing programs and services based on service standards established by Council and to meet statutory or regulatory requirements. The budget shall include all the requirements associated with the delivery of the programs and services. New programs may only be added if Council has approved them.

The Budget is guided and directed by the Council endorsed Budget Directions, Timeline and Consultation Process report and Council approved policies and plans, guided by strong fiscal management, transparency, and sustainability. These include the following:

- 2025 Budget Directions and Timetable Report;
- Budget Development, Monitoring and Reporting Policy;
- Long Range Financial Plans (Tax Supported Assets, Transit, Rate Supported Assets, Housing, Solid Waste);
- A Fiscal Framework that sets out a high-level road map to sustainable City finances;
- Development Charge Background Study;
- Strategic Asset Management Plan;

- Reserve Management Policy;
- Term of Council Priorities; and
- City's Strategic Plan.

The Boards and the Transit Commission are allocated their respective tax levy and growth allocations as per the Council approved framework. The Citywide tax levy is not allocated an automatic 2.9 per cent increase to each department; the allocation is based on a robust review of departmental pressures to align to continued service delivery requirements and commitments. The following is a high-level overview of the budget planning process in compiling the annual budget pressures:

- Cost of Living Adjustment (COLA) for Compensation and Benefits is the largest annual budget pressure. Approximately 43 per cent of the annual budget is Compensation and Benefits. The compensation budget is developed based on Full Time Equivalent (FTE) positions approved by Council;
- Annual LRFP commitments are identified and allocated the respective budget increases to align to these Council endorsed Plans, including construction inflation at two per cent for 2025;
- Any new funding or changes to funding from senior levels of government or other external sources are identified;
- Utility (natural gas no increase, hydro three per cent, water two per cent) increases, and volume assumptions are reviewed and identified;
- The latest CPI reported by Stats Canada rose 1.6 per cent on a year-over-year basis in September 2024. The City's main services are not directly impacted by the various commodities driven by the CPI indicators, such as food, beverages, clothing, and other consumer products, but remain considered where applicable in the City's programs and services. Inflationary pressures on contracts and goods and services are reviewed and aligned to annual negotiated contract increases where known and other components are based on historical trends or current market pricing increases; Whereas food is not a typical municipal expense, the City recognizes it provides funding to various organizations that purchase groceries in support of the community. A growing number of these organizations are facing increased pressures as food inflation impacts residents. The Draft 2025 Budget includes a food CPI of 3.1 per cent in its development of the Draft 2025 Budget;
- One-time funding cannot be used to fund permanent operating expenditures and departmental management cannot create contingency accounts within the operating program or service budgets;

- Continuous improvements and efficiency opportunities are reviewed throughout the annual quarterly reporting cycles and identified during the annual budget process. Each department is supported by a finance team and collaborates with all levels of the organization who are engaged in the annual budget cycle; The City Manager, CFO and Mayor consulted with each Councillor as the draft budget was being developed;
- There are several departmental reviews completed prior to Senior Leadership reviews where a robust challenge function is applied with final agreements and risk mitigations applied to develop a balanced budget for tabling while continuing to fund Council directed policies, service standards and statutory and legislative requirements;
- Individual Members of Council have organized or will lead public consultations on the draft budget supported by staff;
- The Committees will hear public delegations before deliberating on the budget and approving any revisions. Each Standing Committee will work with the budgets for the City departments under their mandate and any increases to those budgets will be funded by appropriate offsetting revenues or expenditure reductions that can be funded from within the budgets under committee review as per the budget process approved in the 2022 to 2026 Term of Council Governance Budget Process. Table 2 summarizes the inflationary assumptions used for various expense categories of the Draft 2025 Budget in comparison to the prior year.

Table 2: Inflationary Assumptions Comparison

Inflationary assumptions	Draft 2025	Draft 2024
Compensation	2.5%	2%
Benefits	6%	6%
Contracts and property leases	2%	2%
Electricity	3%	3%
Heating	0%	16%
Water	2%	2%
Fuel (diesel per litre)	\$1.44	\$1.3588
Contributions to reserves	2%	3%

Service Review

Following Council's approval of the Service Review Framework (as outlined in the 2023 Draft Operating and Capital Budgets Report [ACS2023-FCS-FSP-0001](#)) in March 2023,

the City launched a Service Review Program to identify potential improvements to service delivery and find efficiencies and cost savings to be reinvested in Term of Council Priorities.

Since the start of the Service Review Program, the City has:

- Launched a comprehensive consultation process to solicit input from Members of Council, City staff, unions, residents, and City of Ottawa Board Members and Commissioners on opportunities for service optimization, savings, cost avoidance, and new revenues;
- Developed new tools to support the review and tracking of inputs received through the consultation process; and
- Achieved \$153.5 million in savings and identified an additional \$54.2 million in 2025 for a total of \$207.7 million, which is equivalent to the avoidance of an approximate 10 per cent property tax increase.

The City continued to build on the success of this initiative this past year with the ongoing consultation and assessment of inputs received; an expanded organizational capacity to conduct service reviews; and new opportunities for revenue-generation and cost savings identified through recent reviews.

Service Review Engagement

A public engagement campaign was launched in November 2023 through the City's digital engagement platform, Engage Ottawa, and a dedicated phone line. In addition to encouraging Ottawa residents to share their ideas on how the City can improve services and save money to reinvest into other priorities, this campaign also aims to inform the public about City services and programs through feature stories.

The public engagement campaign is being conducted in phases, each of which is aligned to a Term of Council Priority. Table 3 provides an overview.

Table 3: Public Engagement Campaign

Phase / Theme	Timing
1. A city that has affordable housing and is more livable for all	Promoted fall 2023-winter 2024
2. A city that is more connected with reliable, safe and accessible mobility options	Promoted spring-summer 2024
3. A city that has a diversified and prosperous economy	Launched October 2024; to be promoted until April 2025
4. A city that is green and resilient	To be launched spring 2025

Response to the public engagement campaign has been impressive, with more than 1,600 inputs received on the first two themes: 860 on Theme 1 and 756 on Theme 2.

Overall, a total of more than 2,300 ideas have been submitted through the consultation process with Members of Council, City staff, stakeholders, and residents. The process established through the Service Review Program requires that inputs be shared with the appropriate department for assessment. Following the initial assessment, inputs are categorized: as a potential service review, a continuous improvement initiative, or an idea that is “not moving forward” (i.e. inputs that are already in operation, on an existing workplan, or outside of the City’s scope). This process provides a structured and transparent approach for the departmental assessment of ideas that are generated throughout the engagement process. Of the ideas that have been assessed and categorized by departments to date, about 15 per cent are undergoing further evaluation to determine feasibility as a potential service review or continuous improvement initiative.

Organizational Capacity

The internal capacity and associated processes for conducting service reviews has been expanded in-line with the transmittal reports on the Policy Statements and Guiding Principles of Service Review Framework and the Service Efficiency and Competitiveness Framework and Methodology that were approved part of the 2023 budget. In support of the organizational roll-out of the service review process, staff from the Service Review Support Team in the City Manager’s Office has developed simplified training materials and delivered instructor-led training and information sessions to teams

from all departments. To make the process more efficient, the methodology and project templates have been digitized and automated to support service review options analysis and implementation activities. Moreover, the methodology has been aligned to the City's Project Management Policy and Framework, making adoption more seamless.

The City Manager's Office is committed to providing ongoing support throughout the duration of the program and will continue to engage regularly with departments through the service review monitoring and reporting activities.

2024 Service Reviews and Ontario-Ottawa Agreement

With the ongoing engagement efforts and the analysis of the inputs received throughout this process, the Service Review Program continues to evolve. The following is a summary of the Ontario-Ottawa agreement initiatives as part of the Draft 2025 Operating and Capital Budget, which will contribute a total of \$61.5 million savings and in funding in the 2025 budget: \$26 million in operating budget funding and \$35.5 million in capital investments. The breakdown of efficiencies is outlined in Table 4a and 4b.

Table 4a: Ontario-Ottawa Agreement Summary

	2025 Operating (\$000s)	2025 Capital (\$000s)	Total (\$000s)
Roads	\$3,000	\$23,000	\$26,000
Ottawa Road 174 Maintenance	\$3,000	\$0	\$3,000
Ottawa Road 174 (Three Stage Phased Plan)	\$0	\$3,000	\$3,000
Repair and upgrade rural roads and related infrastructure	\$0	\$20,000	\$20,000
Public Safety	\$16,000	\$0	\$16,000
City - Downtown Safety Outreach	\$1,400	\$0	\$1,400
City - Alternative Mental Health Supports	\$2,900	\$0	\$2,900
Transit - Security and Downtown Safety Outreach	\$5,705	\$0	\$5,705
OPS - Downtown Security and Mental Health Supports	\$5,995	\$0	\$5,995
Economic Development	\$7,000	\$10,000	\$17,000
Economic Development	\$7,000	\$10,000	\$17,000
Housing	\$0	\$2,500	\$2,500
Building Faster Fund	\$0	\$2,500	\$2,500
Total	\$26,000	\$35,500	\$61,500

Since 2023, service reviews and initiatives (excluding the Ontario-Ottawa Agreement) have achieved \$153.5 million in savings and identified an additional \$54.2 million in 2025 for a total of \$207.7 million, which is equivalent to the avoidance of an approximate 10 per cent property tax increase.

Table 4b: Summary of Operating and Capital Efficiencies (in thousands of dollars)

	Operating Efficiencies (\$000s)	Capital Efficiencies (\$000s)	Total (\$000s)
2023 Budget Efficiencies	\$11,268	\$42,650	\$53,918
2024 Budget Efficiencies	\$55,477	\$44,108	\$99,585
2023 - 2024 Budget Efficiencies Total	\$66,745	\$86,758	\$153,503
2025 Budget Efficiencies			
Service Review			
Facilities Service Review	\$705	\$0	\$705
Enhanced False Fire Alarm Strategy	\$400	\$0	\$400
Municipal Parking Rate Review	\$724	\$0	\$724
Service Review Total	\$1,829	\$0	\$1,829
City Department Initiatives			
Fleet efficiencies	\$305	\$0	\$305
Facility operations efficiencies	\$3,189	\$0	\$3,189
Prudent Investor and interest income	\$4,505	\$0	\$4,505
Insurance premium savings	\$1,260	\$0	\$1,260
Discretionary savings	\$435	\$0	\$435
City Department Initiatives Total	\$9,694	\$0	\$9,694
Ottawa Police Services	\$2,080	\$7,000	\$9,080
Transit Services	\$12,376	\$21,266	\$33,642
2025 Budget Efficiencies Total	\$25,979	\$28,266	\$54,245
2023 - 2025 Budget Efficiencies Total	\$92,724	\$115,024	\$207,748

Continuous Improvements

Service efficiency and competitiveness are part of the City's objectives in all service delivery areas, which is an ongoing exercise alongside the Service Review Framework established during the 2023 budget.

The City's continuous improvement efforts seek to enable more financially efficient and responsive operations by driving unnecessary cost and complexity out of the organization's business processes through a focus on automation, standardization, and simplification. These efforts seek to maximize value to the organization in three core

areas: pure financial opportunities (cost savings and cost avoidance); streamlined business processes (creating organizational capacity to help advance Council's priorities); and leveraging data to improve departmental decision making (enabling departments to make more strategic decisions that will deliver greater value).

New for the budget cycle is the inclusion of Document 6 which provides examples of continuous improvement efforts implemented across various departments throughout the organization. This is not an all inclusive list but rather an example of many staff led initiatives that have been implemented to improve services, business processes, leverage technology and innovation to improve capacity constraints, cost avoidance, cost savings and continue to build on a culture of continuous improvements.

Term of Council Priorities

The 2024-2026 City Strategic Plan is the key corporate planning document defining what Council plans to accomplish over its four-year term. It contains the Term of Council Priorities approved by Council on July 12, 2023 ([ACS2023-CMR-OCM-0008](#)) and will serve as the City's roadmap to success, ensuring our programs and services address the changing needs of the diverse community we serve.

The City Strategic Plan does not provide a complete list of all the services and programs the City provides, in contrast to the detailed budget documents that contain details of all City departments, service areas and capital projects and programs; it does, however, capture the significant actions that address the Term of Council Priorities.

To achieve its long-term goals, Council has outlined four areas of focus that will direct the City of Ottawa's efforts over the term of council to make Ottawa:

1. A city that has affordable housing and is more liveable for all;
2. A city that is more connected with reliable, safe, and accessible mobility options;
3. A city that is green and resilient;
4. A city with a diversified and prosperous economy.

Consistent with the annual budget development, the Term of Council Priorities development was informed by the following key long-term plans and strategies.

Long Range Financial Plans; Official Plan; Climate Change Master Plan; Urban Forest and Greenspace Master Plan; Infrastructure Master Plan; Transportation Master Plan; Parks and Recreation Facilities Master Plan; 10-Year Housing and Homelessness Plan 2020–2030; Reconciliation and Action Plan; Community Safety and Well-Being Plan; Anti-Racism Strategy; Women and Gender Equity Strategy; Solid Waste Master Plan;

Comprehensive Asset Management Strategy and Asset Management Plans; Economic Development Plan and the Road Safety Action Plan.

The draft budget documents provide additional details, including investments in the various Term of Council Priorities. In addition, the budget tabling presentation and committee budget presentations will include additional details and budget allocations aligned to the various Term of Council Priorities.

Draft 2025 Budget Overview

Tax Supported Services

The Draft 2025 Operating and Capital Budget, tabled on November 13, 2024, achieves Council's objective of a Citywide municipal tax increase of no more than 2.9 per cent through the Citywide tax levy and Ottawa Police Services levy, plus a Transit levy increase of eight per cent which is within the directed 2.9 and 37 per cent. Council also approved a budget direction requiring all local Boards and the Transit Commission to be assigned a prorated share of the 1.5 per cent increase in property tax revenues from the estimated growth in assessment. Council requested that Boards and the Transit Commission develop their Draft 2025 Operating and Capital Budget within their allocations. The budgets tabled on November 13, 2024, comply with the approved recommendations as per the Proposed 2025 Budget Directions, Timeline and Consultation Process report ([ACS2024-FCS-FSP-0015](#)).

Overall Operating Budget Estimates/ Projected Taxation

The Draft 2025 Budgets include \$113.7 million in net additional tax. These taxes are being raised from a municipal tax increase (Citywide and OPS tax levy) 2.9 per cent and an estimated assessment growth of 1.5 per cent, which includes all Tax-Supported City services, Transit and Police Services. The Transit tax increase is being raised eight per cent. Table 5 shows the estimated impact on an urban and rural home and commercial property at the average assessed value.

Table 5 - Property Tax Impacts (in dollars)

	Urban Home	Rural Home (TRA)¹	Rural Home (TRB)²	Commercial Property
	Average Assessment	Average Assessment	Average Assessment	Average Assessment
	\$415,000	\$415,000	\$415,000	\$460,000
2025 Taxation	\$4,465	\$3,622	\$3,436	\$9,593
Citywide	\$80	\$75	\$75	\$172
Police	\$20	\$20	\$20	\$43
Transit	\$68	\$18	\$5	\$147
Total \$ Change	\$168	\$114	\$100	\$361
% Change	3.9%	3.2%	3.0%	3.9%

These estimated increases are based on the current draft budget's funding requirements. The actual increases on the property tax bill will depend on the Council adopted budget, assessment data from MPAC, and any changes to tax policy adopted by Council before tax rates are finalized.

Full-Time Equivalent Positions

The draft budgets being tabled include the number of full-time equivalent (FTE) positions that are required to deliver City services. For all services (including Rate Supported), the total number of budgeted full-time equivalent staff positions that are required to deliver services for City Operations, the Boards and Transit Commission in 2025 is 17,026.00 budgeted FTE staff positions. Table 6a, 6b, 6c, 6d and 6e below list the 2025 budgeted FTE request breakdown by each business area and funding type.

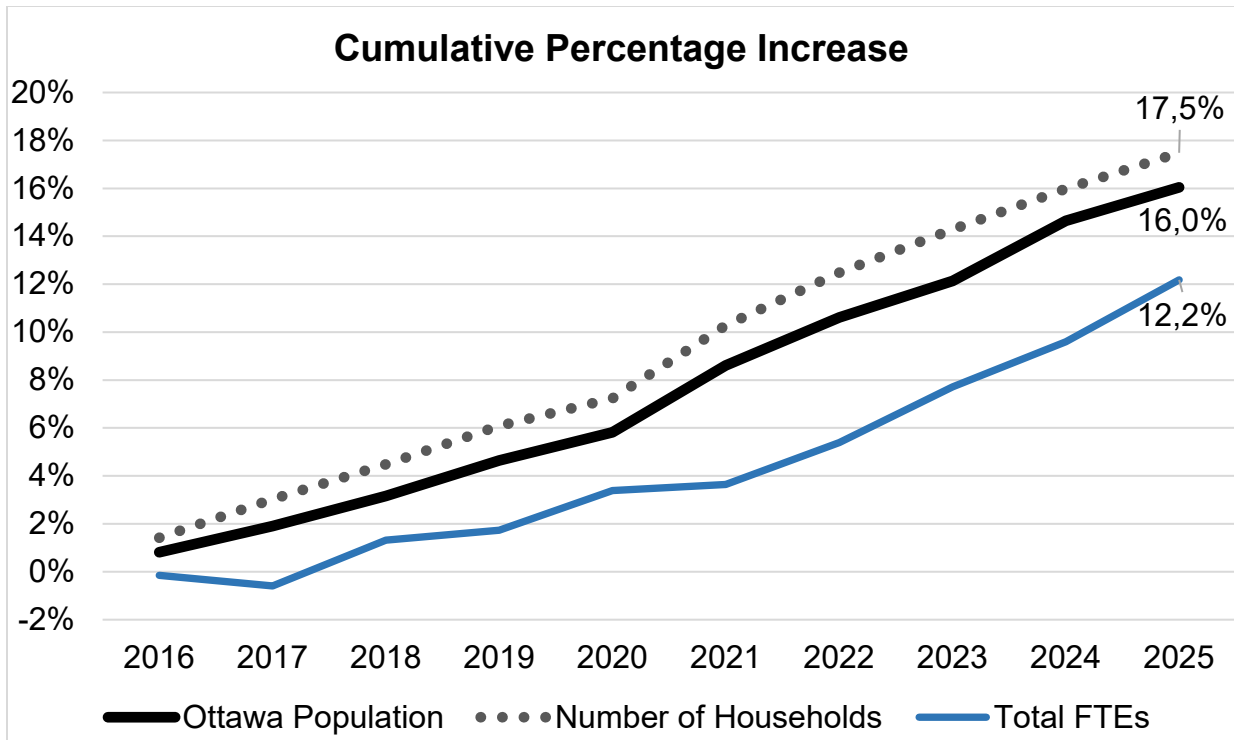
Citywide Departments FTE Positions

The tax funded positions within the Citywide departments are required to support growth in front-line services, maintaining Council approved programs, and to administer provincially legislated mandates. Chart 1 illustrates how annual FTE increases have not kept pace with Ottawa's population and household growth.

¹ Transit Rural Area A (TRA) is a rate that includes Para Transpo services and reduced Transit service levels.

² Transit Rural Area B (TRB) is a rate that that only includes Para Transpo services.

Chart 1: FTE growth comparison



This demonstrates the City’s continuous improvements to innovate and implement efficiencies to maintain adequate staffing levels without negatively impacting services. Effectively, the City continues to absorb between 3.8 per cent and 5.3 per cent of growth when compared to population and household growth respectively.

Table 6a: Budget FTE Request – Citywide Departments – Tax Funded

Tax Funded	2025 Budget FTE Request
Citywide Frontline Operational Services	
Emergency Protective Services	25.00
Fleet Services	4.00
Planning, Development and Building Services	1.00
Public Works	5.74
Recreation, Cultural and Facility Services	16.13
Strategic Initiatives	1.00
Citywide Frontline Operational Services Total	52.87
Citywide Corporate and Administrative Services	
Chief Information Security Officer	3.00
Information Technology Services	2.00

Tax Funded	2025 Budget FTE Request
Payroll, Pensions and Benefits	3.00
Supply Services	1.00
Legal	2.00
Citywide Corporate and Administrative Services Total	11.00
Total	63.87

Tax funded positions are requested to grow by 63.87 FTEs that include 22 FTEs for Fire Station 81 in Stittsville, three FTEs supporting growth in Emergency Protective Services, three FTEs for cyber security, eight FTEs for corporate support services, one FTE for rural initiatives, 5.74 FTEs in Public Works in support of forestry, cleanliness, ASE and Road Safety programs, 14.13 FTEs in Recreation, Cultural and Facility Services that includes additional staffing at the Lowertown Community Centre, community insurance support and maintenance support and one FTE in backing new affordable housing initiatives.

Table 6b: Budget FTE Request – Citywide Department – User Fees, Recoveries and Revenue Funded

User Fees, Recoveries and Revenue Funded	2025 Budget FTE Request
Citywide Departments	
Community and Social Services	35.60
Emergency Protective Services	38.00
Finance and Corporate Services	19.00
Infrastructure and Water Services	1.00
Planning, Development and Building Services	1.00
Public Works	12.68
Recreation, Cultural and Facility Services	54.80
Citywide Departments Total	162.08

There are 162.08 FTE positions that are directly funded by revenues generated by user fees, recoveries, and provincial funding. These FTE positions are required to execute provincially mandated services, to support growth and maintain City Services. This includes 47.6 FTEs in Long-Term Care for the provincial commitment of additional hours of care of Personal Support, Allied Health Workers, and Resident Safety and

Well-Being, an additional 27 FTEs Paramedic Services funded by the Province (50 per cent), 10 FTEs in By-law and Regulatory Services to improve response times, 11 FTEs for Solid Waste initiatives per the Solid Waste Master Plan, 10 FTEs for corporate support services, nine FTEs in Fleet Services in support of Paramedic Services and OPS, 54.8 FTEs for Recreation, Cultural and Facility Services in support of Le P'tit Bonheur day program, growth in the Lowertown Community Centre, transition housing, the new Central Library and a reduction of 12 FTEs from Children's Services due to a reduction in Provincial funding.

Table 6c: Budget FTE Request – Citywide Department – Capital Funded

Capital Funded	2025 Budget FTE Request
Citywide Departments	
Infrastructure and Water Services	15.00
Public Works	6.00
Citywide Departments Total	21.00

There are 21 FTE positions that are funded by ongoing capital programs. Three FTE positions are in continued support of capital planning and strategic asset management; 12 FTE positions are in support of growth and legislative requirements in Infrastructure Services and six FTE positions in Traffic Services in support of streetlighting and signal design.

Rate Supported Program FTE Positions

Table 6d: Budget FTE Request – Citywide Department – Rate Funded

Rate Funded	2025 Budget FTE Request
Citywide Departments	
Drinking Water Services	3.00
Wastewater Services	8.00
Stormwater Services	2.00
Citywide Departments Total	13.00

Drinking Water Services' three FTE positions are in relation supporting additional legislative requirements around licences and systems. Wastewater Services' eight FTE positions are in support of operational improvements at treatment facilities and pump stations. Stormwater Services growth of two FTE positions are in support of legislative requirements and the growth of its assets.

Boards, Agencies and Commission FTE Positions

Table 6e: Budget FTE Request – Boards, Agencies and Commission

Tax Funded	2025 Budget FTE Request
Boards, Agencies and Commission	
Ottawa Public Library	54.00
Ottawa Police Service	129.00
Transit Commission	65.00
Boards, Agencies and Commission Total	248.00

Ottawa Public Library (OPL) identified an additional 54 FTE positions for the opening of its Central Library Branch.

Ottawa Police Services (OPS) identified a total of 129 FTE positions, of which 50 FTEs are in support of growth, 30 FTEs are provincially funded for the ByWard Market safety initiatives and 49 are federally funded for safety initiatives in the parliament precinct.

Transit Services identified 65 FTE positions, 25 FTEs in which are in support of maintaining rail operations, 35 FTEs in support of the opening of O-Train Line 1, and five FTEs to support facilities growth.

Draft 2025 Tax Supported Budget

Operating Budget

The total 2025 tax supported operating expenses are projected to be \$4.5 billion, a \$370 million increase over 2024. Operating expenses are funded through property taxes (49 per cent), payments in lieu of property taxes (four per cent), federal and provincial grants (25 per cent), fees and service charges (15 per cent) and other miscellaneous revenue sources (seven per cent).

A summary of the 2025 budgetary requirements shown by Standing Committee, the Boards and Transit Commission is provided in Document 1 - 2025 Draft Operating Budget Summaries.

Available Funding

Growth in Tax Assessment and Tax Increases

Taxes raised from new developments are projected to increase by 1.5 per cent in 2025, which will provide an additional \$31.54 million in tax revenues. The revenues generated from the proposed tax increase is \$82.155 million.

User Fees /Revenue Increases /Provincial Cost Sharing

The Draft 2025 Budget increases user fees in line with the increased cost to deliver services, in accordance with the Fiscal Framework approved by Council and in accordance with provincial legislation. Revenues from all other sources are reviewed annually to determine if they require adjustment.

Per the 2025 Budget Directions, Timeline and Consultations Process report, the 2025 garbage fee will be increased in accordance with the Solid Waste Long Range Financial Plan ([ACS2024-FCS-FIN-0008](#)) that was as a companion report to the Solid Waste Master Plan ([ACS2024-PWD-SWS-0004](#)) as approved by Council on June 25, 2024, shifting the tax portion of the funding to a fully recoverable curbside collection fee and reducing the proposed 17 per cent increase in 2025 to a seven per cent increase in 2025.

Funding Pressures

Maintaining existing programs and services

An increase of \$31 million associated with adjustments for potential 2025 cost of living, increments and benefit adjustments and inflationary increases of \$19 million relate to changes in purchased services, contracts, utilities, facilities, and provincially legislated programs have been included in the budget.

Growth to programs and services

The cost to manage growth includes Emergency Protective Services' continued support of keeping the community and teams safe by providing additional resources facilitating workplace safety and security, opening the new fire station 81 in Stittsville, addressing rising response volumes for Paramedic Service, additional bylaw and regulatory

services staff to improve times, support business licensing and enforce property standards.

Continuing on the topic of safety, Traffic Services will be supporting the addition of adult school crossing guards at new locations and will providing additional support in its streetlighting and signal design programs. Transit Services, through provincial funding from the Ontario-Ottawa Agreement, will invest \$5.7 million towards security and downtown safety outreach. Transit will continue its growth with the opening of O-Train Line 1 east extension and maintaining new facilities, including three new stations.

Moving along to making our city more livable, an additional \$1 million contribution will be made towards the Affordable Housing reserve, as per the Housing Services Long Range Financial Plan 2025-2030 Update per Council Report ([ACS2024-FCS-FIN-0011](#)). Additional support will be provided in meeting housing targets set out by the Housing Accelerator Fund contribution agreement and \$4.4 million to meet the higher demand for shelters funded by the Ontario Shelter fund.

Part of the City's success will be continuing to invest widely into supporting the economy to thrive and have access to a variety of entertainment, attract tourism through special events and film projects.

Committed to be a green and resilient city, investments from Solid Waste Services will be for the expansion of the green bin program to multi-residential buildings will promote waste diversion from landfills. Forestry Services will see growth through the Council approvals of the Tree Program Review and Maintenance Quality Standards (MQS).

Service Initiatives/Efficiencies/Continuous Improvement

As noted previously, under the Service Review Program and departmental initiatives to find efficiencies through continuous improvements, \$54.2 million in efficiencies and funding are identified in the Draft 2025 Budget. This is in addition to the \$61.5 million in provincial funding through the Ontario-Ottawa agreement for 2025.

Draft 2025 Capital Budget and 2025-2028 Capital Forecast

The capital program requirements for 2025 and forecasts for 2025 to 2028 were developed in accordance with the Council approved Transportation Master Plan, Infrastructure Services Master Plan, 2024 Provisional Development Charges Background Study and Long-Range Financial Plan for both Tax and Rate supported services. Debt funding, used to fund eligible components of the capital program requirements, will be used in accordance with Long Range Financial Plans and Fiscal

Framework. The City's Draft 2025 Capital Budget also includes an additional budget for the advancement of housing initiatives, the Climate Change Master Plan, and renewal of sidewalks, pathways, and roads works.

Capital Programs

Per the Delegation of Authority By-law (2024-265) capital programs are defined to be a plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program and each capital program includes:

- a) an annual envelope of budget authority;
- b) individual capital projects of a similar nature, size, scope of work;
- c) funding source; and
- d) the same categorization of individual projects as approved by City Council, including but not limited to, renewal of City assets and growth and strategic initiatives.

In development of the Draft 2025 Capital Budget, new and existing capital programs and projects are reviewed to ensure the nature, size and scope of works qualify as capital expenditures and capital categorization (e.g. renewal, growth, regulatory, etc.) to meet defined criteria per the various corporate plans referenced above.

Development Charges

Capital programs and projects categorized as growth may be funded by development charges (DCs), as identified in DC Background Studies that are updated every four years. Due to pending changes in provincial legislation, the previous background study in 2019 was updated in 2024 as a provisional background study. It is expected that the next DC background study will be brought forward to Council for approval later in 2025. The 2025 capital draft budget based funding of growth related projects on the 2024 DC Provisional Background study and 2025 projections. Updates to program funding based on the revised background study will be reported back to Council.

Climate Change

Action and investments towards reducing greenhouse gas (GHG) emissions and building climate resiliency to the current and future impacts of climate change are critical in transitioning Ottawa into a clean, renewable, and resilient city by 2050. The Draft

2025 Operating and Capital Budget invests in initiatives that take Ottawa further toward the goals outlined in the Climate Change Master Plan and supporting priorities such as the Energy Evolution Strategy and the Climate Resiliency Strategy. This is the third consecutive budget cycle where a climate lens has been applied to new capital budget requests, building on the baseline established in Budget 2023.

In this exercise, capital budget requests were rated on a qualitative scale based on best available information on a scale from having no contribution to having a minor, moderate, or major contribution to reducing GHG emissions and/or building climate resiliency. Each investment was rated as one of the following options:

- No contribution if no climate considerations were included or where climate considerations did not apply to the budget request.
- A minor contribution if the contributions were considered in line with Energy Evolution's business-as-planned scenario or the project had been modified to consider climate impacts.
- A moderate contribution if the contributions were considered to go beyond business-as-planned to reducing GHG emissions or directly addressed a climate risk.
- A major contribution if the contributions were considered in line with Energy Evolution's 100 per cent scenario or significantly addressed a climate risk.

Overall, 217 capital budget requests were rated as having a climate contribution in the Draft 2025 Budget. Of these, 22 were identified as going beyond business-as-planned or business-as-usual and were rated as a moderate or major contribution, totalling more than \$375 million of new investments.

Table 7- Climate Change Lens Annual Capital Budget Comparison

Climate Contributions^{3,4}	2023 Budget	2024 Budget	2025 Budget
Total	\$52M	\$278M	\$375M
Reduces GHG emissions	\$26M	\$188M	\$347M
Builds climate resiliency	\$21M	\$86M	\$22M
Reduces GHG emissions and Builds climate resiliency	\$5M	\$5M	\$6M

\$347 million of capital investments are expected to go beyond business-as-planned and have a moderate or major contribution to reduce GHG emissions, of which \$306 million is for the replacement of existing 40-foot buses with a new fleet of zero-emission buses. Additionally, more than \$22 million of capital investments are expected to make a moderate or major contribution to building climate resiliency, of which nearly \$8 million is for projects that protect against flooding and erosion, and more than \$10 million for public realm projects that integrate shade and other resiliency features. Where possible, the City is also using these investments to leverage money from senior levels of government. For a detailed breakdown of the projects that were identified as having moderate or major contributions, refer to the Climate Implications section of this report.

Most investments that were identified as making a climate contribution were rated as minor because they were either considered in line with Energy Evolution's business-as-planned scenario or they reflect modifications to a project to consider climate impacts. Staff expect to see more projects with moderate or major contributions in future years as climate considerations are embedded more fully in projects, policies and master plans.

Debt and Reserves

The City funds its capital program through a combination of tax funds from reserves, development charges on the growth portion of eligible projects, grants from senior levels of government and debt.

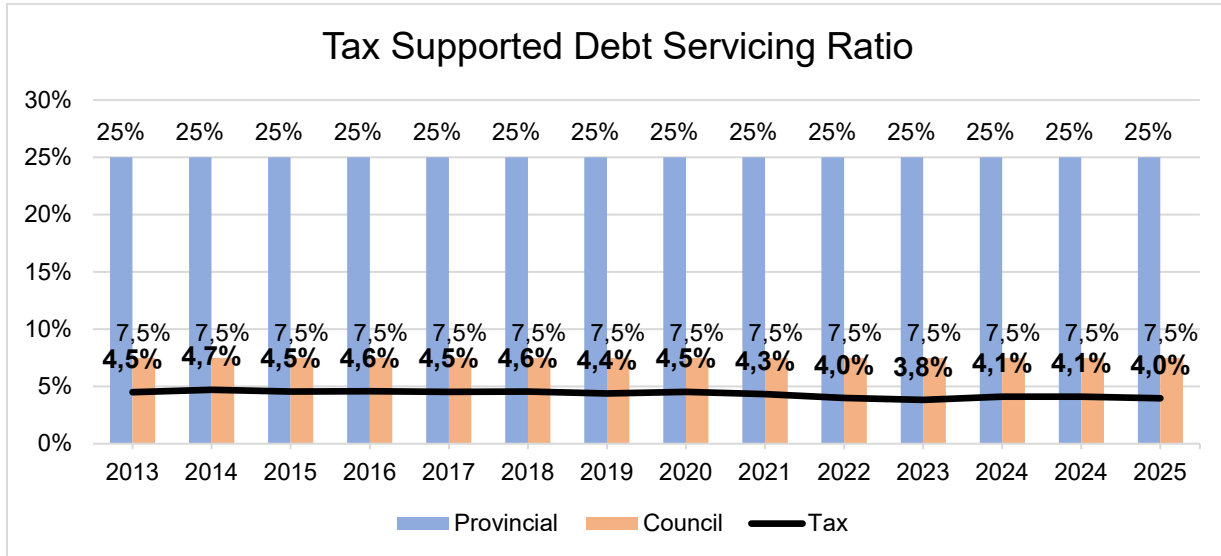
Council's approved Fiscal Framework guidelines limit the use of debt as follows:

³ Represents major and moderate contributions only.

⁴ Excludes capital investments for Ottawa Public Library, Ottawa Public Health, and Ottawa Police Services.

- Principal and interest for tax-supported debt is not to exceed 7.5 per cent of own source revenues.

Chart 2: 2013 to 2025 Tax Supported Debt Servicing Ratio



Draft 2025 Capital Budget – Tax Supported

The total combined capital authority being requested for rate and tax in 2025 is \$1.681 billion. The capital authority requested for tax-supported capital works in 2025 is \$1.162 billion. This includes the tax-supported component of the integrated water, wastewater and roads program, and the draft capital submissions from the Transit Commission, Police and Library Boards. The water and wastewater capital projects, which are funded entirely from water, wastewater and stormwater revenues, development charges and debt, are presented later in this report.

The Solid Waste program is currently addressing regulatory pressures that are required at the Trail Road Waste Facility. While continuing efforts to extend the life of the landfill, as well as other long-term planning and regulatory requirements, the solid waste reserve is in a deficit position and will continue to be in the short term. Debt funding is applied to projects that qualify in 2025. The Solid Waste LRFP and Solid Waste Master Plan were established to develop financial and non-financial strategies that will allow the City to continue to provide solid waste services to City residents and return the reserve to a surplus position by 2034.

The integrated program of capital works requires funding from both tax-supported (Citywide Capital Reserve Fund or tax-supported debt) and rate-supported sources (Water, Wastewater or Stormwater Capital Reserve Funds or rate-supported debt).

Although these projects have both tax and rate funding components, they are included in the Transportation Committee’s budget book as they fall under its legislative mandate. Table 8 below shows the tax-supported annual base budget funding plan as per the approved LRFP for tax supported assets.

Chart 3: Tax Supported Assets – Infrastructure Funding Gap

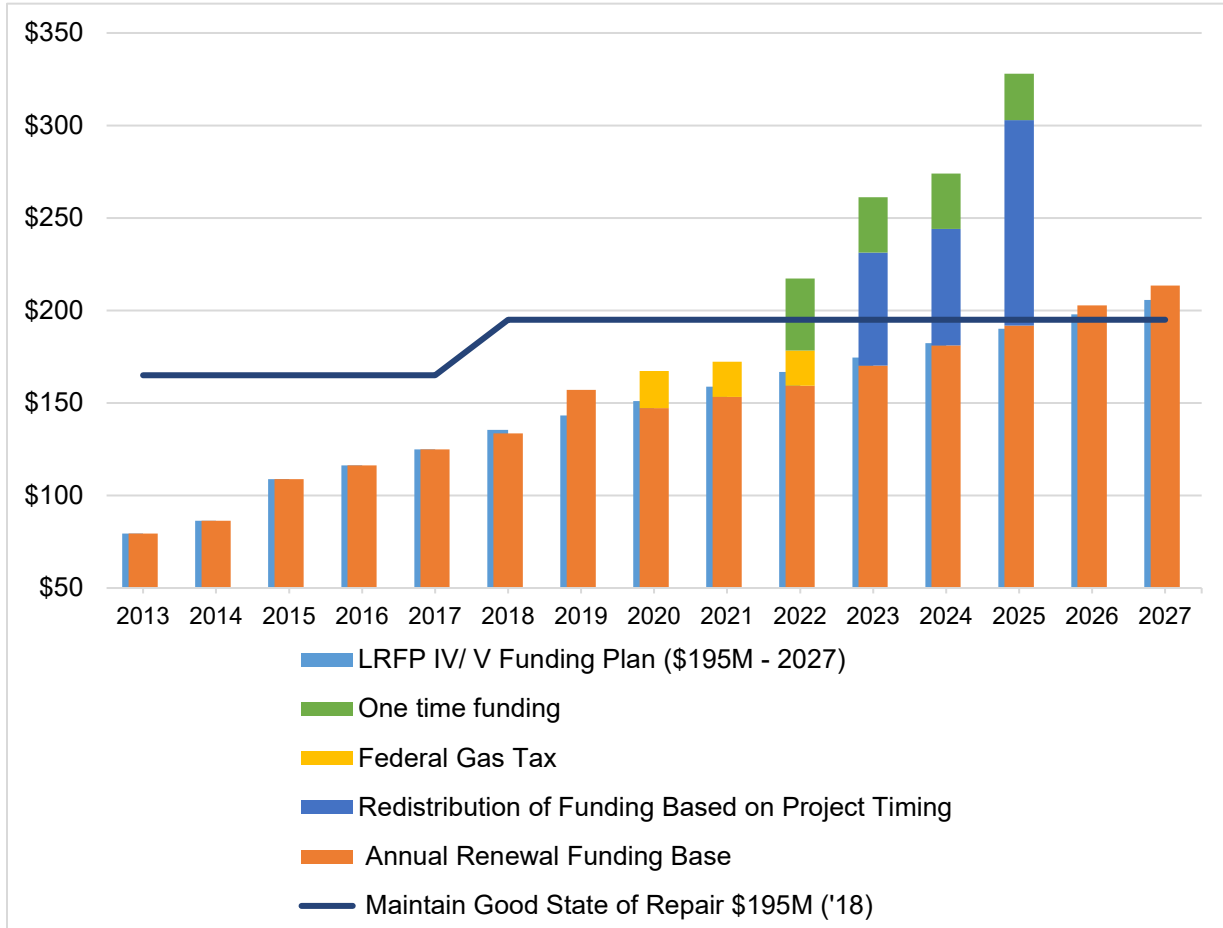


Table 8: 2025 Tax-Supported Capital Program Funding Summary (in thousands of dollars)

2025 Request	Renewal of City Assets	Growth	Regulatory/ Service Enhancements	Grand Total
Total Authority	853,694	206,314	101,821	1,161,829
Funding Requirement				
Revenue	33,986	24,919	10,520	69,425
Reserves	342,080	44,136	65,201	451,417
Development Charges (Cash/Debt)	6,284	132,468	0	138,752
Debt Funding	471,345	4,791	26,100	502,235
Total	853,694	206,314	101,821	1,161,829

Draft 2025 Rate-Supported Operating Budget

Rate Supported Services

The Draft 2025 Rate-Supported Budget is consistent with the Long Range Financial Plan V approved by Council in September 2017. The Draft 2025 Rate-Supported Budget, which includes water, wastewater, and stormwater services, was developed within the Council adopted revenue increases: two per cent for water, three per cent for wastewater and 12 per cent for stormwater with an overall average revenue increase of 4.4 per cent for rate supported services. As a result, the impact on the average bill will be an increase of 4.4 per cent. The average water bill will increase by \$43.07 per year or \$3.58 per month.

In the rate structure, implemented in 2019, 20 per cent of the revenue raised is from a fixed charge based on the size of the water meter, with the remaining 80 per cent raised from forecasted consumption. The revenue projections for 2025 use water consumption projections of 82.2 million cubic metres. The stormwater fee is a fixed fee based on the property type, service area and service type.

The user rates, service charges and growth in new accounts fund the operating requirements of the water, wastewater, and stormwater system, and provides the funds for capital works either as cash financing or repayment of debt.

The impact of the change in rates on a household with an average consumption of 180 cubic meters of water per year is identified in Table 9.

Table 9: Rate Annual Bill Impacts (in dollars*)

Area	Urban Connected			Rural Non-Connected		
	2024	2025	% Change	2024	2025	% Change
Water	402	409	2.0%	-	-	-
Wastewater	370	380	3.0%	-	-	-
Storm	210	235	12.0%	105	118	12.0%
Total	981	1,024		105	118	
\$ Change		43			13	

*Figures rounded.

The changes to the 2025 budget estimates and the source of their funds are shown by category in the following table.

Table 10: Operating Budget Changes in Rate Operations (in millions of dollars)

	Water	Wastewater	Stormwater	Total
Available Funding	\$ 3.8	\$ 4.2	\$ 11.1	\$ 19.1
Revenue / User Fee Increase				
Funding Pressures				
Maintain Services	\$ 0.8	\$ 3.6	\$ 3.5	\$ 7.9
Growth	\$ 1.1	\$ 1.6	\$ 0.5	\$ 3.2
Provincial Legislated	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.5
Capital Contributions	\$ 1.7	\$ (1.1)	\$ 6.9	\$ 7.5
Total	\$ 3.8	\$ 4.2	\$ 11.1	\$ 19.1

Available Funding

Based on the 2025 consumption levels and the Council-approved revenue increases, the rate increases for 2025 will generate additional revenues of \$19.1 million, \$3.8 million for water, \$4.2 million for wastewater, and \$11.1 million for stormwater services.

Funding Pressures

Maintaining existing programs and services: \$7.9 million

The increase is primarily a result of projected labour contract settlements, increments, increases in the cost of benefits and inflation on contracts

Growth to programs and services: \$3.2 million

The increase is primarily a result of increasing base funding to manage system growth in line with the Long-Range Financial Plan V.

Provincial Legislated: \$0.5 million

The increase is primarily a result of legislative requirements pertaining to drinking water licences, protective uniforms, and environmental compliance.

Capital Contributions: \$7.5 million

An overall increase to the contribution to capital, supports the capital-intensive nature of delivering rate-supported services with assets that last for multiple generations.

2025 Water, Wastewater and Stormwater Capital Program

The capital authority requested for 2025 is \$519 million. This includes all rate-funded components of the capital programs. A list of the proposed work for 2025 is included in the draft budget.

Table 11: 2025 Rate-Supported Capital Program Funding Summary (in thousands of dollars)

2025 Request	Renewal of City Assets	Growth	Regulatory/ Service Enhancements	Grand Total
Total Authority	339,692	176,355	3,117	519,163
Funding Requirement				
Revenue	0	395	1,510	1,905
Reserves	240,040	13,671	1,607	255,318
Development Charges (Cash/Debt)	1,277	155,664	0	156,941
Debt Funding	98,375	6,625	0	105,000
Total	339,692	176,355	3,117	519,163

Infrastructure renewal makes up 65 per cent of the total 2025 rate-supported capital budget. The capital budget is funded from water, wastewater and stormwater reserves,

development charges, new debt, and government grants. In 2025, annual debt repayments for water, wastewater and stormwater services will be 11.7 per cent of the City’s own source revenues for these service areas. This is within the 15 per cent debt limit established by Council for rate-supported programs.

Chart 4: 2013 to 2025 Rate Supported Debt Servicing Ratio

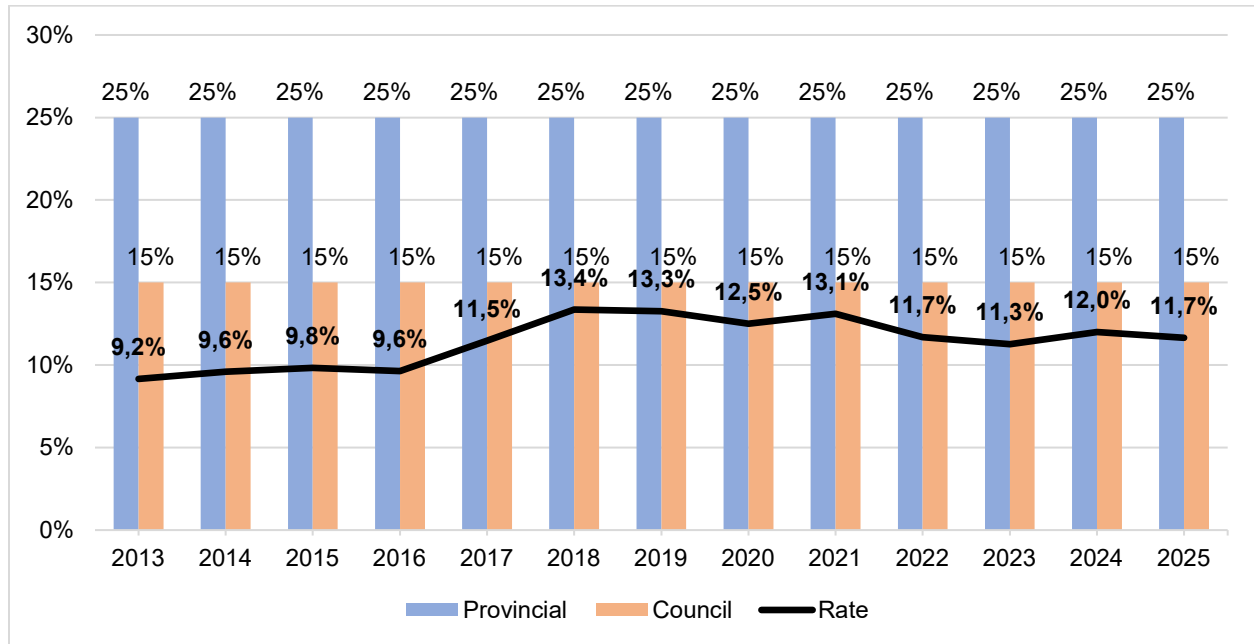
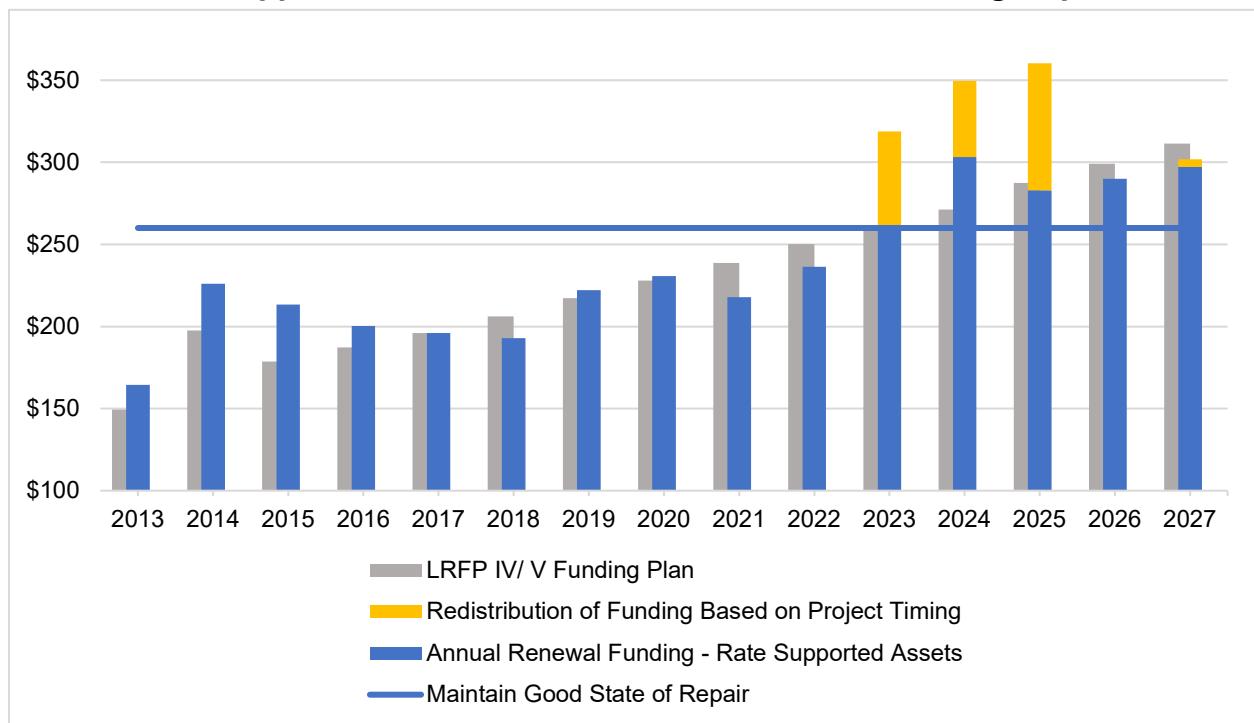


Chart 5: Rate Supported Assets – Infrastructure Renewal Funding Gap



Draft 2025 Budget – Multi-Year Budget

At its meeting of March 1, 2023, Council approved the following motion 2023-09/15 that directed the Chief Financial Officer to report on the assessment of benefits, costs, and other implications of including a multi-year budget or multi-year forecast.

When considering the implementation of a multi-year budget or multi-year forecast, several considerations were taken. Specifically, the Municipal Act, 2001, (the “Act”) sets the direction for the City to prepare and adopt a balanced annual or multi-year budget. The City shall define the budget period to align with the Term of Council.

When adopting a multi-year budget, the Act requires that in the second year, and each subsequent year, to which the multi-year budget applies, the City shall:

- Review the budget in the year or the immediately preceding year;
- Make required changes to comply with the Act;
- Re-adopt the budget for that year and for subsequent years to which the budget applies.

Additional factors were also considered, specifically and as outlined in this report, the annual budget is directed by a number of Council mandated policies, financial plans, legislative plans and a significant number of uncontrollable legislative impacts driven by our provincial and federal partners that are continuously changing. In some cases the impacts are not known in advance of building the annual budget, or span several years resulting in future budget assumptions being “speculative” or based on very high level estimates.

As an example, in this current term, 2024 – 2026 there are a number of plans that will be refreshed at various times impacting the respective annual budgets at various stages. For example, the Solid Waste Master Plan, Infrastructure Master Plan, various Asset Management Plans, the Housing LRFP was developed in 2021 and refreshed in 2024 which impacts the previous 2025 – 2028 budget estimates, DC Background study update in 2025, various legislative Bills such as Bill 23 and 109, in which the total budget implications are still not finalized, in addition to a number of other departmental initiatives that will be brought forward at different times of this term which will significantly impact any multi-year budget or forecast.

Staff have introduced additional enhancements as part of the 2025 budget process, including performance measures for a number of departments and programs. These

have been included as part of the budget magazine that provides additional details including Council’s strategic priorities and associated performance measures.

Staff have included additional forecasted operating budgets for those respective areas where the respective financial plans are more current such as Housing Services and Solid Waste Services. Staff have included a four-year operating budget as part of the Draft 2025 Budget. Table 12 summarizes the operating budget forecasts in various areas. Additional details are in supporting Document 4.

Staff will continue presenting a multi-year forecast, including further enhancements and details of the Term of Council Priorities and associated performance measures for consideration in future budgets.

Table 12: Summary of Operating Budget Forecast 2025 to 2028 (in thousands of dollars)

	2025	2026	2027	2028
Affordable Housing Development	\$ 11,340	\$ 12,392	\$ 13,446	\$ 14,502
Housing and Homelessness Services	\$ 138,040	\$ 143,437	\$ 148,968	\$ 154,639
Total Housing Net Expenditure	\$ 149,380	\$ 155,829	\$ 162,414	\$ 169,141
Solid Waste Services	\$ 126,337	\$ 112,575	\$ 121,838	\$ 131,878
Total Solid Waste Net Expenditure	\$ 126,337	\$ 112,575	\$ 121,838	\$ 131,878
Transit Services	\$ 824,158	\$ 955,000	\$ 1,022,000	\$ 1,077,000
Total Transit Net Expenditure	\$ 824,158	\$ 955,000	\$ 1,022,000	\$ 1,077,000
Drinking Water	\$ 211,552	\$ 219,414	\$ 227,355	\$ 235,277
Wastewater	\$ 184,161	\$ 189,163	\$ 194,537	\$ 200,193
Stormwater	\$ 103,433	\$ 113,722	\$ 125,040	\$ 139,979
Total Rate Supported Net Expenditure	\$ 499,146	\$ 522,299	\$ 546,932	\$ 575,449

Budget Reviews and Consultation

The draft operating and capital budget documents for each Committee will be reviewed by the Chair and Vice Chairs of each Committee as part of the agenda review meetings, with input from the respective departments.

All Standing Committees of Council along with the Transit Commission, Police Services Board, Library Board, and Board of Health, will hold meetings to consider the Draft 2025 Budget for their respective areas and receive public delegations.

A corporate-wide overview of accessibility budget line items will be compiled for the City's Accessibility Advisory Committee (AAC) following the tabling of the budget on November 13, 2024. To support accessibility in the 2025 Budget process, AAC members convene as a working group to review the budget lines related to accessibility. The AAC members create submissions for the relevant Standing Committees to offer questions, comments, and support for accessibility budget items. These submissions will be delivered through community delegations and/or written submissions to the relevant Standing Committee meetings prior to the Budget 2025 finalization on December 11, 2024.

Residents have several ways they can provide input on the draft budget and are encouraged to provide feedback directly to their local Ward Councillor year round. All Councillors hold public budget consultations to collect feedback from their constituents. This year, public consultations began in October and continue into November across the City. Suggestions and ideas that were generated through the engagement process were considered in the development of the draft budget.

Residents were invited to take part in a poll through the City's public engagement website [Engage Ottawa](#) where they were able to rank services of importance. From November 13 to December 9, they are also invited to submit questions and comments on the Draft 2025 Budget through the same platform. Once the Draft 2025 Budget is tabled, all budget documents are posted on [Ottawa.ca/budget](#) and available in hard copy at public libraries and client service centers. The draft budgets will be reviewed by the respective Standing Committees, Boards, and the Transit Commission at public meetings held from November 19 to December 5. Residents can attend these meetings and provide input by registering to speak as a public delegation. The schedule for these meetings is listed below in Table 13.

Table 13 – Proposed 2025 Budget Meeting Schedule*

Board of Health – Budget Tabling	Monday, November 4, 2024
Public Library Board – Budget Tabling	Tuesday, November 5, 2024
Police Services Board – Budget Tabling (special meeting)	Wednesday, November 13, 2024
Council – Budget Tabling	Wednesday, November 13, 2024
City Services **Police Services **Library Services **Public Health Office of the Auditor General Committee of Adjustment	
<i>**In addition to this Council meeting, the Boards hold their own meetings to table their respective budgets</i>	
Environment and Climate Change Committee	Tuesday, November 19, 2024
Planning and Housing Committee	Wednesday, November 20, 2024
Emergency Preparedness and Protective Services Committee	Thursday, November 21, 2024
Transit Commission	Monday, November 25, 2024
Police Services Board	Monday, November 25, 2024
Community Services Committee	Tuesday, November 26, 2024
Transportation Committee	Thursday, November 28, 2024
Audit Committee	Monday, December 2, 2024
Board of Health	Monday, December 2, 2024
Finance and Corporate Services Committee	Tuesday, December 3, 2024
Public Library Board	Tuesday, December 3, 2024
Agriculture and Rural Affairs Committee	Thursday, December 5, 2024
Council – Budget Consideration for Adoption	Wednesday, December 11, 2024

**Meeting dates are subject to change at the discretion of the respective Chair*

FINANCIAL IMPLICATIONS

The financial implications are outlined in this report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a Citywide report.

ADVISORY COMMITTEE(S) COMMENTS

The applicable portions of the Draft 2025 Budget will be forwarded to the Accessibility Advisory Committee and the French Language Services Advisory Committee for their review and input prior to the final budget being considered by Council on December 11.

CONSULTATION

Public engagement on the Draft 2025 Budget has and will take place by Councillor-led virtual or in-person public consultation sessions organized by individual Councillors throughout the months of October and November. Of special note, on October 21, Councillor King organized a budget consultation session geared specifically towards Black, Indigenous, and racialized residents and on October 23, the five rural Councillors hosted a rural focused consultation for residents to share comments and provide input on what the City's priorities should be for the upcoming budget.

Further opportunity for residents to provide input on the draft budget was made available through [Engage Ottawa](#), the City's online engagement platform. Suggestions and ideas that were generated through the engagement process were considered in the development of the draft budget.

The City promoted the Councillor-led virtual and in-person public consultation sessions and online engagement opportunities on [ottawa.ca](#), using traditional communications tools, and through the City's social media channels. Budget related information and resources are available on [Ottawa.ca/budget](#).

ACCESSIBILITY IMPLICATIONS

The City of Ottawa is committed to providing equal treatment to people with disabilities with respect to the use and benefit of City services, programs, goods, and facilities in a manner that respects their dignity and that is equitable in relation to the broader public.

This commitment extends to residents, visitors, and employees with visible or nonvisible, and permanent or temporary disabilities. Budget 2025 document has allocated significant budget to advance accessibility actions across City services, information, facilities, and public spaces. Budget 2025 demonstrates a clear policy commitment to equity and inclusion and focused on reducing barriers and ensuring full participation in alignment to the City of Ottawa's Accessibility Policy and AODA - Integrated Accessibility Standard Regulation. All these improvements will have a positive impact on increasing accessibility for persons with disabilities and the public in the City. The City will continue to look for opportunities within City budgets to increase accessibility for older adults and people with disabilities in future budgets.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

CLIMATE IMPLICATIONS

Action and investments towards reducing greenhouse gas emissions and building climate resiliency to the current and future impacts of climate change are critical in transitioning Ottawa into a clean, renewable, and resilient city by 2050. The Draft 2025 Budget invests in initiatives that take Ottawa further toward the goals outlined in the Climate Change Master Plan and supporting priorities like the Energy Evolution Strategy and the Climate Resiliency Strategy. It is the third consecutive time that a climate lens has been applied to all new capital budget requests, building on the baseline established in Budget 2023. Future budgets will build upon this exercise, including establishing a carbon budget and accounting framework.

Overall, 217 capital budget requests were rated as having a climate contribution in the Draft 2025 Budget. Of these, 22 were identified as going beyond business-as-planned or business-as-usual and were rated as a moderate or major contribution, totaling more than \$375 million of new investments.

- \$306 million to replace existing 40-foot buses with a new fleet of zero-emission buses and eight million to support emission reductions from operational improvements.

- \$1.789 million of the \$28.4 million for the 2024 Vehicle and Equipment Replacement Plan to transition the City's municipal fleet to lower-emission vehicles (as pricing and availability permits), plus an additional \$1 million to go towards lower emission by-law and paramedic vehicles.
- \$2.85 million for the Energy Management and Investment Strategy to implement energy conservation measures in City facilities.
- Almost \$2.3 million to support actions from the Solid Waste Master Plan, including waste diversion enhancements.
- \$400,000 to purchase, implement and maintain new bike parking facilities.

More than \$22 million of capital investments that are expected to make significant contributions to building climate resiliency include:

- \$3.1 million for the Wet Weather Infrastructure Program to continue to develop a coordinated approach to wet weather flow management within the urban area and reduce flood risks.
- \$3.9 million for the emerging natural assets management program to support the assessment and rehabilitation of creeks, rivers and ravines which are at risk of flooding and erosion from increased volume and intensity of precipitation.
- \$433,500 to continue to update the City's flood plain mapping with conservation authorities, including mapping of more severe flooding expected with climate change.
- \$10 million for the design of streetscaping projects, which will include shade and other measures to reduce the urban heat island effect and manage increased rainfall.
- \$500,000 for streetscaping improvements to Sparks Street renewal, including shade and shelter.
- \$1.545 million for repairs and improvements to the Lees Avenue pumping and treatment system, including the replacement of the emergency generator for flood protection
- \$2 million for acquisition of greenspace, which builds resiliency of the natural environment to changing temperatures and precipitation, and provides important spaces for physical, mental and spiritual health.
- \$412,335 to rehabilitate Mud Creek and protect against erosion.
- \$150,000 for the Residential Protective Plumbing Program to support homeowners to reduce the risks of basement flooding.

- \$50,000 for investments in the Emergency Operation Centre, including communications systems, that are key as extreme weather events increase.

There is also one project that will have major contributions to both reducing GHG emissions and building climate resiliency and that is the six million annual commitment for the implementation of the Climate Change Master Plan.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

The City of Ottawa is committed to women and gender equity, anti-racism, reconciliation with Indigenous Peoples and addressing other equity and inclusion impacts on marginalized communities when planning and delivering its programs and services.

When developing their annual draft operating and capital budgets, City leadership and staff apply the [Equity and Inclusion Lens](#) in their work to ensure that the perspectives, experiences and needs of [groups or individuals at high risk of exclusion](#) and/or discrimination are taken into consideration.

When developing the budgets for City programs, projects and services, staff use an intersectional approach to actions that include, but are not limited to:

- Outlining how the initiative contributes to or is guided by the outcomes and priorities of the following corporate strategies:
 - [Corporate Diversity and Inclusion Plan](#)
 - [Anti-Racism Strategy](#)
 - [Municipal Accessibility Plan](#)
 - [Reconciliation Action Plan](#)
 - [Women and Gender Equity Strategy](#)
- Highlighting how specific, measurable and sustainable improvements for equity-denied groups have been and/or will be achieved
- Ensuring that equity-denied groups are informed and engaged regarding program/service initiatives or changes, and their feedback is taken into consideration

- Identifying, researching and examining barriers to equitable access to or experience of programs, projects and services, and including efforts to address those barriers
- Connecting with their departmental Diversity and Inclusion lead and/or the City's Gender and Race Equity, Inclusion, Indigenous Relations and Social Development (GREIIRSD) Services for additional support.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

RURAL IMPLICATIONS

This report is Citywide report, and no specific rural implications are associated with this report.

TERM OF COUNCIL PRIORITIES

This report supports the City's ongoing commitments to the current Term of Council Priorities of: a city that has affordable housing and is more livable for all; a city that is more connected with reliable, safe and accessible mobility options; a city that is green and resilient; and a city with a diversified and prosperous economy. The report also promotes the City's commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – 2025 Draft Operating Budget Summaries

Document 2 – 2025 Draft Capital Budget Summaries

Document 3 – 2025 Draft Budget Capital Transit Adjustments

Document 4 – Multi Year Budget

Document 5 – Budget Document Guide

Document 6 – Continuous Improvements List

Document 7 – 2025 Draft Budget – Investing in what matters, fighting for affordability

Document 8 – 2025 Draft Operating and Capital Budgets Books by Standing Committee, Boards, Transit Commission

DISPOSITION

The Draft 2025 Budgets will be reviewed by the respective Standing Committees, Boards, and the Transit Commission at public meetings held from November 19 to December 5. The recommendations stemming from these reviews will be forwarded for Council consideration at the meeting on December 11.