

**Subject: Proposed 2025 Budget Directions, Timeline and Consultation
Process**

File Number: ACS2024-FCS-FSP-0015

**Report to Finance and Corporate Services Committee on 16 September 2024
and Council 18 September 2024**

**Submitted on September 11, 2024 by Cyril Rogers, Interim General Manager and
Chief Financial Officer, Finance and Corporate Services Department**

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Ward: Citywide

**Objet : Orientation, calendrier et processus de consultation proposés pour
le budget de 2025**

Numéro de dossier : ACS2024-FCS-FSP-0015

**Rapport présenté au Comité des finances et des services organisationnels
le 16 septembre 2024**

et au Conseil le 18 septembre 2024

**Soumis le 11 septembre 2024 par Cyril Rogers, Directeur général et chef des
finances par intérim, Direction générale des finances et des services
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

**That the Finance and Corporate Services Committee recommend that Council
approve the following:**

- 1. The approach and timetable for consultation and consideration of the 2025 budget as outlined in the report.**
- 2. The following directions for developing the Draft 2025 Budget:**
 - 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 2025 Draft 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 2025 Draft Transit Budget**
 - vii. Identify any other levers for consideration as part of the tabled 2025 Draft 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.
3. That the 2025 Recreation, Culture and Facility Services User Fees be approved to allow registrations and rentals sold in 2024 for 2025 to use 2025 rates, as described in this report.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil municipal d'approuver ce qui suit:

- 1. L'approche et le calendrier établis pour la consultation et l'examen du budget de 2025 selon les modalités indiquées dans le rapport.
- 2. Les orientations suivantes pour l'élaboration du budget préliminaire de 2025 :
 - a. Que l'augmentation globale de l'impôt municipal soit fixée à un

maximum de 2,9 %, ce qui suppose :

- i. que l'augmentation de la taxe prélevée à l'échelle de la ville, qui sert entre autres à financer la Bibliothèque publique d'Ottawa (BPO) et Santé publique Ottawa (SPO), ne dépasse pas 2,9 % en 2025, et que le Conseil demande au conseil d'administration de la BPO et au Conseil de santé de préparer leur budget préliminaire en fonction de la part de cette augmentation qui leur revient, selon un calcul au prorata;
 - ii. que l'augmentation de la taxe prélevée pour le Service de police d'Ottawa ne dépasse pas 2,9 % et que le Conseil demande à la Commission de services policiers d'Ottawa d'élaborer son budget préliminaire en fonction de cette augmentation;
- b. Que le budget préliminaire de 2025 pour le transport en commun soit élaboré en déficit de 120 millions de dollars identifié dans la campagne Équité pour Ottawa et qu'il comprenne des solutions dans les secteurs suivants, en fonction du soutien des autres niveaux de gouvernement et des travaux réalisés par le groupe de travail sur le plan financier à long terme du transport en commun :
- i. un financement de zéro à 120 millions de dollars de la part des gouvernements fédéral et provinciaux;
 - ii. une augmentation de la taxe prélevée pour le transport en commun comprise entre 2,9 et 37 %;
 - iii. une augmentation de tarif comprise entre 2,5 et 75 %;
 - iv. des modifications concernant les tarifs réduits à prendre en considération dans le cadre du budget préliminaire de 2025 pour le transport en commun qui a été déposé;
 - v. des gains d'efficacité au niveau du fonctionnement ou la réduction des services compris entre zéro et 120 millions de dollars;
 - vi. l'établissement d'une liste des reports d'investissements en immobilisations à prendre en considération dans le cadre du

budget préliminaire de 2025 pour le transport en commun qui a été déposé;

- vii. l'identification de tout autre levier à prendre en considération dans le cadre du budget préliminaire de 2025 pour le transport en commun qui a été déposé.**

 - c. Que les recettes fiscales générées par la hausse des évaluations foncières au titre des nouvelles propriétés soient estimées à 1,5 % de l'assiette fiscale actuelle pour 2025 et que le Conseil municipal demande au conseil d'administration de la Bibliothèque publique d'Ottawa, au Conseil de santé, à la Commission des services policiers et à la Commission du transport en commun d'élaborer leur budget dans les limites de cette attribution.**

 - d. Que les frais d'utilisation et les redevances de la Ville soient augmentés conformément à l'orientation présentée dans le cadre financier ou dans les plans financiers à long terme.**

 - e. Que les frais de collecte des ordures soient majorés conformément au Plan directeur de la gestion des déchets solides approuvé, en transférant la tranche fiscale du financement à des frais de collecte des déchets en bordure de rue entièrement recouvrables et en ramenant à 7 % l'augmentation de 17 % proposée en 2025.**

 - f. Que le budget des immobilisations préliminaire pour 2025 soit élaboré conformément à l'orientation présentée dans l'étude préliminaire sur les redevances d'aménagement (RA) de 2024, dans les plans financiers à long terme et dans le cadre financier.**

 - g. Que le budget préliminaire financé par les redevances de 2025 soit élaboré conformément au Plan financier à long terme V pour l'eau, les eaux usées et les eaux pluviales approuvé en 2017.**
- 3. Que soient approuvés les frais d'utilisation de la Direction générale des loisirs, de la culture et des installations pour l'année 2025, afin que les inscriptions et les locations effectuées en 2024 pour 2025 puissent être payées aux taux de 2025, comme décrit dans le présent rapport.**

EXECUTIVE SUMMARY

In the 2022-2026 Council Governance Review report ([ACS2022-OCC-GEN-0030](#)) a term of Council budget process was approved. One of the requirements of the budget process is that the Chief Financial Officer/Treasurer annually presents a directions report that details the budget timetable and provides budget directions in advance of each budget.

Following the adoption of the 2024 Budget, the Mayor's office, the City Manager's Office and the Chief Financial Officer/Treasurer immediately began work on the 2025 Budget. All City departments were engaged in extensive reviews of their budget and operations to seek efficiencies and continuous improvement initiatives. In April, staff brought forward details on the negotiated Ontario-Ottawa deal announced in March. The deal highlighted and recognized the unique challenges the City of Ottawa faces as the nation's capital of Canada. The Transit Long-Range Financial Plan Working Group, comprised of members of City Council and staff, has met every two to four weeks since January to review and analyze a list of levers to mitigate transit financial challenges for consideration in the Draft 2025 Transit Budget and future budgets. In addition, several financial plans were brought forward to guide the Draft 2025 Budget and to continue to demonstrate the City's commitment to strong financial management and financial sustainability, including the Strategic Asset Management Plans, Reserve Management Plans, the Fiscal Framework, and various Long-Range Financial Plan's.

On September 4, staff provided a detailed presentation on the City's key financial challenges and the steps undertaken by the City to ensure value for taxpayers' money. Ottawa City Council endorsed the objectives of the Fairness for Ottawa campaign and will work together to advocate for Ottawa's fair share of funding from other levels of government. This endorsed campaign will be considered throughout the development of the Draft 2025 Budget.

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 purpose of the report is to provide Council with an outline of the projected pressures that the City will be facing in 2025. This includes impacts to compensation and benefit increases from contract settlements; impacts related to inflationary

pressures such as fuel and capital driven by the supply chain and economic conditions; the proposed annual increase in property taxation; outlining the budget allocation targets for the Boards and Transit Commission; and to seek Council approval for the draft targeted 2.9 per cent property tax increase excluding Transit. In addition, this report proposes a timetable for the tabling, consultation process, review, and adoption of the 2025 Budget.

Capital program requirements for 2025, and forecasts for 2026-2028, are proposed to be developed in accordance with the Council approved Tax, Rate, Housing, Transit and Solid Waste Long-Range Financial Plans (LRFPs), Transportation Master Plan, Infrastructure Services Master Plan, and 2024 Development Charges (DC) Provisional Background Study.

The Draft 2025 Budget will continue to demonstrate its responsibility to the community it serves by building 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.

Financial Implications

The Draft 2025 Budget will be developed to mitigate and address the financial pressures outlined in the report. These proposed strategies and key financial considerations and mitigations will allow Council to achieve the target of no more than 2.9 per cent property tax increase, excluding the Transit levy.

Table 1a: Tax Target Comparison¹

Property tax increase components (percentage)	2025	2024
Assessment growth	1.5%	1.7%
Tax increase	2.9%	2.5%
Total increase	4.4%	4.2%
Property tax increase components (thousands of dollars)	2025	2024
Assessment growth	\$31,540	\$34,250
Tax increase	\$61,900	\$51,230
Total increase	\$93,440	\$85,480

¹ Assuming a 2.9 per cent Transit Tax Levy

Table 1b: Inflationary Assumptions Comparison

Inflationary assumptions	2025	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%

The Draft 2025 Budget documents will include comprehensive details of all pressures, revenue sources, Service Review efficiencies and continuous improvement efficiencies for consideration by Council.

Financial Update on Key Challenges

A comprehensive update on the City of Ottawa's financial situation was presented to Council on Wednesday, September 4. The City reaffirmed its commitment to strong financial management amid ongoing economic challenges, specifically as it relates to two main financial challenges unique to Ottawa as we enter the development of the tabled Draft 2025 Budget process. External financial pressures – particularly transit ridership levels, increasing construction costs of transit, inequitable provincial and federal funding, and declining revenue from payments in lieu of taxes (PILTs), are challenging the City's established approach to maintaining strong financial management without impacting services or increasing taxes.

City Council's continued fiscal leadership and sustained commitment to reducing costs and delivering services as efficiently as possible – all while making critical investments in priority areas such as transit, infrastructure, and housing, continues to be a priority for this Term of Council. This commitment to strong financial management has resulted in \$153.5 million in savings during the current Term of Council (2023 and 2024 budgets) due to service reviews, finding efficiencies and other continuous improvements.

The City has participated in numerous discussions with the provincial and federal governments over the past year regarding its unique financial challenges and the need for equitable funding and support. The City is committed to working closely with its government partners to address outstanding issues, including at a minimum, the need to restore the \$99.2 million of revenue from PILTs, restoring the one-third funding model for transit, and providing \$140 million per year for the next four years towards returning

to a sustainable financial transit model following the rapid decline in downtown ridership as a result of the COVID-19 pandemic. This fair and equitable funding will ensure the sustained delivery of high-quality and reliable service for Ottawa residents.

Transit LRFP Working Group

In November 2023, Council approved motion ([ACS2023-OCC-CCS-0153](#)) recommending that an “internal working group be made up of City staff from the relevant departments, working with the Mayor, as well as the Chairs of the Transit Commission, Transportation Committee and Planning and Housing Committee.” The group was given the task of exploring all mitigation levers and options discussed in the technical briefing and some additional ones, including but not limited to:

- Feasibility of bulk pass purchases;
- Sustainability and equity lens review of passes;
- Exploration of Urban Transit Area;
- Other sources of revenue, such as, municipal vehicle registration fees, ride-hailing fees, private parking levies, land value capture, sale of development rights at transit stations, road tolls, cordon (area) charges, and mobility charges;
- Feasibility of development rights / air rights on City-owned land near transit stations (Transitway and O-Train);
- Updated ridership projection model;
- Capital and facilities review;
- Service alignment review; and,
- Advocate for additional funding from senior levels of government and funding similar to Metrolinx / GO Transit in the Toronto area.

The working group first met in January and has continued to meet every two to four weeks since that time. In the first meeting, staff provided a backgrounder on the key issues impacting transit affordability and confirmed the list of levers to be analyzed in the immediate term in preparation for the 2025 budget and some longer term items requiring more analysis but needed to be resolved as part of the updated Transportation Master Plan, Transit Long Range Financial Plan and next Development Charge Study planned to be completed in in the fall of 2024 and again Q3/Q4 2025.

The working group will continue to meet on a regular basis to explore other levers and the financial implications of each as input to the draft tabled 2025 budget and to address future, expected budget pressures. These levers could be implemented within a year or two to solve the more immediate financial pressures as staff continue to advance work on the longer-term solutions. The group will also continue to identify areas for Council to advocate to senior levels of government for additional funding or powers to implement new sources of revenue to ensure the financial sustainability of Ottawa's transit services.

Service Review

The Council approved Service Review Framework, as outlined in the 2023 Draft Operating and Capital Budgets report ([ACS2023-FCS-FSP-0001](#)), continues to be a fundamental framework in developing the annual draft budget. This framework outlines the policies and principles to assess services for review, identify potential improvements and determine the best way to deliver those services.

The savings achieved in this Term of Council (in the 2024 and 2025 budgets) is \$153.5 million, which is equivalent to an avoided approximately 7.5 per cent property tax increase. In addition to this achieved savings, in 2024 to date, the following initiatives have been approved by Council:

- False Fire Alarm Strategy: \$400 thousand in additional revenue.
- Administrative Penalty System: \$3 million in savings/cost avoidance.
- Purchase of 100 Constellation: \$5.3 million in savings to be realized in the 2026 budget.
- Ongoing and to be captured in the 2025 and 2026 budget process: Facilities rationalization, continued streamlining of business processes, continued revenue adjustments as part of the ongoing user fee reviews.
- Additional details and reviews as a result of the ongoing Term of Council Service Review framework will be captured in the 2025 and 2026 budgets.

In addition to the service reviews underway for 2024, a comprehensive consultation process is ongoing to solicit input on opportunities for service optimization, savings, cost avoidance, and new revenues. The following is an overview of the ongoing Service Review Engagement:

- May - August 2023: Council and staff feedback provided. All input has been assessed and categorized by departments.
- November 2023 - November 2025: Resident engagement based on four themes:
 - Theme 1: A city that has affordable housing and is more livable for all.
 - Timing: November 2023 - March 2024
 - Theme 2: A city that is more connected with reliable, safe and accessible mobility options.
 - Timing: March 2024 – September 2024
 - Theme 3: A city that is green and resilient.
 - Timing: October 2024 – April 2025
 - Theme 4: A city with a diversified and prosperous economy.
 - Timing: May 2025 - November 2025

The service review continues to be a formal evaluation of City services that identifies any potential improvements to enhance the client experience while providing the best overall value for taxpayers.

Continuous Improvement

Council has played a leading role in the City's approach to fiscal prudence and financial sustainability. This current Council has emphasized and supported continuous improvement throughout the organization. Service efficiency and competitiveness are main objectives for all City services, and this work continues alongside the service review framework approved during the 2023 Budget.

The City's continuous improvement efforts continue to seek and 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 through cost savings and cost avoidances;
- streamlined business processes (creating organizational capacity to help advance Council's priorities);

- and leveraging innovation and data to improve Departmental decision making (enabling departments to make more strategic decisions that will ultimately deliver greater value).

These continuous improvement efforts are a key strategy for mitigating against high taxes and rising budget pressures and have assisted departments in absorbing growth and improving service delivery to residents.

Public Consultation and Input

Members of Council will continue to have the opportunity to seek public input prior to and during the budget process through Councillor-led virtual and/or in person consultation sessions or other means as determined by the individual Councillor. A survey was conducted through Engage Ottawa, the City's online engagement platform from August 6 to September 13 to better understand the priorities of residents. After the Draft 2025 Budget is tabled, an opportunity to ask questions will be open for the public.

The City will promote the Councillor-led public consultation sessions and online engagement opportunities on ottawa.ca and Engage Ottawa, using communications tools and through the City's social media channels. Public Information and Media Relations have provided supplementary materials to support Councillors during the budget process.

Residents are encouraged to watch, attend or participate in Committee and Council meetings to learn more about budget discussions and provide input through written or verbal submissions.

RÉSUMÉ

Un processus budgétaire pour le mandat du Conseil a été approuvé dans le rapport sur l'Examen de la structure de gestion publique 2022-2026 du Conseil ([ACS2022-OCC-GEN-0030](#)). L'une des exigences du processus budgétaire est que la cheffe des finances et trésorière présente chaque année un rapport détaillant le calendrier budgétaire et fournisse des orientations budgétaires avant le dépôt de chaque budget.

Après l'adoption du budget de 2024, le Bureau du maire, le Bureau de la directrice municipale et la cheffe des finances et trésorière ont immédiatement commencé à travailler sur le budget 2025. Toutes les directions générales de la Ville ont procédé à un examen approfondi de leur budget et de leurs activités afin de rechercher des gains d'efficacité et des initiatives d'amélioration continue. En avril, les membres du personnel ont présenté les détails de l'accord négocié entre l'Ontario et Ottawa annoncé en mars.

L'accord a mis en évidence et reconnu les défis uniques auxquels la Ville d'Ottawa est confrontée en tant que capitale nationale du Canada. Le groupe de travail sur le plan financier à long terme du transport en commun, composé de membres du Conseil municipal et de membres du personnel, s'est réuni toutes les deux à quatre semaines depuis janvier afin d'examiner et d'analyser une liste de leviers permettant d'atténuer les difficultés financières liées au transport en commun, à prendre en considération dans le cadre du budget préliminaire de 2025 pour le transport en commun et des budgets à venir. En outre, plusieurs plans financiers ont été présentés pour orienter le budget préliminaire de 2025 et pour continuer à démontrer l'engagement de la Ville envers une gestion financière rigoureuse et la durabilité financière, y compris les plans de gestion stratégique des actifs, les plans de gestion des fonds de réserve, le cadre financier et les divers plans financiers à long terme.

Le 4 septembre, les membres du personnel ont fourni une présentation détaillée des principaux défis financiers de la Ville et des mesures prises par la Ville pour garantir l'optimisation de l'argent des contribuables. Le Conseil municipal d'Ottawa a approuvé les objectifs dans le cadre de la campagne L'équité pour Ottawa et travaillera conjointement pour défendre la juste part d'Ottawa en ce qui concerne le financement par d'autres niveaux de gouvernement. Cette campagne soutenue sera prise en compte tout au long de l'élaboration du budget préliminaire de 2025.

Tout au long de l'année 2024, la Ville a poursuivi la mise en œuvre du cadre d'examen des services afin d'assurer à l'échelle de l'administration municipale des améliorations continues qui favorisent l'innovation, permettent de gagner en efficacité, rendent le marché plus compétitif, et d'augmenter l'engagement parmi le personnel, les représentants élus, les résidents et autres intervenants. Toutes les directions générales et tous les services continueront d'examiner en détail les dépenses mensuelles afin de s'assurer qu'il n'y a pas de répercussions sur la prestation des services et que tout s'harmonise avec les priorités du mandat du Conseil pour 2023-2026 dans le cadre du processus d'élaboration du budget.

Le rapport a pour but d'expliquer au Conseil les futures pressions auxquelles la Ville sera confrontée en 2025. Cela inclut les effets de la hausse des salaires et des avantages sociaux dans le cadre du règlement des contrats; les répercussions liées aux pressions inflationnistes, dont le carburant et les infrastructures de la chaîne d'approvisionnement et la conjoncture économique; la hausse annuelle proposée de l'impôt foncier; et le sommaire des cibles d'affectation des crédits budgétaires pour les conseils et la Commission du transport en commun; et de solliciter l'approbation du Conseil pour l'augmentation préliminaire ciblée des impôts fonciers de 2,9 %, excluant

le transport en commun. De plus, ce rapport propose un calendrier pour le dépôt, le processus de consultation, l'examen et l'adoption du budget de 2025.

Il est proposé que les besoins liés au programme d'immobilisations de 2025 et aux prévisions pour 2026-2028 soient élaborés conformément aux plans financiers à long terme (PFLT) pour les taxes, les redevances, le logement, le transport en commun et les services des déchets solides, au Plan directeur des transports, au Plan directeur des infrastructures et à l'étude préliminaire sur les redevances d'aménagement de 2024 approuvés par le Conseil.

Le budget préliminaire de 2025 continuera de démontrer sa responsabilité envers la communauté qu'il dessert en tirant parti de la stabilité obtenue, en maintenant les investissements dans les services essentiels sur lesquels les résidents comptent, en relevant les défis que posent les infrastructures vieillissantes, les changements climatiques et le financement de la sécurité, tout en conciliant l'abordabilité avec une approche prudente dans l'intérêt de la communauté à long terme.

Implications financières

Le budget préliminaire de 2025 sera élaboré pour atténuer et traiter les pressions financières décrites dans le rapport. Ces stratégies ainsi que ces importantes considérations financières et mesures d'atténuation proposées permettront au Conseil d'atteindre l'augmentation ciblée maximale de l'impôt foncier de 2,9 %, excluant la taxe prélevée pour le transport en commun.

Tableau 1a : Comparaison des objectifs fiscaux²

Composants de l'augmentation de l'impôt foncier (pourcentage)	2025	2024
Croissance de l'évaluation foncière	1,5 %	1,7 %
Hausse des taxes	2,9 %	2,5 %
Augmentation totale	4,4 %	4,2 %
Composants de l'augmentation de l'impôt foncier (milliers de dollars)	2025	2024

² Dans l'hypothèse où la taxe prélevée pour le transport en commun serait de 2,9 %.

Croissance de l'évaluation foncière	31 540 \$	34 250 \$
Hausse des taxes	61 900 %	51 230 \$
Augmentation totale	93 440 \$	85 480 \$

Tableau 1b : Comparaison des hypothèses relatives à l'inflation

Hypothèses relatives à l'inflation	2025	2024
Rémunération	2,5 %	2 %
Avantages sociaux	6 %	6 %
Contrats et baux immobiliers	2 %	2 %
Électricité	3 %	3 %
Chauffage	0 %	16 %
Eau	2 %	2 %
Carburant (diesel par litre)	1,44 \$	1,358 8 \$
Contributions aux réserves	2 %	3 %

Les documents du budget préliminaire de 2025 comporteront des détails exhaustifs sur l'ensemble des pressions, sources de recettes, et gains d'efficacité découlant de l'examen des services et de l'amélioration continue sur lesquels le Conseil devra se pencher.

Mise à jour financière sur les principaux défis

Une mise à jour exhaustive de la situation financière de la Ville d'Ottawa a été présentée au Conseil le mercredi 4 septembre. La Ville a réaffirmé son engagement à assurer une robuste gestion financière dans le contexte des défis économiques continus, plus spécifiquement les deux principaux défis financiers propres à Ottawa maintenant que nous entreprenons le processus d'élaboration du budget préliminaire de 2025 qui a été déposé. Les pressions financières externes, en particulier les niveaux d'achalandage du transport en commun, l'augmentation des coûts de construction liés au transport en commun, l'inégalité du financement provincial et fédéral, et la baisse des recettes provenant des paiements tenant lieu d'impôts (PTLI), remettent en question l'approche établie de la Ville pour maintenir une robuste gestion financière sans toucher les services ou augmenter les impôts.

La poursuite du leadership fiscal du Conseil municipal et le maintien de son engagement à réduire les coûts et à fournir des services de la manière la plus efficace possible, tout en faisant des investissements essentiels dans les secteurs prioritaires comme le transport en commun, les infrastructures et le logement, continuent d'être une priorité pour le présent mandat du Conseil. Cet engagement à assurer une robuste gestion financière s'est traduit par des économies de 153,5 millions de dollars pendant le mandat actuel du Conseil (budgets de 2023 et 2024) grâce aux examens des services, à des gains d'efficacité et à des améliorations continues.

La Ville a pris part à de nombreuses discussions avec les gouvernements provinciaux et fédéral au cours de la dernière année à propos des défis financiers qui lui sont propres et de la nécessité d'obtenir un financement et un soutien équitables. Elle est déterminée à travailler étroitement avec ses partenaires gouvernementaux pour régler les problèmes qui restent à résoudre, notamment rétablir à tout le moins les 99,2 millions de dollars des recettes tirées des PTLI et le modèle de financement par tiers pour le transport en commun, et fournir 140 millions de dollars par an au cours des quatre prochaines années afin de revenir à un modèle de transport en commun financièrement viable à la suite de la baisse accélérée de l'achalandage au centre-ville découlant de la pandémie de COVID-19. Ce financement juste et équitable assurera la prestation durable d'un service fiable et de grande qualité aux résidents d'Ottawa.

Groupe de travail sur le PFLT du transport en commun

En novembre 2023, le Conseil a approuvé une motion ([ACS2023-OCC-CCS-0153](#)) recommandant qu'un « groupe de travail interne soit composé de membres du personnel de la Ville provenant des directions générales concernées, en collaboration avec le maire, ainsi que les présidents de la Commission du transport en commun, du Comité des transports et du Comité de la planification et du logement ». Le groupe a été chargé d'explorer tous les leviers et options d'atténuation qui ont été abordés lors de la séance d'information technique, ainsi que d'autres, y compris, mais sans s'y limiter, les suivants :

- la faisabilité de l'achat de laissez-passer en grande quantité;
- l'examen des laissez-passer selon une optique d'équité et de durabilité;
- l'élargissement des limites du secteur de transport en commun urbain;
- la réflexion à propos d'autres sources de revenus, comme les droits municipaux d'immatriculation des véhicules, les frais pour les services de voiturage, les

taxes sur les stationnements privés, la captation de la valeur foncière, la vente de droits d'aménagement aux stations de transport en commun, le péage routier, les frais de périmètre et les frais de mobilité;

- la faisabilité d'instaurer des droits d'aménagement ou droits de propriété aériens sur des terrains de la Ville situés près des stations de transport en commun (Transitway et O-Train);
- l'élaboration d'un modèle de projection de l'achalandage actualisé;
- l'examen des immobilisations et des installations;
- l'examen de l'harmonisation des services;
- le financement supplémentaire par des instances supérieures du gouvernement et du financement semblable à Metrolinx et GO Transit dans la région de Toronto.

Le groupe de travail s'est réuni pour la première fois en janvier et a continué à se réunir toutes les deux à quatre semaines par la suite. Lors de la première réunion, le personnel a présenté une fiche d'information sur les principales questions ayant un impact sur l'abordabilité du transport en commun et a confirmé la liste des leviers à analyser immédiatement en vue de la préparation du budget de 2025, ainsi que certains points à plus long terme nécessitant une analyse plus approfondie, mais devant être résolus dans le cadre de la mise à jour du Plan directeur des transports, du plan financier à long terme du transport en commun et de la prochaine étude sur les redevances d'aménagement qui devraient être achevés à l'automne 2024 et au cours du deuxième et du troisième trimestre de 2025.

Le groupe de travail continuera de se réunir sur une base régulière afin d'explorer d'autres leviers et les implications financières de chacun d'eux à titre de contributions au budget 2025 et afin de répondre à de futures pressions budgétaires anticipées. Ces leviers pourraient être mis en œuvre dans un délai d'un an ou deux pour faire face aux pressions financières les plus urgentes, tandis que les membres du personnel continueraient à travailler sur les solutions à plus long terme. Le groupe continuera également à répertorier les domaines dans lesquels le Conseil peut plaider auprès des instances supérieures du gouvernement pour obtenir des fonds ou des pouvoirs supplémentaires pour mettre en œuvre de nouvelles sources de revenus afin d'assurer la viabilité financière des services de transport en commun d'Ottawa.

Examen des services

Le Conseil a approuvé le cadre d'examen des services présenté dans le rapport intitulé « Budgets préliminaires de fonctionnement et d'immobilisations de 2023 » ([ACS2023-FCS-FSP-0001](#)), qui demeure un cadre fondamental pour élaborer le budget annuel préliminaire. Ce cadre énonce les politiques et les principes pour évaluer les services à examiner, cerner les améliorations potentielles et déterminer la meilleure façon de fournir les services.

Les économies réalisées pendant le présent mandat du Conseil (dans les budgets de 2024 et 2025) sont de 153,5 millions de dollars, ce qui équivaut à éviter une hausse des taxes foncières d'environ 7,5 %. Outre ces économies, le Conseil a approuvé à ce jour en 2024 les initiatives suivantes :

- Stratégie relative aux fausses alarmes incendie : 400 000 \$ de recettes supplémentaires.
- Système de sanction administrative : 3 millions de dollars d'économies ou de coûts évités.
- Achat du 100, promenade Constellation : économies de 5,3 millions de dollars à réaliser dans le budget de 2026.
- En cours et à réaliser dans le processus budgétaire de 2025 et 2026 : Rationalisation des installations, poursuite de la simplification des processus opérationnels et des ajustements des recettes dans le cadre des examens continus des redevances d'utilisation.
- Inclusion de détails et d'examens supplémentaires découlant du cadre d'examen continu des services dans le cadre du mandat du Conseil dans les budgets de 2025 et 2026.

Outre les examens des services en 2024, un processus de consultation exhaustif est en cours pour solliciter des commentaires sur les occasions d'optimiser les services, les économies, l'évitement des coûts et les nouvelles recettes. Voici un aperçu de l'engagement relatif à l'examen des services en cours :

- Mai — août 2023 : Rétroaction du Conseil et du personnel. Tous les commentaires ont été évalués et catégorisés par les directions générales.

- Novembre 2023 — novembre 2025 : Participation des résidents autour de quatre thèmes :
 - Thème 1 : Une ville comptant des logements abordables et où il fait bon vivre.
 - Calendrier : de novembre 2023 à mars 2024
 - Thème 2 : Une ville offrant plus d'options de mobilité fiables, sécuritaires et accessibles.
 - Calendrier : de mars à septembre 2024
 - Thème 3 : Une ville verte et résiliente.
 - Calendrier : d'octobre 2024 à avril 2025
 - Thème 4 : Une ville dont l'économie est diversifiée et prospère.
 - Calendrier : de mai à novembre 2025

L'examen des services continue d'être une évaluation officielle des services de la Ville, qui repère les améliorations potentielles dans le but de bonifier l'expérience client et d'offrir la meilleure valeur globale aux contribuables.

Amélioration continue

Le Conseil a joué un rôle de premier plan dans l'approche adoptée par la Ville en matière de prudence fiscale et de viabilité financière. L'actuel Conseil a souligné et soutenu l'amélioration continue à l'échelle de l'administration municipale. L'efficacité et la compétitivité des services sont les principaux objectifs de tous les services municipaux, et ce travail se poursuit en parallèle au cadre d'examen des services approuvé pendant le budget de 2023.

Les efforts en matière d'amélioration continue de la Ville visent à améliorer l'efficacité financière et l'adaptabilité des activités en réduisant les frais inutiles et la complexité du processus opérationnel grâce à l'automatisation, à l'uniformisation et à la simplification. Ces efforts visent à maximiser la valeur apportée à l'organisation dans trois domaines fondamentaux :

- les possibilités purement financières par la réduction et l'évitement des coûts;

- les processus opérationnels simplifiés (renforcer les capacités organisationnelles pour favoriser la progression des priorités du Conseil);
- l'utilisation de l'innovation et des données pour améliorer la prise de décisions des directions générales (pour permettre à ces dernières de prendre des décisions plus stratégiques qui apporteront davantage de valeur en définitive).

Ces efforts d'amélioration continue constituent une stratégie fondamentale pour atténuer les pressions croissantes sur les taxes élevées et le budget à la hausse, et ont permis aux directions générales d'absorber la croissance et d'améliorer les services offerts aux résidents.

Consultation et commentaires du public

Les membres du Conseil auront l'occasion de recueillir les commentaires du public avant et pendant le processus budgétaire grâce à des séances de consultation virtuelles ou en personne menées par les conseillers, ou par d'autres moyens déterminés par chaque conseiller. Un sondage a été mené sur Participons Ottawa, la plateforme de participation citoyenne en ligne de la Ville, du 6 août au 13 septembre afin de mieux comprendre les priorités des résidents. Une fois le budget préliminaire de 2025 déposé, le public aura l'occasion de poser des questions.

La Ville annoncera les séances de consultation publique organisées par les conseillers et conseillères et les possibilités de participer en ligne sur le site ottawa.ca et la plateforme Participons Ottawa au moyen de ses outils de communication et de ses médias sociaux. Le Service de l'information du public et des relations avec les médias a fourni du matériel supplémentaire pour soutenir les conseillers et conseillères pendant le processus budgétaire.

Les résidents sont invités à regarder les réunions du Conseil municipal et des comités, à y assister ou à y participer pour en apprendre davantage sur les discussions budgétaires et transmettre leurs commentaires par écrit ou verbalement.

BACKGROUND

On December 7, 2022, Council approved the term of Council budget process as part of the 2022-2026 Council Governance Review report ([ACS2022-OCC-GEN-0030](#)). The report included the following:

- The Chief Financial Officer/Treasurer to bring forward a report that details the budget timetable and provides budget directions, in advance of each yearly budget;
- The various Boards and Commissions to be allocated their pro rata share of the tax target and any assessment growth;
- Council to direct the various Boards and Commissions to develop their draft budgets within this annual allocation;
- The City Manager will work with the Mayor in the development of the draft budget that is in alignment with the approved direction. Councillors will be consulted as the draft budget is being prepared;
- Individual Members of Council to organize and lead public consultations on the Draft 2025 Budget;
- The Committees to hear public delegations before deliberating on the budget and approving any revisions that can be funded from within the budgets under committee review; and
- Council, sitting as Committee of the Whole to consider, to review and amend the budget.

Experience has shown that providing direction that imposes the fiscal discipline by way of a predefined tax increase helps Council mitigate tax increases to an acceptable level.

The Draft 2025 Budget will also identify efficiencies and opportunities and any one-time issues and recommend any additional strategies that may be required to achieve Council's direction. A consolidated draft budget that is balanced, as required by legislation, and reflects the directions being proposed within this report will be tabled at Council and referred to Standing Committees and the Transit Commission for further consultation and consideration.

Members may move a motion at a Standing Committee to increase that Committee's budget envelope by identifying an offsetting reduction from a different Standing Committee's budget. Such motions would be referred to City Council, sitting as Committee of the Whole, for consideration as that other Standing Committee's budget may have already been approved. Members would also continue to have the ability to increase budget envelopes/identify offsetting reductions by moving motions at Committee of the Whole. Identified offsetting reductions must be deemed appropriate by

the Finance and Corporate Services Department, as not all funds can be used for all purposes. For example, members would not be able to increase a tax supported program budget by reducing a rate supported program, or one that is funded with provincial dollars.

The public consultation and committee consideration of the budget will also include budgets from the Ottawa Police Services Board, the Ottawa Public Library Board, the Public Health Board, and the Committee of Adjustment.

DISCUSSION

Further to Motion 2022-03/16 approved by Council on December 7, 2022, for policy matters of Citywide significance staff must describe in any other options considered and reasons why those options were or were not ultimately recommended.

2025 Budget Directions and Development

As part of the budget development process approved by Council on December 7, 2022, specific Council direction is required with respect to a tax target that would guide staff in the development of the Draft 2025 Budget, that will be tabled at Council.

- a) That the municipal tax increase be set at no more than 2.9 per cent overall including:**
 - 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 Public Library Board and Board of Health develop their draft budgets based on their *pro rata* share of this tax increase;**
 - ii. The Ottawa 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;**

Staff have completed preliminary reviews to identify 2025 budget pressures. The projected 2025 expenditures include compensation and benefit increases from contract settlements, along with estimated inflationary increases on fuel, utilities, contracts, and capital construction impacts. Staff will also include a list of efficiencies and opportunities as part of the tabled 2025 Budget.

Additional operational requirements associated with the cost of operating and maintaining new infrastructure such as roads and winter maintenance costs, continued investment in, affordable housing and increasing the investment in City tax supported capital assets as per the Long Range Financial Plan-Tax Supported Capital ([ACS2017-CSD-FIN-0017](#)) have also been considered.

It is recommended that the Citywide levy be increased by no more than 2.9 per cent. The Citywide levy funds most City services including the Library and Public Health Boards. Each Board would be allocated their individual pro-rated share of no more than 2.9 per cent.

The Ottawa Police levy is a separate levy and is recommended to increase by no more than 2.9 per cent overall.

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:

The Transit LRFP Working Group has identified several levers that could be implemented as part of the 2025 budget and could be phased-in over several budget years to minimize the impact on taxpayers and on fares. These short-term options/scenarios will be tabled for consideration by Transit Commission and Council as part of the budget deliberation process. The key levers for consideration will include analyses and recommendations for the following levers: fares, Transit levy, fare discounts, funding from other levels of government of Ottawa's fair shares as endorsed by Council on September 4, operating cost efficiencies, service reductions, and continuing to defer capital investments.

A report will be introduced to adjust the boundaries of the Urban Transit Area to align with the boundaries of the Urban Policy Area as set in the City's Official Plan. These recommendations were delayed from 2023 because of the changes in provincial policy regarding the urban boundary.

Staff continue to advocate for increased and sustained transit funding from the provincial and federal governments. The province has provided additional funding for transit security and fare enforcement through the Ottawa-Ontario New Deal. The federal government has announced the term of three streams of capital investment from the Canada Public Transit Fund, and on behalf of Council, staff are pursuing all possibilities

for Ottawa under this new program. The federal government also continues to support the City's purchase of zero-emission buses. Staff are continuing the implementation of the Service Review framework and the Bus Route Review to reduce spending, gain operational efficiencies and drive revenue growth in 2025.

Staff will provide additional details, along with a description of the effects that any change could have on service for customers or achievement of Council's policy goals, as part of the recommendations to Council and the Transit Commission in the 2025 budget presentation in November.

The yearly impact of the proposed tax increases on average homes in the urban and rural areas plus an average commercial property is shown below in Table 2.

Table 2: Impact of Proposed Tax Directions

	Urban Home	Rural Home	Commercial Property
	Average Assessment: \$415,000	Average Assessment: \$415,000	Average Assessment: \$460,000
2025 Taxation	\$4,422	\$3,611	\$9,500
Citywide @ 2.9%	80	75	172
Police @ 2.9%	20	20	43
Transit @ no less than 2.9% ³	25	7	53
Total \$ Change	125	102	268
% Change	2.9%	2.9%	2.9%

The following pressures will be addressed in the budget when tabled:

- c) That the assessment growth in taxation revenues generated from new properties be estimated at 1.5 per cent of current taxation for 2025 and that Council request that the Police Services Board, Board of Health, and Public Library Board, and the Transit Commission develop their draft budgets within this allocation.**

³ Each additional one per cent increase in the Transit tax levy adds \$9 to the average urban home, \$2 to the average rural home and \$18 to the average commercial property.

The assessment growth in 2024 was approximately 1.6 per cent and the forecast for 2025 is 1.5 per cent. The 2024 forecast is based on information provided by the Municipal Property Assessment Corporation (MPAC).

As per the process approved by Council on December 7, 2022, the services governed by the Police Services Board, Board of Health, Public Library Board, and the Transit Commission, will be allocated their individual pro-rated share of revenues resulting from growth in assessment. In addition, the annual increase to the budget for the Office of the Auditor General will also be in accordance with the budget strategy applied to the Boards and the Transit Commission. The remaining balance will be available to fund other tax-supported City services.

For purposes of developing the target envelopes for 2025, assessment growth of 1.5 per cent, a tax increase of up to 2.9 per cent Citywide, 2.9 per cent for Police, and 2.9 per cent for Transit have been included. The taxation targets are summarized below in Table 3. This allocation does not include any revenue from increasing user fees.

Table 3: Tax Targets - 2025 Budgetary Funding Allocations⁴

Allocation Areas	Amount (\$000) at 2.9 per cent
Assessment Growth	31,540
Tax Increases	61,900
Total	93,440
<u>Target Allocation</u>	
Police	15,315
<u>Transit (no less than 2.9 per cent)</u>	<u>17,390</u>
Health	1,250
Library	2,715
Auditor General	120
Total	36,790
Balance for tax supported City Services	56,650

Total taxation revenues are projected to increase in 2025 by \$93.44 million. After allocating a proportional share of the 2025 increase to Police, Transit, Health, Library

⁴ Each additional one per cent increase to the Transit tax levy adds \$3.9 million.

and the Office of the Auditor General, the remaining balance of up to \$56.65 million is available to fund all other tax supported City services.

User Fees and Charges

- d) That all City user fees and charges increase in accordance with the direction outlined in the Fiscal Framework or the Long Range Financial Plans.**

The Fiscal Framework sets the principles and recovery targets for municipal user fees. In general, the rate of increase in user fees is to be in relation to the cost increases associated with providing the service within the cost recovery framework.

As noted above, the draft 2025 transit fare increase of between 2.5 per cent and 75 per cent, will be included in the draft budget.

- 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.**

The 2025 garbage fee increase will be increased in accordance with the Solid Waste Services Long Range Financial Plan (LRFP) 2025-2053 ([ACS2024-FCS-FIN-0008](#)) and Solid Waste Residential Collection Contracts Renewal report ([ACS2023-PWD-SWS-0002](#)). The Solid Waste Services LRFP includes the short-term contracts until January 1, 2026, and then projects the cost of solid waste services once fully implemented. The LRFP also recommended shifting Solid Waste Services to a fully recoverable fee model. In 2025, the impact of shifting the current tax funded portion of the solid waste services to the curbside service fee will increase the overall charge to the average single residential property by \$2 per month and the average multi-unit residential property to \$1.50 per month.

The 2025 increases are based on the factors outlined within the Solid Waste Residential Collection Contracts Renewal reports, the Council approved Solid Waste Master Plan ([ACS2024-PWD-SWS-0004](#)) and the Solid Waste LRFP ([ACS2024-FCS-FIN-0008](#)).

Capital Budgets

- f) That the 2025 Capital Budget be developed in accordance with the direction outlined in the 2024 Provisional DC Background Study, Long Range Financial Plans and Fiscal Framework.**

The 2025 Capital Budget will be developed in accordance with the Council approved Transportation Master Plan, Infrastructure Master Plan, 2024 Development Charges Provisional Background Study, and the LRFPs. The City funds its capital program through a combination of tax funds from reserves, development charges on the growth portion of eligible projects, and debt and grants from senior levels of government. Debt funding used to fund eligible components of the capital program will be in accordance with the Fiscal Framework and are well below the provincial debt limit.

The 2025 Budget will include an increase for municipal construction inflation. The rate to be used in 2025 is two per cent.

The 2025 Capital Budget will continue the application of the climate lens to its projects. The purpose of the application of the climate lens is to better understand how the City is investing towards implementing the [Climate Change Master Plan](#), reduce greenhouse gas (GHG) emissions and increase Ottawa's resilience to current and future impacts of climate change.

Rate-supported Budgets

- g) That the Rate-supported 2025 draft budget be developed in accordance with the approved 2017 Long Range Financial Plan V – Water, Wastewater and Stormwater.**

The budget for the services supported by the water, wastewater and stormwater rate is proposed to be considered at the same time as the tax supported budget. This allows for the Integrated Works Capital Program (combined road/water/sewer/storm capital works funded by tax and rate supported services) to be considered and approved at the same time.

The 2025 draft budget will be developed and presented in accordance with the 2017 LRFP V – Water, Wastewater and Stormwater programs ([ACS2017-CSD-FIN-0023](#)). The LRFP Water, Wastewater and Stormwater reflects the financial strategies that

balance the need to maintain and build the capital assets that support these essential services recognizing that the assets last for multiple generations. Staff recommended the following increases as per the LRFP: Water revenue increase of two per cent, Wastewater revenue increase of three per cent, and Stormwater revenue increase of 12 per cent, with an overall average increase of 4.4 per cent for the rate-supported services. These percentage increases are a target increase for revenue overall for each service. Percentage increases to individual volumetric and fixed rates will be lower due to year over year changes in number of households and projected consumption levels and will be detailed in the budget when tabled.

The Standing Committee on Environment and Climate Change will receive public delegations and deliberate on both the tax and rate supported budgets on November 19, 2024. The Standing Committee Environment and Climate Change report would then rise to Council for final consideration.

Approval of 2025 Fees for Recreation and Culture

That the 2025 Recreation, Culture and Facility Services User Fees be approved to allow registrations and rentals sold in 2024 for 2025 to use 2025 rates.

All fees and charges must be approved by Council before they can be implemented. The Recreation and Cultural Facility Services Department (RCFS) begin selling registrations or booking rentals for the fall/winter season in late summer every year. As the winter season carries over into the next calendar year, but the budget process does not conclude until December, registrations for the following year must use current year prices. This results in lost revenue for the City which is needed to support the costs of the program which increase on January 1 each year. This aligns with the fiscal framework which sets the principles and recovery targets for municipal user fees, which in general aligns the rate increases with the cost increases in providing the service. To align the decisions around pricing with the timing of sale, RCFS is implementing a 2.9 per cent cost of living increase to all 2025 fees in advance of budget adoption. This will allow the department to recover the increased cost of services that are purchased (such as registrations, rental permits, memberships) in the later part of 2024 and delivered in early 2025 and attain revenue expectations for the full year. This increase has been applied using the General Manager of RCFS' delegated authority under "Schedule E" of the Delegation of Authority By-law 2024-265.

Proposed 2025 Budget Timetable and Public Consultation Plan

Council Budget Tabling (November 13, 2024)

The City's 2025 draft operating and capital budget is proposed to be tabled at a City Council meeting on November 13, 2024. This report includes the draft budgets for all City services, including services that report to the Transit Commission or a Board / special purpose body, namely Police, Library, Public Health, and the Committee of Adjustment. It should be noted that in addition to the budget tabling at Council, the Police Services Board, Public Library Board and Board of Health, also hold their own meetings to table their respective budgets. The proposed 2025 budget meeting schedule is included in Document 1 of this report.

The City budget will be presented by the Mayor, the City Manager, and the Chief Financial Officer. The budgets for each of the Boards will be presented by the Chair and the head of each service. The draft budget will be available online on ottawa.ca shortly after it has been tabled.

Budget Process Consultations

Public Consultations

Resident input and feedback are integral to the development of the City's budget. Residents are not limited to the budget season to provide feedback; feedback on the budget can be submitted through a ward councillor's office at any time.

Members of Council will have the opportunity to seek public input through Councillor-led in person or virtual public consultation sessions, or other means as determined by the individual Councillor. Public engagement allows residents to express their views and budget priorities to their Ward Councillor and help residents become more involved in the budget development process. Staff have canvassed Members of Council regarding their plans to conduct public consultation sessions and will be available to attend individual ward meetings as required. Councillor consultations will be conducted as virtual or public meetings and other forms of engagement. Public Information and Media Relations have provided supplementary materials to support Councillors during the budget process.

A survey was conducted through Engage Ottawa, the City's online engagement platform from August 6 to September 13 to better understand the priorities of residents.

After the budget is tabled, an opportunity to ask questions will be open for the public. The City will promote Councillor-led virtual or in person public consultation sessions and online engagement opportunities on ottawa.ca, Engage Ottawa and using traditional communications tools such as through the City's social media channels. A [2025 Draft Budget webpage](#) includes all relevant budget information, including information about the engagement opportunities. Efforts have been made to strengthen public communications by using plain language to enhance engagement and improve feedback.

Councillor Engagement

Consultation with the Mayor, City Manager and the CFO will occur prior to the tabling of the Draft 2025 Budget.

Budget Meetings – Standing Committees / Transit Commission / Boards / Advisory Committees (November 18 to December 5, 2024)

The draft operating and capital budget documents for each Standing Committee and the Transit Commission will be reviewed by the Chair and Vice Chair of each Standing Committee, with input from the General Manager(s) that report to those Committees.

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

The Proposed 2025 Budget Meeting Schedule is included in Document 1 of this report.

Council Budget Consideration / Adoption (December 11, 2024)

It is proposed that Council consider the final budget recommendations from all the Committees of Council and local Boards at its regularly scheduled meeting of December 11. Once approved, Council would then adopt the 2025 Budget.

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.

CONSULTATION

Members of Council will continue to have the opportunity to seek public input prior to and during the budget process through Councillor-led virtual and/or in person consultation sessions or other means as determined by the individual Councillor. A survey was conducted through Engage Ottawa, the City's online engagement platform from August 6 to September 13 to better understand the priorities of residents. After the draft budget is tabled, an opportunity to ask questions will be open for the public.

The City will promote the Councillor-led virtual or public consultation sessions and online engagement opportunities on ottawa.ca, Engage Ottawa and using communications tools such as the City's social media channels. Councillor consultations will be conducted as virtual or public meetings and other forms of engagement. Public Information and Media Relations have provided supplementary materials to support Councillors during the budget process.

Following tabling, residents will have the opportunity to asking questions through Engage Ottawa or attend Standing Committee meetings, and to register as a delegation to make a brief presentation.

ACCESSIBILITY IMPACTS

Finance and Corporate Services adheres to the requirements of the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations, programs and initiatives. This report is administrative in nature and has no associated accessibility impacts.

CLIMATE IMPLICATIONS

The 2025 Budget will continue the application of a capital lens to its capital projects. The purpose is to better understand how the City is investing in implementing the [Climate Change Master Plan](#), reduce greenhouse gas (GHG) emissions and increase Ottawa's resilience to current and future impacts of climate change.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

The City is committed to gender equity, anti-racism, reconciliation with Indigenous peoples and addressing other equity and inclusion impacts on communities

experiencing marginalization when planning and delivering its programs and services. In recent years, Council has approved the City of Ottawa's women and gender equity strategy, the Anti-Racism Strategy, and the City's Corporate Diversity and Inclusion Plan. These strategies and plans will enable the City to be more deliberate and impactful in making sustainable progress to address equity at the individual, organizational, and systemic level. When staff are developing their annual draft operating and capital budgets, City leadership and staff should apply the gender and racial equity lens throughout this process to ensure that groups or individuals at high risk of exclusion are taken into consideration and to prevent inequitable outcomes of disparity. Staff are directed to apply an equity lens as part of this budget process to ensure sufficient resource requirements are available to execute on the commitments made within the Council approved equity plans and strategies.

TERM OF COUNCIL PRIORITIES

This report supports the current 2023-2026 Term of Council Priorities as well as the City's commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – Proposed 2025 Budget Meeting Schedule

DISPOSITION

Staff will develop the Draft 2025 Budget in accordance with the report recommendations and implement the budget process as outlined in the report.

**Note: A Minor correction was made to this report further to the City Clerk's Delegated Authority, as set out in Schedule C, Section 8 of Delegation of Authority By-Law 2023-67. Table 1a: Tax Target Comparison was corrected to fix a typo from 4.0% to 4.2%.*

Document 1 - 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>	
Transit Commission	Monday, November 18, 2024
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
Audit Committee	Monday, November 25, 2024
Police Services Board	Monday, November 25, 2024
Community Services Committee	Tuesday, November 26, 2024
Transportation Committee	Thursday, November 28, 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*