



OAKVILLE

REPORT

Special Council

Meeting Date: December 19, 2024

FROM: Finance Department

DATE: December 10, 2024

SUBJECT: Council Consideration of the 2025 Mayoral Budget

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

1. That the staff report dated December 10, 2024 entitled *Council Consideration of the 2025 Mayoral Budget* be received.
2. That the resolutions and recommendations contained in Appendix A of this report be approved.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Bill 3, Strong Mayors, Building Homes Act, 2022 (“the Act”) has assigned to the Mayor the powers and duties of the municipality with respect to proposing and adopting a budget. The Act also provides for specific steps to be followed should Council wish to amend the budget.
- The Mayor provided budget direction to staff on June 17, which was endorsed by the Budget Committee, to prepare an operating budget with an overall increase of up to 4.00 per cent, which was based on an estimated Halton Region budget of 3.60 per cent.
- Halton Region’s 2025 budget increase rose from 3.60 per cent to 5.99 per cent.
- At the December 5 Special Council meeting, the Mayor presented the proposed 2025 budget with a 4.84 per cent increase.

BACKGROUND:

Town budget status

The Mayor provided budget direction on June 17, which was endorsed by the Budget Committee, to prepare an operating budget with an overall increase of up to

4.00 per cent based on an estimated Halton Region budget of 3.60 per cent. The Halton Regional Police Service Board requested a 13.8 per cent increase to their proposed 2025 budget. The 13.8 per cent request is due mostly to labour contract pay and benefit increases, increases to the number of sworn officers and civilian staff, IT hardware/software expenditures and capital financing requirements. Halton Region's 2025 budget increase rose from 3.6 per cent to 5.99 per cent as a result. At the December 5 Special Council meeting, the Mayor presented the proposed 2025 budget with a 4.84 per cent increase. The December 19, 2024 meeting was scheduled to provide Council an opportunity to make amendments to the Mayor's budget.

New Strong Mayor budget process

Bill 3, Strong Mayors, Building Homes Act, 2022 ("the Act") has assigned to the Mayor the powers and duties of the municipality with respect to proposing and adopting a budget. The following outlines the steps in the process as provided in the Act and Regulation 530/22 and as summarized in the flowchart in Appendix B.

Head of Council proposed budget (Regulation 7(1))

The Head of Council shall prepare a proposed budget and provide it to Council, the Clerk, and the public.

Oakville Status: Mayor Burton prepared and provided his proposed budget on December 5.

Council consideration of proposed budget (Regulation 7(3))

Within 30 days of receiving the budget, Council may pass a resolution to make an amendment to the proposed budget. A proposed resolution would be passed with a simple majority vote and the Head of Council may vote. Council may make multiple resolutions and each resolution will be considered individually. If no such resolution is passed, the budget proposed by the Head of Council is deemed adopted.

Oakville Status: The December 19, 2024 meeting, which is within the required 30 days, provides Council the opportunity to consider the budget and pass any resolutions to amend it. If Council passes a resolution, the mayoral veto process would be considered next. If Council does not pass a resolution, then the budget would be deemed adopted and staff would present additional motions to Council to complete the 2025 budget process. More information on these additional motions is found later in this report.

Once Council has completed their consideration of any amendments to the budget on December 19, staff would request that Council pass a motion to shorten and close the 30-day budget amendment period on December 19, 2024 in alignment with Regulation 7(4). This would allow the next phase of the budget approval process to commence in a timely manner. Should Council pass this motion, there

will be no further opportunity for Council to seek to amend the proposed 2025 budget after December 19, 2024.

Mayoral veto on Council amendments (Regulation 7(6))

Should Council pass a resolution to make an amendment to the proposed budget, the Head of Council has the opportunity to veto the resolution, within 10 days (before December 30, 2024, assuming Council shortens the 30-day budget amendment period). To do this, the Head of Council will provide a written veto document to the Clerk and to each member of Council outlining the veto and the reasons for it. A resolution vetoed in this manner shall be deemed not to have been passed by Council. If the Head of Council does not veto a resolution within the 10 days, the 2025 budget is deemed adopted with the inclusion of the resolution passed by Council.

The Head of Council has the opportunity to shorten this 10-day period, regardless of whether or not they are exercising their veto. To do this, the Head of Council is to provide a written decision to the Clerk and to each member of Council specifying a shorter period.

Oakville Status: For today's meeting, should Council pass a resolution to amend the budget, one of the following two options will occur next:

1. The Mayor may consider, over the course of the next 10 days, whether he will exercise his veto on a resolution. Should he exercise his veto, he must provide written notification as per the above requirements. Should he not exercise his veto, the budget will be deemed adopted with the inclusion of any amending resolution from Council at the conclusion of the 10-day veto period, or sooner if the Mayor has shortened the veto period, and, at the next Council meeting, staff would present additional motions to Council to complete the 2025 budget process. More information on these additional motions is found later in this report.
2. The Mayor may accept the amending resolution and decide to not exercise his veto. In order to complete this in accordance with the Act and Regulation 530/22, the Mayor would provide a written decision to the clerk and Council indicating his desire to shorten the veto period to expire immediately. Should he elect this option, then the budget would be deemed adopted as amended by Council's resolution and staff would present additional motions to Council to complete the 2025 budget process. More information on these additional motions is found later in this report.

Council override of Mayoral veto (Regulation 7(10))

Should the Head of Council veto a resolution, Council may override this veto, within 15 days. Such an override would require a two-thirds majority vote and the Head of Council may vote on this override. Should the override motion pass, the resolution that the Head of Council vetoed would now be deemed to be passed by Council.

Should the override motion fail, or a motion not even be proposed, the budget is deemed adopted without the inclusion of the resolution passed by Council as vetoed by the Head of Council.

Oakville Status: Should a situation occur where Council has passed a resolution to amend the budget and the Mayor has subsequently vetoed this resolution, a special meeting of Council would need to be called. Any call for a special Council meeting, as per the Procedural By-Law, needs to be discussed with the Clerk. This meeting would need to occur within 15 days of the end of the Mayor's time period for considering a veto (for clarity – that is the earlier of the 10 days per legislation or the shortened period should he opt to shorten the period as described above). At this meeting, Council would have the opportunity to put forward a motion to override the Mayor's veto. This motion would require two-thirds of "Members of Council" to pass. This would require 10 votes to pass a motion to override. There are two possible outcomes:

1. If the motion to override was successful, the original resolution that was subject to the veto would be deemed to have passed and the amendments in that resolution would be included in the adopted budget.
2. If no motion was tabled or the motion was unsuccessful, the original resolution that was subject to the veto would be deemed "not to have been passed" and the amendments in that resolution would not be included in the adopted budget.

Subsequent to this vote, the budget would be deemed adopted and staff would present additional motions to Council to complete the 2025 budget process. More information on these additional motions is found later in this report.

Special Note – the above descriptions are based on a single resolution made by Council. Should multiple resolutions be made, each resolution could be considered individually by both the Mayor and Council at the various stages.

COMMENT/OPTIONS:

To assist Council, a draft resolution has been included in Appendix A. The draft recommendation will require revision and finalization based on Council discussions.

Additional motions:

As identified earlier in this report, there are additional motions that staff will need Council to consider at the close of the budget process.

The first is as follows:

That any surplus or deficit resulting from a difference in the actual assessment growth from the budgeted assessment growth be transferred to/from the Tax Stabilization reserve.

This resolution, also utilized by the Region, is part of the town's practice, whereby any final changes in the assessment figures from MPAC be transferred to/from the town's Tax Stabilization reserve rather than increasing or decreasing the projected tax per cent increase. Such changes are not uncommon and are typically minor in nature.

The second is as follows:

That the rates and fees established in the schedule attached as Appendix A in the 2025 Rates and Fees report that went to the 2025 Budget Committee on October 22 be approved for implementation on January 01, 2025.

While very connected to the budget process, the rates and fees are approved outside of the Strong Mayor budget process and therefore require a separate Council motion for approval.

As a reminder, the town's Rates and Fee Policy states that "the Town of Oakville will collect user fees to recover the costs of services where it is determined that a service provides direct benefits to individuals, groups, and businesses, unless otherwise directed by Council." The policy promotes full cost recovery of services for which user fees are charged and provides guidelines for exceptions. In addition, the policy requires that each year, as part of the budget process, the town updates its fees and charges charged under the Municipal Act 2001, section 69(1) of the Planning Act and section 7 of the Building Code Act. The 2025 Rates and Fees were presented and included as Appendix A in the report that went to the 2025 Budget Committee on October 22.

The third is as follows:

That the 30-day budget amendment period be shortened and closed on December 19, 2024 in alignment with Regulation 7(4).

Once Council has completed their consideration of any amendments to the budget on December 19, staff would request that Council pass a motion to shorten and close the 30-day budget amendment period on December 19, 2024 in alignment with Regulation 7(4). This would allow the next phase of the budget approval process to commence in a timely manner. Should Council pass this motion, there will be no further opportunity for Council to seek to amend the proposed 2025 budget after December 19, 2024.

CONSIDERATIONS:

(A) PUBLIC

All budget meetings are open to the public and will be streamed online. The 2025 Budget process provided 3 meeting dates for public delegations and correspondence with the Budget Committee and Council.

(B) FINANCIAL

In October, the Budget Committee considered the staff-prepared, draft 2025 budget and made recommendations to the Mayor in advance of the release of his budget. The Mayor provided his draft budget on December 5 for consideration by both Council and the public.

The town's annual budget process is an integral part of the town's operations and governance to ensure that services are provided by the town and that the costs of these services are adequately and appropriately funded.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

All departments have been involved in the budget process.

(D) CORPORATE STRATEGIC GOALS

This report addresses Council's strategic priority: Accountable Government.

(E) CLIMATE CHANGE/ACTION

Climate change/action is a key priority of Council. The proposed budget will incorporate climate change initiatives in alignment with this strategic priority.

APPENDICES:

Appendix A – Draft Budget Motions

Appendix B – Budget Decision Flowchart

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