



Oshawa
2025
**Budget
Overview**



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Introduction

The City of Oshawa is situated on lands and waters within the Williams Treaties Territory, home to seven First Nation communities of the Michi Saagiig and Chippewa Anishinaabeg, who have cared for and maintained these lands from time immemorial and continue to do so to present day.

The City delivers a wide range of services, including local roads, stormwater services, recreation facilities and programming, parks and field development and maintenance, municipal law enforcement, fire, waste collection, snow removal, building inspection, local planning and more. The Region of Durham provides services such as water and wastewater, social housing and social services, regional roads, Provincial Offences Act court services, transit, police and ambulance services.

Oshawa remains one of the fastest growing communities in Canada, and as it continues to grow, so does the need for staffing and other resources to provide services and support the organization. As noted in Report CNCL-21-92 concerning the Strategic Workforce Planning: 2022-2025 Staff Resourcing Forecast, the City has been facing a staffing deficit. While the last three budget cycles worked to address the deficit, staffing is required in the 2025 Operating Budget to address impacts of growth.

The 2025 Budget includes 18.5 new positions, of which 6 are funded from sources other than the tax levy. Members of the Corporate Leadership Team and Directors identified additional staffing requirements and presented them to the Mayor for consideration. The new positions approved by the Mayor for inclusion in the 2025 Operating Budget have staggered start dates to minimize the impact on the tax levy for 2025. Details of the new positions can be found in the “Approved New Staff” tab in the Budget binder.

The City piloted a multi-year budget for this budget cycle, resulting in the preparation of a 2025 Operating and Capital budget and a 2026 Operating Budget Forecast and nine-year Capital Budget Forecast.

Staff, in collaboration with the Mayor, completed a thorough review of the budget to identify opportunities for cost containment, revenue maximization, reserve and reserve fund commitments, investments in infrastructure while considering all aspects of fiscal responsibility. This included: a line-by-line review of the budget documents; challenging historical budget methodologies used to calculate estimates; detailed comparisons of the 2024 projected actuals to the 2025 budget; continued aggressive investment strategies to maximize returns in a declining interest rate environment; ensuring there was alignment to the updated Oshawa Financial Strategy; planned capital investments totaling \$82.5 million with no additional tax levy impact; and, no increase for debt utilization.

The 2025 Operating Budget as presented requires a tax levy increase of 7.87% or \$13.66 million and the 2026 Operating Budget Forecast requires a tax levy increase of 5.36% or \$10.03 million.

Budget Process

In 2023, the Minister of Municipal Affairs and Housing announced the expansion of the Strong Mayors powers under Bill 3, Strong Mayors, Building Homes Act, 2022 and Bill 39, Better Municipal Government Act, 2022 to mayors of 26 large and fast-growing municipalities beyond the City of Toronto and City of Ottawa.

The Mayor of the City of Oshawa was legislated these new powers effective July 1, 2023. The Strong Mayor powers and duties include responsibility for the budget. On March 14, 2024, per Mayoral Direction MDIR-2024-01, Mayor Carter directed the Commissioner, Corporate and Finance Services/Treasurer and the C.A.O. to prepare a 2025 Operating and Capital Budget as well as a 2026 Operating Budget Forecast and Nine-year Capital Forecast.

Staff worked collaboratively with the Mayor using a building block methodology to provide information on the development of the budget, identifying priorities and operating costs to deliver services to the community while taking a fiscally responsible approach. Consultation meetings with members of Council were held to identify and understand their respective budget priorities.

The multi-year budget gives the City better aligned goals and objectives with longer-term funding plans, improved accountability and transparency over spending plan changes, allows the City to better anticipate longer-term financial needs and allocate resources accordingly, and may create savings in procurement. Knowing spending requirements ahead of time, purchasing can be planned earlier and provide the opportunity to enter into multi-year contracts.

The 2025 Operating and Capital Budget and the 2026 Operating Forecast and Nine-year Capital Forecast focus on strategic decision-making and service levels. It includes a broad overview of the current capital and operational financial position while projecting future requirements. The Budget continues to focus on long-term financial sustainability, such as continuing to build our reserve balances, repayment of debt obligations, investing in infrastructure, cost mitigation and maximization of revenue.

The 2025 Budget, as presented, protects frontline services, and makes much-needed investments in current and new infrastructure. The 2025 Budget submission requires a \$13.66 million increase in the tax levy over the 2024 approved budget. This represents a 7.87% tax levy increase on the Oshawa portion of the tax bill. The 2026 Forecast submission requires a \$10.03 million increase in the tax levy over the 2025 Budget and represents a 5.36% tax levy increase on the Oshawa portion of the tax bill.

In 2025, an Oshawa property assessed at \$356,000 (Oshawa's average assessed property value as determined by Municipal Property Assessment Corporation (M.P.A.C.)) would see an annual property tax increase of \$168.86.

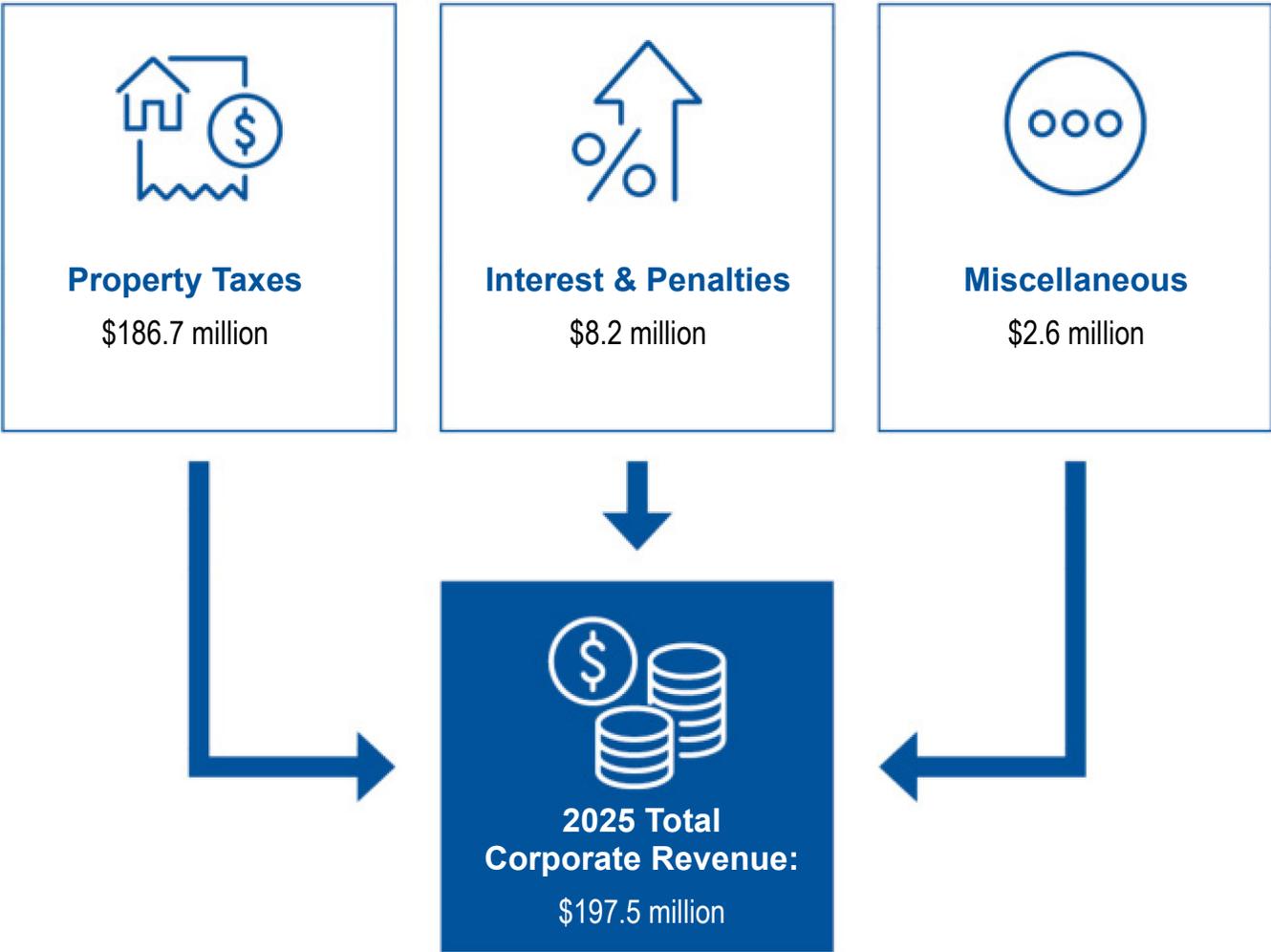
Table 1: Department Budget Comparison

The Department Budget Comparison shown below (Table 1), provides a financial summary of the Operating Budget submission.

Department	2024 Budget (\$)	2025 Budget (\$)	2025 – 2024 Variance (\$)	2025 – 2024 Variance (%)	2026 Forecast (\$)
Taxation Revenue	(173,528,700)	(173,088,100)	–	–	(186,244,100)
Change in Taxation Revenue	–	(13,656,000)	–	–	(10,025,700)
Subtotal	(173,528,700)	(186,744,100)	–	7.87%	(196,269,800)
Corporate Revenue	(9,263,800)	(10,760,700)	–	–	(10,958,700)
Total Corporate Revenues	(182,792,500)	(197,504,800)	(14,712,300)	8.0%	(207,228,500)
Executive and Legislative	1,080,700	1,097,900	17,200	1.6%	1,099,900
Office of the Chief Administrative Officer	6,084,100	6,632,900	548,800	9.0%	6,618,500
Corporate and Finance Services	21,421,600	23,456,800	2,035,200	9.5%	24,333,300
Community and Operations Services	59,145,100	64,893,700	5,748,600	9.7%	66,413,600
Economic and Development Services	9,032,400	9,444,600	412,200	4.6%	9,231,300
Safety and Facilities Services	44,960,900	45,467,800	506,900	1.1%	45,607,600
Oshawa Executive Airport	78,400	115,200	36,800	46.9%	252,300
Corporate Expenditures	26,530,500	31,868,500	5,338,000	20.1%	39,084,600
Tribute Communities Centre	780,600	798,900	18,300	2.3%	813,400
External Agencies	13,631,600	13,687,400	55,800	0.4%	13,732,900
Advisory Committees	46,600	41,100	(5,500)	(11.8%)	41,100
Total Expenditures	182,792,500	197,504,800	14,712,300	8.0%	207,228,500
(Surplus)/Deficit	–	–	–	–	–

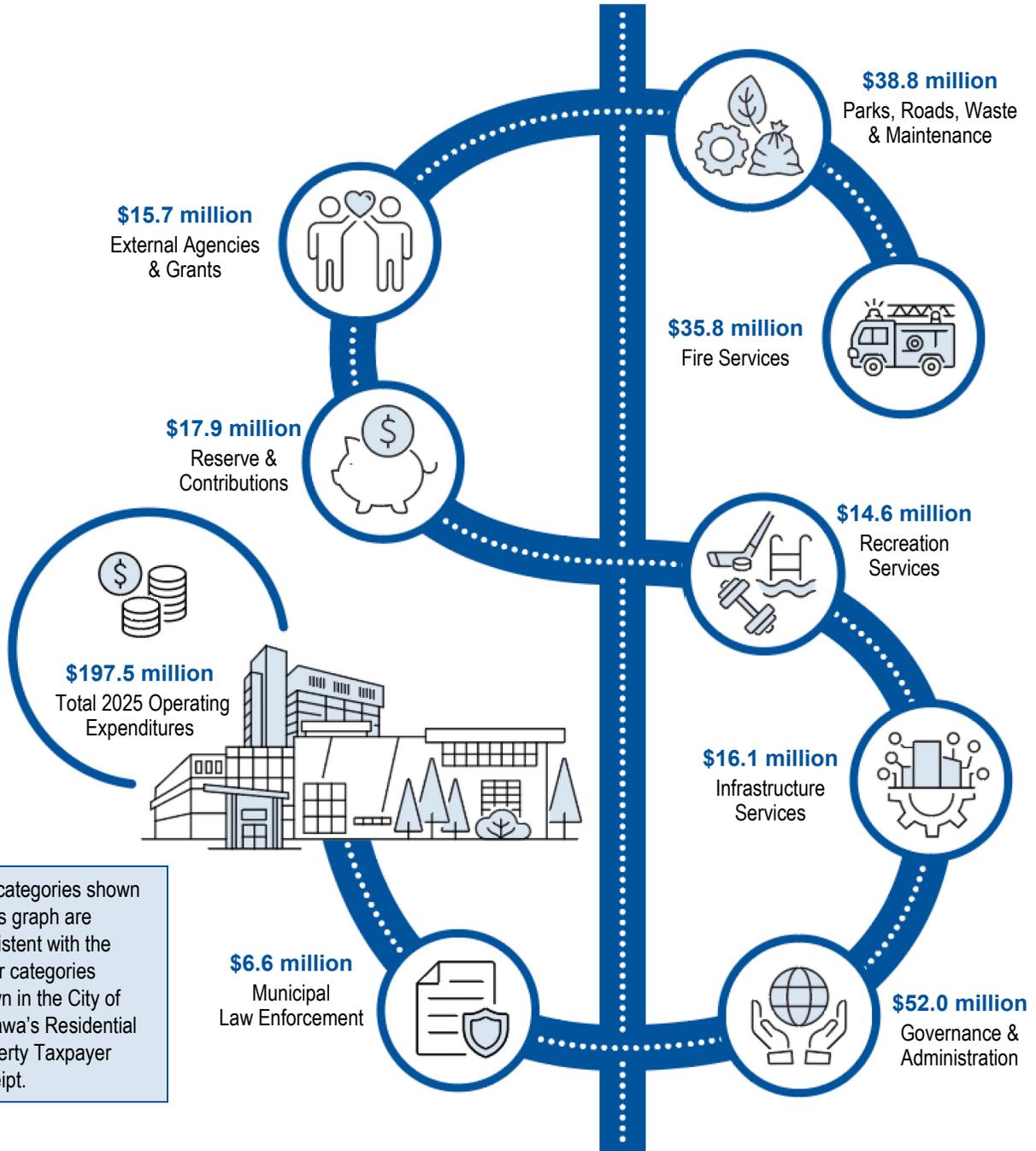
Corporate Revenues

Corporate revenues include property taxation, rental revenue, interest and penalties on taxes, interest on investments, dividends received from Oshawa Power and Utilities Corporation, Municipal Accommodation Tax and sundry revenue. Building Permit revenue, licence and other permit revenue and user fees are included in Branch programs.



Operating Budget Expenditures

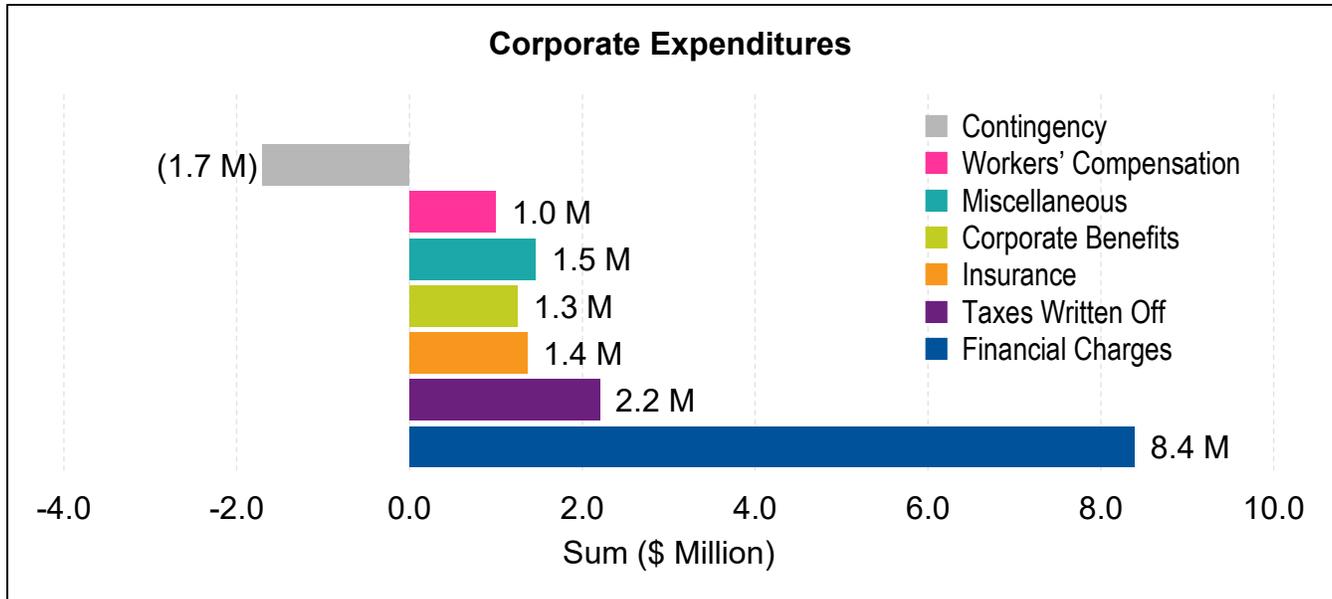
The majority of the City's expenses are relatively fixed with labour, contributions and financial charges, which include debt servicing costs, comprising 65.0% of total expenses. The 2025 Operating Budget provides for program operating expenditures totaling \$197.5 million, which is net of the revenues included in Branch budgets. Programs shown below are credited with the revenue they generate. The balanced budget includes all the corporate revenues. Of all revenue sources, property taxation makes up 74.1%.



The categories shown in this graph are consistent with the major categories shown in the City of Oshawa's Residential Property Taxpayer Receipt.

Corporate Expenditures

This category of expenditure includes items that are corporate in nature. The \$31.9 million in the 2025 Budget represents an increase of \$5.3 million or 20.1% over the 2024 budget. Excluding contributions to reserves, corporate expenditures are comprised of the following items:



Tribute Communities Centre (T.C.C.)

The operating deficit of the Tribute Communities Centre is funded within the City's annual budget. It is estimated that the operating deficit will be \$798,900 in 2025, a marginal increase over 2024. The City is also responsible for the outstanding debentures on the facility, which are \$11.9 million as of December 31, 2024, and will make principal and interest payments of \$3.5 million in 2025. The debenture payments are not reflected in the operating subsidy but are included in the Financial Charges within the Corporate Expenditures section of the Operating Budget.

External Agencies

The City provides operating grants to five local organizations: Oshawa Senior Community Centres, Oshawa Public Libraries, The Parkwood Foundation, Oshawa Historical Society, and The Robert McLaughlin Gallery. The total funding to these organizations is \$13.7 million. In addition to financial support, the City provides in-kind services related to facility usage. Each organization's business plan and budget summary are included in the specific "External Agencies" tab in the Budget binder.

Advisory Committees

Advisory Committees are established by Council for the purpose of encouraging community participation on a variety of issues relevant to the City. The City provides funding to the following Advisory Committees: Accessibility, Environmental, Heritage Oshawa and the Animal Care Advisory Committee. Funding of \$41,100 has been included in the 2025 Budget.

Capital Budget

Capital budgeting is a process used for strategic decision-making when evaluating potential expenditures or investments that are significant in amount. It involves the decision to invest funds for addition, disposition, modification or replacement of fixed assets.

A Capital Budget is prepared annually which outlines all capital projects for the upcoming budget year plus a forecast of capital projects for the following nine years. Not only is a ten-year budget a best practice, the information is also required to satisfy the requirements of Asset Management legislation.

Capital projects are also considered in the context of the City's capacity to deliver approved projects. If it is not feasible to deliver a project in conjunction with other proposed capital projects during the year, then projects may be deferred into a future year and captured in the Forecast.

All Departments worked collaboratively with the Mayor and the Corporate Leadership Team to prepare the 2025 Capital Budget and 2026 Capital Forecast submission and 2027 to 2034 Capital Forecast. Departments prepared their project submission based on identified need. Needs were based on minimum standards as they relate to provincial legislation and reflect any Council-directed service standards.

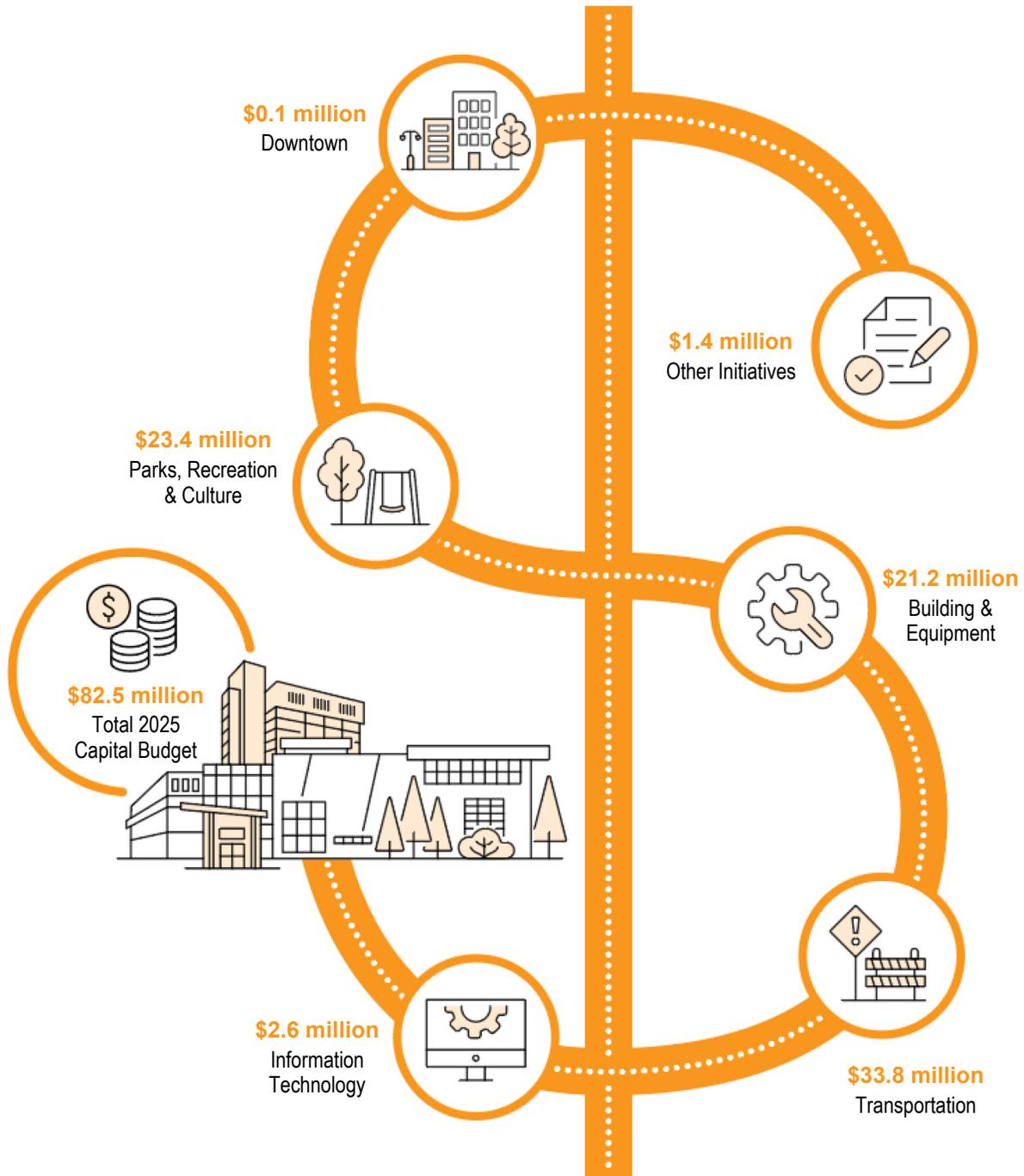
Factors considered in the Capital Budget included:

- Council approved plans and studies such as the Parks, Recreation, Library and Culture (P.R.L.C.) Study
- Council priorities
- Timing of Regional work (in order to align City projects with future Regional projects)
- Timing of known future development
- Current projects still underway and not complete
- Available funding
- Affordability
- Staff capacity to deliver

Using the Council Approved Interim Capital Scoring Matrix, projects are prioritized by category and proposed based on available funding and staffing capacity.

2025 Proposed Capital Projects

The total gross cost of the 2025 capital budget is \$82.5 million and allocated to the following categories:



The 2025 capital project list is approximately \$33.5 million higher than the capital projects approved in 2024. This is a result of a significant increase in growth related projects, which includes \$32.3 million of proposed funding from Development Charge Reserve Funds.

2026 to 2034 Capital Forecast

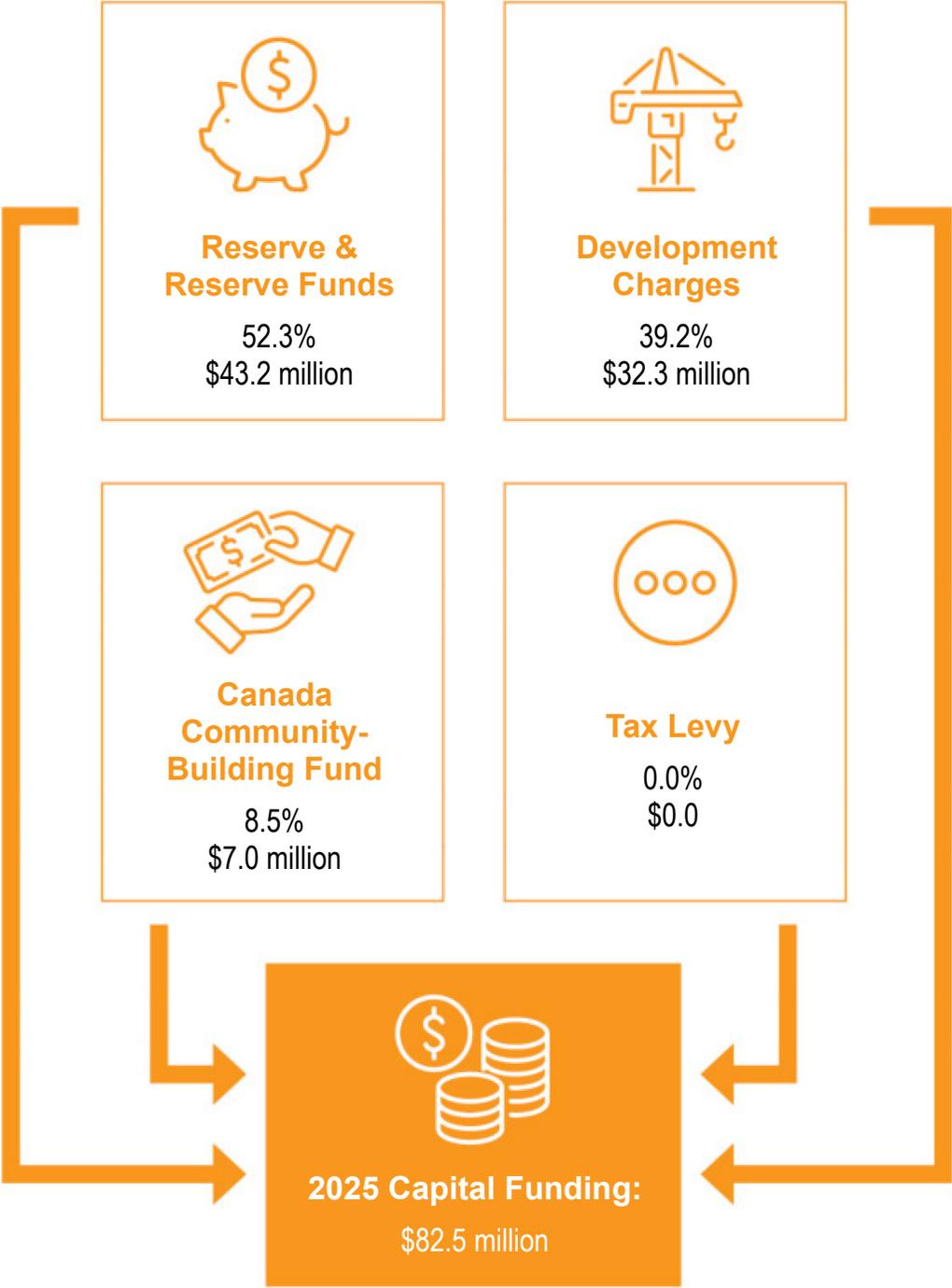
In many Ontario municipalities including Oshawa, existing infrastructure is degrading faster than it is being restored or replaced, resulting in an infrastructure deficit and putting service delivery at risk. The nine-year Capital Forecast helps to identify future financial requirements based on today's priorities, however the specific projects listed and their order are likely to change over time as priorities change.

The development of the 2026-2034 Capital Budget Forecast identified infrastructure projects of approximately \$1.1 billion that are required throughout the forecast period. This includes \$66.4 million in projects that were submitted in the 2025 and 2026 budget that were deferred to 2027 because of either limited staff capacity or unaffordability.

Excluded from this forecast estimate are the capital infrastructure requirements at the T.C.C. Over the forecast period of 2026 to 2034, the total capital projects at the T.C.C. are approximately \$13.2 million. These projects are predominantly for HVAC units, elevators, fire alarm system, arena and food & beverage equipment replacements, main building roof replacement, and contributions to the fleet reserve for the future replacement of the ice resurfacers.

Capital Infrastructure Funding

Financing for the City’s capital program is derived from a variety of sources including Reserve & Reserve Funds, Development Charges, Canada Community-Building Fund allocations and other sources such as cost sharing agreements for the delivery of specific projects. The infographic below outlines the funding sources for the 2025 Capital budget.



Canada Community-Building Fund

The Canada Community-Building Fund (formerly Federal Gas Tax) provides permanent and stable federal funding for local infrastructure projects. Funds can be invested in the construction, enhancement or renewal of local infrastructure used to improve long-term plans and asset management systems or banked, up to 5 years, to support future projects. Local governments decide how funds can be best directed to address specific priorities within 19 various categories such as local roads and bridges, fire halls, and recreation. Municipalities can spread investments of the fund over several project categories to boost productivity and economic growth, create a cleaner environment and build stronger communities.

Development Charges and Community Benefit Charges

Development Charges (D.C.)s assist the City to recover the increase in the need for services arising from growth. The recoveries only apply to the capital costs associated with growth.

The Community Benefits Charges are charges that can be used to fund a range of capital infrastructure projects related to growth but are not covered by D.C.s.

When preparing the D.C. calculations, consideration must be provided for an allowance related to the benefit to existing development. The portion for benefit to existing development deduction must be funded from a non-D.C. source, which would be primarily comprised of tax levy or funds set aside in the Growth Related Non-D.C. Reserve.

Municipalities can set and collect D.C.s to cover the costs of providing the infrastructure necessary to support new growth in communities and to ensure that taxpayers are not subsidizing that growth.

Asset Management Plan

Asset Management is a process used in decision-making related to capital infrastructure. It helps municipalities plan for the infrastructure that is needed to deliver services to the community in a way that considers the services needed by the community, manages risks and opportunities, and helps use resources wisely. The adoption of an asset management plan is not only a recognized best practice but also fulfills the Provincial requirement for all Ontario municipalities to have an asset management plan to remain eligible for Canada Community-Building Fund funding, other Provincial and Federal grant programs, and to meet the requirements of the Development Charges Act.

On January 1, 2018, Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure came into effect. The regulation sets out requirements for municipal asset management planning to help municipalities better understand their infrastructure needs and inform infrastructure planning and investment decisions. The Regulation prescribed key milestone dates for the completion of various plan development phases as shown below. A summary of the milestone dates can be found behind the “Supplemental” tab in the Budget binder.

Table 2: 2024 Key Statistics

Below is a summary of the Key Statistics from the 2024 Asset Management Plan:

Key Statistic	Non-Core Assets (2023)	Core Assets (2020)
Estimated Replacement Cost of Assets	\$1.3 billion	\$1.8 billion
Estimated Replacement Cost of Assets per Household	\$17,621 per household	\$27,071 per household
Percentage of Assets in Good or Better Condition	56.5%	51.5%
Annual Capital Funding Gap Estimate	\$23.3 million	\$15.4 million

Staff Establishment

The 2025 Budget incorporates a staff establishment of 948 full-time equivalent (F.T.E.) positions, an increase of 25 over the positions contained in the 2024 approved budget. In addition to the 18.5 new positions outlined behind the “Approved New Staff” tab in the Budget binder, 2 crossing guards (0.5 F.T.E.), 1 operator, 4 dispatchers and 1 manager of waste were added, bringing the staff compliment to 948 F.T.E.s.

Total personnel costs, for 948 positions are at \$136.67 million in the 2025 Budget, an increase of \$9.81 million. The change is a result of a newly negotiated contract settlement, contractual salary adjustments related to collective agreements currently in effect, the full year’s impact of positions approved in 2024, as well as the 25 new positions in the 2025 Budget. This does not include contractual increases for yet to be negotiated collective agreements.

Of the total budget, overtime wages for City departments are approximately \$2.21 million, an increase of \$31,600. Also included in the budget are temporary wages for \$9.54 million, an increase of \$1.96 million.

Public Engagement



Budget Simulator:

April 17 to June 7

3,611 visits

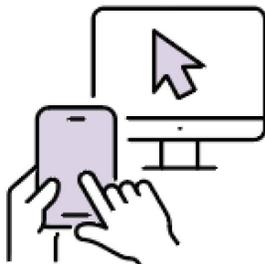
287 submissions



Taxpayer Receipt:

April 23 to September 26

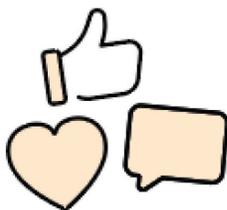
2,706 visits



Total Budget Engagements:

April 17 to September 26

6,317 visits



Social Media

April 17 to September 26

LinkedIn, Facebook,
X (Twitter), Instagram

71,688 impressions

6,670 engagements

A report summarizing the community engagement related to the budget can be found behind the "Supplemental" tab in the Budget binder.

Summary

Adoption of a 7.87% tax levy increase will result in an increase of approximately \$168.86 on the City portion of property taxes for a residential property assessed at \$356,000 (Oshawa's average assessed property value as determined by M.P.A.C., which are based on the 2016 assessed property values). The Impact of Tax Levy Increase on Residential Taxpayer by Assessment (Table 3) provides the tax levy increase impact on varying assessment values for the City's portion of the tax bill.

Table 3: Impact of Tax Levy Increase on Residential Taxpayer by Assessment

Assessment Value (\$)	4.05% (\$)	5.00% (\$)	5.50% (\$)	6.00% (\$)	6.50% (\$)	7.00% (\$)	7.87% (\$)
250,000	61.02	75.34	82.87	90.40	97.94	105.47	118.58
300,000	73.23	90.40	99.44	108.48	117.52	126.56	142.29
350,000	85.43	105.47	116.02	126.56	137.11	147.66	166.01
356,000	86.90	107.28	118.01	128.73	139.46	150.19	168.86
400,000	97.64	120.54	132.59	144.64	156.70	168.75	189.73
450,000	109.84	135.60	149.16	162.73	176.29	189.85	213.44
500,000	122.04	150.67	165.74	180.81	195.87	210.94	237.16
550,000	134.25	165.74	182.31	198.89	215.46	232.03	260.87
600,000	146.45	180.81	198.89	216.97	235.05	253.13	284.59
650,000	158.66	195.87	215.46	235.05	254.63	274.22	308.30
700,000	170.86	210.94	232.03	253.13	274.22	295.32	332.02
750,000	183.07	226.01	248.61	271.21	293.81	316.41	355.74
800,000	195.27	241.07	265.18	289.29	313.40	337.50	379.45
850,000	207.47	256.14	281.76	307.37	332.98	358.60	403.17
900,000	219.68	271.21	298.33	325.45	352.57	379.69	426.88
950,000	231.88	286.28	314.90	343.53	372.16	400.79	450.60
1,000,000	244.09	301.34	331.48	361.61	391.75	421.88	474.31