



# Q&A SHEET

37 Main Street East, Huntsville, Ontario, P1H 1A1

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**Subject: Huntsville’s Draft 2025-2026 Budget Presented for Review, Coming in Under Set Guidelines**

**Date: November 6, 2023**

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Question	Response & Information
<b>What stage are we at in the Budget process and what are the next steps?</b>	<ul style="list-style-type: none"><li>• <b>We are in the beginning stages where the 2025-2026 Draft Budget has been prepared through the efforts of the Budget Working Group and Town staff with their recommendations and has just been published. This Draft Budget will be presented by Town staff to Council at the General Committee Meeting on November 11.</b></li><li>• After the initial staff presentation and Council discussion on the Draft Budget on November 11, General Committee will provide recommendations to staff to revise the Draft Budget and/or timelines for ratification of the Draft Budget.</li></ul>
<b>What is a Budget Working Group? Who are they and what do they do?</b>	<ul style="list-style-type: none"><li>• The <b>Budget Working Group</b> is a committee made up of representatives from Council and senior Town staff that is tasked with reviewing all departmental budget submissions for both operating and capital and meets throughout the year to give direction to the budget development process.</li><li>• The Budget Working Group is tasked with reviewing all department budget submissions in detail to ensure that only necessary and/or previously approved changes are reflected. The Working Group is also responsible for ensuring that the Town Draft Consolidated Budget is within the annual acceptable levy range in accordance with the Budget &amp; Financial Controls Policy and Budget Guidelines as approved by Council. If this is not possible</li></ul>

given the proposed service levels, the Working Group is responsible for providing recommendations for potential service level changes for Council consideration.

- In preparing the 2025 and 2026 Budget, meetings were held throughout the year to ensure that Council was involved in the budget preparation process as well.
- **The 2025-2026 Budget Working Group consists of:**
  - **Nancy Alcock, Mayor**
  - **Dan Armour, Deputy Mayor**
  - **Scott Morrison, Councillor and Corporate Services Chair**
  - **Helena Renwick, Councillor and Corporate Services Vice Chair**
  - Denise Corry, Chief Administrative Officer
  - Gary Monahan, Fire Chief
  - Julia McKenzie, Director of Financial Services/Treasurer
  - Keith Duncan, Manager of Human Resources
  - Kirstin Maxwell, Director of Development Services
  - Randy Bissonette, Director of Operations
  - Reva Frame, Director of Corporate and Community Strategy
  - Simone Babineau, Director of Community Services
  - Suzanne Diller, Deputy Treasurer
  - Tanya Calleja, Director of Legislative Services/Clerk

**Why is the Town doing a multi-year budget this time around? What are the benefits to Huntsville's taxpayers?**

- Having a **multi-year budget** allows the Town to:
  - effectively allocate resources over the longer term;
  - makes it simpler for residents to see the future direction of taxes, municipal programs and services;
  - aligns goals with strategic and funding plans; and
  - reduces administration and deliberation time.

**How is the 2025-2026 Draft Budget fiscally responsible, protecting the long-term financial health of the Town of Huntsville?**

- The proposed municipal tax rate increase outlined in the Draft 2025-2026 Consolidated Budget is 4.84% for 2025 and 4.87% for 2026. **This proposed tax rate increase is less than the maximum increase of 4.99% set by Council in their budget guidelines.**
- **The Budget Working Group and Town Staff worked together in collaboration to develop a budget that respects the hard-earned dollars of our taxpayers by staying within the budget guidelines set by Council.**
- New this year, the Town has prepared budgets for two years at once. Having a **multi-year budget** allows the Town to effectively allocate resources over the longer term and

makes it simpler for residents to see the future direction of taxes, municipal programs and services.

- The Town is demonstrating a firm commitment to the long term health of our finances and infrastructure by making significant increases in investment to our capital contributions. Capital contributions are increasing by 10% in 2025 and 10% in 2026. For example, roads represents 66% of the total capital contributions for the Town; in the Draft Budget, the capital contributions for roads increased by \$454,125 in 2025 (compared with 2024) and by \$499,538 in 2026 (compared with 2025).
- Town Council and staff will continue to be innovative leaders on important initiatives that have a great impact on the lives of Huntsville residents, such as supporting improved access to local healthcare services and working with our partners to strive to meet our local housing needs. **Utilizing the Municipal Accommodation Tax (MAT) allows the Town to address these key priorities for the community while not having a direct impact on property tax rates.**

**What are the factors that impacted the 2025-2026 Draft Budget?**

- **Interest income** on the Town's investments increased and provided strong returns.
- The Town is seeing an increase in property tax revenue due to **new homes being built** in Huntsville and their assessed values being added to the property tax base.
- **Repayment of Centre Street Environmental Reserve** Re-affirms our commitment to grow this reserve to ensure funds will be available for the long-term for this site.
- **Shared services with neighboring municipalities** have continued to expand to areas such as GIS and Climate Change services to allow for expanded capacity while sharing expenses and resources. The fire administrative agreement with Lake of Bays is expected to move forward to a shared services arrangement in the upcoming year which has resulted in an increase in the fire department's revenue.
- **Technology upgrade** of The Town's financial software is to be financed over multiple years to save and plan for the implementation of this project.
- **Insurance premiums** have gone up due to an appraised and forecasted increase in the replacement value of the Town's real estate, facilities, and other municipal assets.
- This is the Town's first-ever **multi-year budget**; long-term strategic management helps provide more stable tax rates and long-range financial planning.

**What process did the Town go through in budget development in order to come to these 2025-2026 Budget recommendations?**

- **The Budget Working Group and Town staff have completed a thorough review of their respective departmental budgets.**
- **Town staff review and plan for their departmental budgets, keeping in mind Council directives, current service levels and approved studies and masterplans.**
- **Consistent quarterly budget reviews inform financial projections and the 2025-2026 Draft Consolidated Budget.**

**What will the proposed tax rate increase mean for the average resident?**

- **The proposed municipal tax rate increase outlined in the Draft 2025-2026 Consolidated Budget is 4.84% for 2025 and 4.87% for 2026. This proposed tax rate increase is less than the maximum increase of 4.99% set by Council in their budget guidelines. On the Town share of the Huntsville property tax bill, the proposed tax rate for 2025 will result in an additional \$69 for the average household (at an assessed property value of \$300,000). Property assessments are based on the 2016 MPAC assessment.**
- **The tax rate proposed in the initial budget would maintain Huntsville’s position as the lowest projected municipal tax rate of the Towns in the region.**
- **When the estimated District of Muskoka and School Board tax rates are factored in, the total projected property tax bill increase is 3.78%, or \$107 per \$300,000 of residential property.**

**As per the results of the 2025-2026 Community Budget Survey, a key budget priority identified by Huntsville residents was investment in Roads Operations and Infrastructure. How is this priority reflected in the 2025-2026 Draft Budget?**

- **The Town’s proposed operating budget for the Operations division has increased by \$320K in 2025 and \$378K in 2026, demonstrating an ongoing commitment to the maintenance of the roads, sidewalks, bridges, and other municipal infrastructure our residents use every day.**
- **The Town is demonstrating firm commitment to the long-term health of our finances and infrastructure by making significant increases in investment to our Capital Contributions. Roads represent 66% of the total capital contributions for the Town; in the Draft Budget, the capital contributions for roads increased by \$454,125 in 2025 (compared with 2024) and by \$499,538 in 2026 (compared with 2025).**
- **Included in the Draft Budget is a total proposed engineering capital spend of \$6,562,790 in 2025 and \$6,510,500 in 2026.**
- **Key roads capital projects proposed for 2025/2026 in the draft budget include the following:**

- Road reconstruction works on Yonge Street North, Chaffey Township Road, Grandview Drive South, Kitchen Road South, representing an investment of **\$1,000,000 in 2025 and \$2,450,000 in 2026**
- Base stabilization and high float works on roads such as Old Muskoka Road, South Waseosa Lake Road, Clearwater Lake Road, East Browns Road, representing an investment of **\$2,009,500 in 2025 and \$1,209,000 in 2026**
- Bridge rehabilitation/replacement works on bridges such as Centre Street Bridge, South Lancelot Bridge 2, Ceramic Mine Rd Bridge 10, Fish Lake Road Bridge, representing an investment of **\$1,280,000 in 2025 and \$1,001,500 in 2026**
- Pulverize, pave, storm works on roads such as East Airport Road, Ferguson Road, Kitchen Road North, Lindgren Road West, representing an investment of **\$677,000 in 2025 and \$764,000 in 2026**
- **As outlined in detail in the Draft Budget Report (Budget Book), three (3) new positions are being proposed in the draft budget for Operations. These proposed new positions demonstrate the Town’s commitment to further investing in Roads Operations as a crucial priority for our community.**

**How is the Town’s priority of investing in Human Capital, through the implementation of the results of the 2024 Market Review, impacting the 2025-2026 Draft Budget?**

- Throughout 2024, Finance & Human Resources staff developed, in consultation with each divisional Director, the 2025 and 2026 staffing proposal which includes an estimate of the number of full-time equivalent position requirements and provides justification and costing for any increases to the base level budget.
- As per the Town’s Salary Administration Policy, a Market Review of employees’ compensation is to be conducted every four years at the mid-term of each Council. Market competitiveness is determined by surveying comparable municipal organizations and assessing general trends within the labour market. In September 2024, Council provided direction to administration regarding the implementation of the Compensation and Internal Equity Review. This information is incorporated into the Draft 2025-2026 Budget. The discussions were very positive and demonstrated Council and this administration’s commitment to “Our Foundation” Strategic Plan pillar and support for our employees.
- Based on the results of the Market Review, in September 2024, Council provided direction to Town Staff to bring overall employee compensation in line with the 40<sup>th</sup>

	<p>percentile, compared with similar municipal organizations, phased in over a three-year period.</p> <ul style="list-style-type: none"> <li>• Union staff compensation rates of pay have been set by the current collective bargaining agreement.</li> <li>• The amount included in the Salaries Wages &amp; Benefits (SWB) line includes both the employee pay and benefits. In general, the benefits make up approximately 25% of the employment cost for full-time staff and 10%-20% for part-time staff. The most significant driver of the increase in employee benefits relates to federally and provincially legislated amounts, such as CPP.</li> </ul>
<p><b>How does the proposed 2025 tax rate compare within the Muskoka region and in Ontario?</b></p>	<ul style="list-style-type: none"> <li>• The proposed 2025 tax rate is expected to maintain Huntsville’s position as the lowest projected municipal tax rate of the Towns in the region.</li> <li>• Our proposed tax rate continues to keep Huntsville as one of the most competitive municipal tax rates in the province for a town of our size.</li> <li>• <b>Many other municipalities in Ontario are challenged with rate increases as they attempt to adjust their budgets in the face of inflation and cost increases. The Town endeavored to provide consistent tax rates to residents during pandemic and post-pandemic times to minimize the financial impact to residents. The Town of Huntsville showed foresight and leadership by “right-sizing” the 2024 Budget to meet the service expectations of our residents.</b></li> </ul>
<p><b>How is the Strategic Plan’s Affordable Housing priority reflected in the 2025-2026 Draft Budget?</b></p>	<ul style="list-style-type: none"> <li>• Housing, both attainable and affordable, continues to be the most significant issue in the municipality, and the Town’s Development Services Division prioritizes actions that will assist and support the creation of more housing options. With the completion of the Housing Needs Assessment, the municipality will be able to target policy and program initiatives to most effectively address the identified need.</li> <li>• Utilizing the Municipal Accommodation Tax (MAT) allows the Town to address these key priorities for the community while not having a direct impact on property tax rates.</li> </ul>
<p><b>How is the Strategic Plan’s Access to Local Healthcare Services priority reflected in the 2025-2026 Draft Budget?</b></p>	<ul style="list-style-type: none"> <li>• <b>The Town is using Municipal Accommodation Tax (MAT) funds (not the levy funds from property taxpayers) to incentivize doctor recruitment, bringing doctors to our community and improving quality of life for Huntsville residents.</b></li> </ul>

	<ul style="list-style-type: none"> <li>• <b>The Draft Budget includes our ongoing commitment to the Hospital Local Share, for the proposed redevelopment of the region’s two hospital sites, in the amount of \$230,000 annually.</b></li> </ul>
<p><b>How is the Strategic Plan’s priority of “Balanced Growth” reflected in the 2025-2026 Draft Budget?</b></p>	<ul style="list-style-type: none"> <li>• There are several projects included in the Draft Budget that will assist with managing growth and ensuring that development proceeds in a manner that preserves Huntsville’s character while ensuring the protection of the natural environment. One such project is a Secondary Plan for Huntsville North, as well as a proposed review of the Town’s rural development policies, and ongoing consultation on Height and Density.</li> </ul>
<p><b>How is the Strategic Plan’s Protected Natural Environment pillar, and safeguarding Huntsville’s natural features, reflected in the 2025-2026 Draft Budget?</b></p>	<ul style="list-style-type: none"> <li>• The Town has a shared Service Agreement with the Township of Lake of Bays that funds a joint Climate Change Project Coordinator position to help us move forward on key environmental protection initiatives while being fiscally responsible.</li> <li>• The Town continues to increase investment in local services, equipment, and facilities aimed at both climate change adaptation and mitigation.</li> <li>• Key environmental projects for 2025/2026 include: Green Development Standards, Regional Climate Change Mitigation Plan, Local Government and Muskoka Watershed Council Integrated Watershed Management initiative, and continued collaboration with District and area municipalities on environment, sustainability and climate change.</li> </ul>
<p><b>What were the results of the Community and User Group Budget Requests process? How are these results being implemented in the 2025-2026 Draft Budget?</b></p>	<ul style="list-style-type: none"> <li>• The Town’s annual budget process includes many elements. One element is the consideration of capital and/or operating requests from community members and user groups.</li> <li>• Budget requests were required to be submitted by June 14, 2024, in order to be considered for the upcoming 2025-2026 budget. Deputations were heard at the General Committee meeting on June 26, 2024, and a summary was brought forward with staff comments and recommendation on July 24, 2024.</li> <li>• Committee approved the following community and user group budget requests for consideration in the draft 2025 budget: <ol style="list-style-type: none"> <li>1. MSCLE Outdoor Fitness Equipment - Capital Project.</li> <li>2. Walking Tour Application - Operating Costs.</li> </ol> </li> </ul>

3. Pickleball Seating & Dividers at McCulley-Robertson Recreation Park (at existing courts) - Capital Project
  4. Pickleball Line Removal at Meadow Park Courts - Operating Costs.
- Committee approved the following community and user group budget requests for consideration in the draft 2026 budget:
    1. Batting Cages at McCulley-Robertson Recreation Park (by Diamond F) - Capital Project.
    2. Cricket Pitch at location to be determined - Capital Project.

**For More Information Contact:**

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