

Orillia Council approves 2025 budget

Mitigating measures and provincial relief reduce levy increase to 2.5%

For immediate release (Dec. 10, 2024) – Orillia City Council approved a 2.5 per cent tax levy increase for 2025 at its special meeting on Dec. 9, 2024, reducing the 6.94 per cent levy increase originally anticipated through strategic measures and provincial relief provided for significant increases to policing costs.

The final 2.5 per cent tax levy increase reflects a 2.77 per cent increase tied to external service partner costs, such as the OPP and County of Simcoe, offset by strategic reductions in the City's operating budget that decrease the levy by 0.27 per cent.

For residents, the 2.5 per cent levy increase means an additional \$33 per year for every \$100,000 of assessed property value.

"This budget required difficult decisions as we worked to balance maintaining services with managing significant external costs beyond our control," said Mayor Don McIsaac. "We understand that taxpayers are already feeling the strain of the rising cost of living and cannot afford high tax increases. Council and staff took deliberate actions to mitigate the impact of these costs by finding efficiencies and reallocating resources where possible. We are thankful that the Province recognized the financial pressures municipalities were facing with increased policing costs and provided relief. This has been instrumental in delivering a reduced tax increase to our residents while preserving services and investing in essential infrastructure."

The City's draft 2025 Budget faced significant challenges due to rising costs from mandated service partners, including social services provided by the County of Simcoe and policing, which initially accounted for more than 90 per cent of the tax levy increase. However, thanks to strong municipal advocacy, the Province announced a reduction in policing billing costs, helping to lower this portion of the levy increase.

To mitigate pressures, Council and staff employed several strategies, including enhancing revenue streams, limiting expenditures, and improving operational efficiencies. Specific measures approved to reduce the City's portion of the levy include:

- Allocating \$664,907 from the Tax Rate Stabilization Reserve;
- Temporarily redirecting \$325,000 in contributions to the Affordable Housing Reserve;
- Adjusting Waste Diversion Site hours to focus on peak use, saving \$120,000;
- Transitioning select gardens to pollinator-friendly species, saving \$75,000 while promoting sustainability.

Additional relief came from \$1.65 million in provincial funding for OPP billing, a \$200,000 provincial grant for the Next Generation 911 Fire Communications Upgrade project, and \$275,285 in updated MPAC assessment growth adjustments.

The City's \$75.2 million net operating budget includes \$11.03 million for the health and social services contract with the County of Simcoe; \$10 million for the OPP recently adjusted billing; and investments in infrastructure, transit and climate change action.

"This year's budget reflects the City's commitment to managing taxpayer dollars in a responsible manner while ensuring the delivery of essential services," said Gayle Jackson, Chief Administrative Officer. "Council and staff worked diligently to address significant external cost pressures through practical solutions and operational efficiencies. The combined efforts of Council and the provincial relief for policing costs have significantly reduced the levy increase for taxpayers to 2.5 per cent, allowing the City to maintain services while ensuring long-term stability."

Council also approved funding to community agencies to assist with their programming, including The Lighthouse, Orillia and Area Physician Recruitment, and Sustainable Orillia.

The City's \$43.96 million capital budget includes more than 100 projects funded from various reserves, debt, and grant funding and focuses on infrastructure needs, such as improving roads and sidewalks, maintaining recreation and culture facilities, and investing in the City's fleet and equipment.

Additionally, Council approved changes to rate-based programs, including water/wastewater and stormwater rates, to address the City's ongoing administrative, capital, and operating costs to provide water, wastewater, and stormwater services. These changes have an approximate impact of an additional \$128 per year for the average residential household.

Highlights of the 2025 budget include:

- Fittons Road West sewer pumping station upgrades (\$7.8 million)
- Jarvis Street reconstruction (\$6.9 million)
- Annual road resurfacing program (\$2 million)
- Annual sidewalk replacement program (\$1 million)
- Foundry Park skatepark, playground and pickleball courts (\$2 million, subject to grant funding)
- Fleet replacements and improvements (\$1.9 million)
- Transit terminal design (\$1.6 million)
- Climate Change Action Plan implementation (\$589,375)
- Terry Fox Circle improvements (\$540,000)
- Lightfoot Trail resurfacing and repair (\$150,000)
- Fire rescue boat replacement (\$298,000)
- Old Barrie Road widening underground utilities relocation (\$352,344)
- Multi-Modal Transportation Master Plan update (\$350,000)
- City-wide bird management program (\$120,000)
- Continuation of \$2 senior transit rate, free teen pass, and four free transit days (\$33,000)
- West Orillia standby groundwater well (\$676,500)

For more information about the 2025 budget, visit orillia.ca/budget.

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Attachment: City of Orillia 2025 Budget Highlights