



2025 Budget

Factors Impacting the Budget

KNOWN REVENUE IMPACTS

- Class 4 (Major Industry) property owner has applied for a closure allowance

To qualify

- Plant/facility must be **permanently** closed on or before October 31 of any year or
- Plant/facility must be closed for a minimum of 3 consecutive years immediately preceding October 31 of any year

Impact

- Level 1 Closure Allowance
 - Assessment value is reduced by \$9M or a tax revenue loss of ~\$459,000
 - Still under Class 4 tax rate
 - Level 2 Closure Allowance
 - All equipment has been removed or physical changes have been to the improvement
 - Assessed value would be reduced by ~\$10.4M or a tax revenue loss of ~726,000
 - Removed property from Class 4 and taxed at Class 6 (Business and Other) rate
- District will be notified by end of November/beginning of December

KNOWN REVENUE IMPACTS

- Major Industry has heavily subsidized the operating budget in the past and has continued to support the services that the District provides

2014 - 58% of property tax revenue

2019 - 48% of property tax revenue

2024 - 35% of property tax revenue

- The reduction of the reliance of Major Industry tax revenue has led to:
 - Shifting revenue collection to other tax classes
 - Property tax increases
 - Reduction of operating expenses
 - Revenue from other sources (grants, sales of service, user fees)



KNOWN REVENUE IMPACTS

- Financial Stability Reserve
 - \$2M set aside to offset unrealized revenues
 - Allocated \$631,833 since 2022 to offset tax revenue loss from a prior closure allowance
 - Intention is that no more funds from the Financial Stability Reserve would be used to offset that tax loss
 - \$1,368,167 remaining to offset future unrealized revenues



KNOWN EXPENSE IMPACTS

- Expenses
 - Property insurance premiums increase
 - Cost of materials & supplies increase
 - Contractual agreements
- Director's decreased budget over last three years
 - No more room to reduce unless services are reduced

OTHER ITEMS

Property Taxes

- Overall tax increase over last 5 years (all classes)

2020	2.36%
2021	1.7%
2022	9.1%
2023	7.2%
2024	8.27%

Water/Sewer

- Funded by user fees
- Currently working on long term water/sewer strategies
 - Outline funding required for operation and capital long-term
 - Identify Infrastructure replacement needs
 - Create maintenance schedule
 - Look at other ways to fund projects (grants, borrowing)

ENGAGEMENT

In-Person

- Special Meeting – November 12
 - 6:45pm Council Chambers
 - Bring forward comments, concepts or ideas

In-Writing

- Email kerri@districtofmackenzie.ca
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Social Media

- Website: www.districtofmackenzie.ca
- Facebook: District of Mackenzie
- Let's Chat: www.letschatmackenzie.ca