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### Mayor Guthrie's Introduction to the Proposed 2025 Budget Update

After spending the past couple of weeks hosting town halls and listening to feedback from residents, businesses, and Council colleagues on my proposed 2025 draft budget, I have decided to make several changes.

As a reminder, the 2025 confirmation budget tax rate increase was originally projected at nearly ten per cent. Knowing that this increase was simply too much for Guelph residents to afford, I issued a Mayoral Direction to reduce this property tax impact rate to under four per cent. The announced city portion of the tax rate was revised to 2.59 per cent, with the draft budget coming in under the 2.63 per cent target for the city's portion.

Your feedback has helped me craft an even better budget, with targeted changes that makes the city more welcoming, accessible, and affordable for those who need it most. These changes include:

- Additional funds and resources to drive affordable and non-market housing
- More emergency funding for homelessness, mental health, and addiction crisis
- Restoring the Welcoming Streets Initiative
- Funding the Guelph Tool Library with a one-year Community Benefit Agreement



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- Phasing in the five per cent Youth Subsidy reduction over two years instead of one
- One-time funding to review the Community Benefit Agreement program
- Beginning the Transit Route 5 service frequency expansion
- Enhancing the high school free transit pilot at all times during the summer
- Eliminating transit fares for Tier A and Tier B of the Affordable Bus Pass Program
- Reinstating proactive forestry work
- Restoring funding for Guelph's bicentennial celebration in 2027
- Increasing capital funding for several projects, including installation of a crosswalk at Margaret Green Park, initiating the Culture Plan, trails and parks accessibility access, and installation of a veteran's crosswalk

These budget additions change the City's portion of the tax rate to 3.21 per cent. I believe there is tremendous merit in these additions for only a 0.62 per cent increase in the tax rate, and I am confident this is the right decision for our community to balance value and affordability for residents.

I want to thank everyone who took the time to reach out to me about the proposed draft budget. Your voice is important, so consider delegating to all of City Council on November 19 if you have additional 2025 budget feedback for us. I look forward to hearing from you.

Sincerely,

Cam Guthrie  
Mayor

# Mayor's Proposed 2025 Budget Update



**To:** City Council  
**From:** Mayor Cam Guthrie  
**Date:** November 14, 2024

## Summary

The Mayor has prepared, for City Council's consideration, the Mayor's Proposed 2025 Budget Update.

Adjustments have been made to the [Draft 2025 Budget Update](#) released on October 17, 2024 in both the tax-supported and non-tax-supported operating budget.

The Mayor's Proposed 2025 Budget Update results in a City service budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement in 2024 of \$10,426,644 or 3.21 per cent over 2024.

The projects within the City's capital budget have been reprioritized and represents gross 2025 expenditures in the amount of \$197,601,863 with the associated operating budget required upon completion of these projects totalling \$3,923,921.

## Mayor's Proposed Budget

### Operating Budget

#### Tax-supported budget

A summary of the changes included in the proposed tax-supported budget are provided in Table 1.

Table 1 Mayor's Proposed 2025 Budget Update – City tax-supported services

Description	2025 budget update (\$)	2025 tax levy impact
<b>Draft 2025 Budget Update Net of Assessment Growth Revenue</b> (released October 17, 2024)	<b>8,413,894</b>	<b>2.59%</b>
Assessment Growth Revenue	0	0.00%
Affordable and Other Non-market Housing	305,000	0.09%
Emergency Funding for homelessness, mental health and addiction crisis	300,000	0.09%
Welcoming Streets Initiative	201,500	0.06%
Guelph Tool Library	62,000	0.02%
Youth subsidy	68,750	0.02%
Community Benefit Agreement Review	60,000	0.02%
Transit Route 5	389,000	0.12%
Free transit for high school during summer	30,000	0.01%

Free transit for tier A and B qualified applicants of the affordable bus pass program	143,000	0.04%
Proactive forestry works	200,500	0.06%
Bicentennial	103,000	0.03%
Increase to capital funding transfer	150,000	0.05%
<b>Mayor's Proposed 2025 Budget Update – City Services</b>	<b>10,426,644</b>	<b>3.21%</b>

Assessment Growth Revenue

Assessment Growth (AG) Revenue has been budgeted at 1.15 per cent of the base budget, or \$3.7 million, split proportionally between the City (67 per cent) and LBSS (33 per cent). Actual AG revenue for 2025 has been confirmed at 1.34 per cent, resulting in an additional \$423,595 in revenues for the City. The full amount of this additional AG revenue will be transferred to the Growth Reserve Fund, providing an allocation to offset a known assessment reduction adjustment currently going through MPAC review, and will be experienced in 2025's figures.

Affordable and other Non-market Housing

Permanent base increase of \$160,000 (\$80,000 in each of 2025 and 2026 respectively following the approved staffing phase-in strategy) for resources to lead the City's policy and programs for non-market housing, including the implementation of the Housing Affordability Strategy. In addition, one-time funding of \$225,000 to the Affordable Housing Reserve to increase the total in the reserve to \$500,000 by the end of 2025. This would bring the transfer to the Affordable Housing Reserve in 2025 to \$325,000.

Emergency funding for homelessness, mental health and addiction crisis

Funding of \$300,000 in addition to the \$450,000 approved by Council earlier in the year. A total of \$750,000 of emergency funding to provide additional basic need support to those most vulnerable to supplement or front-end federal funding opportunities.

Welcoming Streets Initiative

Funding of \$201,500 is restored to the Welcoming Streets Initiative for the program's final year under the current agreement, with the program concluding on December 31, 2025. Additionally, direct City staff to collaborate with Welcoming Streets to conduct a survey of the initiative's clients and share the survey results with Council before the end of the current agreement to be funded through this investment.

Guelph Tool library

Funding of \$62,000 for waste reduction and diversion programs in 2025 for a one-year CBA.

Youth subsidy

Implement the five per cent Youth Subsidy reduction over two years.

To phase this reduction, an addition of 2.5 per cent, or \$68,750, will bring the youth subsidy to 45 per cent in 2025. In 2026, a reduction of 2.5 per cent, or \$68,750, will bring the youth subsidy to 42.5 per cent.

#### Community Benefit Agreement Review

One time funding of \$60,000 in 2025 for an external consultant to support a review of the Community Benefit Agreement (CBA) program. The review includes CBA governance, process, and budgeting, as well as existing CBAs including alignment to strategic plan and evaluation frameworks with recommendations for improvement.

#### Transit Route 5

Funding of \$389,000 in both 2025 and 2026 following the approved staffing phase-in strategy to increase the frequency (15 mins weekdays, 20 mins weekends) on route 5. This service expansion is only for eight months of the year, required during the months of January to April and September to December when the University of Guelph is in session. For 2025, this service will begin in September due to the on-boarding processes.

#### Free transit for high school during summer

Pilot project to expand free transit to high school students during the summer (July and August) for a total cost of \$30,000.

#### Free transit for tier A and B qualified applicants of the affordable bus pass program

Additional funding of \$143,000 to eliminate the cost of transit for applicants who qualify for Tier A and Tier B of the [Affordable Bus Pass Program](#).

#### Proactive Forestry Works

Reinstating the reduction to the budget for proactive forestry works to \$200,500.

#### Bicentennial

Restoring funding for the bicentennial celebrations in the amount of \$103,000 in 2025, to be funded by the tax base. It is the expectation that this is a community event and this contribution from the City can help enlist other community support for Guelph's 200<sup>th</sup> anniversary.

#### Increase to capital funding transfer

A total increase of \$150,000 in the capital funding transfer is necessary to build the capacity for additional capital projects in 2025. Summarized in the next section, capital budget impacts.

### **Capital budget impacts**

Several adjustments have been made to the capital budget. These adjustments require additional funding to be sourced either through the tax levy, or by shifting out other projects.

Advance crosswalk at Margaret Greene Park

This crosswalk will be advanced in 2025 in exchange for a crosswalk on York Road, which will be shifted to 2026. There is no budget impact resulting from this reprioritization.

Culture Plan

New investment to conduct an in-depth cost analysis to realize the full scope required to implement the 7-year [Culture Plan 2030](#) presented to Council in October 2023. This project requires tax-supported capital funding of \$75,000 to initiate the action planning.

Trails capital investment

Reinstate \$75,000 in tax-supported capital funding in 2025, and an additional \$15,000 in 2026, to advance accessibility in parks. This would allow people to travel to our playground structures via accessible pathways and not on grass. This aligns with Priority #15 in the Guelph Trail Master Plan “Building trails in parks that don’t currently have them” and our Strategic Plan KPI of “increasing the percentage of parks that have accessible pathways to amenities.”

This investment would reinstate parks funding of \$75,000 in 2025, \$90,000 in 2026, and \$87,500 in 2027 in capital project PK0125, as presented in the 2024-2027 MYB.

Veteran’s Crosswalk

The installation of a Veteran’s crosswalk. There is no budget impact as this will be funded through the reprioritization of the transportation and operations workplans.

**Non-tax-supported budget**

A summary of the changes included in the proposed tax-supported budget are provided in Table 2.

Table 2 Mayor's Proposed 2025 Budget Update – Gross City non-tax-supported services

<b>Description</b>	<b>2025 budget update (\$)</b>	<b>2025 rate impact</b>
<b>Draft 2025 Budget Update</b> (released October 17, 2024)	4,439,955	5.36%
Water Services outreach and education programs	263,520	0.26%
Water promotional and administrative investments	48,643	0.05%
Water program and planning for best practices	24,371	0.02%
<b>Mayor’s Proposed 2025 Budget Update – City Services</b>	<b>4,776,489</b>	<b>5.69%</b>

Water Conservation

Reinstating the reduction in integrated Water Services outreach and education programs of \$263,520.

Reinstating promotional and administrative efforts related to Water Smart Business' speaker series, Multi-Residential Water Audits and eliminate the funding for water efficiency municipal facility upgrades of \$48,643.

Reinstating the scope on program and planning for water efficiency, salt management, and wastewater best practices for \$24,371.