



Corporation of the Township of Brock

Staff Report to the Members of Council

From: Trena DeBruijn
Position: Director of Finance/Treasurer
Title / Subject: 2026 Mayor's Proposed Budget
Date of Meeting: November 24, 2025
Report No: 2025-FI-031

1.0 Issue / Origin

This report outlines the Mayor's 2026 Proposed Operating and Capital Budget for Council consideration and deliberation.

2.0 Background

On April 9, 2025, the Government of Ontario announced that changes were being made to 530/22 under the Municipal Act, 2001, to expand the list of municipalities where the Head of Council has strong mayor powers and duties, to include certain single-tier and lower-tier municipalities with a council composition size of six members or more, to help these municipalities move forward on shared provincial-municipal priorities.

Under Part VI.1 of the Municipal Act, 2001, the Mayor has special powers and duties, which include:

- Appoint and dismiss the Chief Administrative Officer (CAO);
- Hire and dismiss various division heads (excluding the prescribed list);
- Determine the organizational structure of the Township;
- Create Committees of Council, assign their functions, and appoint their Chairs and Vice-Chairs;
- Propose the Township's annual budget, subject to Council amendments, a Mayoral veto and a Council override process;
- Submit matters for Council's consideration, or veto by-laws, if the Mayor believes it will advance a prescribed Provincial Priority; and
- Direct Township staff in writing to do certain things related to their additional powers and duties.

Under strong mayor legislation, proposing and adopting the Township's annual budget with the Mayor (subject to an amendment and override process if required).

2026 Budget Process

The 2026 Draft Budget commenced with the release of a Budget Education and Survey on "Let's Talk Brock" as well as on the Township's webpage. There were a number of comments received from the Budget Survey and these are attached to this report.

Throughout the summer and fall of 2025, staff have been actively working with the Mayor, Department Chairs and Council on the proposed 2026 budget. Numerous meetings have taken place to outline Council and staff priorities, review business plans and develop workplans in advance of bringing forth the draft 2026 budget.

The Mayor's Proposed Budget is being presented by staff on November 24th and deliberation dates of November 26th and December 1st are scheduled, if required.

After receiving the proposed budget from the Mayor, Council may, within 30 calendar days, pass a resolution making an amendment to the proposed budget. The Mayor may vote on the amendment(s) as a member of Council.

If Council makes an amendment, the Mayor may veto the resolution within 10 days of after the review period. The mayor is required to provide the veto to each member of Council and to the Clerk, including the reasons for the veto.

Council may override the Mayor's veto, with a two-thirds majority vote, within 15 days of the expiry of the veto period. The Mayor may vote on the override.

The Mayor or Council **MAY** shorten any of the time periods noted above.

After the expiry of the time period for Council to override the Mayor's veto, the proposed budget is deemed to be adopted by the municipality and does not require a vote of Council.

Mayor's Budget

As mentioned above, staff have been actively working with the Mayor, Department Chairs and Council members on the 2026 Budget.

The Mayor has made a number of changes to the budget, in advance of the formal Council review, as follows:

- Added \$200,000 to the Capital Budget for MacLeod Park Pedestrian Bridge
- Added \$5,000 to the Capital Budget for MacLeod Park Soil Testing
- Added \$5,000 to the Capital Budget for Dog Parks
- Added \$8,000 to the Capital Budget for Park Signage
- Added \$10,000 to the Capital Budget for Old Mill Gateway Park Swing set

- Added \$396,000 to the Capital Budget for Beaverton Harbour Washroom (required funding changes with Public Works Budget to permit use of Canada Community Building Fund Grant for this project)
- Added \$35,000 to the Capital Budget for Marydel Subdivision Park
- Modified scope of playground equipment replacement for Port Bolster Soccer Fields.

In the Operating Budget, the Mayor has made the following changes to the 2026 Budget:

- Extended the contract for the Temporary Facilities Coordinator Position
- Changed the Reception Position to a Permanent Position
- Added Funds for Assumption of Fox Park (Funded by Rate Stabilization)
- Added Funding for Summer Harbour Students in Parks Budget (funded by Rate Stabilization)
- Reinstated funding for Invasive Species to \$5,000 per annum (back to 2024 levels)
- Increased Parks Reserve Contribution by \$40,000
- Increased Treasury Reserve Contribution by \$10,000 for Financial Software Replacement (total transfer of \$25,000 to reserve for 2026)
- Added Funding of \$30,000 for Guardrail Replacement/Studies in Public Works Budget
- Decreased Library Levy Funding by \$17,287 from initial Library Board request (to be funded from 2024 library surplus/library rate stabilization)
- Decreased Corporate Training by \$3,000
- Decreased New Council Orientation Training to \$2,000

Economic Challenges

The Canadian economy has faced uncertainty amid geopolitical shifts, particularly changes in U.S. fiscal trade policy and resulting economic uncertainty. This has affected several key areas including interest rates (and accordingly, lower investment returns), inflation, and general economic activity. This has affected the Township's growth and greatly impacted collection of development charges and other development related revenues.

3.0 Analysis

The total 2026 budget is approximately \$21,675,738 and includes capital expenditures of \$4,972,583 operating expenditures of \$16,264,194 and infrastructure funding of \$438,962 (this includes \$214,275 from 2025 built into the levy, plus additional \$224,687 added to the levy for 2026).

Proposed Township Levy for 2026

At the current time, the draft budget 2026 levy increase, after estimated growth of \$73,023 or 0.65%, is approximately 3.98% or \$447,478.

This includes an increase of 2% for asset infrastructure and 1.98% for all other operational needs of the Township.

On the combined total tax bill, the Township of Brock's levy increase results in a 1.47% total tax increase as follows:

	2025 Share of Tax Bill	2026 Share of Tax Bill	2025 Taxes	2026 Budget Change	2026 Taxes	\$ Tax Increase	% Tax Increase
Brock	36.86%	36.55%	1,572.64	3.98%	1,635.23	62.59103	1.47%
Region	52.38%	53.19%	2,234.61	6.50%	2,379.86	145.2495	3.40%
Education	10.76%	10.26%	459.00	0.00	459.00	0.00	0.00%
Total	100.00%	100.00%	4,266.25	4.87%	4,474.09	207.84	4.87%

The Township levy increase of 3.98%, **includes** an infrastructure levy, for 2026, of 2% or \$224,687. Total overall levy for 2026 approximates \$11,681,808 or approximately 54% of total overall annual expenditures (in other words, taxes are funding approximately 54% of overall 2026 expenditures).

The 2026 Budget for the Region of Durham is still in progress, however, a guideline of 6.5% was initially set. Assuming the Region of Durham levy increase is 6.5%, the overall combined tax rate increase would be 4.87% (this is for illustration purposes as the Region of Durham budget is not yet approved).

The Township's draft levy increase of \$447,478 is made up as follows:

- \$96,836 (or 0.86%) for inflation and service level inflation
- \$28,286 for new initiatives (or 0.25%)
- \$97,669 for net revenue reductions (or 0.87%)
- \$224,687 for infrastructure (or 2%)

New initiatives include such activities such as the new salt program for Public Works, increases to sign replacement program, and participation in the Consolidated Linear Infrastructure Environmental Approval Compliance for Storm Water. Other new initiatives include new Personal Protective Equipment for Firefighters and certification training courses.

There are many increases and decreases in projected revenue for 2026, however, most notably is the decrease in the Building Fees Revenue for 2026, which has been funded by rate stabilization reserve. Should building permit fees recover in the future, a plan will be brought to Council that may consider refunding the rate stabilization reserve and replenishing

the building reserve. In addition, the revenue for payment in lieu has been decreased for 2026, however, tax interest and penalties have been increased (offsetting decrease in payment in lieu).

The tax levy increase for 2026 is equivalent to an increase of approximately \$20.86 per year, per each \$100,000 of residential assessment (or \$1.74 per month). For a residential home, with a current value assessment of \$300,000, this is equivalent to an increase of approximately \$5.22 per month or \$62.59 per annum.

The Region of Durham budget for 2026 has not been finalized and will not be presented until December 2025, however, staff understand that the initial guideline was a 6.5% tax levy increase for 2026.

The last municipal assessment by the Municipal Property Assessment Corporation (“MPAC”) was conducted in 2016. Since then, there has been no province-wide reassessment, and property assessments for 2026 property tax year will continue to be based on values from January 1, 2016. It is currently unknown when (or if) the property assessment values will be updated.

Operating Budget

The total Operating Budget for 2026 is approximately \$16,703,156 (including infrastructure funding) and is broken down as follows:

Expense Category	Budget 2025 \$	Budget 2026 \$	Change \$	Increase (Decrease) %
Salaries, Wages & Benefits	\$7,898,744	\$8,264,755	\$366,011	4.63%
Reserve Transfers	\$2,680,785	\$2,491,469	(\$189,316)	-7.06%
Materials, Supplies and Services	\$2,549,623	\$2,722,665	\$173,042	6.79%
Vehicle Maintenance	\$758,435	\$774,785	\$16,350	2.16%
Utilities and Fuel	\$640,330	\$672,115	\$31,785	4.96%
Contracted Services	\$407,669	\$435,613	\$27,944	6.85%
Software	\$255,764	\$301,064	\$43,300	17.71%
Infrastructure Funding	\$214,275	\$438,962	\$224,687	104.86%
Grants	\$168,735	\$168,549	(\$186)	-0.11%
Employee Expenses	\$155,930	\$174,610	\$18,680	11.98%
Tax Abatement	\$107,000	\$105,150	(\$1,850)	-1.73%
Debenture Payments	\$98,651	\$98,869	\$218	0.22%
Books and Media	\$54,550	\$54,550	\$0	0%
Total Expenses	\$15,990,491	\$16,703,156	\$712,665	

The Provincial Asset Management regulation requires that municipalities complete an asset management plan (AMP) outlining a lifecycle management and financial strategy to manage municipal assets for a ten (10) year period. The Township completed this work in 2024. Staff and have included dedicated contributions to the infrastructure reserve of 2% or \$224,687 for 2026. In addition, there is funding of \$214,275 built into the levy from 2025, therefore, total asset management contributions to reserves for 2026 total \$438,962.

The total operating expenses of \$16,703,156 are reduced by operating revenue of approximately \$4,948,324 and estimated growth of \$73,023 to arrive at a net levy impact of approximately \$11,681,808.

Operating Expenses

While not an exhaustive summary, below provides an explanation for any budget increases or decreases exceeding \$40,000.

Salaries and Benefits

Salaries and Benefits expenses are the Township's single largest operating expense category at approximately \$8,264,755 for 2026. The change from 2025 represents an increase of approximately \$366,011 and the main reasons for this increase are as follows:

- Pay Evaluation
- Cost of Living Increases
- Payroll Grid Step Increases
- Benefit Increases

In addition, the 2026 budget for salaries and benefits includes funding for the extension to the contract for the facilities coordinator, making the Receptionist position a permanent position as well as additional staff hours to accommodate early ice at the Cannington Arena.

Operating Materials, Supplies and Expenses

Operating Materials, Supplies and Expenses are increasing by approximately \$173,042 for 2026 and primarily relates to the following:

- 2026 Election Expenses of \$122,150 (funded by election reserves)
- Personal Protective Equipment of \$30,000 (funded by rate stabilization reserve)
- Cellphone Replacement of \$22,500 (funded by rate stabilization reserve)
- Library IT Service Providers of \$15,712 (funded by library rate stabilization reserve)
- Custodian Fees for Public Buildings of \$10,000
- Consolidated Linear Infrastructure Environmental Approval Compliance for Storm Water of \$11,700
- \$30,000 for Guardrail Maintenance/Study
- Salt Program for Sidewalks of \$15,000 (funded by rate stabilization reserve)
- Salt Program for Roads of \$15,000
- Increased Reflectivity and Sign Replacement of \$15,700
- Beaverton Patrol Yard Repairs and Cleaning of \$11,250

Software

Included in the 2026 budget is approximately \$301,064 for software, an increase of approximately \$43,300 over 2025. Included in the software line is IT support received from the Region of Durham. The regional IT service contract is being modified for 2026 and it is expected that our costs will increase by approximately \$16,200.

Further, new software has been added for 2026, including Transnomis and Traffic Logix for Public Works and Flipping Book for Communications.

The remaining increase is inflationary to existing software contracts.

In late 2024, the Township was notified that Microsoft Dynamics will be ending product support for the Township's financial software, Dynamics GP as of September 2029. The Township will need to purchase new financial software before the end of life. In 2025, funds were set aside to assist with the purchase of new software and staff recommend that this practice continue for 2026 and 2027 (as of year-end 2026, it is estimated that the funds set aside for the financial software replacement will approximate \$350,000), however, it is currently unknown which software the Township will be transitioning too or the final cost.

Reserve Transfers

The Township funds capital replacement and capital projects from capital reserves. Our reserves are primarily funded through annual contributions included in our operating budget.

Included in the 2026 Budget are contributions to reserves for asset replacement purposes of \$2,705,744 (not including 2026 infrastructure funding of \$224,687) decreased by approximately \$189,316 from 2025 as follows:

Department	2025 \$	2026 \$	Explanation
Public Works	\$723,300	\$723,300	Roads Capital Reserve
Public Works	\$558,485	\$421,044	Fleet Reserve
Public Works	\$214,275	\$214,275	Infrastructure Funding from 2025 Built into Levy
Public Works	\$15,000	\$15,000	Thorah Island Reserve (Gravel)
Fire	\$320,000	\$320,000	Fire Capital Reserve
Other Transportation	\$140,000	\$140,000	Sidewalk Capital Reserve
Other Transportation	\$50,000	\$50,000	Streetlight Capital Reserve
Parks	\$165,000	\$169,125	Public Buildings Reserve
Parks	\$100,000	\$100,000	Beaverton Arena

Parks	\$100,000	\$100,000	Cannington Arena
Parks	\$100,000	\$100,000	Sunderland Arena
Parks	\$100,000	\$138,000	Parks Capital Reserve (\$115,000 to Parks Reserve, \$5,000 for Dog Park, \$8,000 for Parks Signage and \$10,000 for Old Mill Gateway Park Swing Set
Parks	\$30,000	\$30,000	Thorah Island Reserve
Parks	\$50,000	\$25,000	Beaverton Harbour
Parks	\$50,000	\$25,000	MacLeod Park Reserve
Clerks	\$30,000	\$30,000	Election Reserve
Clerks	\$25,000	\$25,000	Legal Reserve
IT	\$19,000	\$30,000	IT Capital Reserve
Protection	\$25,000	\$25,000	Canine Reserve
Treasury	\$75,000	\$25,000	Financial Software Replacement
Building	\$5,000	\$0	Building Reserve
Total	\$2,895,060	\$2,705,744	

Additional Asset Management Funding

The Provincial Asset Management regulation required that municipalities complete an asset management plan (AMP) outlining a lifecycle management and financial strategy to manage municipal assets for a ten (10) year period. Not only will the AMP be used by municipalities to help better understand and inform municipal capital investment decisions, the plan will also be used to continue receiving much needed grant funding moving forward.

As presented to Council in 2024, the Township has a 10-year infrastructure need of over \$210,000,000, and at our current funding levels, this represents an unfunded deficit of approximately \$133,000,000 over the next ten (10) years when considering the investments needed to replace assets at the end of their useful life and carryout the capital needs outlined in our most recent needs studies.

Despite the funding gap identified, the requirements of the asset management regulation require municipalities to consider their current funding levels, current levels of service and the proposed service levels (PLOS) over the next 10 years. The results of the asset management plan as presented by Hemson Consulting outlines an alternative financing strategy for Council consideration that will seek to better align the priorities of the municipality to develop a funding strategy the focuses on achieving proposed levels of service over the next 10 years. The level of investment required in this scenario is much more in line with the Township's ability to invest in infrastructure to meet the proposed targets while aiming to balance resident affordability. This plan proposes funding these needs over the next 10 years and would require increased (additional) levy contributions of approximately 3.34% per year (compounded) for the next 10 years.

It is staff's recommendation that the Township include, in its annual budget, a minimum contribution of **2% per year (compounded)**, for the next 10 years. This translates to an increase of approximately \$224,687 for 2026. While this will not solve our infrastructure deficit concerns, it would demonstrate that we are making efforts to address the shortfall while still being cognizant of taxpayer affordability. It is anticipated that any shortfall in funding can be co-funded through other grant funding opportunities with upper-levels of government. If not, the Township can adjust their annual capital asset funding levels to meet the PLOS as part of the mandatory annual review process which is required under regulation to monitor the Township's progress in implementing its asset management plan.

The 2026 Budget includes total contributions of \$438,962 for asset management infrastructure purposes. This is an increase of \$224,687 for 2026 and builds off the 2025 commitment of \$214,275.

Total funding available for asset management infrastructure purposes to be used in 2026 is approximately \$653,237 and a total of \$596,141 is being used in the 2026 capital budget as follows:

Project	Asset Management Reserve (Infrastructure)
Sidewalk Removal and Replacement	\$50,880
Culvert #335 Design	\$50,880
Bridge 39 Concession 11 (T)	\$132,288
41- Concession 3 Bridge design	\$61,593
15- Concession 13 Bridge Design	\$8,500
15- Concession 13 Bridge Concrete repairs and End treatments	\$88,000
Pile Testing	\$50,000
BPY Fuel Tank	\$25,000
Regular Cab Dumpbody	\$129,000
Total	\$596,141

Revenues

Total revenue included in the 2026 budget approximates \$9,922,500, which includes operating revenue of \$4,948,324 and capital revenue (grants and reserve draws) of \$4,974,176.

The breakdown of Operating Revenue is as follows:

Revenue Category	Budget 2025 \$	Budget 2026 \$	Change \$	Revenue Increase (Decrease) %
User Charges	\$1,455,144	\$1,599,226	\$144,082	9.90%
Grants	\$969,617	\$1,062,717	\$93,100	9.60%
Rate Stabilization Draw	\$707,680	\$622,175	(\$85,505)	-12.08%
Interest/Penalties	\$430,000	\$568,000	\$138,000	32.09%
Payment in Lieu	\$312,000	\$215,000	(\$97,000)	-31.09%
Reserve Draws	\$270,882	\$340,292	\$69,410	25.62%
Investment Interest	\$219,015	\$139,015	(\$80,000)	-36.53%
Ministry of Natural Resources	\$152,000	\$152,000	\$0	0%
Development Charges	\$83,823	\$83,899	\$76	0.09%
Internal Transfer	\$75,000	\$75,000	\$0	0%
Supplemental Billings	\$70,000	\$80,000	\$10,000	14.29%
Donations	\$11,000	\$11,000	\$0	0%
Total Revenue	\$4,756,161	\$4,948,324	\$192,163	

Assessment Growth

Assessment Growth comes from taxes levied on new homes and businesses. Every time a new home is built, or there are property changes affecting the property assessment value, such as additions, pools, etc., the Township receives new assessment. This new assessment helps to reduce the impact of levy increases to existing property owners in the Township.

The Township growth has been very minimal in recent years as shown below:

- 4.35% in 2021
- 3.06% in 2022
- 1.32% in 2023
- 1.39% in 2024
- 0.42% in 2025
- 0.65% in 2025 (estimated)

The final growth experienced in 2025 will not be known until December 2025. Should the growth factor be greater than what we have included in the budget, staff recommend that any increase above budget be transferred to capital reserves, with a report to Council outlining the transfers made.

Operating Revenue

User Fee Revenue

User Fee Revenue is projected to increase by approximately \$144,082 over 2025, primarily due to the following:

- Increased Taxation Revenue of \$90,600
- Increased Beaverton Arena Revenue of \$62,000 (using 3-year average to estimate)
- Increased Cannington Arena Revenue of \$37,500 (using 3-year average to estimate)
- Increased Cannington Arena Revenue of \$30,974 for Early Ice
- Increased Rental Revenue of \$37,400

Bank Investment Interest

The interest being received on our bank account balance has been decreasing the past couple of years as both the interest rates have decreased and our bank balance. The Bank of Canada has been aggressively reducing the overnight rate to combat economic pressures such as inflation and the U.S. trade tariff implications and this is having an impact on the interest we are receiving.

The interest anticipated has been decreased by \$80,000 for 2026, funded partially by rate stabilization.

Tax Interest/Penalties

The Township of Brock, like many municipalities, is facing higher tax receivable collections since the onset of COVID. As a result, our tax interest and penalties are increasing by approximately \$138,000 for 2026.

Staff are actively working to decrease the Township's receivables and are recommending updates to the Tax Collection Policy and is included on the November 24th Council agenda.

Payment in Lieu

The Township of Brock receives payment in lieu of taxes "P.I.L." from federal and provincial properties located within the municipality. In 2025, staff performed an analysis of the treatment of P.I.L. levies and determined that the figures were overstated. This does not affect the Township's financial position or financial statements., The P.I.L. levy budget has been adjusted for 2026 to reflect this change.

Rate Stabilization

The Rate Stabilization reserve is estimated to be \$908,301 at year-end 2025 (excluding Library Rate Stabilization). In drafting the 2026 budget, staff have utilized funding of approximately \$557,374 (excluding use of Library Rate Stabilization), leaving an approximate balance of \$350,927 (the Township maintains a minimum balance of \$350,000 in rate stabilization reserve for unexpected emergencies) at year-end 2026 as follows:

Department	\$	Purpose
Estimated 2026 Opening Balance	\$908,301	
Building	\$156,258	Building Revenue Decrease
Clerks	\$10,000	Ombudsman
Corporate	\$25,000	Corporate Training
Corporate	\$1,000	Diversity, Equity and Inclusion Training
Council	\$15,500	Community Improvement Grants
Council	\$2,161	Physician Recruitment
Council	\$2,000	Council Orientation Training
Council	\$7,000	Council Conferences
Fire	\$10,000	Fire Training
Fire	\$30,000	PPE
IT	\$30,700	IT Subscriptions
IT	\$22,500	Cell Phone Replacements
IT	\$11,000	IT Reserve
Other Transportation	\$15,000	Trial Salt Program for Sidewalks
Other Transportation	\$9,000	Sidewalk Inspections
Other Transportation	\$30,000	Manilla Hall Snowplowing
Parks	\$19,755	Harbour Students
Parks	\$5,000	Parks Reserve for Dog Park
Parks	\$4,000	Fox Park Assumption
Parks	\$1,000	Parks Reserve for Old Mill Gateway Park
Parks	\$25,000	Parks Reserve
Parks	\$25,000	MacLeod Park Reserve
Parks	\$25,000	Beaverton Harbour Reserve
Public Buildings	\$10,500	Flooring and Pressure Washing
Treasury	\$40,000	Reduced Interest Revenue
Treasury	\$10,000	GP Consulting
Treasury	\$15,000	Reserve for GP Replacement
Estimated 2026 Closing Balance	\$350,927	

A municipal best practice is to use Rate Stabilization Reserves for one-time expenses as the reserve is not funded by dedicated tax levy contributions and is mainly funded by surplus in prior years. It is staff's recommendation that a plan be put in place in the coming 2027 and 2028 budgets to reduce reliance on rate stabilization reserve as a form of levy reduction.

2026 Capital Plan

The 2026 budget includes capital expenditures of approximately \$4,972,583, funded by draws from reserves, grants or donations.

Any Council decisions to remove items from the 2026 capital budget will not have an immediate effect on overall budget levy, however, will have an effect on future long-term planning, long term reserves, etc.

There is a full listing of capital projects, with suggested project funding, included in the 2026 budget documentation, however a summarized list, is as follows:

Public Works – Total \$3,288,283

- \$539,328 for Maintenance Gravel
- \$320,544 Side Road 18a (1.4km with Flexible Asphalt Cold Technology (“FACT”))
- \$228,960 for Concession 2 (1 km with FACT)
- \$228,960 for Thorah Side Road (1 km with FACT)
- \$200,000 for MacLeod Park Pedestrian Bridge
- \$153,128 for Concession 1 (1.9km - 8” addition of construction gravel)
- \$149,099 for Concession 13 (1.85km – 8” addition of construction gravel)
- \$145,000 for Bridge 39 Concession 11 (T)
- \$94,011 for Simcoe Street (Our Share of Slurry Seal – Rd shared with Kawartha Lakes)
- \$90,668 – Concession 14 Slurry Seal
- \$88,000 – Concession 13 Bridge (Concrete Repairs and End treatments)
- \$70,705 for Sidewalk Installation (Gibbs Street)
- \$37,288 for Bridge 41 – Concession 3 Bridge Design
- \$50,880 for Sidewalk Removal and Replacement (Park St., St. John St. and repairs)
- \$50,880 for Culvert #335 Design
- \$50,000 for Pile Testing
- \$45,792 for Culvert 201 – Concession 11 (Guard Rail Replacement)
- \$40,704 for Concession Road 6 – Guard Rail Repair
- \$20,606 for Slurry Seal (0.6km)
- \$13,229 for Bridge Needs Study (Year 1)
- \$8,500 for Concession 13 Bridge Design
- \$508,000 for Tandem Axel Snowplow Replacement
- \$129,000 for Regular Cab Dumpbody Truck
- \$25,000 for Beaverton Patrol Yard Fuel Tank

Public Buildings – Total \$665,800

- \$384,800 for Cannington Arena
- \$70,000 for Beaverton Town Hall Lighting
- \$25,000 for Beaverton Library – Masonry Repairs
- \$15,000 for Cannington Town Library – Masonry Repairs
- \$20,000 for Sunderland Medical Centre Building Condition Assessment
- \$38,000 for Beaverton Patrol Yard Generator (Year 1 of 2)
- \$10,000 for Sunderland Fire Station Lighting
- \$16,000 for Cannington Garage Furnace
- \$10,000 for Cannington Fire Station Lighting
- \$10,000 for Beaverton Fire Station Lighting
- \$67,000 for Beaverton Fire Station Generator

Parks – Total \$559,000

- \$5,000 for MacLeod Park Soil Testing
- \$5,000 for Dog Park
- \$8,000 for Park Signage
- \$10,000 for the Swing Set at Old Mill Gateway Park
- \$35,000 for Marydel (McHattie) Park
- \$396,000 for Beaverton Harbour Washrooms
- \$100,000 for Playground at Port Bolster Soccer Fields

IT - Total \$412,000

- \$32,000 for Laptop Device Replacement (17 units being replaced)
- \$30,000 for Server Replacement
- \$350,000 for Financial Software Replacement

Fire & Emergency Services - \$47,500

- \$15,000 for Portable Radios
- \$19,500 for Auto Extrication Cutters
- \$13,000 for Auto Extrication Ram Tool

Reserve Balances

A detailed summary of the estimated reserve balances has been included in the 2026 budget documents; however, a high-level summary is as follows:

	\$
Opening Uncommitted Balance of all Reserves	\$19,931,213
Plus: Operating Budget Contributions (including Infrastructure)	\$2,930,431
Plus: Capital Revenues/Transfers In	\$411,571
Sub-total	\$23,273,215
Less: Transfers from Reserves to Operating Budget	(\$949,787)
Less: Transfers from Reserves to Capital	(\$3,672,243)
Estimated Year-end 2025	\$18,651,185

*Balances above do not include estimated Development Charges which may be received throughout the year, nor do they include any 2025 year-end surplus transfers or carryover projects for which funding has been committed in prior years.

From above, year-end 2026 reserves are estimated to be decreased by approximately \$1,280,028 or 6.4% from 2025 estimated year-end.

Budget Survey

The Township undertook a 2026 budget survey that was open to residents, businesses and stakeholders from August 1, 2025 to September 30, 2025.

The data gathered offers insight into the community's views on service delivery, budget priorities and the Township's budget and financial planning.

Out of the respondents, the largest age group to provide feedback were those aged 45 to 64, followed by those aged 35 to 44.

In terms of relationship with the Township, the majority identified as residents, followed by business owners and a few individuals who work in town.

The top five services indicated that should be priorities for funding in the 2026 are as follows:

- Roads, sidewalk and infrastructure maintenance
- Snow removal and winter operations
- Fire and Emergency services
- Local Business Development and Retention
- Parks and Recreation

When asked about the Township's infrastructure funding gap and the special levy for asset upkeep, 65% indicated that the Township should maintain the special levies at the current rate. 22% felt the special levy should be increased, and 15% felt it should be reduced or eliminated.

To put the 2026 budget into perspective, the Public Works Department Capital Budget represents approximately 66% of the total capital budget. The Public Works operating levy represents 46% of overall levy (before growth reduction) and approximately 51% of the total pre-growth levy increase for 2026. This demonstrates that the Township is dedicating significant funding towards the main resident priority of roads, sidewalks and infrastructure maintenance.

The survey also provided opportunities to comment on several other questions as well as to provide their comments on additional services they would like to see the Township provide to its residents and an area for additional comments and feedback.

The full survey, comments and feedback have been attached to this report.

4.0 Related Policies / Procedures

- Procurement Policy
- Reserve Policy
- Tangible Capital Asset Policy
- Asset Management Policy
- Asset Retirement Policy

5.0 Financial / Budget Assessment

The draft 2026 budget currently indicates a levy increase of 3.98%, including 2% for infrastructure management purposes.

5.1 Asset Management

As outlined in this report.

6.0 Climate Change Impacts

The 2026 Budget does include funding to support several initiatives designed to make Township facilities more efficient.

7.0 Communications

The 2026 budget will be communicated on our website and promoted through social media. All budget meetings are open to the public and our budget presentation will be made available on our website.

8.0 Conclusion

This report provides an overview of the Mayor's 2026 Capital and Operating Budget.

9.0 Recommendation

That Council receive report 2025-FI-031 for information and budget deliberation purposes; AND THAT

Council provide direction with respect to any 2026 Operating Budget adjustments for the Mayor's Consideration, in accordance with the framework and timelines provided; AND THAT

As final assessment growth figures are unknown until mid-December 2025, staff be directed to apply any increase in assessment growth as an additional contribution to the Asset Management Replacement Reserve; AND THAT

After Council deliberation on November 26, 2025, Council considers waiving the time period for veto and approve the Mayor's 2026 Budget.