2026 Draft Budget Framework

December 2, 2025 Committee of the Whole

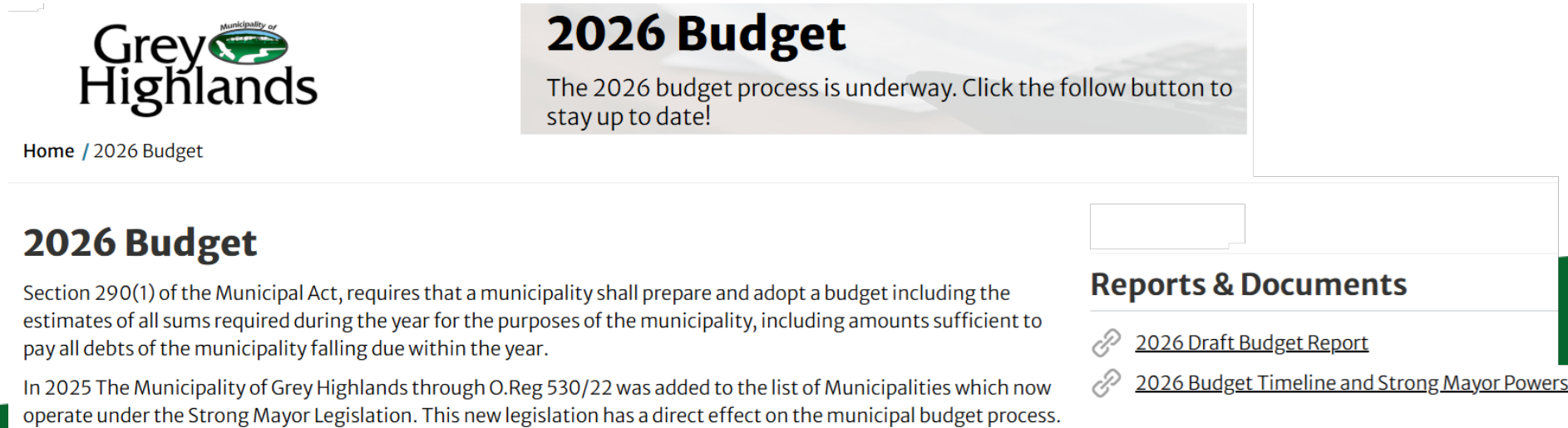
https://connectgreyhighlands.ca/budget

Draft Budget Framework

Today's Agenda & Budget Package includes:

- Mayoral Directives
- Draft Budget Report
- Budget Summary
- Capital Summary
- Long Term Debt, Reserves, Assessment
- Operating Budget
- Capital Request Forms/Business Cases

→ **Connectgreyhighlands.ca/budget**



2026 Budget Process

- **May 1, 2025** Municipality of Grey Highlands receives Strong Mayor Powers
- **June 10** Mayor McQueen issues a Mayoral Directive directing staff to prepare the 2026 budget
- **October 3** Mayor McQueen issues a Mayoral Directive to schedule a Committee of the Whole Meeting to provide the draft budget framework to Council

We are here

- **December 2** Committee of the Whole Meeting "Draft Budget Framework"
  - Council to provide feedback, suggestions, priorities to the Mayor
- **January 5, 2026** Mayor's Budget released, to be posted on connectgreyhighlands.ca
- **January 12, 14, 26, 28** Council Budget Meetings
  - Council's opportunity to make amendments to Mayor's Budget
  - For an amendment to be approved, 4 of 7 Council members must vote in favour

2026 Budget Process Continued…

- **Feb 4, 2026** → **If No amendments – Mayor's Budget is approved**

OR

- **Feb 14, 2026** → If there are Amendments, and the Mayor chooses to use his veto power, his deadline to do so is Feb 14.
  - **if the Mayor chooses not to veto an amendment, the Budget is deemed approved**

OR

- **Feb 18, 2026** → If the Mayor issues a Veto, this is the deadline for Members to Override Mayor's Veto with 2/3 majority (5/7 council members)
  - **If Council overrides the veto, the proposed budget and amendments is deemed adopted.**
  - **If Council does not override the veto, the proposed budget reflecting any vetoes is deemed adopted.**

Purpose of the Budget

- Best estimate of the costs to provide services
- The budget must balance; any costs that cannot be paid for by user fees, reserves, grants, or other sources must be financed by the tax levy
- The tax levy approved by Council is the starting point for the next budget year
- The budget is one of the major ways that Council determines its priorities

Operating Budget vs. Capital Budget

- The budget is broken into two main sections, which are budgeted for differently:

  Operating Budget – the expenses/revenues incurred to provide services and programs to residents and users. The operating budget includes wages and related costs, debt repayments, utilities, materials and supplies, and any other expense or revenue that is not considered capital. For budgeting purposes, the operating budget from the prior year budget is used as the starting point for the next year budget.

  Capital Budget – the acquisition and maintenance of assets that are significant in nature (generally cost over $5,000) and with a benefit that extends beyond one year.

  The capital and operating budgets are interdependent, and decisions related to the capital budget will have impacts to the operating budget.

Operating Budget – changes from 2025-2026

- impacts to the 2026 operating budget that are driving the change are based on contracted services, legislation changes, market conditions, policies, past budget decisions or Council resolutions.

	$ Levy Impact	% Levy Impact
OMPF Funding [funding increase to $1,150,500]	$(68,000)	(0.4%)
Debenture Repayment	$51,851	0.3%
Insurance Premiums	$186,533	1.0%
Policing – OPP Contract	$200,000	1.1%
Recycling for IC&I	$100,000	0.6%
Major Fleet Repairs	$111,025	0.6%
Net Wage Impacts	$463,051	2.6%
Other Net Impacts	$60,129	0.3%
Growth / Increase in Assessment	($627,219)	(3.5%)
Total 2025 Draft Tax Levy Increase - Operating		**2.5%**

*detailed breakdown of above amounts are included in Sections 5.4 and 5.8 of the Agenda. Explanations for the changes above are included in report FIN.25.16 2026 Draft Budget Report (5.3 of the Agenda)
*Capital is not reflected above

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Tax Levy

	2026 Draft Budget	Total Change over 2025	
Net Levy Impact			**Service or category description**
Corporate Allocations	-657,562	-72,108	OMPF funding, liability insurance, Conservation Authorities, By-Law
Council	404,000	39,741	Council Remuneration and Training
Committees	23,325	4,375	Committees, including PSB, CoA, and other
Corporate Expenses	2,723,178	246,425	Includes Finance, Clerks, Office of CAO, HR, and IT
Planning	186,664	-21,783	Planning Department
Policing	2,027,824	200,000	OPP Contract
Fire Services	841,481	32,279	Fire & Emergency Services, including volunteer fire
Recreation	1,724,318	110,539	Arenas, Parks and Facilities
Transportation	4,910,198	354,948	Winter maint, fleet, depots, admin, road and bridge maint
Cemeteries	-41,160	1,078	Cemteries
Waste & Diversion	1,426,439	145,652	Curbside contract, operation of 3 sites, hazardous waste
Museum	122,367	4,071	Museum
Library	696,791	32,974	3 library branches
Asset Management	2,327,935	26,398	Debenture Repayment and Tsf to Asset Management Reserve Fund
Capital	3,300,966	810,000	Capital Levy
Net Levy	**20,016,764**	**1,914,589**	Total levy funding

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Capital Levy by Budget Year

*2026 is draft and based on the 2025 Asset Management Plan

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Capital Budget

- There is over $22.5 million requested for capital spending in the 2025 budget
- Completing projects is recommended to improve or maintain levels of service, reduce operating costs, and maintain a consistent capital replacement program
- The Staff-prepared 10 Year Capital Plan includes significant capital spending recommendations that are supported by staff knowledge of the assets, current conditions, and Plans/Studies by professional engineers
- Our starting capital levy is $2.49M, which is equal to a 0% levy increase
- The Asset Management Plan was updated in 2025, and recommended a minimum increase of 4.5% or $810,000 in 2026

	2026	2025*
Ontario Community Infrastructure Fund	$750,000	$1,000,000
Canada Community Building Fund (Gas Tax)	$450,000	$400,000
Development Charges	$180,000	$120,000
Tax Levy	$3,300,966	$2,490,966
Total Funding to allocate	**$4,680,966**	$4,010,966

*[*2025 amounts provided for reference]*

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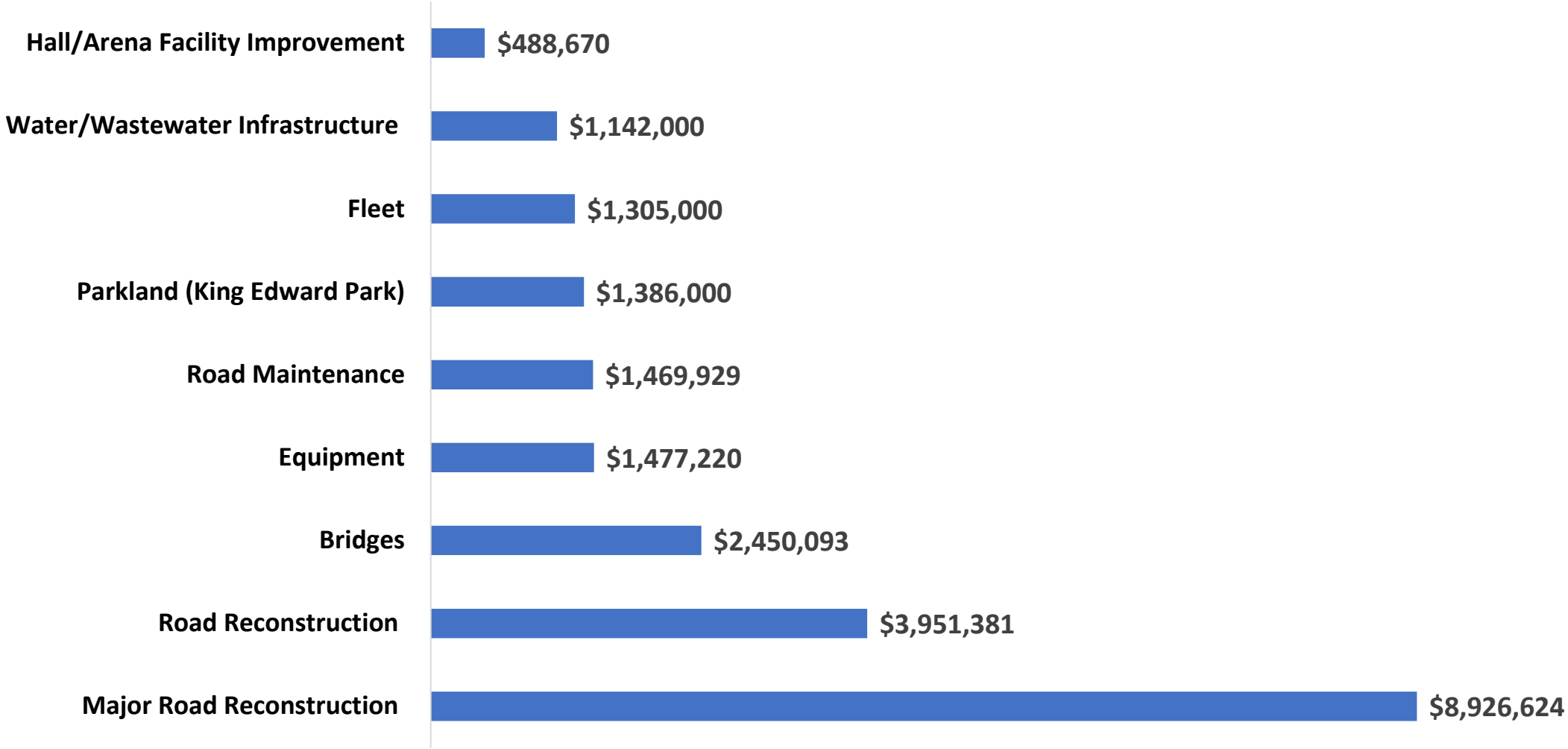
2026 Budget - Capital Requests by Asset Type



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10 Year Capital Budget

Department	Total 2026 Capital Requests	Total 10 Year
Environmental Services	$ 976,500	$ 2,786,500
Transportation	$ 16,831,561	$ 75,350,491
Recreation	$ 1,948,870	$ 8,010,418
Library	$ 45,000	$ 142,100
Public Utilities	$ 2,608,275	$ 37,933,075
Fire Services	$ 247,720	$ 865,220
Total	$ 22,657,926	$ 122,301,304

*Section 5.3 for 10 year capital detail

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Funding 2026 Capital

Options:

-do not approve capital projects
-debenture finance
-increase the capital levy
-decrease levels of service
-provide other direction to staff

These decisions should be made while considering other supporting documentation in the budget package, including:

-Long Term Debt Schedule and ARL
-10 year capital budget
-Reserve Schedule
-Impact to average taxpayer

Capital Costs - 2026 Draft Budget	**$**	**22,596,917**
Reserves/DCs	$	(3,345,593)
Grant/Recovery/Other	$	(7,364,399)
Fund in Future Budget Year	$	(1,608,317)
Funding tied to a specific project	$	(12,318,309)
Tax Levy (4.5% increase)	$	(3,300,966)
OCIF	$	(750,000)
CCBF	$	(450,000)
DC- Bridge Upgrades	$	(100,000)
DC- Rural Road Upgrades	$	(80,000)
Funding available to be allocated	$	(4,680,966)
Total Funding Identified	**$**	**(16,999,275)**
Net Capital Unfunded	**$**	**5,597,642**

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Items for Consideration

- Budgetary impacts from these additional items (reference: section 5.6 of the Agenda) are not reflected

- 12 Items, resulting from Council resolution:

Items to consider adding to 2026 budget	$ Impact if known	Notes
[2026-60] Playground Replacement Reserve	$ 10,000	Master Rec Plan recommendation and council resolution
[2026-61] Stormwater Management Plan	$ 150,000	May 7 2025 Council Meeting
Rodeo Net Proceeds		Aug 6 2025 Council Meeting
Singhampton Park	$ 5,000	Feb 26 2025 Council Meeting; request for funding
Collingwood Hospital	$ 15,000	May 7 2025 Council Meeting; request for funding
Walk, Bike, Drive Road Safety Campaign	$ 500	May 7 2025 Council Meeting; request for funding
AHIGH startup costs	$ 5,000	Sept 3 2025 Council Meeting
Food Cycler Project and Green Bin		Oct 1 2025 Council
Collingwood Climate Action TeamGreen		Oct 1 2025 Council
Flesherton Pickleball Additional Funds		Oct 1 2025 Council 50/50 up to $100,000
Markdale Urban Gateway		May 15 2024 Council, RFEI Dec release
Hanley	$ 5,000	Oct 15 2025 Council [$10,000 is already in base budget]
*items are not included in the draft operating or capital budget		

Impact to the Taxpayer

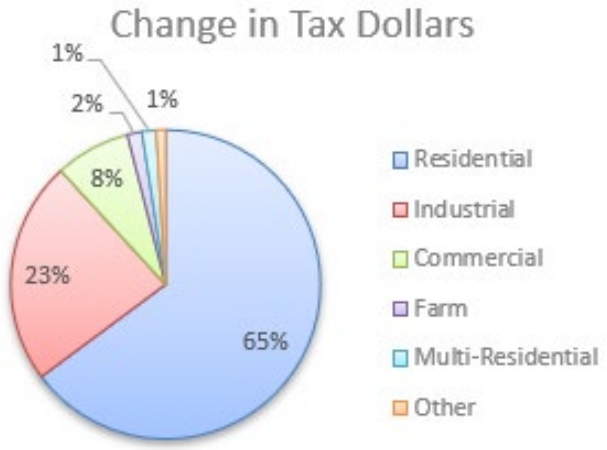
Projected impacts to a Residential property, at various assessment values and budget increases:

Sample Budget Results		Impact to Local Taxes for various residential assessment values						
	Levy	$100,000 RT assessment		$333,000 RT assessment		$437,000 RT assessment		
Budget Increase ($)	Impact (%)	Local tax	Increase	Local tax	Increase	Local tax	Increase	
$ 1,000,000	1.99%	$ 859	$ 17	$ 2,859	$ 56	$ 3,752	$ 73	
$ 1,914,589	6.87%	$ 900	$ 58	$ 2,996	$ 193	$ 3,932	$ 253	< draft
$ 2,500,000	10.00%	$ 926	$ 84	$ 3,084	$ 280	$ 4,047	$ 368	
$ 3,000,000	12.67%	$ 949	$ 107	$ 3,159	$ 355	$ 4,145	$ 466	

*the average assessed value of a residential bungalow is $333,000, and the average assessed value of a 2 storey home is $437,000 (current value assessment is based on 2016 valuation date)

Growth from New Assessment added to the roll in 2025 totals $627,219, which represents a levy decrease of 3.5% to the existing tax base.

65% of the new growth revenue is in the residential tax class, 23% industrial, and 8% commercial



Local Taxes – how do we compare?

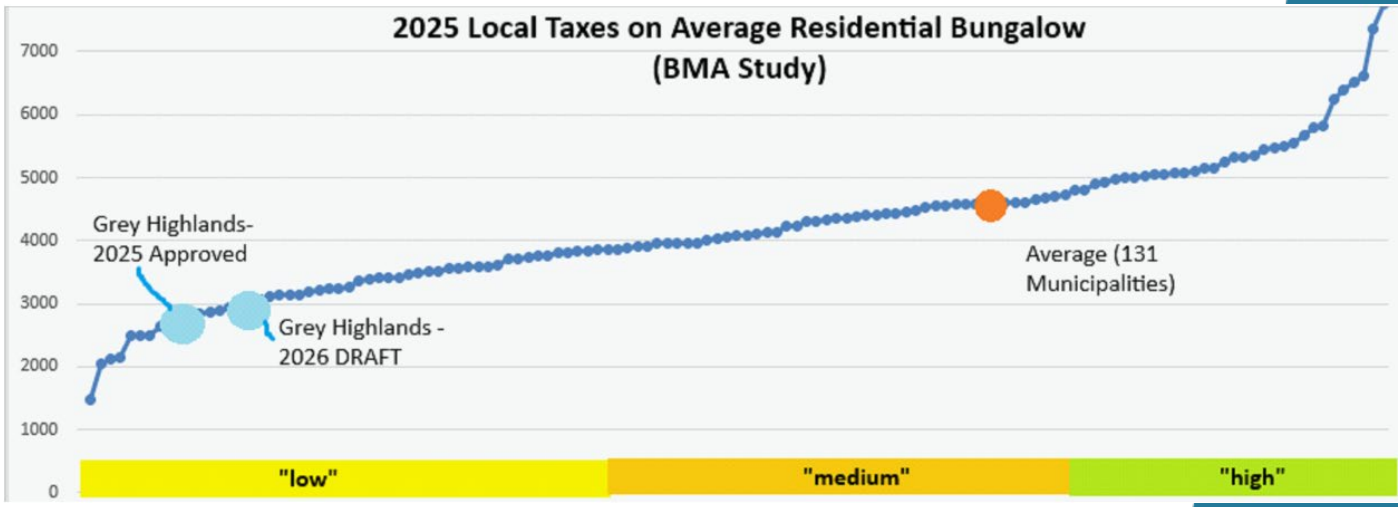
BMA DRAFT Municipal Study 2025

***Residential Comparisons - Detached Bungalow** (sorted lowest to highest)*

2025 Property Taxes		Ranking
Greenstone	$ 1,477	Low
Georgian Bluffs	$ 2,053	Low
Tiny	$ 2,122	Low
Whitewater Region	$ 2,158	Low
Lambton Shores	$ 2,482	Low
Laurentian Valley	$ 2,490	Low
Springwater	$ 2,503	Low
West Perth	$ 2,633	Low
Prince Edward County	$ 2,707	Low
Tay	$ 2,791	Low
Grey Highlands	$ 2,806	Low
Lakeshore	$ 2,847	Low
The Blue Mountains	$ 2,865	Low
Petawawa	$ 2,899	Low
West Grey	$ 2,943	Low
Ramara	$ 2,962	Low
Dryden	$ 2,992	Low
Renfrew	$ 3,066	Low
Meaford	$ 3,105	Low
Gravenhurst	$ 3,132	Low
North Middlesex	$ 3,137	Low
Huntsville	$ 3,148	Low
North Perth	$ 3,190	Low
Thames Centre	$ 3,204	Low

2025 Property Taxes		Ranking
Sault Ste. Marie	$ 3,707	Mid
Brockville	$ 3,734	Mid
Mapleton	$ 3,756	Mid
Norfolk	$ 3,757	Mid
Chatsworth	$ 3,813	Mid
Collingwood	$ 3,815	Mid
Parry Sound	$ 3,825	Mid
Amherstburg	$ 3,835	Mid
North Dumfries	$ 3,848	Mid
Cornwall	$ 3,860	Mid
Middlesex Centre	$ 3,868	Mid
Woolwich	$ 3,895	Mid
Orillia	$ 3,901	Mid
Chatham-Kent	$ 3,904	Mid
Penetanguishene	$ 3,953	Mid
Wilmot	$ 3,956	Mid
Central Elgin	$ 3,961	Mid
Windsor	$ 3,968	Mid
Aylmer	$ 3,970	Mid
Haldimand	$ 4,004	Mid
Thorold	$ 4,036	Mid
Centre Wellington	$ 4,057	Mid
Kincardine	$ 4,072	Mid
Greater Sudbury	$ 4,077	Mid
New Tecumseth	$ 4,101	Mid

"Low" ranking overall, and "low" ranking for municipalities with populations under 15,000 using 2025 tax rates and average assessment



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Committee of the Whole Agenda

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