



COUNCIL REPORT

From: Ashton Romany, CPA, Director of Corporate Services / Treasurer
Date: Monday, March-23-26
Subject: 2026 Proposed Budget Amendment

Background:

On December 2, 2025, the 2026 Mayor's Budget was adopted pursuant to strong mayor powers under the *Municipal Act, 2001*.

The adopted 2026 Budget reflected:

- 5.46% increase for general municipal services; and
- 1.15% increase related to the Ontario Provincial Police (OPP) contract.

This represents a total tax increase of 6.61%, or approximately \$160 on the median-assessed residential property.

Subsequent to budget adoption, the Municipality received finalized billing information regarding some externally controlled services. These updated amounts materially impact the approved taxation requirement and necessitate amendment to the 2026 Budget.

Comments:

Maitland Valley Conservation Authority (MVCA) Levy

The 2026 Budget included \$494,500 for the Maitland Valley Conservation Authority (MVCA) levy.

The final 2026 levy has been confirmed at \$544,046, resulting in a variance of \$49,546. The increase is primarily attributable to:

- The final year of the three-year phase-in of the 2023–2027 salary grid; and
- Stabilization of funding for stewardship extension and watershed health assessment services, as approved by the Authority's Board.

Conservation authority levies are governed under the *Conservation Authorities Act* and are not discretionary expenditures.

Perth Meadows

With the transfer of Perth Meadows to United Housing completed in December 2025, the associated operating budget is no longer required and will be removed from the 2026 Budget.

As Perth Meadows operated on a fully self-funded basis, removal of this budget item has no impact on the general tax levy.

Ontario Provincial Police (OPP) Contract

The 2026 Budget assumed a 10% increase to the OPP contract, consistent with information available during budget preparation and the Province's announced cap (up to 11% where non-elected service enhancements apply).

Following receipt of the official 2026 billing notice, the contract has been confirmed at \$3,343,879, compared to the budgeted amount of \$3,275,400, resulting in a shortfall of \$68,479.

The variance is attributable to:

- Application of the full 11% capped increase; and
- Elected service enhancements exceeding initial projections.

The Province has further advised that while the capped billing model limits the 2026 payable amount, it defers a portion of the calculated cost. The 2026 capped amount is approximately \$463,364 lower than the fully calculated cost. Based on this structure, it is anticipated that a minimum increase of approximately \$325,182 will be required in 2027, creating additional base pressure in the next budget cycle.

The OPP contract is provincially legislated and not generally within municipal discretion.

Revised Tax Impact

Combining the above, there would be an additional levy requirement of approximately \$118,000. If the proposed amendments are endorsed, the revised tax-supported increase would be:

- 5.69% for general municipal services; and
- 1.46% for OPP.

This represents a total 7.15% increase, or \$173.82 on the median-assessed residential property.

This reflects an incremental increase of approximately \$13.82 over the originally adopted 2026 Budget.

Amendment Implications

Should the proposed amendments not be endorsed:

This document is available in alternate formats, upon request.

- The OPP and MVCA variances would be absorbed through year-end results; and
- The shortfall would be deferred to the 2027 budget process, compounding base pressures in that year.

Deferral does not eliminate the cost; it shifts the burden forward and increases financial pressure in the subsequent budget cycle.

Capital Budget Amendments

In conjunction with the operational amendments, staff are bringing forward three capital initiatives for Council's consideration. These projects would otherwise require separate reports during the year, as they are currently unbudgeted.

Capital justification sheets are appended to this report and include more information.

1. Space Needs Study

Following budget adoption, the Chief Administrative Officer and Deputy Chief Administrative Officer identified the need to undertake a comprehensive space needs assessment to evaluate current and future administrative facility requirements.

The estimated project cost is \$75,000.

The project will be funded from the Administrative Reserves and will not impact the tax levy.

2. Records Management Project

The Records Management Project was introduced during the 2025 budget process as an assessment initiative. Based on progress to date, the project will be implemented in 2026.

An additional \$60,000 to the existing \$45,000 budget is requested to support system review and implementation.

The project will be funded from the Administrative Reserves and will not impact the tax levy.

3. Council Chambers A/V System Replacement

The Council Chambers audio-visual (A/V) system, installed in 2019, has become increasingly unreliable and several components are now at end of life and end of vendor support. Advancing the planned replacement will restore dependable service for Council meetings (including hybrid/broadcasting needs) and reduce ongoing risk with the system.

The estimated project cost is \$120,000.

The project will be funded from reserves and will not impact the tax levy.

Legislative Authority – Strong Mayor Powers

Budget amendments under the Strong Mayor framework follow a similar process to adoption of the Mayor’s Budget, with defined statutory timelines for Council amendments, mayoral veto, and potential Council override.

In consultation with the Mayor, should Council endorse the proposed amendments, the Mayor intends to circulate a budget amendment on March 24, 2026.

To align with statutory timelines under the *Municipal Act, 2001*, Council approval is requested to modify the legislative periods as follows:

- Council Amendment Period to 20 days;
- Mayor Veto Period to 1 day; and
- Council Veto Override Period to 13 days.

This adjustment allows Council the opportunity to consider any amendments at the April 13, 2026 Council meeting, with the ability to override a veto, if necessary, by April 27, 2026.

Financial Implications:

If adopted, the 2026 Mayor’s Budget would reflect:

- 5.69% increase for general municipal services; and
- 1.46% increase related to the OPP contract.

This represents a total 7.15% or \$173.82 increase on the median-assessed residential property.

Portion of Tax Bill	2026	2025	Change (%)	Change (\$)	Dollar per Day	Dollar Per Month
North Perth	\$2,604.05	\$2,430.23	7.15%	\$173.82	\$0.48	\$14.49

The proposed capital initiatives are funded from reserves and have no direct impact on the tax levy.

Recommendation:

THAT: Council of the Municipality of North Perth endorses the proposed 2026 Budget amendments;

AND THAT: in accordance with the Strong Mayor framework, Council approves the modification of the legislative timelines for the Mayor’s Budget amendment process as follows:

- Council Amendment Period to 20 days;
- Mayor Veto Period to 1 day; and
- Council Veto Override Period to 13 days.

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Reference Material Attached:

Proposed Justification Sheets

Corporate Strategic Plan:

The information and responses provided in this report are consistent with and in keeping with the Municipality's approved Vision, Mission, and Strategic Plan.

Report Prepared by: Ashton Romany, CPA, Director of Corporate Services / Treasurer

Reviewed by: Sandy Little, Deputy CAO

Tuesday, March-17-26

Ashton Romany, CPA, Director of Corporate Services / Treasurer