

Staff Report

Report To: Council
Report From: Kerri Mighton, Director of Finance/Treasurer
Meeting Date: October 28, 2025
Subject: 2026 Mayor's Budget

Recommendations:

THAT in consideration of staff report '2026 Mayor's Budget', Council:

1. Receives the report for review and comment in accordance with Part VI.1 – Special Powers and Duties of the Head of Council (Strong Mayor Powers), section 284.16 of the *Municipal Act, 2001*; and
2. Approves a two percent cost of living adjustment to the wage grid effective January 1, 2026, based on the Ontario September Consumer Price Index (CPI).

Highlights:

- 2026 budget increase represents 3.7 percent tax levy increase.
- Operating levy increase is 0.92 percent, and the capital levy increase is 2.78 percent.
- The tax levy increase is \$602,941, excluding growth.

Previous Report/Authority:

None.

Analysis:

The 2026 budget for the Municipality reflects a balanced approach to maintaining essential services, investing in infrastructure, and responding to community needs. It includes strategic operating and capital investments that support public safety, infrastructure renewal, and community development.

The 2026 operating budget reflects the Municipality's commitment to maintaining essential services while addressing inflationary pressures and community priorities. With

a focus on affordability, safety, and strategic growth, the budget incorporates wage adjustments, rising insurance costs, and funding for key master plans.

Operating Budget Highlights

- Wage Adjustments

A two percent cost of living adjustment (COLA) has been applied to all municipal wages to reflect inflation and maintain competitive compensation. This is based on the September 2025 CPI index for Ontario.

- Insurance and Contractual Costs

The budget accounts for anticipated increases in insurance premiums and contractual obligations, ensuring continuity of services and risk management.

- Master Plan Investments

Resources are allocated for the Recreation Master Plan (internal staff resources) and Fire Master Plan (external consultants), supporting long-term infrastructure and service improvements.

Capital Budget Highlights

- Fire Safety Investments: Continued funding for fire safety gear and decontamination equipment to support firefighter health and safety.

- Infrastructure Projects:

- South Street Reconstruction: Ongoing work to improve road infrastructure and water/sewer services.

- Rural Road Resurfacing: An additional two kilometres of rural roads will be resurfaced to enhance transportation safety and accessibility.

- Community Enhancements:

- Entry/Gateway Signage: Installation of new signage to improve the municipality's identity and wayfinding.

- Neustadt Library Repairs: Building repairs to maintain library services.

Financial and Operational Implications:

In addition to growth, the tax levy increase is \$150,490 for operating and \$452,451 for capital which represents a total tax levy increase of \$602,941. A one percent tax levy increase is approximately \$163,000.

Climate and Environmental Implications:

The Municipality remains committed to integrating climate action and environmental sustainability into all aspects of municipal planning and budgeting. The 2026 budget reflects this commitment through investments that reduce emissions, enhance resilience, and promote ecological stewardship.

Communication Plan:

The 2026 Mayor's Budget has been communicated through the posting of the agenda on October 24, 2025. This is the start of the 30-day review period whereby Council can make amendments to the Mayor's budget.

Consultation:

All Departments.

Attachments:

1. 2026 Mayor's Budget Summary
2. 2026 Capital Summary
3. 2026 Departmental Details
4. Items Considered List

Recommended by:

Kerri Mighton, Director of Finance/Treasurer

Submission approved by:

Michele Harris, Chief Administrative Officer

For more information on this report, please contact Kerri Mighton, Director of Finance/Treasurer at kmighton@westgrey.com or 519-369-2200 ext. 223.