



**Meeting Date:** July 2, 2025

**Prepared By:** Tiffany Farrell, Director of Corporate Services

**Submitted by:** Tiffany Farrell, Director of Corporate Services

**Report No:** CPS-34-2025

**Subject:** Mayor's Budget Process 2026

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**Recommendation:**

THAT Report CPS-34-2025 re: the Mayor's Budget Process 2026 be received;

AND THAT subject to the publishing of the proposed budget on November 12, 2025, under subsection 7(1) of O. Reg. 530/22, Council reduce the time period as set out in 7(3) of O. Reg. 530/22 to pass a resolution making an amendment to the proposed budget from 30 days to 20 days;

AND THAT subject to the publishing of the proposed budget on November 12, 2025, under subsection 7(1) of O. Reg. 530/22, Council reduce the time period as set out in 7(10) of O. Reg. 530/22 to override the head of council's veto of an amendment to the proposed budget from 15 days to 12 days;

AND FURTHER THAT Councillor Coles and Councillor Aerts be appointed to the 2026 Mayor's Budget working group and join the mayor and municipal staff during budget discussions in September, October, and November 2025.

**Purpose:**

To provide Council with the 2026 Mayor's Budget process including key dates for creation and approval of the 2026 budget.

In addition, to request that two Council members be appointed to join the mayor and municipal staff during budget discussions and the creation of the 2026 budget before the budget is presented to Council in November. These Council members will join the mayor and staff and be involved in the discussions of the budget and provide feedback, as well as report back to Council on their observations.

## **Background:**

Each year, Council, the CAO, and municipal staff collaborate to develop the annual budget, ensuring financial planning aligns with the municipality's commitment to respect, collaboration, innovation, and integrity. The budgeting process is guided by key strategic frameworks, including the Strategic Plan, Asset Management Plan, Long-Range Financial Plan (Tax-Supported), Long-Range Water, Wastewater and Stormwater Financial Plan, Development Charges Study, Organizational Review, and various Master Plans covering community services, fire protection, transportation, servicing, and land use.

The municipal budget functions as a roadmap for allocating financial resources to maintain and enhance services while balancing available funding. Given resource limitations, the budgeting process helps prioritize initiatives that provide the greatest positive impact on the community.

### Strong Mayor Powers and Legislative Framework

The *Municipal Act, 2001*, is the provincial statute governing municipal administration in Ontario, including the Strong Mayor powers that define financial responsibilities. Under Part VI.1 of the *Municipal Act, 2001*, the mayor of Middlesex Centre holds special powers and duties, including the responsibility to prepare the budget.

The budget approval process is defined by O.Reg. 530/22, which establishes strict timelines for proposal, amendments, vetoes, and overrides:

- The mayor must present a budget by February 1 each year. If this deadline is not met, Council assumes responsibility for preparing and adopting the budget.
- Once the budget is proposed, Council has 30 days to review and amend it through a resolution.
- The mayor has 10 days following the review period to veto any Council amendments, providing written rationale to all Council members and the municipal clerk.
- Within 15 days of a mayoral veto, Council may override the decision with a two-thirds majority vote (5 of 7 members).
- At the end of this process, the resulting budget is formally adopted by the municipality.

This structured approach ensures transparency, accountability, and adherence to provincial requirements while allowing both Council and the mayor to influence budget decisions.

## **Analysis:**

### Mayor's Budget Proposed Timeline

This report outlines the proposed 2026 budget timelines and process, continuing the approach of early budgetary approval to enhance accountability and transparency through timely financial reporting.

### Legislative Context

Under Strong Mayor powers, the responsibility for the municipal budget rests with the mayor, who must present a budget by February 1. If the mayor does not meet this deadline, the responsibility shifts to Council.

Staff have reviewed materials provided by the Municipal Finance Officers' Association of Ontario (MFOA) regarding budgeting practices in municipalities that implemented Strong Mayor powers before 2025. Based on this review, the proposed timeline aligns with past years while incorporating the new legislative requirements.

### Budget Process and Adjustments

Attached to this report is the proposed 2026 budget timeline, which may be adjusted throughout the process due to the budget's complexity and the need to address requests from the budget working group and the public.

To maintain a schedule like previous years:

- The mayor will present the budget to Council in November 2025 (November 12, 2025)
- Council will then have 30 days to review and propose amendments.
- Following this period, the mayor has 10 days to exercise a veto on Council's amendments.
- If vetoed, Council will have 15 days to override the mayor's decision with a two-thirds majority vote (5 of 7 members).
- These timelines may be shortened through written direction by the mayor and a Council resolution.

### Recommended Adjustments to Approval Periods

The Act stipulates maximum budgetary timelines; however, it also allows for shortened timelines. To facilitate earlier budget approval, the following shortened timelines are proposed:

- Council Amendment Period: Reduced from 30 days to 20 days.
- Mayoral Veto Period: Reduced from 10 days to 1 day.

- Council Veto Override Period: Reduced from 15 days to 12 days.

With these adjustments, the budget would be deemed adopted following the Council meeting on December 17, 2025. Staff will continue working to ensure an efficient, transparent, and collaborative budget process.

### Budget Working Group

The municipality has successfully established a budget working group in prior years. In 2026, it is proposed that this group be led by the mayor and supported by two Council members. This strategic structure will enhance efficiency, collaboration, and financial decision-making in the budget process.

#### Key Benefits of the Budget Working Group

1. Focused and Efficient Decision-Making
  - With a smaller, dedicated team, discussions remain productive, and solutions are reached more efficiently.
  - The streamlined approach minimizes delays, ensuring timely progress in developing the budget.
2. Strategic Leadership and Alignment
  - The mayor's direct leadership ensures the budget reflects municipal and provincial priorities and adheres to legislative requirements.
  - Council representatives bring diverse perspectives, balancing strategic oversight with community needs.
3. Enhanced Collaboration and Responsiveness
  - The group's structure allows for in-depth analysis of financial challenges and opportunities.
  - Close coordination with municipal staff ensures data-driven decision-making.
4. Improved Budget Development Process
  - The working group identifies key financial priorities early, allowing for a smoother transition to formal Council discussions.
  - With comprehensive reports and recommendations from the working group, Council can make informed decisions while maintaining transparency.

While the budget working group consists of the mayor and two Council members, the draft budget book and presentation ensures that the entire Council remains engaged in the budgeting process.

For 2026, staff are recommending that Councillor Coles and Councillor Aerts join the mayor and municipal staff on the budget working group, participating in budget discussions in September, October, and November 2025.

### Budget Engagement

Public engagement is a vital part of the municipal budgeting process, ensuring that financial plans align with the community's priorities while strengthening trust between residents and local government.

The municipality continues to enhance its efforts in fostering meaningful public involvement. A variety of budget education resources are available on the municipality's website, helping residents understand the budgeting process and the costs associated with delivering municipal services.

For the 2026 budget public engagement campaign, the focus will be on building a transparent, inclusive, and proactive approach. As part of this initiative:

- An online survey will be launched in July and remain open until late August, providing residents with an opportunity to share their input.
- In October, staff will present the budget survey results to Council, offering insights into key community priorities and highlighting both challenges and opportunities.

These efforts aim to empower residents with knowledge and ensure their voices are heard throughout the budgeting process.

### **Financial Implications:**

N/A

### **Strategic Plan:**

This matter aligns with following strategic priorities:

- Responsive Municipal Government

This report responds directly to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

### **Attachments:**

A1 Budget Development Timeline 2026