



**Meeting Date:** November 13, 2025

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

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

**Report No:** CPS-58-2025

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

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**Recommendation:**

THAT Report CPS-58-2025 re: Mayor's Proposed Budget 2026 and the 2026 draft budget book be received.

**Purpose:**

To provide Council with the Mayor's proposed 2026 operating and capital budget.

**Background:**

The draft Mayor's proposed Budget ("budget") reflects ongoing engagement on public priorities throughout the year, beginning with the strategic plan and continuing through master plans, public meetings, online engagement, budget working group meetings, and informal feedback.

Each year, Council approves an annual budget made up of two parts:

- Operating Budget – Annual operations of municipal facilities and services, primarily funded through property taxes and user fees.
- Capital Budget – Capital program for all municipal projects, funded through taxes, water and sewer fees, development charges, debt, grants, or other reserve funds.

**Analysis:**

Each year, the Municipality undertakes a budget process to support operations and deliver programs and services that maintain the community's high quality of life.

Through the budget process, choices are made to ensure the municipality's services provided to residents align with the priorities in the municipality's strategic work plan.

Attached to this report is the 2026 draft budget book which includes both capital and operating budget information.

If approved by Council, the final adoption of the capital and operating budget will be done through a by-law on December 17, 2025.

The 2026 budget book has been expanded to provide more information to Council and the public, especially around the long-range financial plans, asset management, debt, and funding strategies. The goal of the budget book is to present the budget to our residents in a way that is open and understandable.

Building on the creation of the book, staff have updated our Open Budget site for 2026. Open Budget is a data visualization tool for displaying financial information. Sharing information through Open Budget is part of Middlesex Centre's commitment to providing an open and transparent budget process. This site provides easy-to-use visualizations of municipal budgetary information. It can be used by Council and the public to see how our public funds are allocated. Users will find interactive charts, graphs, and tables that present data for current and past budgets. Open Budget can be accessed from our website by visiting the 2026 budget page.

Additionally, the Middlesex Centre budget book for 2025 received the GFOA's budget award. The award represents a significant achievement for a Municipality. It reflects the commitment of the governing body and staff to meet the highest principles of governmental budgeting. The 2026 book has been created using the 2025 book and the improvements suggested by staff and through the GFOA evaluation process.

Some information in the draft budget presented to Council on November 12, 2025, remains outstanding and will be updated once received. These items are listed below. Once received, staff will update the budget and the book. Staff will balance these amounts with the tax rate stabilization reserve fund so that the projected tax rate increase of 5.71% does not change. Most of the outstanding items are for analysis purposes.

Information received but not included in the draft budget presentation:

- Ontario Municipal Partnership Funding (OMPF) for 2026: The draft budget book includes the OMPF amount \$1,403,400 (the same as 2025). However, staff received the 2026 OMPF amount on October 31, 2025 – the amount increased to \$1,529,400.
- Insurance increase for 2026 has been received and the increase is 1.96%, lower than the currently budgeted increase of 3%.
- Rates of inflation used in revenue increases have now been obtained, specifically, CPI (September over September) 2.4% (Canada) and 2.0% (Ontario), however the draft book uses a lower amount of 2% for increases.

- Three conservation authorities remain outstanding; however, draft budget increases have been received by two conservation authorities as outlined below. These have not been updated in this draft:
  - St. Clair – increase was budgeted at 5%, however the conservation authority is proposing is 4% increase.
  - Ausable Bayfield (ABCA) – increase was budgeted at 5%, however the ABCA is proposing a 4.51% increase.

Outstanding items:

- 2026 Assessment from MPAC. Updated as of October 23, 2025. Final assessment update was made available on November 3, 2025, but is not yet included in the budget.
- OPP Costs for 2026. Staff have budgeted the cost at an 11% increase.
- Construction Price Index Q3 will be received early December.
- The final BMA 2025 Municipal Study, which will allow for updates to many of the comparison statistics presented in the budget.
- Year-end data on municipal services for 2025.
- Middlesex County OPP Detachment Board final budget.
  - Mobile Crisis Response Team (MCRT) Program grant and expenses have not been included at this time, however an announcement for Middlesex County was released October 29, 2025 and staff are awaiting the official funding award.
- Three conservation authorities remain outstanding; however, estimates have been provided:
  - Upper Thames – 8%
  - Lower Thames – 7%
  - Kettle Creek – 7.5%
- Federal and Provincial grant opportunities have been announced and staff continue to actively pursue all viable grant opportunities to leverage wherever possible. No funding is included in the 2026 budget, unless it has been confirmed.
- Continued work on capital projects to be carried forward.

**Financial Implications:**

As outlined in the attached documents for the 2026 budget.

## **Strategic Plan:**

This matter aligns with the following strategic priorities:

The process of developing the budget and the final budget itself directly responds to:

- Sustainable Infrastructure and Services - Objective 4.1 – Improve safety for road users.
  - By addressing road safety challenges and implementing existing traffic calming policies on Middlesex Centre roads.
- Sustainable Infrastructure and Services - Objective 4.2 – Expand existing services in accordance with the pace of new development and apply a financial sustainability lens to all municipal services and programs.
  - By analyzing and projecting the operating cost impacts of new residential development.
- Sustainable Infrastructure and Services - Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure.
  - By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets, and expanding our current practice of making annual reserve fund contributions toward the cost of projected asset management expenditures
  - By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.
- Responsive Government - Objective 5.1 – Enhance Customer Service
  - By expanding opportunities for digital and on-line services.
- Responsive Government - Objective 5.2 – Foster a culture of mutual trust and respect within Council and between Council and staff.
  - By reinforcing a common purpose among Council members and promoting teamwork between Council and staff.
- Responsive Government - Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective service delivery.
  - By sharing information and gathering input, continuing our timely and effective communication to the public.
  - By reviewing and enhancing our processes

## **Attachments:**

A1 Middlesex Centre Draft Mayor's Proposed Budget Book Presentation 2026

