



middlesex
centre
in the centre of it all

The Mayor's Budget 2026

Municipality of Middlesex Centre

Presentation of Proposed Budget to Middlesex Centre Council
By Tiffany Farrell, CPA, CA, Director of Corporate Services

November 13, 2025



Agenda

- Municipal Budget Introduction
 - Mayor's Budget
- 2026 Budget Summary
- Capital
 - Capital Costs
 - Capital Funding
- Operating
 - Operating Costs
 - Operating Funding
- Final Summary

The Mayor's Budget



Direction from the Mayor:

- To develop the budget as a roadmap for delivering essential services, maintaining infrastructure, and investing in programs that enhance community life.

Consider Current Context:

- Economic uncertainty and trade tensions are creating financial pressures.
- Municipal challenges include aging infrastructure, downloading of health/social services, and limited revenue options.

Budget Approach:

- Balance current resident needs with long-term sustainability.
- Take guidance from Long-Term Financial Plans, Asset Management Plan, and service master plans.
- Emphasize prioritizing investments, managing risk, and allocating resources responsibly.

Commitment to the Community:

- Fiscal responsibility, transparency, and accountability.
- Encourage community engagement in the budget process.
- Remain focused on our vision – To be a thriving, progressive and welcoming community that honours our rural roots and embraces our natural spaces

ABOUT THIS DOCUMENT

Acknowledgements

Middlesex Centre undertook a major revision of the content contained in the annual budget book in 2022 and continues refining the materials each year. We strive to put forward a budget that meets the best practices for transparency in government budgeting as outlined through the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program.

Staff calls on research by MTE Consultants and BMA Management Consulting Inc. to provide background information to inform the budget development. We thank these firms for the services they have provided Middlesex Centre over the years.

Developing the budget is a significant undertaking that involves many Middlesex Centre Members of Council and staff. Thanks are extended to the following for their efforts toward the 2026 budget:

Budget Working Group

- Mayor Aina DeViet
- Councillor Hugh Aerts
- Councillor Jean Coles
- Michael Di Lullo, CAO
- Tiffany Farrell, Director of Corporate Services
- Jeff Malone, Manager of Finance
- Sean Miller, Financial Analyst
- Heather Kepran, Manager of Strategic Communications

- Brianna Hammer-Keidel, Manager of Legislative Services & Municipal Clerk
- Arnie Marsman, Director of Building Services, Chief Building Official
- Justin Fidler, Manager of Community Services
- Colin Toth, Director of Emergency Services, Fire Chief
- Scott Roper, Deputy Fire Chief
- Rob Cascaden, Director of Public Works & Engineering
- Andrew Giesen, Manager of Transportation
- Eric Joudrey, Manager of Environmental Services
- Aubrey Guevarra-Jongsma, Asset Management Coordinator

Budget Book Preparation

- Tiffany Farrell, Director of Corporate Services
- Sean Miller, Financial Analyst
- Heather Kepran, Manager of Strategic Communications

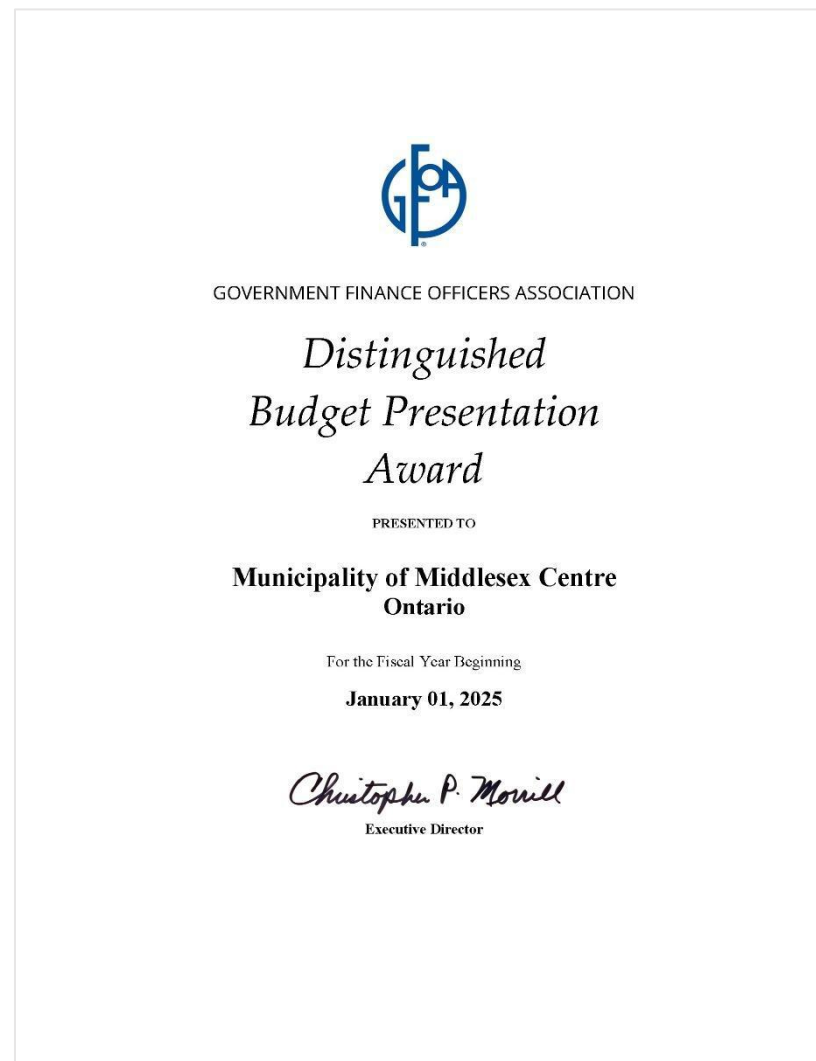


About this Document

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Municipality of Middlesex Centre, Ontario, for its Annual Budget for the fiscal year beginning January 1, 2025. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This is the fourth year in a row that Middlesex Centre's budget has been recognized.

This award is valid for a period of one year only. We believe our 2026 budget continues to conform to program requirements, and we will submit it to GFOA to determine its eligibility for another award.



Considerations in Developing the Budget

Key Issues & Priorities Considered

- Aligning with new Strong Mayor Powers
- Enhancing transparency, accountability and incorporating public feedback gathered through the budget survey and other municipal outreach initiatives
- Managing the competing priorities of providing new services with public desire for low tax increases
- Compliance with fiscal policies
- Ramifications of the continued delayed in the Property Tax Reassessment
- Residential building activity and growth pressures, and the effects economic uncertainty on building activities
- Aging infrastructure and closing the infrastructure gap
- Community-wide effects of economic uncertainty
- US Tariffs
- Uncertainty surrounding the availability of new provincial and federal grant opportunities
- Provincial downloading
- External legislative requirements
- Capital projects carry forward costs
- Continuous improvement

Alignment with Strategic Plan

Examples of how the **operating budget** directly responds to Strategic Plan Objectives:

- 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.
- 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



THE BIG PICTURE

- **7.03% Tax Levy Increase** (2025: 6.11%)
- **5.71% Tax Rate Increase** (2025: 4.27%)
- **\$54,551,868 in Operating Costs** (2025: \$49,316,696)
- **\$20,896,985 in Capital Projects** (2025: \$29,554,615)
- **\$75,448,853 Total Municipal Budget** (2025: \$78,871,311)
- **\$20,324,764 Transfers to Reserve Funds** (2025: \$18,126,573) *
- **\$23,813,315 Transfers from Reserve Funds** (2025: \$28,922,517) *

**Includes all reserve funds, including Water, Wastewater, Stormwater, Building and Development Charges*

Capital Budget



Budget Summary

Capital Budget

Middlesex Centre's capital budget covers large infrastructure and other long-term projects. The municipality presents a five-year capital budget and forecast to fund the assets that support the delivery of services to the community. How our capital assets, projects, programs of work, and funding relate is complex and understanding these relationships is key to developing an effective capital budget.

The financial decisions we make today are critical to the long-term sustainability of our municipality. The 2026 budget reflects corporate strategic plans and the needs of the community. The proposed capital projects in Middlesex Centre hold the promise of delivering significant long-term benefits for the community.

The capital budget is the municipality's plan to purchase, build, maintain, repair, and replace assets including infrastructure. Capital assets also directly and indirectly impact the municipality's operating budget as funds are needed to cover day-to-day operating expenses associated with the asset.

The projects being presented are designed to enhance the Municipality's infrastructure and build a sense of community pride. Improved infrastructure not only makes daily life more convenient but also attracts businesses and residents, ultimately boosting the local economy and bringing residents together.

There are five main sources of funding for Middlesex Centre's capital projects: reserve funds, debt financing, development charges, contributions from third parties, and grants. Projects can receive funding from a single source, but many of the projects are funded through multiple sources.

Municipal staff are faced with the challenge of balancing the needs of the community against the resources and funding sources available. To assist in the development of the budget, capital projects have been grouped into three categories:

- 1. Asset Management related capital projects** – projects maintain infrastructure that is in place today (e.g. buildings, watermains, roads, bridges, etc.). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.
- 2. Growth related capital projects** – projects extend services into newly developed areas of the municipality (e.g. a watermain to service new subdivisions, road widening to handle additional traffic from new subdivisions, etc.). Growth projects are not always immediately imperative, but in the long run the Municipality has a responsibility to provide adequate services to newly developed areas.
- 3. Efficiency and improvement capital projects** – projects offer enhanced or advanced services or respond to emerging requirements (e.g. upgrading equipment in municipal facilities to incorporate high technology improvements, etc.). Although these projects are discretionary, they may have a strong justification for moving forward.



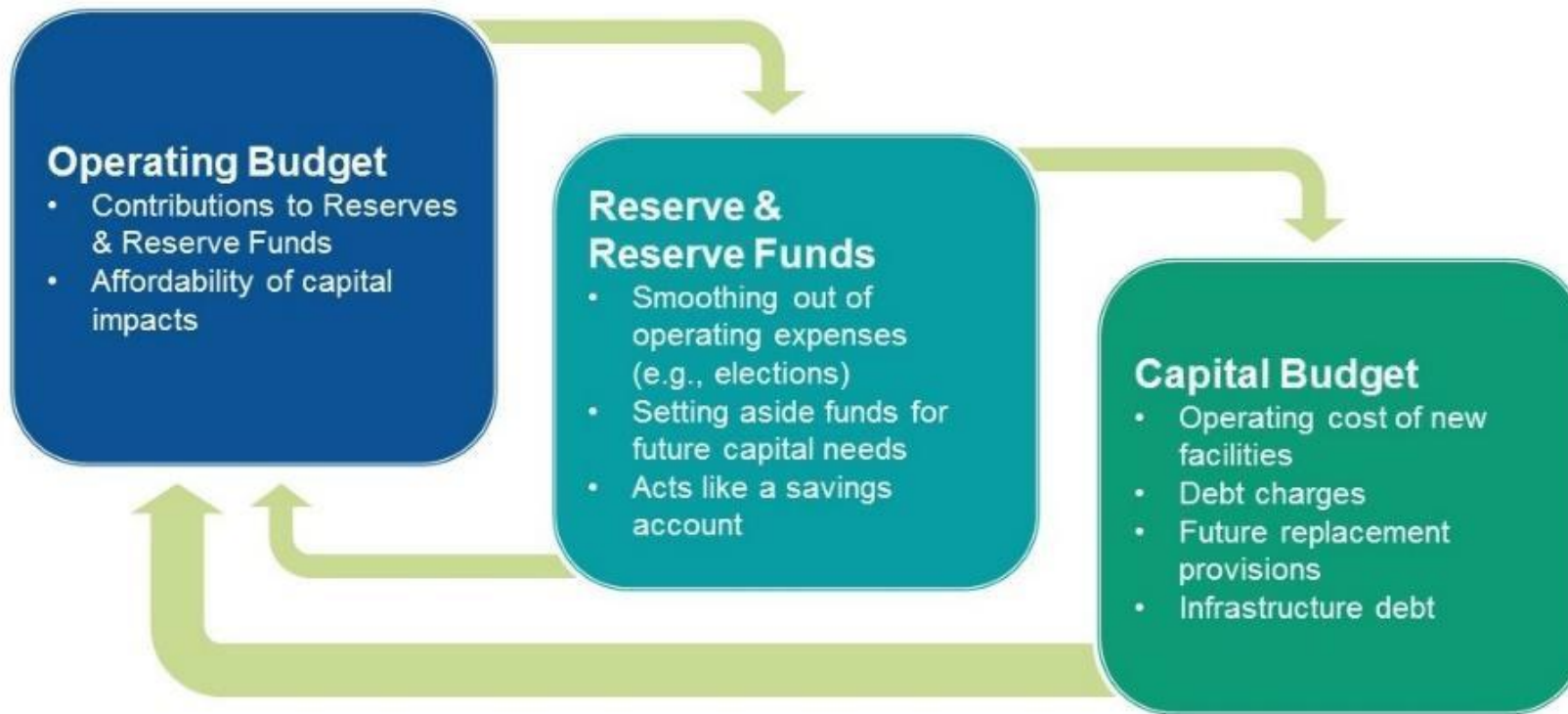
Budget Summary

Combined Operating and Capital Budget

Connecting the capital and operating budgets forms the total 2026 balanced budget. Reserves and reserve funds are used to link the budgets, with savings in these funds used to smooth out operating expenses and set money aside for future capital needs.

Note that a detailed discussion of reserve fund balances is presented later in the budget.

Figure: Illustration of the Relationship between the Capital and Operating Budgets, Capital Assets, Projects and Funding Sources



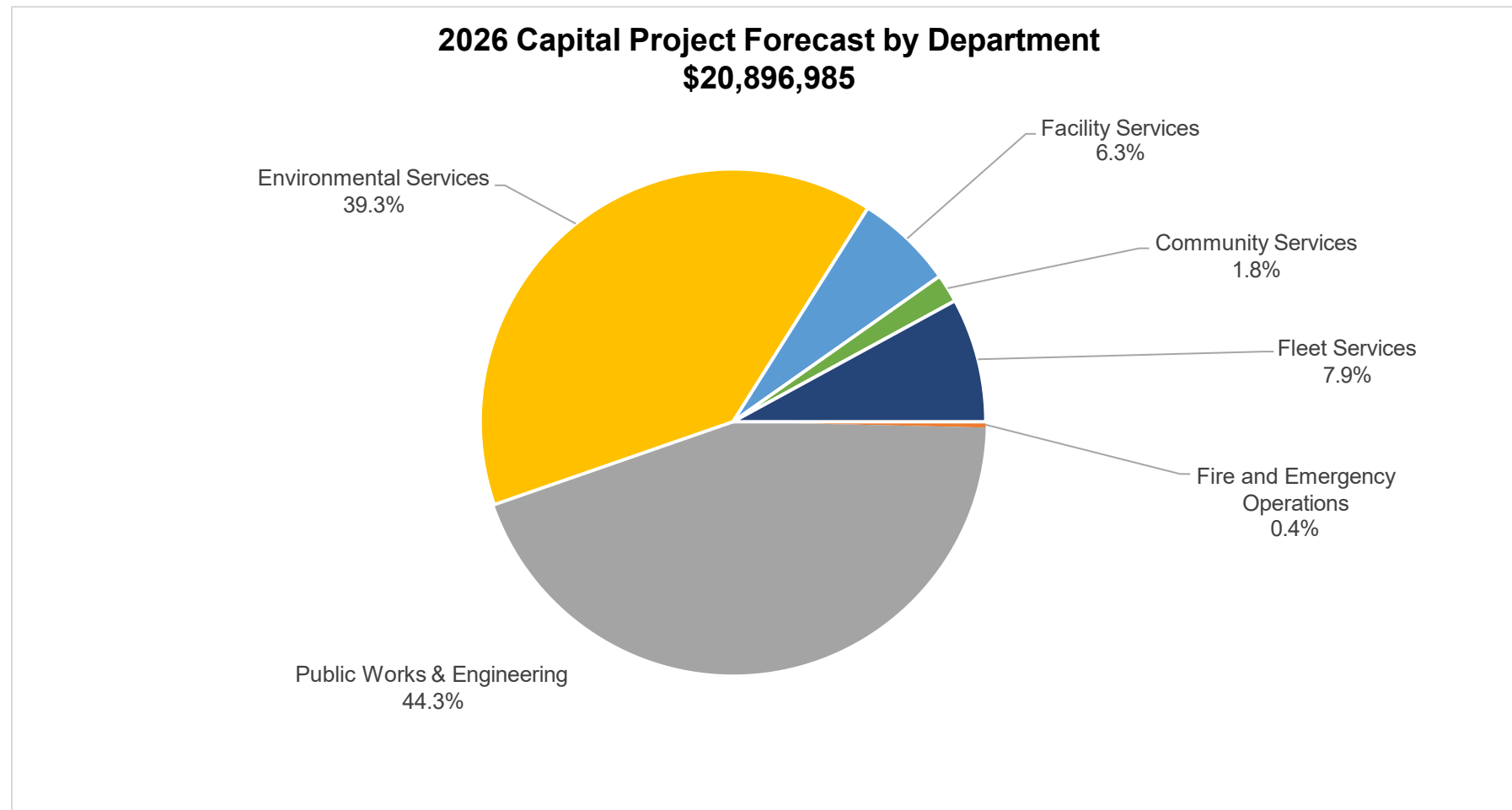
Budget Summary

Table: Summary of Recommended Capital Projects by Department

Department	2026 (\$)	2025 (\$)	2024 (\$)
Fire and Emergency Operations	75,000	\$120,000	\$84,000
Public Works & Engineering	9,261,000	\$10,525,324	\$10,458,166
Environmental Services:			
Wastewater	2,878,688	\$2,070,198	\$2,582,571
Stormwater	2,808,454	\$3,502,000	\$403,915
Water	2,521,843	\$4,265,779	\$2,793,357
Facility Services	1,310,500	\$5,378,041	\$10,242,401
Community Services	381,500	\$706,273	\$876,733
Fleet Services:			
Fire Fleet	0	\$725,000	\$880,000
Building Fleet	60,000	-	-
PWE Transportation Fleet	1,350,000	\$1,837,500	\$2,117,500
Environmental Services Fleet	0	\$85,000	\$17,500
Community Services Fleet	250,000	\$339,500	\$111,000
Total	20,896,985	\$29,554,615	\$30,567,143

Budget Summary

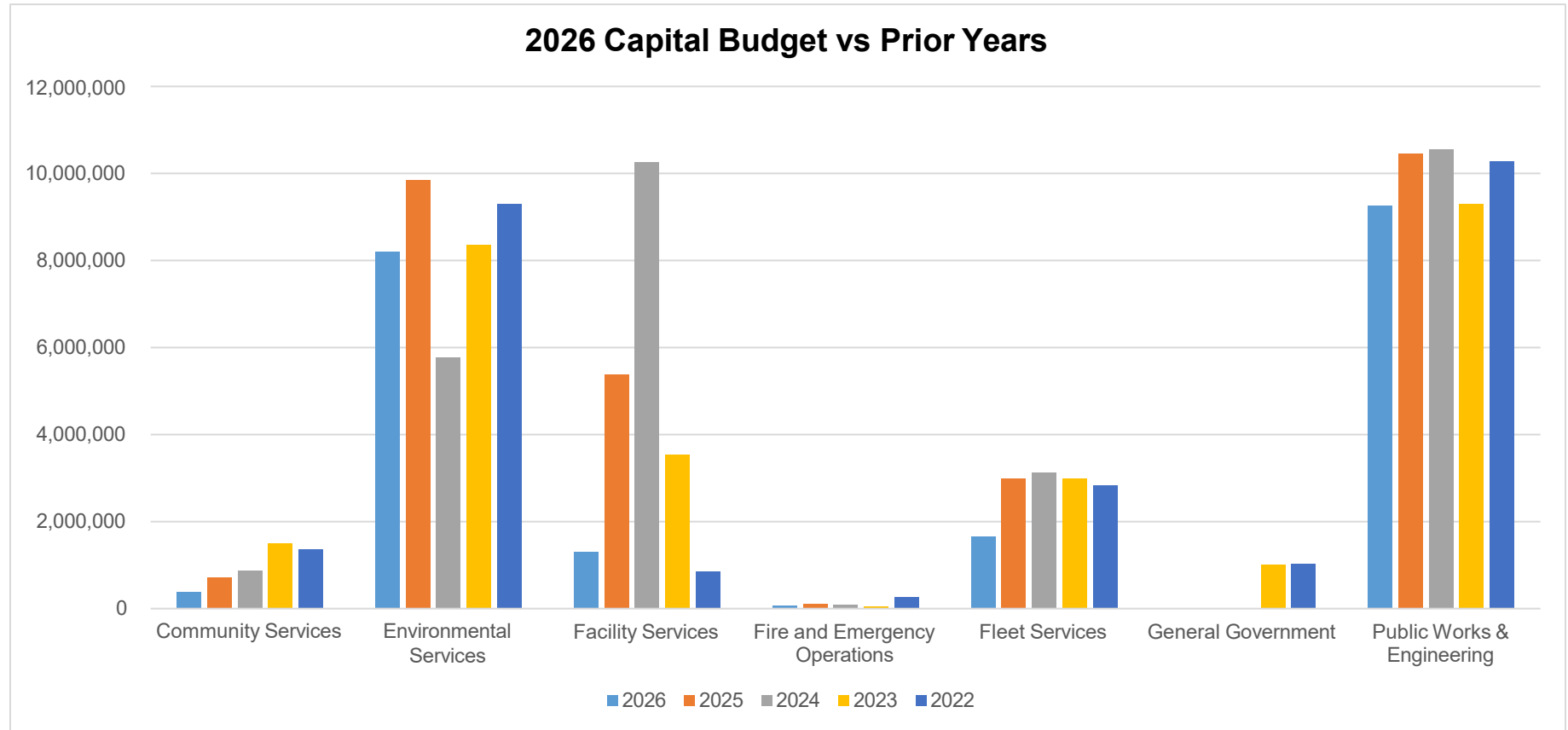
Figure: Capital Budget by Department



Note: Includes 2025 carryover and new projects for 2026

Budget Summary

Figure: Capital Budget by Department – Comparison with Previous Years



Budget Summary

Five-Year Capital Budget

Table: 5-Year Capital Expenditures by Department, Summary

Department	2026 (\$)	2027 (\$)	2028 (\$)	2029 (\$)	2030 (\$)	Total 5-Year Plan (\$)
Community Services	381,500	1,631,000	2,169,200	2,398,800	5,151,850	11,732,350
Environmental Services	8,208,985	21,256,088	53,371,122	13,431,300	7,365,000	103,632,495
Facility Services	1,310,500	3,160,200	2,141,200	26,013,400	759,824	33,385,124
Fire and Emergency Operations	75,000	0	75,000	1,400,000	0	1,550,000
Fleet Services	1,660,000	1,980,000	2,857,500	4,327,500	1,699,000	12,524,000
Public Works & Engineering	9,261,000	10,520,164	9,508,250	8,861,000	27,314,902	65,465,316
Total	20,896,985	38,547,452	70,122,272	56,432,000	42,290,576	228,289,285



Community Services

Capital Budget Details

Community Services – Major Capital Projects 2026

Komoka Park – Sport Field Lighting



The back baseball diamond will be outfitted with new LED sports field lights that will enhance the light levels while reducing both maintenance and operating costs.

\$250,000

Weldon Park Ball Diamond



The front baseball diamond will see playing surface improvement while enhancing the sports field lighting levels with additional light fixtures added to the light poles.

\$36,000

Heritage Park Ball Diamond



The main baseball diamond at Heritage Park will see an expanded infield, enhanced drainage and improved lighting.

\$35,500

Community Services

Table: Capital Budget for Community Services by Division and Project

Community Services	Carry Forward 2026 (\$)	2026 Forecast (\$)	Total (\$)
Parks & Open Space			
Land Improvements:			
26-7108 - Weldon Park - Diamond and infield improvements	-	36,000	36,000
26-7128 - Heritage Park - Diamond Improvements	-	35,500	35,500
26-7129 - Weldon Park - Tar & Chip road from front parking lot to tennis courts & back parking lot	-	30,000	30,000
26-7136 - Komoka Park Sports Lighting Upgrades - Phase 1	-	250,000	250,000
26-7164 - Delaware Lions Park - Parking lot improvements	-	30,000	30,000
26-7108 - Weldon Park - Diamond and infield improvements	-	36,000	36,000
Total	-	381,500	381,500

Facility Services

Capital Budget Details

Facility Services – Major Capital Projects 2026

Komoka Community Centre – Parking Lot



This project will see the parking lot resurfaced with asphalt and parking lines painted. Additional accessible parking spaces will be added as part of this work.

\$185,000

Komoka Wellness Centre – Splash Pad



This project will see new features added to replace some aged features. This will provide enhanced enjoyment while also reworking the water distribution piping to enhance water efficiency.

\$80,000

Ilderton Curling Club - Washroom



This project will see enhancements to improve the accessible washroom at the Ilderton Curling Club lobby (located within the arena building). The updated washrooms will promote inclusion for all participants.

\$68,000

Delaware Community Centre – Bar Area



The bar area and sound system at the Delaware Community Centre will be updated.

\$42,000



Facility Services

Table: Capital Budget for Facility Services by Division and Project

Facility Services	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
Arenas			
25-6725 - Komoka Wellness Centre - Canadian Pad Sound System Replacement	95,800	-	95,800
26-6104 - Komoka Wellness Centre - Refinish Gym Floor and all new sport lines	-	45,000	45,000
26-6107 - Komoka Wellness Centre - Replace cold floor P1 motor + pump	-	35,000	35,000
26-6129 - Ilderton Arena - Dehumidifier for Curling Club	-	48,000	48,000
26-6130 - Ilderton Arena - Lower-level window replacement	-	78,500	78,500
26-6131 - Ilderton Arena - Accessible washroom improvement, curling club lobby	-	68,000	68,000
26-6704 - Komoka Wellness Centre-Splashpad Improvements	-	80,000	80,000
26-7225 - Ilderton Arena road sign replacement	-	85,000	85,000
26-7227 - KWC - Replacement of the front sliding doors (2)	-	35,600	35,600
Arenas Total	95,800	475,100	570,900
Community Centres			
26-6137 - Bryanston Community Centre - Lighting retrofit	-	35,000	35,000
26-6140 - Delaware Community Centre - Bar Area rework & sound system	-	42,000	42,000
26-6141 - Delaware Library - Library and washroom accessibility	-	140,000	140,000
26-6716 - Komoka Community Centre - Asphalt Parking Lot	-	185,000	185,000
26-6758 - Ilderton Community Centre - Kitchen & Bar Appliances	-	44,500	44,500
26-7219 - Komoka Community Centre kitchen refresh	-	58,800	58,800
26-7222 - Delaware Community Centre kitchen renewal project	-	52,800	52,800
Community Centres Total	-	558,100	558,100
Leased Properties			
26-6163 - Medical Clinic - HVAC	-	12,500	12,500
Leased Properties Total	-	12,500	12,500

Facility Services

Facility Services	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
PWE Operations Centres			
25-6306 - Denfield PWE - Wash bay structural steel posts	48,000	-	48,000
26-6157 - Delaware Operations Centre - Hot water boiler for heating system	-	42,500	42,500
26-6160 - Denfield Operations Centre - Washbay power washer	-	36,000	36,000
26-7229 - Denfield PWE - Front gate automatic gate renewal project	-	42,500	42,500
PWE Operations Centres Total	48,000	121,000	169,000
Total	143,800	1,166,700	1,310,500



Fire & Emergency Services

Capital Budget Details

Fire & Emergency Services – Major Capital Project 2026

Extrication Equipment



Replacement of extrication equipment used in responding to motor vehicle collisions.

\$75,000

Table: Capital Budget for Fire & Emergency Services by Division and Project

Fire and Emergency Operations	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
Fire Operations			
26-2200 - Extrication Equipment	0	75,000	75,000
Total	0	75,000	75,000

Public Works & Engineering: Administration, Planning & Transportation

Capital Budget Details

Public Works & Engineering: Transportation – Major Capital Projects 2026

Vanneck Road Reconstruction



This project will see the reconstruction of Vanneck Rd. from Egremont Dr. (CR22) to Medway Rd., as per the recommendations of the Road Needs Study. This road has seen significant deterioration from recent rainfall events that have damaged the road edge and shoulder.

\$1,360,000

Hot Mix Resurfacing



This project will resurface asphalt roads to maintain a Pavement Condition Index (PCI) of 70 or better as per the recommendations of the Asset Management Plan

\$1,100,000

Tar & Chip Resurfacing



This project will resurface tar & chip roads to maintain a Pavement Condition Index (PCI) of 70 or better as per the recommendations of the Asset Management Plan.

\$768,000

Sidewalk Replacement (Ilderton)



This project will see the replacement of sub-standard sidewalk along Ilderton Road from Hyde Park Road to Willow Ridge Road with new AODA compliant sidewalk.

\$200,000



Public Works & Engineering: Administration, Planning & Transportation

Table: Capital Budget for PWE: Transportation, Planning & Administration by Division and Project

Public Works & Engineering	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
Transportation			
21-3137 - Old River Road (Glendon Dr to Pulham Rd)	3,293,000	-	3,293,000
23-3109 - King and George Street Reconstruction	-	45,000	45,000
24-3539 - Longwoods Pedestrian Crossover	95,000	-	95,000
25-3114 - Rehabilitate Bridge B-140, Fourteen Mile Rd.	-	300,000	300,000
25-3117 - Replace Culvert C-560, Poplar Hill Rd.	-	400,000	400,000
25-3119 - Replace Culvert C-567, McEwen Dr.	-	350,000	350,000
25-3120 - Replace Culvert C-556, Fernhill Dr.	-	525,000	525,000
25-3122 - Replace Culvert C-568, Gold Creek Dr.	-	350,000	350,000
25-3126 - Relining Arva Dam Outlet Pipe	-	75,000	75,000
26-3101 - Hot Mix Resurfacing	-	1,100,000	1,100,000
26-3102 - Tar & Chip Resurfacing	-	767,500	767,500
26-3104 - Sidewalk Replacement (Ilderton)	-	200,000	200,000
26-3114 - Repair Bridge B-113, Eight Mile Road	-	42,000	42,000
26-3122 - Oxbow Dr. W Urban (Komoka Rd to 375m west) - Upgrade	-	75,000	75,000
26-3127 - Repair Culvert C-520, Ivan Drive	-	22,500	22,500
26-3128 - Replace Culvert C-503; Amiens Road	-	35,000	35,000
26-3130 - Replace Culvert C-310; Woodhull Road	-	82,500	82,500
26-3132 - Vanneck Road Reconstruction (Egremont Drive to Medway Road)	-	1,357,500	1,357,500
26-3139 - Replace Delaware Wash Bay Equipment	-	40,000	40,000
26-3140 - Replace Denfield Wash Bay Equipment	-	40,000	40,000
28-3123 - Replace Culvert C-119, Nine Mile Road	-	66,000	66,000
Total	3,388,000	5,873,000	9,261,000

Fleet Services

Capital Budget Details

Table: Capital Budget for Fleet Services by Division and Project

Fleet Services	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
Community Services Fleet			
26-7302 - Ilderton Arena- Replacement Ice Resurfacer	-	250,000	250,000
Community Services Fleet – Total	-	250,000	250,000
Building Services Fleet			
26-2501 - New Building Services Vehicle	-	60,000	60,000
Building Services Fleet Total		60,000	60,000
PWE Transportation Fleet			
26-3200 - Replacement Tri-Axle Truck	-	600,000	600,000
26-3325 - Replacement Grader	-	750,000	750,000
PWE Transportation Fleet Total	-	1,350,000	1,350,000
Total	-	1,660,000	1,660,000

Public Works & Engineering: Environmental Services

Capital Budget Details

Public Works & Engineering: Environmental Services – Major Capital Projects 2026

Komoka Drain No. 1 – Stormwater Management Pond



This multi-year project will see the Komoka Stormwater Management Facility upgraded to ensure proper quantity control for the existing stormwater system and future growth in the southern portion of Komoka.

\$2,770,000 in 2026
(multi-year project)

Melrose Lake Huron Primary Water Supply Connection



This multi-year project is connecting the community of Melrose to the Lake Huron Primary Water Supply System. Work began in 2025 and will be completed in spring of 2026.

\$1,870,000 in 2026
(multi-year project)

Komoka Wastewater Treatment Facility Expansion



This multi-year project will expand the capacity at the Komoka Wastewater Treatment Facility to allow for future growth.

The Environmental Assessment Study was undertaken began in 2025. The 2026 fees are for design and engineering work, with construction to follow subsequent years.

\$894,000 in 2026
(multi-year project)

Ilderton Wastewater Treatment Facility Expansion



This multi-year project will expand the capacity of the Ilderton Wastewater Treatment Facility and expand the biosolids storage to allow for future growth.

The 2026 fees are for detailed engineering design work, with construction to follow in subsequent years.

\$597,000 in 2026
(multi-year project)



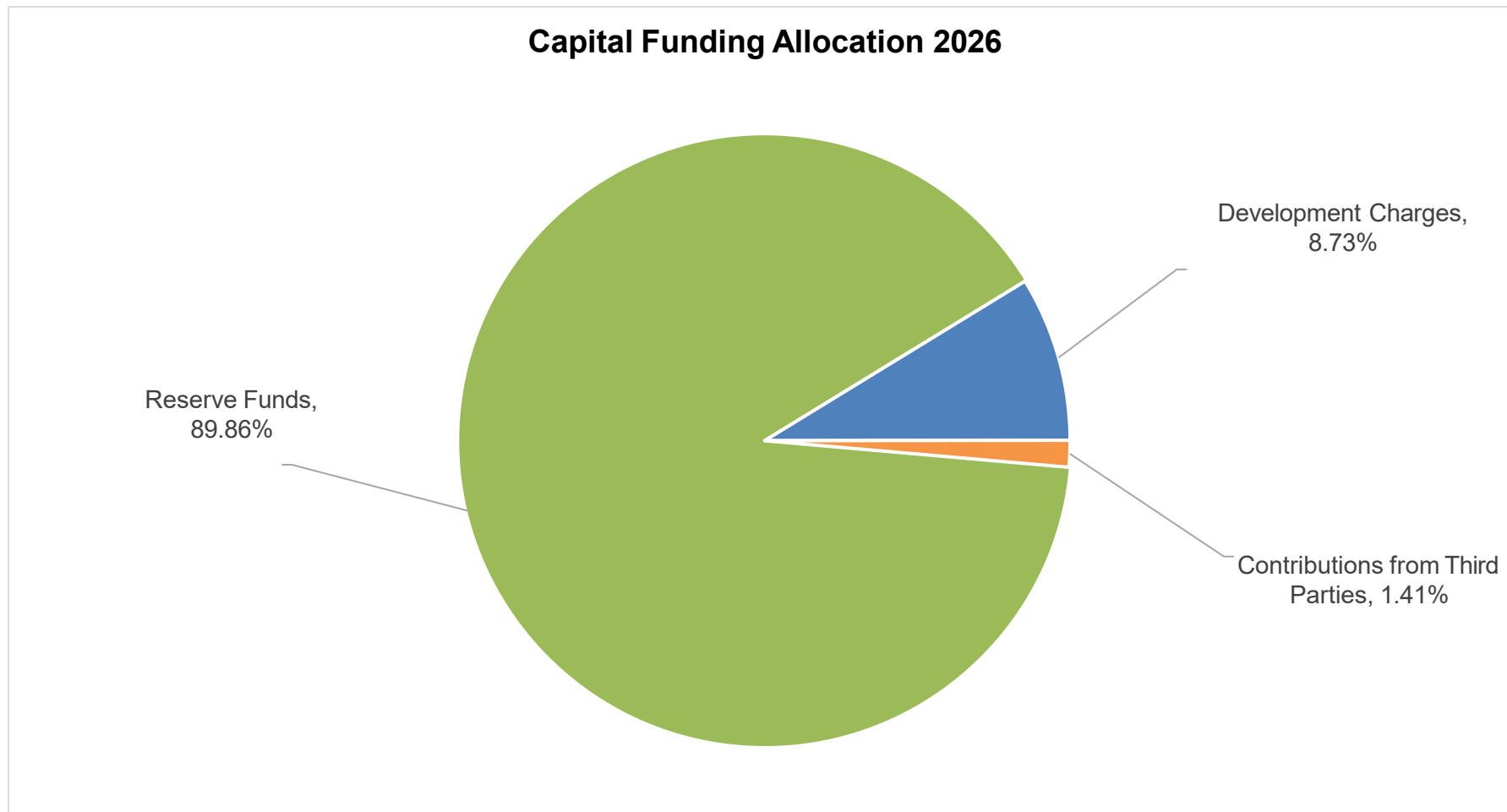
Public Works & Engineering: Environmental Services

Table: Capital Budget for Public Works & Engineering (Environmental Services) by Division and Project

Environmental Services	Carry Forward 2025 (\$)	2026 Forecast (\$)	Total (\$)
Stormwater			
21-4204 - Komoka Drain No. 1 - SWM Pond	2,773,454	-	2,773,454
24-4202 - King/ George Street Reconstruction	-	35,000	35,000
Stormwater Total	2,773,454	35,000	2,808,454
Wastewater			
21-4104 - Ilderton Treatment Capacity Upgrades	132,000	464,711	596,711
21-4199 - SCADA Replacement (1 of 2)	-	426,843	426,843
22-4103 - Komoka WWTP - Aeration, Blower and HVAC Improvements	408,245	-	408,245
24-4111 - Komoka Wastewater Treatment Plant Schedule C Environmental Assessment	85,668	44,650	130,318
26-4128 - Komoka EA Archeological Assessment	-	371,765	371,765
26-4129 - Komoka WWTP - Concrete Floor Rehabilitation	-	60,893	60,893
26-4801 - Komoka WWTP Expansion Design	-	883,913	883,913
Wastewater Total	625,913	2,252,775	2,878,688
Water			
21-4302 - Melrose Lake Huron Primary Water Supply Connection	1,170,000	800,000	1,970,000
21-4399 - SCADA Replacement (2 of 2)	-	426,843	426,843
22-4314 - Glendon Drive Watermain Twinning	30,000	-	30,000
23-4328 - King and George St. Reconstruction - Oversizing of Watermain	-	35,000	35,000
24-4335 - Longwood Road Watermain Extension	60,000	-	60,000
Water Total	1,260,000	1,261,843	2,521,843
Total	4,659,367	3,549,618	8,208,985

Budget Summary

Figure: Breakdown of Capital Funding Sources



Note: Additional information on each of these funding sources is presented later in the budget.

Budget Summary

Funding Capital Projects

Table: Funding of Capital Projects, Reserve Fund Breakdown

Funding Source	Proposed 2026 (\$)	2026 % Allocation	2025 (\$)	2025 % Allocation	2024 (\$)	2024 % Allocation
Cash-In-Lieu of Parkland	280,000	1.34%	111,000	0.38%	464,806	1.52%
Development Charges	1,823,412	8.73%	452,698	1.53%	1,163,620	3.81%
Growth Reserve Fund	70,242	0.34%	-	-	-	-
Delaware Hydro Reserve Fund	121,400	0.58%	155,000	0.52%	60000	0.002
Modernization Reserve Fund	0	0.00%	-	-	-	0.00%
Medical Centre Reserve Fund	12,500	0.06%	35,000	0.12%	12,000	0.04%
Buildings & Facilities Reserve Fund	1,277,000	6.11%	5,330,441	18.04%	5,973,169	19.54%
Municipal Office Build Reserve Fund	0	0.00%	500,000	1.70%	4,830,431	15.80%
Efficiencies and Improvements Reserve Fund	107,500	0.51%	-	-	-	-



Budget Summary

Funding Source	Proposed 2026 (\$)	2026 % Allocation	2025 (\$)	2025 % Allocation	2024 (\$)	2024 % Allocation
Fire Vehicles & Equipment Reserve Fund	0	0.00%	845,000	2.86%	884,000	2.89%
Fire Public Education Reserve Fund	75,000	0.36%				
General Vehicles & Equipment Reserve Fund	1,680,000	8.04%	2,252,000	7.62%	2,038,500	6.67%
Build Middlesex Reserve Fund	0	0.00%	-	-	-	-
Ontario Community Infrastructure Fund (OCIF)	1,112,500	5.32%	1,524,753	5.16%	2616054	0.0856
Canada Community Building Reserve Fund (CCBF)	780,500	3.73%	-	-	-	-
Ilderton Lions Park Reserve Fund	0	0.00%	-	-	101,514	0.33%
Building Department Reserve Fund	60,000	0.29%	-	-	-	-
Roads Capital Reserve Fund	6,793,000	32.51%	8,253,471	2.78%	6,261,306	20.48%
Wastewater Capital Reserve Fund	1,141,434	5.46%	1,738,473	5.9%	2,496,971	8.17%
Stormwater Capital Reserve Fund	2,808,454	13.44%	3,502,000	11.88%	88,915	0.29%
Water Capital Reserve Fund	2,459,043	11.77%	4,092,499	13.89%	2,310,857	7.56%
Contributions from Third Parties	295,000	1.41%	762,280	2.59%	-	-
Debt	0	0.00%	-	-	1,265,000	4.14%
TOTAL	20,896,985	100%	29,554,615	100%	30,567,143	100%

Note: A detailed list of Reserve Funds can be found in the Supplemental Information.



Budget Summary

*Unfunded Capital**

Unfunded capital projects are identified priorities or needs that lack a committed funding source in the current budget year.

- Such projects may originate from master plans, growth studies, community proposals, or initiatives focused on improving efficiency.
- Traditionally, reserve funds were often used to support unfunded projects but growing infrastructure gaps and economic uncertainty have reduced the viability of this approach.
- In 2025, Middlesex Centre established a formal process to classify and present “unfunded capital” projects separately from those in the approved budget.
- Unfunded capital projects require additional council discussion and decision-making before moving forward, as they lack an identified funding source.
- Potential funding mechanisms for unfunded projects include taxation, user fees, reserve funds, debt financing, grants, and private or community donations.

** Summary of Text in Budget Book*



LONG-RANGE FINANCIAL PLANNING ANALYSIS*

- Middlesex Centre's newly approved Long-Range Financial Plans (LRFPs), passed on June 5, 2025, establish clear long-term financial goals aligned with municipal strategic priorities.
 - Tax-Supported Long-Range Financial Plan
 - Water, Wastewater and Stormwater Long-Range Financial Plan
- The plans leverage hybrid forecasting methods, combining departmental expertise with quantitative analysis for greater accuracy in projections.
- Key focus areas include maintaining fiscal sustainability, managing future infrastructure investments, and supporting economic growth throughout the municipality.
- The LRFPs emphasize proactive risk management by identifying potential financial stress points and planning contingencies for economic shifts.
- Resource allocation strategies in the plans are designed to prioritize spending and optimize municipal services for residents.
- Ongoing review and adjustment processes are built into the LRFPs to ensure responsiveness to changing financial conditions and emerging opportunities.

* *Summary of Text in Budget Book*



Long-Range Financial Planning Analysis

LRFP – Rate Requirements*

Table: Recommended Annual Rate Increases (as outlined in the LRFPs)

Taxation and User Rates	LRFP	Proposed Budget	Difference
Property Tax Levy	8.4%	7.0%	-1.4%
User Rates:			
Water	6.1%	4.5%	-1.6%
Wastewater	8.7%	5.0%	-3.7%
Stormwater	10.0%	9.0%	-1.0%

A portion of these increases will be offset by annual growth, projected between 1% and 4.5%, reducing the net impact on existing ratepayers. Rate adjustments will be reviewed during the annual budget process, with staff analyzing any financial implications of deviations from the recommended rates.

Maintaining the recommended rate increases is essential to closing the infrastructure funding gap. Lower-than-proposed increases would limit the Municipality's ability to fund both:

1. Existing infrastructure
2. Growth-related assets that benefit the current population, as identified in the Development Charges Background Study expansions or reductions are crucial in forecasting.

* *Summary of Text in Budget Book and in the LRFPs*

ASSET MANAGEMENT

Asset Management is the coordinated activity of an organization to put a value on its assets. It is the balancing of costs, opportunities, and risks against how the assets should last and perform over their life cycle to achieve the municipality's organizational objectives.

The main objective of an asset management plan (AMP) is to use the municipality's best available information to develop a comprehensive long-term plan for capital assets. In addition, the plan should provide a sufficiently documented framework that will enable continuous improvement and updates of the plan to ensure its relevancy over the long term.

Middlesex Centre's AMP was completed and approved October 1, 2025. The updated AMP figures were used to develop the 2026-2030 capital budget.

- The plan meets the requirements of O. Reg. 588/17.
- Significant improvements on condition data included.
- The focus is on reasonable funding levels needed to sustain current service levels, which have been built into the 2026 budget.

The AMP helps the municipality make the best possible decisions regarding the construction, operation, maintenance, renewal, replacement, expansion, and disposal of infrastructure assets while minimizing risk and cost to taxpayers and maximizing service delivery.

The AMP integrates several business-specific infrastructure asset plans:

- Roadways

- Facilities and Buildings
- Parks and Land Improvements
- Stormwater Management
- Fleet and Equipment
- Structures Inventory Reports (Bridges and Culverts)

Table: Middlesex Centre Asset Classes and Replacement Cost (2025)

Asset Class	Replacement Value
Potable Water Network	\$141,832,073
Wastewater Network	\$306,466,011
Stormwater Network	\$163,041,500
Road Network	\$529,509,060
Bridges and Culverts	\$194,863,274
Fleet	\$32,085,637
Facilities and Parks	\$139,523,777
Total	1,507,321,332

Asset Management

Asset Management Financing Strategy

One of our Asset Management goals is that the municipality's physical assets be managed in a manner that supports the sustainable provision of municipal services to residents. Through the implementation of the AMP, the municipality's practice should evolve to provide services at levels outlined in the plan. Moreover, infrastructure and other capital assets should be maintained at condition levels that provide a safe and functional environment for the municipality's residents. The AMP and progress with respect to its implementation are evaluated based on the municipality's ability to meet these goals and objectives.

The financing strategy outlines how the asset management strategy will be funded. The lifecycle management strategy illustrates the costs required to sustainably maintain expected levels of service. Middlesex Centre's plan integrates both of these requirements into one strategy.

O. Reg. 588/17 requires a 10-year capital plan that forecasts the costs of implementing the lifecycle management strategy and the lifecycle activities required therein.

The Municipality of Middlesex Centre has adopted a comprehensive fiscal strategy to guide its financial planning and decision-making over the next decade. This strategy is based on two key documents prepared by BMA Management Consulting Inc.: the Tax Long-Range Financial Plan (2025–2034) and the Water, Wastewater, and Stormwater Long-Range Financial Plan (2025–2034). Both plans were formally received and approved by Council on June 4, 2025. Together, they provide a strategic framework for managing the Municipality's financial resources, ensuring long-term sustainability, and supporting infrastructure renewal and service delivery.

The primary objectives of the fiscal strategy are to ensure financial sustainability and flexibility, address infrastructure funding gaps through phased investment, maintain affordability for both taxpayers and ratepayers, align financial planning with asset management and growth, and enhance transparency and accountability in financial reporting. These goals are pursued through a series of coordinated strategies across both tax-supported and rate-supported services.

Various financing options, including reserve funds, debt, and grants were considered during the process of developing the financing strategy.

The lifecycle costs required to sustain established level of service targets are being recovered through several methods:

- Ontario Community Infrastructure Fund (OCIF) formula-based funding is identified for years in which the funding amount is known (2026). The 2026 level of OCIF funding is then maintained for the remaining years of the forecast, recognizing the OCIF as a stable and long-term funding source for capital projects.
- Canada Community-Building Fund (CCBF) has been shown as a stable and long-term funding source for eligible capital projects. The 2026-2028 level of CCBF funding is then incorporated for the remaining years of the forecast, recognizing the CCBF as a stable and long-term funding source for capital projects.
- The municipality will be dependent upon maintaining healthy capital reserve funds to provide the remainder of the required lifecycle funding over the forecast period. This will require the municipality to proactively increase amounts being transferred to these capital reserve funds during the annual budget process.



Asset Management

- Development charge funding has been shown in years where growth-related capital needs have been identified by the municipality. It has been assumed that the development charge reserve funds will have sufficient balances to fully fund all growth-related capital expenditures in the years in which they arise.
- Debt financing is shown as required in years where significant capital needs are identified. Specifically, the forecast includes no debenture issuance over the forecast period.

The financing strategy was developed to be fully funded and therefore would have no funding shortfall over the next 15 years. However, the total projected funding assumes that the proposed annual rate increases as identified in the LRFPs are implemented consistently over time. Each time these increases are not achieved, the funding gap widens, further delaying necessary investments and compounding long-term financial pressures.

This funding shortfall underscores the importance of strategic financial planning, prioritization of critical infrastructure investments, and exploration of alternative funding sources to ensure the continued delivery of reliable and sustainable municipal services.

As noted throughout this document, our financing strategy is dependent on the municipality's reserve funds. There is a need for and benefit from further investment to protect, sustain, and maximize the use of Middlesex Centre's infrastructure assets. Several strategies to "close the gap" have been considered/incorporated in the 2026 budget.

The Infrastructure Gap

To measure the value of infrastructure, the municipality uses the concept of current replacement value (CRV). CRV is the current

cost of rebuilding an asset with the equivalent capacity, functionality, and performance as the original asset. CRV is adjusted for inflation and provides an estimate of asset value in today's dollars.

An infrastructure deficit represents the cumulative shortfall between the funding required to maintain, renew, and expand municipal assets and the actual financial resources allocated for these purposes. This gap arises when annual investments are consistently below the levels needed to sustain infrastructure at its intended level of service.

Over time, this underinvestment leads to the deterioration of assets, increased maintenance costs, and a higher risk of service disruptions or failures. It also elevates health and safety risks for both the public and municipal staff, as aging infrastructure becomes more prone to critical failures and non-compliance with regulatory standards. The longer the deficit persists, the more costly and complex it becomes to restore infrastructure to acceptable standards.

Financial Support Needed

Middlesex Centre manages its asset lifecycle needs primarily through its annual budget process, which serves as a foundational tool for aligning service delivery with available resources. However, due to the size and complexity of the Municipality's asset portfolio, and the evolving requirements set by senior government directives, additional funding sources will be required to close the gap between infrastructure needs and available financial capacity.

To help bridge this funding gap, the Municipality actively explores external funding opportunities, including grants, user fees, subsidies, and developer contributions. These sources play a



Asset Management

critical role in supplementing municipal revenues and supporting long-term infrastructure sustainability.

Asset Management and Budget 2026

- 73% of all capital projects planned for 2026 are from the AMP:
 - Example: Hot Mix Resurfacing – Resurfacing of asphalt roads to maintain a PCI of 70 or better as per the recommendations of the Asset Management Plan - \$1,100,000
 - Example: Repair Bridge B-140, Fourteen Mile Rd. - \$300,000
 - Example: Komoka Community Centre Asphalt Parking lot - \$185,000
 - Example: Replacement Grader - \$750,000
- 11% of the new projects planned for 2025 are growth related
 - Example: Ilderton Treatment Capacity Upgrades - \$596,711
 - Example: Komoka WWTP Expansion Design - \$883,913
- 16% of the projects planned for 2026 are related to service level changes, improvements, or efficiency improvements (and combined other criteria, such as growth and AMP)
 - Example: Komoka WWTP – Aeration, Blower, and HVAC Improvements - \$408,245
 - Example: Komoka Drain No. 1 SWM Pond - \$2,773,454



DEBT

As a municipality we can only incur debt to pay for large capital acquisitions – our day-to-day operations must be fully funded.

Borrowing is a way to finance capital projects and maintain major infrastructure over the longer term. Like most businesses, municipalities may borrow a portion of their capital requirements and pay it back over the life of the project being financed.

The Annual Repayment Limit (ARL) as prescribed by the Province of Ontario is 25% of own source revenue as described below. Our Municipal Debt Policy is more conservative, allowing us to carry debt in amounts up to 17% of own source revenues.

Our borrowing as a percentage of own source revenue is presently at 6.05% (November 12, 2025). Overall, debt repayments account for 3.43% of the operating budget. Given that our annual repayment limit is at just 6.05%, Middlesex Centre is currently well-positioned to comfortably manage our debt payments for 2026.

The municipality has external debt as outlined in the tables below. The tables summarize the description of the debt, total loan, the

interest rate, principal and interest payments, the maturity date and if the project is funded by development charges.

Borrowing these funds for the specific projects noted below has allowed the municipality to spread out the cost of the project over its useful life and has allowed infrastructure costs to be paid not just by today’s taxpayers, but by future users as well. Additionally, the municipality was able to borrow to fund these projects when interest rates were lower, which made the annual payments manageable in the current budget.

As indicated above, debt payments, including principal and interest only account for 3.43% of the total operating budget. Currently, the municipality is well equipped to fund the debt payments in the operating budget. However, staff are recommending a conservative approach to debt borrowing, as taking on too much debt could have an impact on the level and quality of service provided by the municipality.

Table: Middlesex Centre Debt Details

Description of Debt	Total Loan (\$)	Interest Rate	% DC Eligible	Maturity
Kilworth Komoka Water Line – This debt borrowing was for the construction of a water line in Kilworth and Komoka.	3,142,193	3.72%	52.54%	2031
Denfield Operations Centre – This debt borrowing was for the construction of the road operations centre building in Denfield.	5,067,705	3.61%	18.09%	2032

Debt

Description of Debt	Total Loan (\$)	Interest Rate	% DC Eligible	Maturity
Ilderton Timberwalk Pumping Station – This debt borrowing was for the construction of the pumping station in Ilderton.	1,097,583	4.00%	67.2%	2034
Roads & Street Light Upgrades – This debt borrowing was for the construction of some roads and the implementation of the LED streetlights program.	1,261,629	3.36%	0%	2037
Komoka Wastewater Treatment Facility Expansion – This debt borrowing was for construction to expand the Komoka Wastewater Treatment Facility	7,072,293	3.63%	100%	2038
Coldstream Fire Hall – This debt borrowing was for the construction of the Coldstream Fire Hall.	2,237,008	4.00%	0%	2038
Komoka Wellness Centre – This debt borrowing was for the construction of the building for the Wellness Centre.	5,546,814	3.69%	45%	2042
Total	25,425,225			

Note: Debt details do not include municipal drain and tile drain loans.

Table: Debt Principal and Interest Details for 2026: Budget Impact

Name	2026 Principal Payment (\$)	2026 Interest Payment (\$)	Total 2026 Payments (\$)	Remaining Principal (\$)
Kilworth Komoka Water Line	224,442	47,991	272,433	1,122,212
Denfield Operations Centre	253,385	57,164	310,549	1,393,619
Ilderton Timberwalk Pumping Station	56,742	24,020	80,762	543,750
Roads & Street Light Upgrades	63,081	23,843	86,925	662,355
Komoka Wastewater Treatment Facility Expansion	344,990	153,434	498,424	3,967,384
Coldstream Fire Hall	98,697	64,831	163,529	1,546,630
Komoka Wellness Centre	184,894	114,274	299,167	2,958,301
Total	1,226,232	485,557	1,711,789	12,194,252

Note: Debt details do not include municipal drain and tile drain loans.



Debt

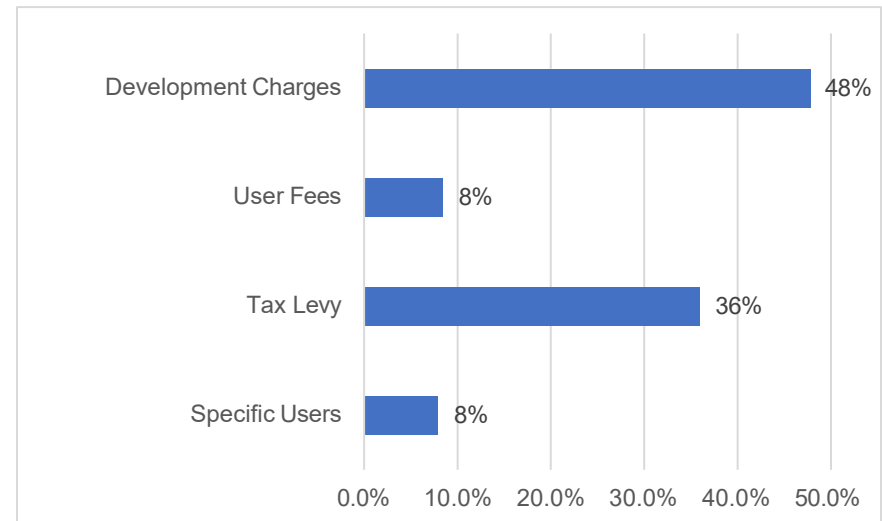
Debt Burden

The municipality uses different revenue sources to pay for the principal and interest payments on debt.

- Tax levy supported debt is paid for by the property tax levy and the principal and interest payments are included in the operating budget for the tax levy supported departments.
- Rate support debt is paid for by the water and wastewater rates and the principal and interest payments are included in the operating budgets for Environmental Services.
- Development Charge (DC) debt, both the principal and interest payments, are paid for by the development charge obligatory reserve fund. The projection of the development charge reserve fund balance is found in the Development Charge section of the budget book.
- Specific users' debt is paid by specific taxpayers. These borrowings are for municipal drain loans and tile drain loans.

While the municipal debt burden per household is high, it should be noted that this burden is not being paid entirely by taxpayers. Development charges, user fees and charges to specific users cover 64% of debt repayment costs.

Figure: Distribution of Debt Burden for 2026



Development Charges

DEVELOPMENT CHARGES

Development charges are fees collected from developers at the time a building permit is issued. The fees help pay for the cost of infrastructure required to provide municipal services to new development, such as roads, water and sewer infrastructure, community centres and fire facilities.

Over the past five years, projects have been occurring earlier than the funding is coming in, which resulted in a negative balance up to the end of 2024 for the Development Charge Reserve Fund. Staff have reviewed the Development Charges (DC) Study and project schedule, and due to the decline in growth, many projects have been deferred to a later date. These deferrals have helped return the Municipality to a positive DC reserve fund balance for the end of 2025, and this trend is expected to continue into 2026. However, larger DC-funded projects are anticipated in future years, which will lead to significant negative balances and will require debt borrowings to manage. For further details and analysis, please refer to the Debt section above.

A Development Charge Background Study (DCBS) was completed in July 2024, and a by-law was passed by Council at that time. The projects that can be funded by development charges were identified in that study. All projects identified for development charge funding have been included and financed accordingly in the five-year capital plan 2026-2030.

The following services are covered under Middlesex Centre's Development Charges By-law, as amended:

Municipal-wide Services

- Services Related to a Highway;
- Fire Protection;

- Parks and Recreation;
- Administration – Studies

Area-Specific – Water and Sewer Service Areas

- Water Services; and
- Wastewater Services

Development Charge Study Update

The Municipality of Middlesex Centre updated its Development Charges By-law under the authority of the *Development Charges Act, 1997*, in July 2024. Development charges help fund the capital costs to accommodate growth within the municipality.

Development Charges Exemptions

The *Development Charges Act* contains several mandatory exemptions and discounts, including:

- Accessory units
- Affordable units
- Attainable units
- University use
- Discount based on the number of bedrooms for rentals
- Long-term care homes

In addition to the mandatory exemptions, Council has adopted discretionary exemptions related to agricultural use as outlined in the current 2024 Development Charge Study and By-law



Development Charges

Table: Projected Development Charge Funding of Capital Projects

Funding Source	2026	2027	2028	2029	2030
Development Charges Funded Annually	1,823,412	15,325,949	39,420,667	26,643,630	15,637,652

Notes: Projected Development Charge Funding for 2026-2030.

Table: Development Charge Balances (2023-2024) and Projected Fund Balances (Net Position) 2025-2030

Reserve Name	2023 Actual	2024 Actual	2025	2026	2027	2028	2029	2030
Development Charges Reserve Fund	\$(4,962,352)	\$(754,159)	\$934,097	\$1,174,635	\$(12,089,567)	\$(48,581,130)	\$(71,660,571)	\$(83,014,829)

Notes: Actual balance for Development Charges for 2023 and 2024. Projected Development Charge Balances 2025-2030.

Assumptions: Debt payments annually 2025-2030; Development Charges collected annually 2025 -\$2.9M, 2026-2027 \$3M, 2028 \$4M, 2029-2030 \$5M; Capital projects from 2025-2030 budget.

RESERVES AND RESERVE FUNDS

Reserves and reserve funds are critical to the long-term sustainability of the municipality.

Reserves and reserve funds allow us:

- to pay bills (liquidity)
- to cover liabilities and emergencies
- to plan for effective asset management (ensure funds are available to renew or replace assets)

If we do not adequately fund our reserves and reserve funds, we may face:

- cost increases (debt service costs, short-term borrowing costs, larger contingency budgets)
- reduction of capital works
- loss of flexibility to take advantage of opportunities
- liquidity problems

Managing Reserves and Reserve Funds

Creation of Reserves and Reserve Funds:

- All new reserves and reserve funds are approved by Council.

Reserve and Reserve Funds Controls and Reporting:

- All movement to and from reserves and reserve funds are approved through the budget process.

- Large increases and decreases (over 10%) outside of the approved reserve and reserve fund balances are discussed with Council as part of the quarterly capital budget to actual reports.
- Reserve Funds can fluctuate annually based on the projects that are being funded, therefore detailed reserve fund analysis is provided to council and discussed during the budget and financial statement reporting each year.
- Detailed reserve and reserve fund schedules are approved by council as part of the budgeting process. These schedules show balances and movements to and from the various reserves and reserve funds. All transfers are approved by the treasurer.

Capital Projects Financed from Reserves/Reserve Funds:

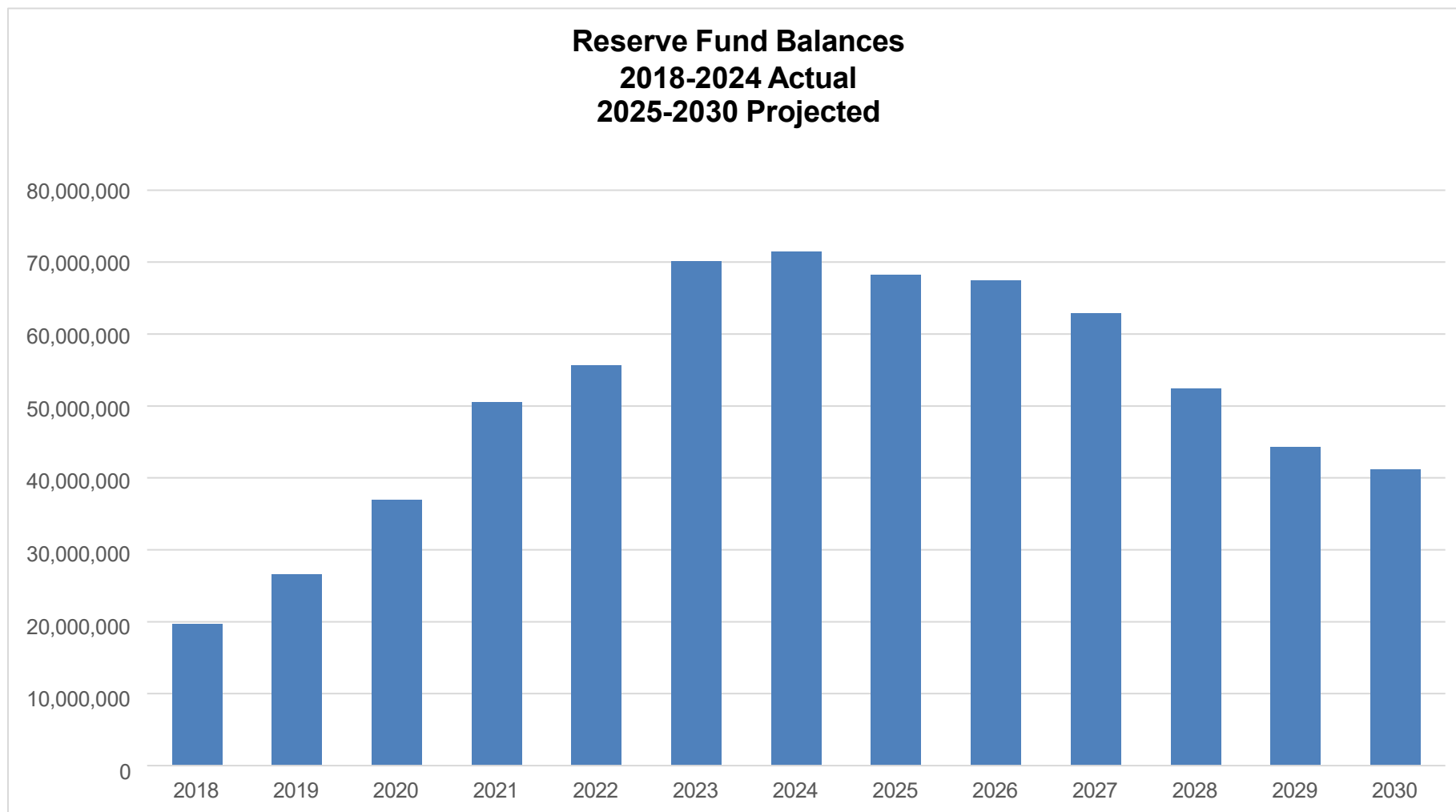
- All capital projects are included in the capital budget, which shows how they are funded. If there are any capital projects to occur throughout the year that were not included in the capital budget, they are approved by council. The report will show how the project is to be funded. There is also a five-year forecast, which shows how various projects are intended to be financed.

Reserves/Reserve Fund Borrowing:

- Any money that is borrowed internally from a reserve or reserve fund is charged interest and kept track of on a monthly basis until it is paid back to the appropriate reserve or reserve fund.

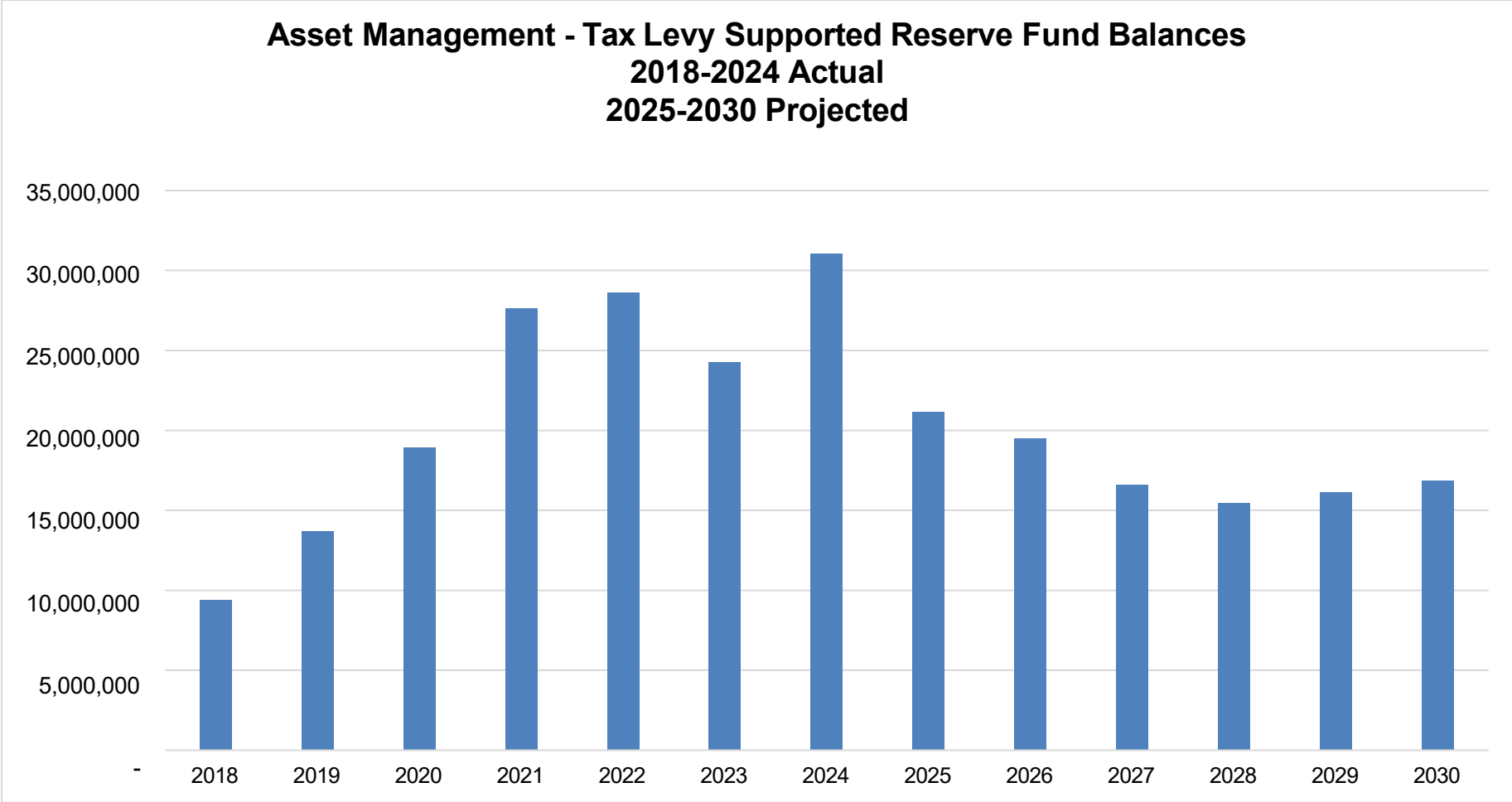
Reserves and Reserve Funds

Figure: Reserve Funds Over Time – All Reserve Funds (includes operating and capital)



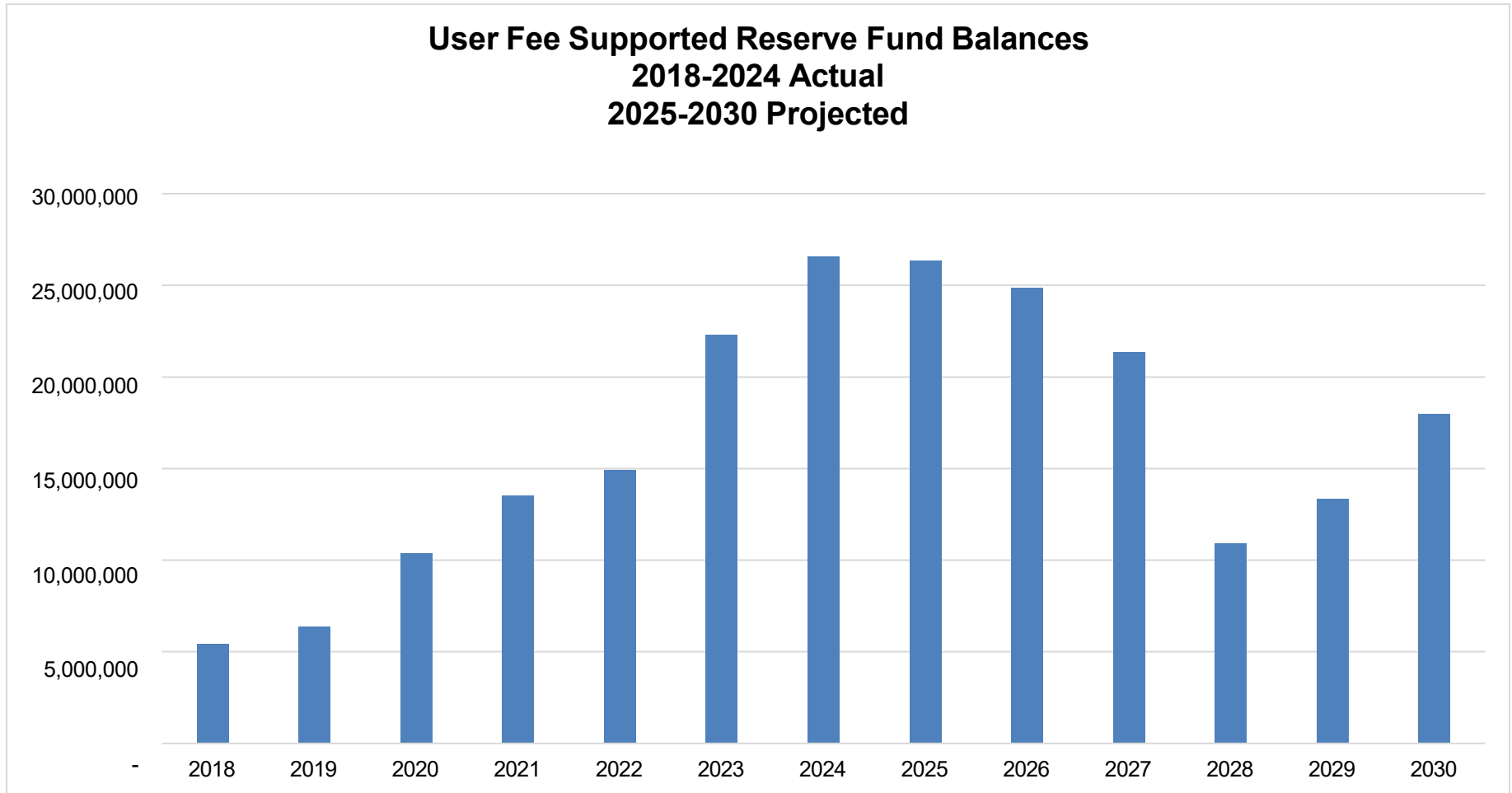
Reserves and Reserve Funds

Figure: Reserve Funds Over Time – Asset Management: Tax Levy Supported (capital only)



Reserves and Reserve Funds

Figure: Reserve Funds Over Time – Asset Management: User Fee Supported (water, wastewater and stormwater only)



Operating Budget



Budget Summary

Operating Budget Expenses

The total annual operating expense budget is \$54,551,868.

Factors driving the operating budgeting expenses in 2026 include:

Reserve Funds

These funds act as a savings account, to set funds aside for cyclical costs like elections and for planned capital costs.

Notable Reserve Funds changes for 2026 include:

- Additional approximate \$1,000,000 transferred to reserve funds to build these balances to cover capital asset requirements as outlined in the municipality's Asset Management Plan and Development Charge Study.

Salaries & Benefits

These funds cover the costs of having municipal staff deliver services. We use a zero-based budgeting model, meaning that each year we build the budget starting at zero, and look at the costs associated with each staff position. Additional staff resources are recommended to facilitate desired service level enhancements and/or increased workloads. The 2026 budget includes an allowance for an overall increase of approximately 3.0 full-time equivalent (FTE) employees and 2.0 full-time temporary contract positions.

Additions:

- Development Review Engineer; \$122,156 wage and benefit impact. This position will be funded by the Housing Accelerator Fund.
- Engineer Assistant temporary contract position; \$56,456 wage and benefit impact. This position will be funded by the Housing Accelerator Fund.
- Full-time Community Services Customer Service Representative; \$61,859 wage and benefit impact.

- Facility Operator Lead Hand; \$102,298 wage and benefit impact.
- Part-time Equipment Operator; \$45,403 wage and benefit impact.
- Health & Safety Coordinator; \$61,219 wage and benefit impact.
- Finance temporary contract position to support the implementation of a new accounting software system in 2026; \$147,533 wage and benefit impact.

Reductions:

- Corporate Services Customer Service Representative: \$55,838 wage and benefit impact (savings).
- Reduction of part-time Community Services Customer Service Representative hours; \$59,181 wage and benefit impact (savings).

Notable salary and benefits changes for 2026 include:

- Cost of living increase of 2%
- Pay-grid step increases of 4%, with 48 full-time employees eligible for increases
- Estimated health and dental benefits cost increases of 5%

Ontario Provincial Police (OPP) Cost

Each year, the municipality receives the annual OPP billing statement from the Municipal Policing Bureau.

Middlesex Centre is still waiting on the final 2026 amounts from the Solicitor General, however, the proposed increase is currently at 11%, which is what the Solicitor General has noted as the maximum increase for a community serviced by the OPP.

This represents the highest per property cost increase in recent years.



Budget Summary

Operating Budget Top Expenditure Categories

Ten expenditure categories account for 92.3% of the operating budget. These costs are presented in the table below. Note that the majority of the transfer to reserve funds are for capital projects.

Table: Top 10 Operating Expenses with 3-year Comparison

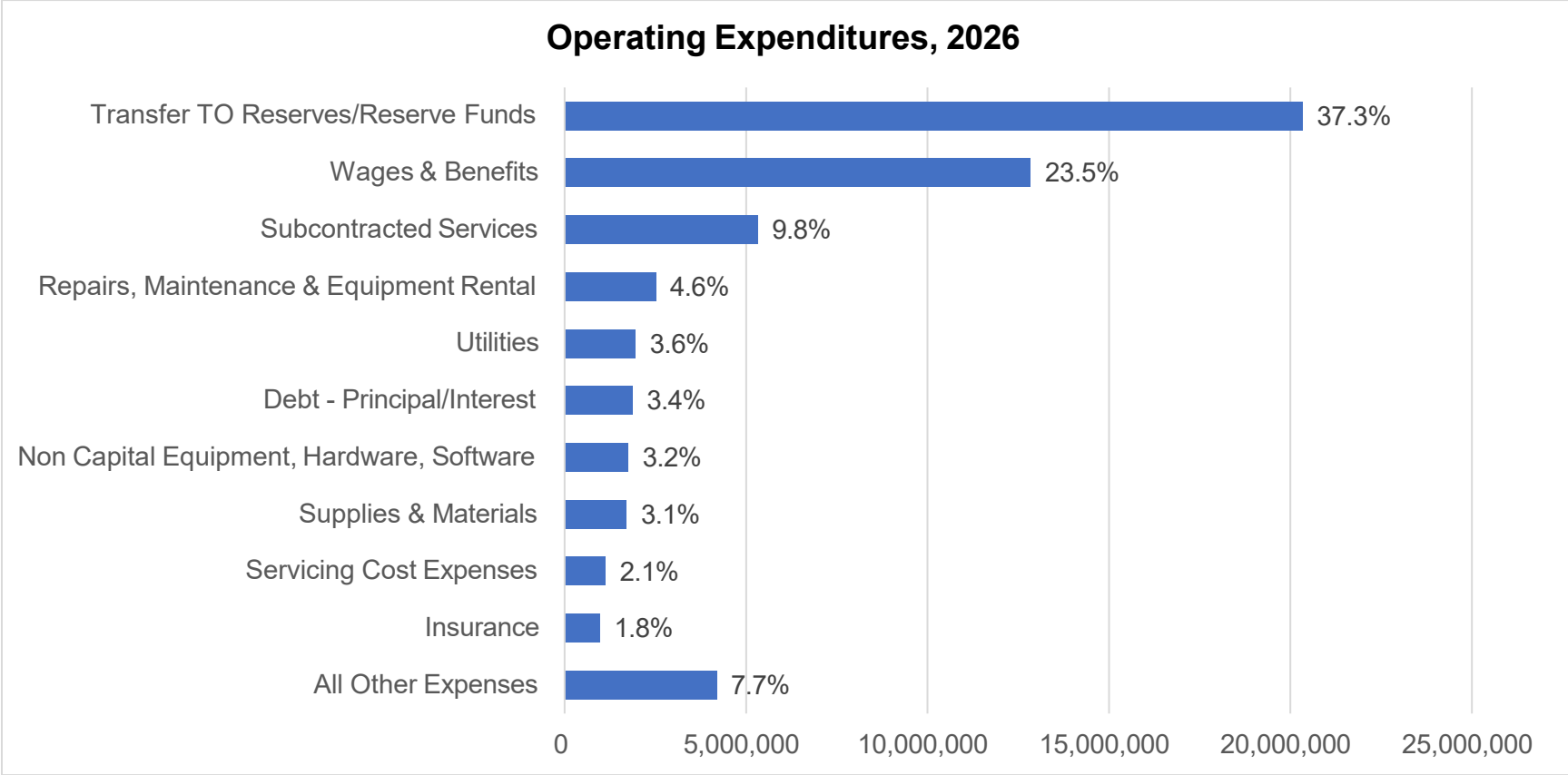
Operating Expenditures	2026 Dollar (\$)	2026 Percentage	2025 Dollar (\$)	2025 Percentage	2024 Dollar (\$)	2024 Percentage
Transfer TO Reserves/Reserve Funds	20,324,764	37.26%	18,126,573	36.73%	17,010,052	34.49%
Wages & Benefits	12,832,674	23.52%	11,962,239	24.24%	10,921,328	22.14%
Subcontracted Services	5,322,185	9.76%	5,097,122	10.33%	5,201,171	10.55%
Repairs, Maintenance & Equipment Rental	2,512,301	4.61%	2,448,936	4.96%	2,177,230	4.41%
Utilities	1,954,640	3.58%	1,973,296	4.0%	1,976,768	4.01%
Debt - Principal/Interest	1,870,006	3.43%	1,901,385	3.85%	1,849,195	3.75%
Non-Capital Equipment, Hardware, Software	1,749,834	3.21%	1,325,918	2.69%	1,035,523	2.1%
Supplies & Materials	1,704,922	3.13%	1,671,952	3.39%	1,735,140	3.52%
Servicing Cost Expenses	1,128,451	2.07%	175,800	0.36%	172,600	0.35%
Insurance	965,725	1.77%	961,475	1.95%	878,305	1.78%
TOTAL	50,365,502	92.3%	45,644,696	92.5%	42,957,312	87.1%

Subcontracted services include Policing, \$2,687,360, and Waste Management, \$1,061,000.



Budget Summary

Figure: Operating Budget by Expenditure



Budget Summary

Operating Budget by Department

The total cost of operations by department for the budget year is presented in the chart below.

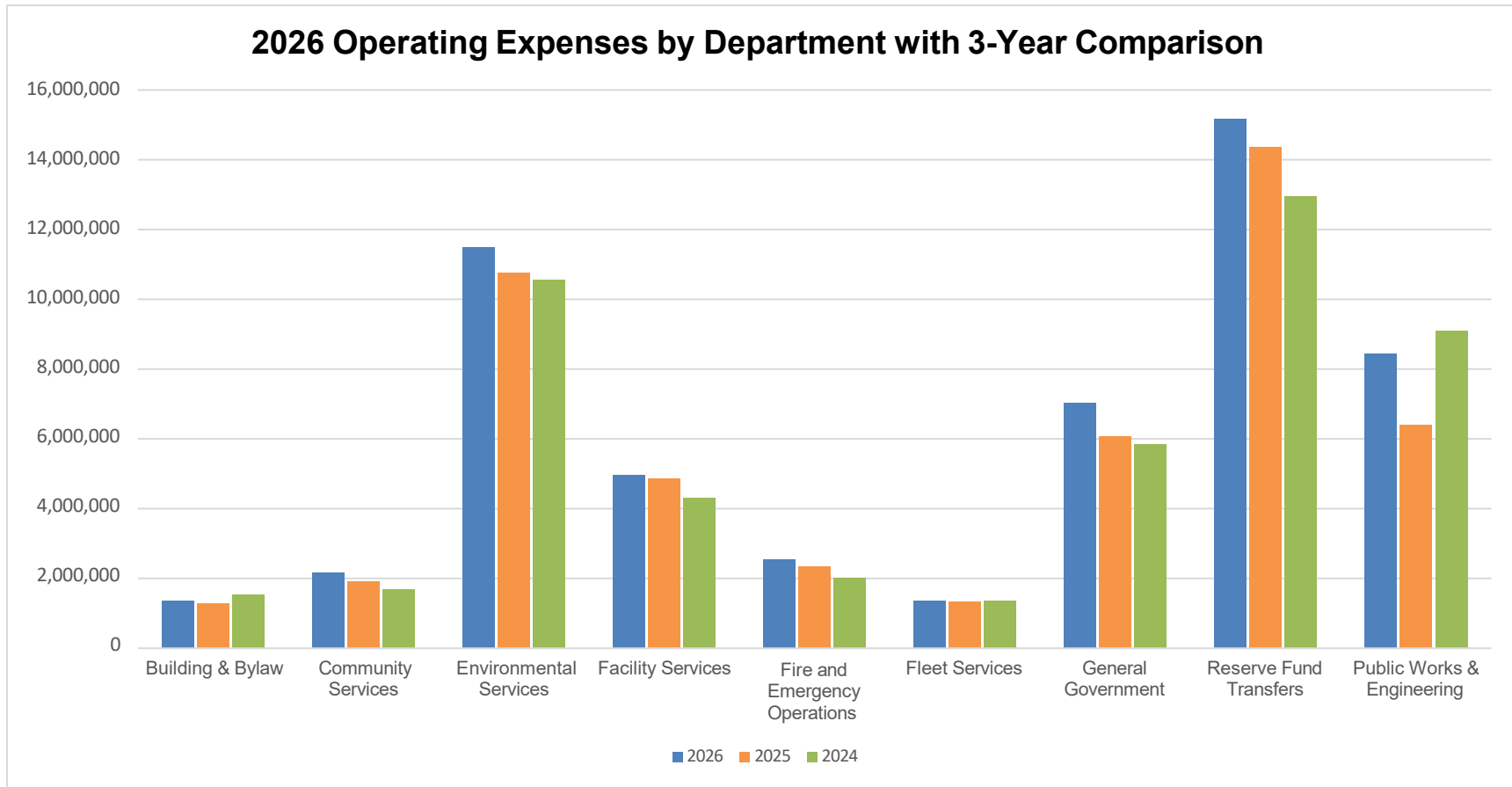
Table: Total Operating Expense Budget by Department with 3-year Comparison

Department	2026 (\$)	2025 (\$)	2024 (\$)	2024 Actual (\$)
Building & Bylaw	1,359,729	1,282,090	1,527,130	1,058,148
Community Services	2,164,670	1,924,680	1,677,303	1,698,005
Environmental Services	11,502,895	10,767,086	10,558,208	10,516,765
Facility Services	4,964,174	4,856,607	4,304,612	4,173,189
Fire and Emergency Operations	2,543,424	2,347,803	2,010,992	2,044,387
Fleet Services	1,374,153	1,332,555	1,348,303	1,304,062
General Government	7,019,326	6,076,145	5,854,119	5,812,145
Reserve Fund Transfers	15,174,300	14,355,077	12,948,341	16,241,287
Public Works & Engineering	8,449,197	6,402,453	9,092,206	10,286,323
Grand Total	54,551,868	49,344,496	49,321,214	53,134,311

Note that Reserve Fund Transfers does not include user fee generated reserve funds such as environmental (water, wastewater, stormwater) and building as these are included in their department budgets.

Budget Summary

Figure: Operating Expenses by Department with 3-year comparison



GENERAL GOVERNMENT



About General Government

General Government includes the Office of the CAO, the Office of the Clerk, and Corporate Services.

General Government's role is one of service to council, residents, and municipal departments and staff.

- The Office of the CAO provides leadership to the entire municipal organization and directs strategic initiatives and economic development.
- The Office of the Clerk coordinates meetings of Council, manages public notices for planning and other matters, oversees records management for the organization and

oversees the legislative services offered by the municipality, including marriage licences and civil wedding ceremonies, commissioner of oaths, and lottery licences.

- Corporate Services manages, coordinates and delivers core customer service, communications, information technology (in partnership with Middlesex County), human resources, and financial services for the municipality. Notably financial management covers a wide range of functions from day-to-day invoicing to annual budgeting to long-range financial planning. Corporate Services supports and assists other departments to deliver high quality programs and services.

General Government

Departmental Budget Highlights

Trends/Issues

- Continued impact of the lack of commercial and industrial assessments in the assessment mix.
- Increasing cost for policing (OPP), with an estimated 11% increase in 2026.
- Changing interest rates. In recent years, higher rates have had a positive impact on our investments in high interest savings accounts but have a negative impact on borrowing rates for capital projects that are debt funded. Falling rates will change these calculations in 2026.
- Challenging economic environment is leading to an increase in collections.
- Increasing focus on internal controls stemming from concerns at other government institutions.
- Legislative changes as referenced above in the Considerations for the Budget discussion.
- Requirement of more detailed governmental reporting for grants and annual reports.
- Development and administration of risk management for new and expanded services.
- Managing cybersecurity corporate-wide and new requirements annually and overseeing the effective and ethical use of AI.
- Balancing the need for efficient technological solutions in a cost-effective manner.
- Expanding on various software packages and programs that will create efficiencies throughout various departments.

Service Level Changes

- More than \$1,000,000 increase in the contribution to Reserve Funds to align with the municipality's Long-Range Financial Plan for tax levy supported capital projects. This is needed for the continued improvement and rehabilitation of our capital assets and funding for our growth-related projects. This initiative cannot be completed without increasing the annual contribution to capital.
- Implementing the recommendations from the 2023 Organizational Review.
- Implementing the recommendations from the 2023 Customer Service Review.
- Continued improvement of our Health and Safety Program with the development of an updated manual and standard operating procedures corporate wide. This is expected to be completed in early 2026.
- Focus on assessment base management, particularly in relation to home-based businesses



General Government

Operating Budget Details

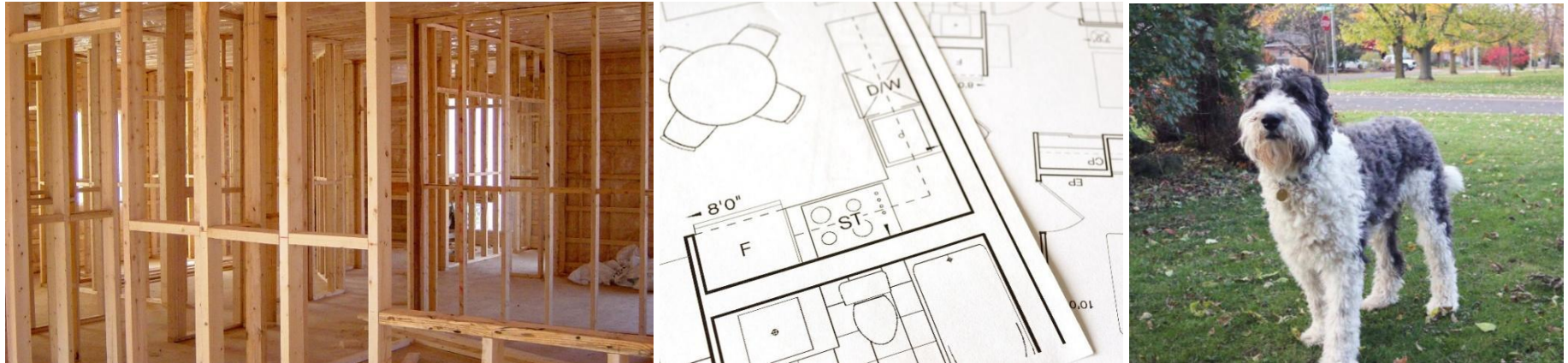
General Government has 40.7% of total operating costs. Of the 40.7%, transfers to reserve funds account for 27.8% and general government accounts for only 12.9% of operating costs.

Table: Operating Expense Budget for General Government by Division

Division/ Cost Centre	Cost Centre	2026 Total
General Administration		3,380,048
Policing		2,687,360
Conservation Authorities		529,302
Ausable Bayfield	141,992	
Kettle Creek	22,478	
Lower Thames	35,121	
St. Clair	114,679	
Upper Thames	215,032	
Cost Centre Total	529,302	
Council		275,736
Economic Development		113,907
Reserve Fund Transfers		15,174,300
OPP Detachment Board		6,971
Cemeteries		26,002
Total		22,193,626

Note: There are no capital expenditures associated with General Governance for 2026.

BUILDING & BY-LAW SERVICES



About Building & By-law Services

Building & By-law Services ensures that new and renovated homes and businesses are built to current standards. They issue building permits for residential, institutional, commercial, agricultural and industrial buildings, septic systems, pools and signs. They also oversee municipal by-law enforcement and source water protection.

Since 2002, Building Division has been in a service agreement with the Township of Lucan Biddulph. In 2021, this agreement was expanded to include the municipalities of North Middlesex, Adelaide Metcalfe and Southwest Middlesex. In 2021, three additional building inspectors and an administrative assistant were brought on due to the increase in building permit activity and the new service agreements. Building Division is entirely self-funded by building permit fees.

Building & By-law Services

Departmental Budget Highlights

Trends

- Anticipate residential activity to increase in the second half of 2026 and to exceed 2025 construction indicator levels in Middlesex Centre and throughout Middlesex County.
- Full cost recovery of Building Division's budget to continue through building permit fees and service charges to municipal partners.
- Supplement by-law enforcement budget by providing efficient services to our municipal partners
- Recent changes to the Ontario Building Code and Development Charges Act will impact processes in 2026. New procedures will have to be created.

Service Levels

- Continuing to find efficiencies in providing by-law enforcement services and building inspection services to our residents and our partners in Middlesex County.



Building & By-law Services

Operating Budget Details

Building & By-law Services has 2.5% of total operating costs.

Table: Operating Budget for Building Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Building		1,176,600
Building Inspection - Middlesex Centre	805,926	
Building Inspection - Lucan Biddulph	83,179	
Building Inspection - North Middlesex	116,471	
Building Inspection - Southwest Middlesex	91,837	
Building Inspection - Adelaide Metcalfe	79,187	
Cost Centre Total	1,176,600	
By-Law		128,991
Animal Control		54,138
Total		1,359,729

Note: There are no capital expenditures associated with Building & By-law Services for 2026.

COMMUNITY SERVICES



About Community Services

Community Services oversees the operation and management of parks and open space (trails, sport fields, playgrounds, and forestry), facility services, including rentals, and recreation programs. It also provides support for minor sports, special events and community engagement.

Community Services maintains and is responsible for:

- 3 ice surfaces between 2 arenas
- 5 indoor community centres and 2 youth centres
- 20 parks
- 20 soccer fields
- 15 ball diamonds
- 16 tennis/pickleball courts
- 4 basketball courts
- 13 playgrounds
- 3 splash pads
- 2 skate parks
- 6 outdoor park pavilions
- 2 off-leash dog areas
- 78 hectares of parkland
- 6.4 km of trails

Community Services

Departmental Budget Highlights

Trends/Issues

- Specific trends impacting Community Services include:
- Increased vandalism in municipal parks and facilities requiring additional security costs
- Increased fuel, material and construction costs
- Weather (significant rain events)
- Continued demand for passive recreation amenities (trails, walking, cycling, pickleball, off leash areas)
- Increased demand for youth programming and older adult programming
- Increased demand for ice time/access at the youth level

Service Level Changes

- Increase in the amount of recreation programming activities offered in-house by municipal staff
- Initiatives and recommendations coming out of the completion of the Community Service Master Plan Update and the Age Friendly Community Action Plan



Community Services

Operating Budget Details

Community Services has 4.0% of total operating costs.

Table: Operating Budget for Community Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Parks & Open Space		836,699
Parks - Admin	29,860	
Park - Arva Weldon	107,675	
Park - Community Landscape Features	14,303	
Park - Bryanston Park	39,580	
Park - Delaware Lions	54,570	
Park - Delaware Municipal	43,664	
Park - Delaware Pleasant	4,510	
Park - Delaware Tiffany	350	
Park - Denfield	75,558	
Park - Ilderton Optimist	65,435	
Park - Ilderton Heritage	88,056	
Park - Ilderton Junction	2,281	
Park - Ilderton Meadowcreek	37,009	
Park - Kilworth Optimist	20,306	
Park - Kilworth River Flats	2,283	
Park - Kilworth Westbrook	70,073	
Park - Komoka	82,407	
Park - Komoka Caverhill	5,106	
Park - Poplar Hill	90,223	
Coldstream Operations Centre	3,450	
Cost Centre Total	836,699	
Administration		1,151,193
Recreation Programs		176,778
Total		2,164,670

FACILITY SERVICES



About Facility Services

Facility Services is a division under Community Services that maintains and manages the municipality's building portfolio.

Facility Services manages and maintains the following:

- 2 municipal operations centres (Delaware and Denfield)
- 1 municipal administration office
- 2 arenas with 3 ice sheets (Komoka and Ilderton)
- 4 libraries (Komoka, Delaware, Ilderton and Coldstream)
- 5 community centres (Komoka, Coldstream, Delaware, Ilderton and Bryanston)
- 5 fire stations (Coldstream, Delaware, Ilderton, Arva and Bryanston)
- 1 medical centre (Ilderton)
- 1 leased property (Bryanston School – OPP Training Centre)

Staffing

See the organizational chart for Community Services and Facility Services (jointly) under Community Services above.

Facility Services

Departmental Budget Highlights

Trends/Issues

- Labour shortages for customer service and in facility maintenance
- Increased utility costs
- Increased material costs
- Equipment & parts delays
- Climate change and the need for more sustainable facilities
- Investments in smart building technology

Service Level Changes

- Increased building security



Facility Services

Operating Budget Details

Facility Services has 9.0% of total operating costs.

Beginning with the 2026 budget year, dedicated cost centres have been established for the water and wastewater facilities to improve the tracking and reporting of expenses specific to these operations. In prior years, these costs were incorporated within the Environmental Services department and not separately identified. Funding for the associated expenses will continue to be provided through the established water and wastewater rates.

Table: Operating Budget for Facility Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Administration		28,604
Municipal Office		208,464
Leased Properties		311,340
Facility: Bryanston School	134,922	
Wellness Centre Addition	9,150	
Facility: Medical Clinic	167,268	
Cost Centre Total	311,340	
Fire Halls		226,922
Facility: Arva Fire Hall	53,636	
Facility: Bryanston Fire Hall	53,800	
Facility: Coldstream Fire Hall	36,426	
Facility: Delaware Fire Hall	45,054	
Facility: Ilderton Fire Hall	38,006	
Cost Centre Total	226,922	
PWE Operations Centres		341,695
Facility: Denfield Operations Centre	200,449	
Facility: Delaware Operations Centre	141,246	
Cost Centre Total	341,695	
Community Centres		498,624
Facility: Komoka Community Centre	124,764	

Facility Services

Division/ Cost Centre	Cost Centre	2026 Total
Facility: Bryanston Community Centre	49,809	
Facility: Coldstream Community Centre	86,487	
Facility: Delaware Community Centre	108,180	
Facility: Ilderton Community Centre	129,384	
Cost Centre Total	498,624	
Arenas		3,065,340
Facility: Ilderton Arena	948,430	
Facility: Wellness Centre	2,116,910	
Cost Centre Total	3,065,340	
Libraries		129,125
Facility: Coldstream Library	21,366	
Facility: Delaware Library	33,330	
Facility: Ilderton Library	74,429	
Cost Centre Total	129,125	
Wastewater Facilities		123,624
Facility: Arva WWTF	2,182	
Facility: Ilderton Sewage Pump Station # 1	5,412	
Facility: Ilderton Sewage Pump Station #3	840	
Facility: Ilderton Sewage Pump Station #4	1,176	
Facility: Ilderton WWTF	38,695	
Facility: Kilworth WW Pumping Station	623	
Facility: Komoka Pumping Station #2	7,115	
Facility: Komoka WW Pumping Station	1,589	
Facility: Komoka WWTF	65,320	
Facility: Ilderton Wastewater Pumping Station	672	
Cost Centre Total	123,624	
Water Facilities		
Facility: Arva Water Works	1,222	
Facility: Ballymote Water Facility	668	



Facility Services

Division/ Cost Centre	Cost Centre	2026 Total
Facility: Birr Pumping Station	1,119	
Facility: Delaware Water Tower	5,070	
Facility: Denfield Water Pump Station	954	
Facility: Ilderton Water Pumping Station	760	
Facility: Ilderton Water Tower	5,089	
Facility: Komoka Water Pumping Station	6,731	
Facility: Komoka Intermittent Pumpstation	1,274	
Facility: Komoka/ Kilworth Water Tower	2,466	
Facility: Melrose Water Treatment Plant	5,083	
Cost Centre Total	30,436	
Total		4,964,174



FIRE & EMERGENCY SERVICES



About Fire & Emergency Services

Middlesex Centre Fire Services (MCFS) offers a first line of emergency response, fire prevention, public education and investigative services to our local communities. Our professional paid-on-call firefighters, fire prevention officer and headquarters staff work out of five fire stations located across the municipality.

- **Fire Prevention and Investigation:** MCFS conducts fire safety inspections—routine, requested, and complaint-based—on behalf of Middlesex Centre, Thames Centre, and North Middlesex. Fire investigations are carried out when predetermined criteria are met.”
- **Public Education:** MCFS offers several focused programs designed to provide age-appropriate fire safety education to various groups, through in-school presentations, the Sparky Backpack and Chalk it Up interactive campaigns, and our annual smoke and carbon monoxide alarm home visits, among others.
- **Emergency Response:** MCFS responds to a growing number of emergency calls for fires, vehicle collisions, technical rescue and requests for medical intervention.
- **Training:** MCFS ensures that all its firefighters are properly trained to Provincial standards as required for their position. At a broader level, through a partnership with the Ontario Fire Marshal’s Office, shared fire certification training has evolved into a regional training centre serving Elgin County, Middlesex County, and Oneida First Nation.
- **Apparatus:** MCFS manages 20 fire apparatus (vehicles) located at headquarters and five fire stations which include engines, pumper/tankers, rescue units, a utility terrain vehicle, and a water rescue boat and rapid deployment craft.

Fire & Emergency Services

Departmental Budget Highlights

Trends/Issues

- Call volumes continue to increase at a rate of approximately 5-10% annually. This results in increased operating costs including wages, equipment requirements, training needs and maintenance.
- Non-emergency calls are increasing. These calls place an undue burden on fire staff and resources and inflate costs. Staff are looking to develop response models to address this concern.
- As requirements in the fire service continue to expand, new regulations are established requiring additional training for compliance.
- Daytime availability of firefighters during certain times of the year continues to be a challenge.
- Manage wage increases alongside growing operational and training needs.
- Ensure on-call scheduling supports staff readiness, regulatory responsibilities, and resident safety, with adequate resources for equipment, wages, and training (e.g. fire investigations, peer support, senior staff oversight)



Fire & Emergency Services

Operating Budget Details

Fire & Emergency Services has 4.7% of total operating costs.

Table: Operating Budget for Fire & Emergency Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Fire Operations		1,642,162
Fire Hall - Arva	328,462	
Fire Hall - Bryanston	271,998	
Fire Hall - Coldstream	353,418	
Fire Hall - Delaware	376,321	
Fire Hall - Ilderton	311,963	
Cost Centre Total	1,642,162	
Special Operations		28,190
Fire Administration		727,041
Fire Prevention		142,543
Fire Prevention	85,845	
Fire Prevention - North Middlesex	28,477	
Fire Prevention - Thames Centre	28,221	
Cost Centre Total	142,543	
Emergency Operations		3,488
Total		2,543,424

PUBLIC WORKS & ENGINEERING: ADMINISTRATION, PLANNING & TRANSPORTATION



About PWE: Administration, Planning & Transportation

PWE Administration oversees municipal drainage under the Ontario Drainage Act. PWE also provides engineering expertise, capital planning, project management, and construction management for some capital projects and Middlesex Centre's water distribution systems and wastewater and stormwater collection systems (which are supported by user fees). Lead responsibility for asset management also falls under PWE.

The Planning Division of PWE is critical in ensuring developments proceed in a coordinated, efficient and responsible manner, and that our land use policies and zoning remain responsive and up to date. This includes services such as:

- Subdivision, Zoning Amendments, Minor Variance, and Site Plan Reviews
- Infrastructure Design Standards

- GIS Updating

The Transportation Division of PWE is critical to keeping Middlesex Centre moving. Staff manage a busy, year-round portfolio, including summer construction and winter maintenance.

PWE Transportation maintains:

- 662 lane km of paved roads and 544 lane km of gravel roads
- 37 km of sidewalks, 1,324 streetlights and 2,372 regulatory and warning signs
- 51 bridges, 99 large culverts, 2 retaining walls, 1 dam, and many smaller diameter culverts
- Over 15,290 municipal trees
- 3 licensed aggregate pits

Departmental Budget Highlights

Trends/Issues

- Difficulty in maintaining contract timelines
- Increased material costs, impacting all aspects - Industry trends in building construction costs for non-residential projects have shown significant fluctuations over the past five years, with the Building Construction Price Index varying between increases of 3% and 17%. Rather than a steady upward trend, recent years, especially post-COVID, have seen pronounced volatility in material and service costs. As a result, cost estimates for multi-year construction projects are increasingly informed by recent, real-world procurement experiences in trade contracting and engineering, to better anticipate unpredictable market changes.
- Continuous changes in legislation from the Province, creating uncertainty and disruption to day-to-day operations.
- Climate change impact on built infrastructure.
- Ongoing legal costs related to planning and development.

Service Level Changes

- Improved tracking of assets replacements and conditions

Public Works & Engineering: Administration, Planning & Transportation

Operating Budget Details

Public Works & Engineering has 15.5% of total operating costs.

Table: Operating Budget for PWE: Transportation & Administration by Division

Division/ Cost Centre	Cost Centre	2026 Total
Transportation		4,242,851
Adelaide Metcalfe Boundary Road Maintenance	4,500	
Bridge Maintenance	55,000	
Cross Culvert Maintenance	25,000	
Cutting & Spraying	41,500	
Brush & Tree Removal	6,000	
Ditching	5,000	
Catchbasin Maintenance	10,000	
Debris & Litter Pickup	4,000	
Hardtop Patching	55,000	
Hardtop Shoulder Maintenance	2,000	
Line Marking	82,500	
Curb & Gutter	3,000	
Slurry Seal & Rout and Seal	50,000	
Loosetop Grading / Dragging	12,000	
Loosetop Dust Control	345,000	
Loosetop Resurfacing	285,000	
Snow Plowing	32,500	
Sod Restoration	2,000	
Tree Planting	10,000	
Sanding & Salting	182,500	
Ice Blading	1,500	
Traffic Signs	42,750	
Traffic Signal Maintenance	4,000	



Public Works & Engineering: Administration, Planning & Transportation

Division/ Cost Centre	Cost Centre	2026 Total
Guard Rails	25,000	
Railroad Charges	13,500	
Traffic Counts	2,000	
PWE Operations	2,501,719	
Pit #1 - Olalondo	19,396	
Pit #2 - Sunningdale Road Sand	2,600	
Pit #3 - Hokkanson	16,510	
Municipal Drain Charges	250,000	
Streetlighting	133,376	
Sidewalks	8,000	
Traffic Calming	10,000	
Cost Centre Total	4,242,851	
Administration		1,229,372
Planning		2,707,520
Drainage		111,238
Tile Drainage		41,970
Municipal Drainage		116,246
Total		8,449,197

Note: Operation wages are budgeted in one account and will be distributed to the other operation costs throughout the year as work is completed.

FLEET SERVICES



About Fleet Services

Fleet Services look after all the municipality's vehicles – everything from snowplows to fire engines to ice resurfacers. The current municipal fleet of more than 150 vehicles and pieces of equipment includes:

- 2 fully electric and 5 hybrid vehicles
- 5 fire engines, 4 fire tankers, and 6 rescue trucks
- 32 light-duty trucks and automobiles
- 5 medium-duty trucks
- 17 heavy-duty trucks
- 3 ice resurfacers
- numerous mowers, tractors, graders, etc.

Staffing

See the organizational chart for all Public Works & Engineering and Fleet Services under PWE: Administration, Planning & Transportation above.

Fleet Services

Departmental Budget Highlights

Trends/Issues

- Lead times for plow truck and fire truck replacements are 18-24 months, which can pose a problem for timely replacement of fleet assets.
- Staff will continue to investigate fleet electrification and alternative fuels to reduce carbon emissions and lower operating costs where feasible.

Operating Budget Details

Fleet Services has 2.5% of total operating costs.

Table: Operating Budget for Fleet Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Fleet Administration		407,498
Fire Fleet		77,750
Building Fleet		8,572
PWE Transportation Fleet		737,833
Environmental Services Fleet		20,000
Community Services Fleet		122,500
Total		1,374,153

PUBLIC WORKS & ENGINEERING: ENVIRONMENTAL SERVICES



About PWE: Environmental Services

The water, wastewater and stormwater management services offered by Public Works and Engineering are critical to keeping Middlesex Centre's drinking water supply safe and secure. They play a crucial role in protecting public and environmental health in the community. Water, wastewater, and stormwater are entirely funded by user fees.

Middlesex Centre owns and operates water, wastewater and stormwater systems that operate 24 hours a day, 7 days a week.

- 13 water facilities (wells, booster stations, towers and standpipes) for drinking water supplies, and conducts 450 microbiological water tests annually
- 86 km of watermains; 909 control valves; 432 fire hydrants; and 4,123 customer service connections

- 2 wastewater treatment plants, one in Ilderton and one in Komoka, and 8 wastewater pumping stations servicing 4 municipal wastewater collection systems
- 50 km of wastewater pipes
- 9 assumed stormwater management facilities
- 67 km of stormwater collection pipes

Environmental Services also operates Middlesex Centre's two seasonal EnviroDepots.

Staffing

See the organizational chart for all Public Works & Engineering under PWE: Administration, Planning & Transportation above.

Public Works & Engineering: Environmental Services

Departmental Budget Highlights

Trends/Issues

- Difficulty in maintaining contract timelines
- Increased insurance costs and utility costs
- Increased material costs, impacting all aspects – See discussion of construction price index under trends for PWE Transportation
- Equipment and parts delays
- Climate change impact on built infrastructure and consideration in future design

Service Level Changes

- Improved tracking of asset replacements and asset conditions; Full implementation of Citywide Asset Management Program and use of the work order system.
- Rate-Supported Operating Budget
- Safe and reliable drinking water distribution, effective wastewater collection and efficient stormwater management are cornerstones of a sustainable and healthy community. To achieve this, continued operating and infrastructure investments are critical to ensure the municipality's water, wastewater and stormwater systems remain financially sustainable now and into the future. This is supported by continuing to build municipal reserves. The municipality is committed to ensuring the financial sustainability of these systems and the ongoing protection of the environment in alignment with the Safe Drinking Water Act, Ontario Water Resources Act, and the Environmental Protection Act.



Public Works & Engineering: Environmental Services

Operating Budget Details

Environmental Services has 21.1% of total operating costs.

Table: Operating Budget for Public Works & Engineering: Environmental Services by Division

Division/ Cost Centre	Cost Centre	2026 Total
Wastewater		4,719,982
Stormwater		1,351,033
Water		4,325,916
Waste Management		1,105,964
Garbage Collection	594,000	
Garbage Disposal	403,770	
Recycling	20,000	
Enviro Depots	88,194	
Cost Centre Total	1,105,964	
Total		11,502,895



Operating Budget Revenue

Middlesex Centre, like most Ontario municipalities, uses a variety of revenue and funding sources to pay for a wide range of services.

Revenue sources include:

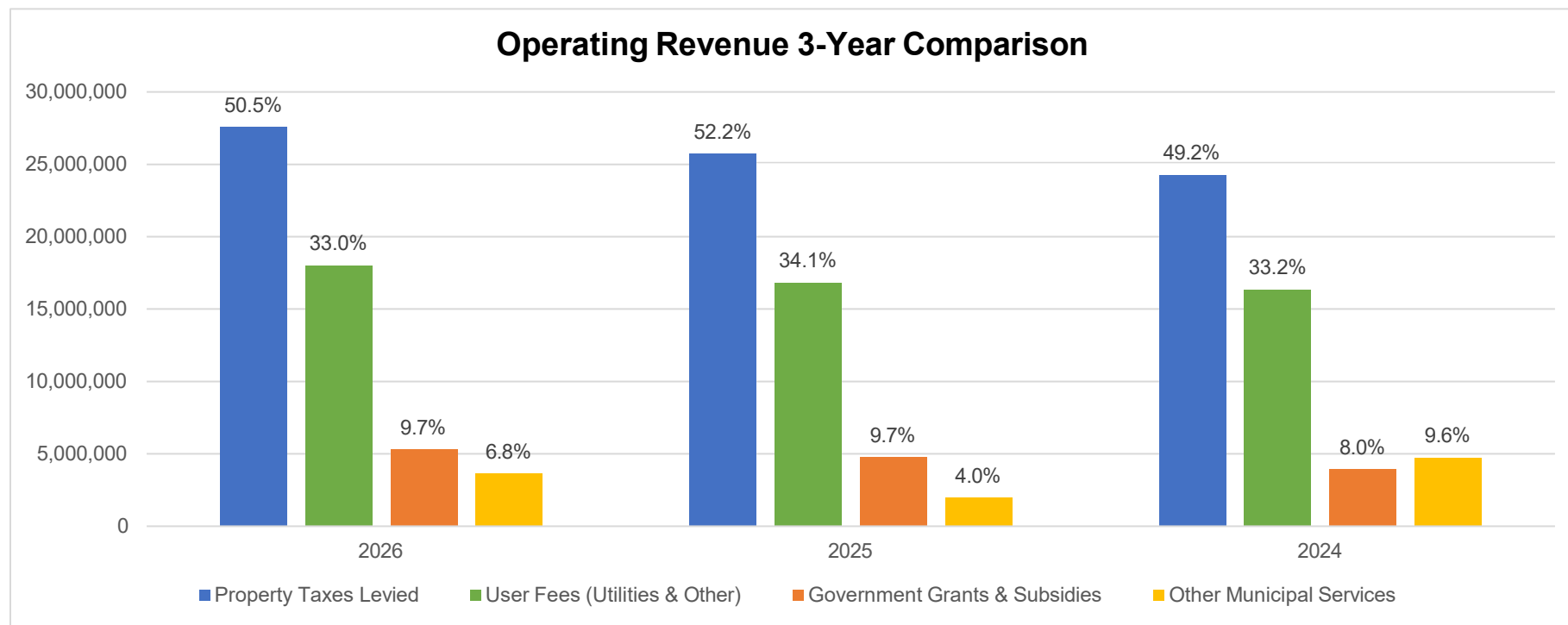
- **Property Taxes** – The largest source of municipal revenue, this is calculated by multiplying the municipal tax rate by the property assessment as determined by MPAC.
- **Grants from Federal and Provincial Governments (transfers)** – The municipality receives grants from the provincial and federal governments on an annual basis. These grants are budgeted based on information received from the governments. If the information is not received prior to the budget being passed, staff plan based on a five-year historical trend. The 2026 budget includes the following grants:
 - Ontario Municipal Partnership Fund (OMPF)
 - Ontario Community Infrastructure Fund (OCIF)
 - Canada Community-Building Fund (CCBF)
- **User Fees** – General (revenue from services such as recreation, planning applications, building permits, etc.) These fees are paid for by the specific user or group of users, including visitors and non-residents, rather than property owners through the municipal tax base.
- **User Fees – Water, Wastewater and Stormwater Rates** (funded directly by users) – Water consumption and wastewater usage charges are based on how much water a property uses. Consumption is measured by the water meter. The stormwater user fee is a flat fee set by council each year.
- **Other** miscellaneous revenues such as permits and licenses.

Budget Summary

Table: Operating Budget Revenue by Type with 3-year Comparison

Revenue Type	2026 Dollar (\$)	2026 Percentage	2025 Dollar (\$)	2025 Percentage	2024 Dollar (\$)	2024 Percentage
Property Taxes Levied	27,561,789	50.5%	25,750,375	52.2%	24,267,465	49.2%
User Fees (Utilities & Other)	18,014,841	33.0%	16,832,720	34.1%	16,368,960	33.2%
Government Grants & Subsidies	5,309,571	9.7%	4,759,134	9.7%	3,944,641	8.0%
Other Municipal Services	3,665,667	6.8%	1,974,467	4.0%	4,740,148	9.6%
TOTAL	54,551,868	100.0%	49,316,696	100.0%	49,321,214	100.0%

Figure: Operating Budget Revenue 3-Year Comparison



Budget Summary

Budget Implications for Rate Payers

Tax Rate

The 2026 tax rate increase is 5.71% (2025: 4.27%).

It is calculated by dividing the tax levy required by the total municipal property assessment. At this rate, there are no service level cuts, and we are prioritizing good asset and reserve fund management.

Property Assessment

Property assessment is the basis upon which municipalities raise taxes. A strong assessment base is critical to a municipality's ability to generate revenues.

Municipal Property Assessment Corporation (MPAC) is expected to deliver the 2026 final assessment to Middlesex Centre in November 2025.

2020 Assessment Updated Postponed for Sixth Year

As part of the Ontario Government's Fall Economic and Fiscal Update, the Province announced their decision to postpone the 2020 Assessment Update. Property taxes for 2026 will continue to be based on the fully phased-in January 1, 2016, current value assessments.

This means property assessment for the 2026 property tax year will be the same as the 2020 tax year, unless there have been changes to the property, for example:

- Change to the property such as an addition, new construction, or renovation.

- MPAC assessed a structure on the property for the first time.
- There was a change to the property's classification.
- All or part of the property no longer qualifies as farmland, conservation land or managed forests.
- All or part of the property no longer qualifies to be tax exempt.

The budget mentioned the Government's decision to postpone the Assessment Update but did not provide a future date for the next reassessment.

In response to concerns about the property tax burden on small businesses, the province provided municipalities with the flexibility to target property tax relief to small businesses. The decision to implement this program lies with the County of Middlesex as the upper tier municipality.

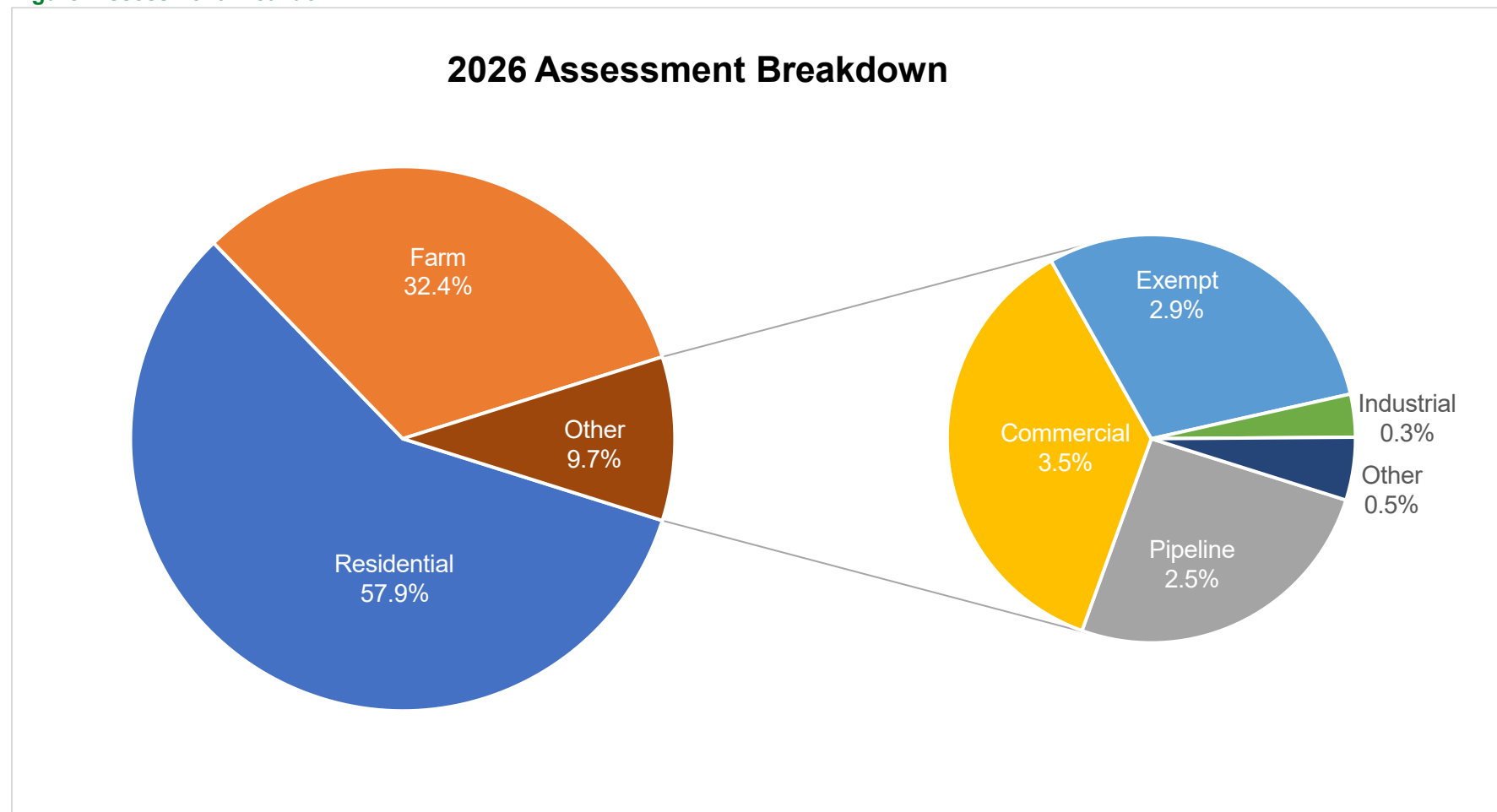
Table: Total Tax Assessment Value by Property Class, 2026

Property Class	Assessment (\$)
Residential	2,944,433,352
Farm	1,645,018,481
Pipeline	126,851,000
Commercial	179,580,667
Exempt	146,602,600
Industrial	16,807,200
Other	24,620,300
Total Assessment	5,083,913,600



Budget Summary

Figure: Assessment Breakdown



Budget Summary

Tax Revenue from All Property Types

Table: Total Municipal Tax Revenue with 3-year Comparison

Property Type	2026 Budget (\$)	2025 Budget (\$)	2024 Budget (\$)
Residential	21,639,416	20,178,818	19,025,762
Farm	3,022,529	2,862,831	2,739,452
Pipeline	984,038	932,377	892,921
Commercial	1,500,724	1,385,347	1,278,995
Industrial	203,108	191,439	186,821
Other	211,974	199,562	143,514
Total Assessment Revenue	27,561,789	25,750,375	24,267,465

The total municipal tax revenue is calculated using actual assessment values provided by MPAC and the calculated residential rate.

Supplementary Information

Municipal Tax Rates over Time

Table: Municipal Tax Rate Increases over Time, 2016 to 2025

Year	Levy	Levy Increase	Rate Increase
2016	14,514,648	9.00%	3.00%
2017	15,358,087	5.81%	2.95%
2018	16,476,117	7.28%	1.99%
2019	18,006,804	9.29%	1.77%
2020	19,627,208	9.00%	2.23%
2021	20,187,004	2.85%	1.47%
2022	21,351,812	5.77%	2.76%
2023	22,799,129	6.78%	2.50%
2024	24,267,465	6.44%	3.22%
2025	25,750,357	6.11%	4.27%



Budget Summary

Government Grants

There are three grants that the municipality has continuously received from the provincial and federal governments over the past few years. The municipality relies on these grants to balance our budget:

- **Canada Community-Building Fund (CCBF)** – Formerly the Gas Tax. Funding provided by the Government of Canada as part of the New Deal for Cities and Communities. This Federal initiative is based on a long-term vision of sustainability for Canadian cities and communities, including four interdependent dimensions: economic, environmental, social and cultural. The program is intended to achieve results leading to cleaner air, cleaner water, and reduced greenhouse gas emissions.
 - Money provided by this fund is primarily used to fund capital projects in Public Works & Engineering, specifically bridges and culverts.
- **Ontario Community Infrastructure Fund (OCIF)** – This grant is a formula-based grant based on a municipality’s asset management plan. It was launched in 2014 and provides funding to help small, rural and northern communities renew and rehabilitate critical infrastructure.
 - Money provided by this fund is primarily used to fund capital projects in Public Works & Engineering, specifically bridges and culverts.
- **Ontario Municipal Partnership Fund (OMPF)** – This is the province’s main general assistance grant to municipalities. The program primarily supports northern and rural municipalities across the province. Its objectives are to recognize the challenges of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances; support areas with limited property assessment; and assist municipalities that are adjusting to year-over-year funding changes.
 - This fund is used in the operating budget to support all departments that are not self-funded.

Table: Government Grant Funding Summary

Grant	2026 (\$)	2025 (\$)	2024 (\$)	2023 (\$)	2022 (\$)
CCBF	619,895	619,895	595,099	571,270	547,467
OCIF	2,109,716	1,917,924	1,667,760	1,962,071	2,064,113
OMPF	1,403,400	1,403,400	1,190,300	1,170,600	1,291,800
Total	4,133,011	3,941,219	3,453,159	3,703,941	3,903,380

Budget Summary

Water, Wastewater and Stormwater Fees

Water, wastewater and stormwater functions are self-funded. Drinking water systems must financially support themselves; this is a requirement of O. Reg, 453/07. The self-funding of the wastewater and stormwater systems is a municipal decision but not currently required by regulation.

The municipality's utility rates are based on the amount of funding needed to operate Middlesex Centre's water, wastewater, and stormwater systems. All costs associated with operating water and wastewater systems are entirely funded by the users and therefore are not supported by property taxes as noted above.

- The municipality funds water and wastewater through a user-fee program. Water consumption and wastewater charges are based on how much water is used. Consumption is measured by the water meter measuring flow entering the building plumbing system.
- The municipality also funds stormwater management through a user-fee program. The stormwater user fee appears on monthly utility bills.

The municipality calculates the budgeted revenue for water, wastewater and stormwater by multiplying the rate as determined in the annual Water, Wastewater and Stormwater Rates By-law by the current consumption, adding in additional revenue for the projected future properties due to growth.

In 2026, water rates will increase by 4.5%, wastewater 5%, and stormwater by 9%. As a result, average users will see an annual increase of about \$103 on their water bill.

Table: Annual Combined Fees for Water, Wastewater and Stormwater, 2026

Annual Water Usage (m ³)	2026	2025	\$ Increase	% Increase
96	\$1,439	\$1,365	\$74	5.4%
180	\$2,081	\$1,978	\$103	5.2%
360	\$3,456	\$3,290	\$166	5.1%
Stormwater Only	\$223	\$205	\$18	8.78%

Middlesex Centre continues to be challenged with funding the water and wastewater systems with relatively fewer customers to share these costs than one would typically see in a higher-density, larger city. Middlesex Centre is committed to keeping costs as low as possible, with only minor increases since 2016.

However, a recent study has determined that Middlesex Centre is underfunded for future lifecycle replacements (primarily for wastewater and stormwater). In June 2025, Council approved the municipality's long-range financial plan (LRFP) for water, wastewater, and stormwater services. This comprehensive plan outlines strategic financial measures designed to ensure the sustainability and reliability of essential municipal infrastructure.

The LRFPs specify the following recommended annual rate increases:

- User Rates (Smoothed Ratepayer Impact over 10 Years):
 - Water: 6.1% increase per year
 - Wastewater: 8.7% increase per year
 - Stormwater: 10.0% increase per year

Budget Summary

A portion of these recommended increases will be mitigated by projected annual growth, estimated between 1% and 4.5%. This growth is expected to reduce the net financial impact on existing ratepayers, making the increases more manageable for the community. For 2026, growth is projected at 1%.

Rate adjustments will be reviewed annually during the municipality's budget process. Each year, staff will analyze any financial implications arising from deviations from the recommended rates, ensuring that decisions are responsive to current economic conditions and municipal needs.

It is critical to maintain the recommended rate increases to address the existing infrastructure funding gap. Implementing lower-than-proposed increases would restrict the municipality's ability to fund:

- Existing infrastructure maintenance and renewal
- Growth-related assets that benefit the current population, as identified in the Development Charges Background Study

In short, maintaining these increases is essential to secure the long-term financial health of the municipality's water, wastewater, and stormwater systems.



Budget Summary

Waste Management Fees

Waste and recycling services are provided for the municipality by Bluewater Recycling Association.

Middlesex Centre has a user pay program for waste collection and disposal. Those who produce the least waste pay the least. This is an excellent opportunity for residents to reduce, reuse and recycle as much as they can. Residents pay for the size of waste bin their household requires.

Waste bins come in three sizes. The annual cost is associated with the size of bin selected.

There was no increase in waste management fees in 2026. Waste bin charges are:

- Small Bin: \$132
- Medium Bin: \$246
- Large Bin: \$358

Recycling bins come in two sizes, medium and large. There is no charge for these bins.

The municipality calculates the budgeted revenue for waste management by multiplying the rate as determined in the contract with the third-party provider by the current waste bin amounts, adding in a small amount of additional revenue allowing for the projected growth in the number of properties serviced.

Municipal Fees Charges (User Fees)

User fees are charged by municipalities to recover a portion of the costs for services, including recreation program fees, facility rental fees, building permits and more.

These fees are paid for by the specific user or group of users, including visitors and non-residents, rather than property owners through the municipal tax base.

User fees ensure tax fairness based on an understanding of who benefits from the services being delivered: an individual user (a public skating enthusiast) or a group (a community organization renting a meeting room) versus a large portion of the population (residents that rely on emergency services). Fully funding all of these services through the tax levy would significantly increase property taxes for individuals who may never enjoy the specific services.

User fees ensure we maintain adequate service levels comparable to other municipalities and meet user expectations by balancing affordability with demand for services.

Council approves a list of user fees each year through the fees and charges by-law. Fees are reviewed to ensure they are offsetting the cost of providing the service as well as aligning to the fees of neighbouring communities.



Budget Summary

The Bottom Line – Impact on Rate Payers

Table: Implications for Average Residential Property Owner assessed at \$400,000

Municipal Fees	Annual Change (\$)
Change in Municipal Property Tax	159
Change in Water, Wastewater and Stormwater Fees*	103
Change in Waste Management Fees*	0
Change in User Fees	will vary by resident
Total Change – Middlesex Centre	262

**Based on usage of 180 m³ of water per year & a small waste bin*

Table: Implications for Average Farm Property Owner assessed at \$1 million

Municipal Fees	Annual Change (\$)
Change in Farm Property Tax	99
Change in Waste Management Fees	0
Change in User Fees	will vary by resident
Total Change – Middlesex Centre	99

It is important to note that these changes are associated with Middlesex Centre only – they do not include rate increases that may come from the County of Middlesex or the local school boards.

THE BIG PICTURE

- **7.03% Tax Levy Increase** (2025: 6.11%)
- **5.71% Tax Rate Increase** (2025: 4.27%)
- **\$54,551,868 in Operating Costs** (2025: \$49,316,696)
- **\$20,896,985 in Capital Projects** (2025: \$29,554,615)
- **\$75,448,853 Total Municipal Budget** (2025: \$78,871,311)
- **\$20,324,764 Transfers to Reserve Funds** (2025: \$18,126,573) *
- **\$23,813,315 Transfers from Reserve Funds** (2025: \$28,922,517) *

**Includes all reserve funds, including Water, Wastewater, Stormwater, Building and Development Charges*



Budget Summary

What is the residential tax impact?

For the average Middlesex Centre residential homeowner, municipal taxes will increase by \$159 in 2026 (excluding the education tax and Middlesex County taxes).

It is important to note that there were no re-assessment increases in 2026. Property assessment will be the same as it was in 2020, which was the last year assessments were updated unless there has been a change to the property such as building a new home, new addition, etc.

Table: Average Residential Tax Rate and Assessment Increases, with 3-year Comparison

Tax Rate & Assessment	2026	2025	2024	Notes
Average Residential Property Assessment (as set by MPAC)	\$400,000	\$400,000	\$400,000	Assessment values are determined by MPAC. They have not changed over this period.
Middlesex Centre Property Tax (based on tax levy approved by Council)	\$2,940	\$2,781	\$2,667	This is the Middlesex Centre portion of taxes only. Middlesex Centre also collects taxes on behalf of Middlesex County and the school boards.
Change over Previous Year	+\$159	+\$114	+\$83	Middlesex Centre will have a 5.71% tax rate increase in 2026, compared to 4.27% in 2025

Budget Summary

What is the farm tax impact?

For the average Middlesex Centre farm owner, municipal taxes will increase by \$99 in 2026 (excluding the education tax and Middlesex County taxes).

It is important to note that there were no re-assessment increases in 2026. Property assessment will be the same as it was in 2020, unless there has been a change to the property that was being assessed such as an addition, etc.

Table: Average Farm Tax Rate and Assessment Increases, with 3-year Comparison

Tax Rate & Assessment	2026	2025	2024	Notes
Average Farm Property Assessment (as set by MPAC)	\$1,000,000	\$1,000,000	\$1,000,000	Assessment values are determined by MPAC. They have not changed over this period.
Middlesex Centre Property Tax (based on tax levy approved by Council)	\$1,837	\$1,738	\$1,667	This is the Middlesex Centre portion of taxes only. Middlesex Centre also collects taxes on behalf of Middlesex County and the school boards.
Change over Previous Year	+\$99	+\$71	+\$52	Middlesex Centre will have a 5.71% tax rate increase in 2026, compared to 4.27% in 2025

Budget Summary



**Middlesex Centre
Tax Increase
RESIDENTIAL**



**\$159
Annually**



**\$13.25
Monthly**



**Middlesex Centre
Tax Increase
FARM**



**\$99
Annually**



**\$8.25
Monthly**

FINAL CONSIDERATIONS

Outstanding Items

There are still some outstanding items at this time:

- 2026 Assessment from MPAC. Updated as of October 23, 2025. Final assessment update available on November 3, 2025.
- Insurance increase for 2026. Staff have currently budgeted at 3% and are awaiting the final premium amount from our Insurance Broker.
- Ontario Municipal Partnership Fund (OMPF) 2026 amount. Staff have budgeted the grant for the same amount as 2025.
- OPP Costs for 2026. Staff have budgeted the cost at an 11% increase.
- CPI (September over September) 2.4% (Canada) and 2.0% (Ontario) has not been updated in the budget figures. Staff used 2% for increases.
- Construction Price Index Q3.
- 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.
- Conservation authorities remain outstanding; however, estimates have been provided:
 - Upper Thames – 8%
 - St. Clair 5% and inclusion of the Dam study in 2026/2027 - 2026 - \$38,895 and 2027 - \$33,395
 - Lower Thames – 7%
 - Kettle Creek – 7.5%
 - Ausable Bayfield – 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.

Ongoing Budget Monitoring

Monthly financial reports will be presented to Council which will explain budget variances to date and expected future budget variances for operating costs. Quarterly financial reports will be presented to Council which will explain budget variances to date and expected future budget variances for capital costs.

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