

2026 Budgets

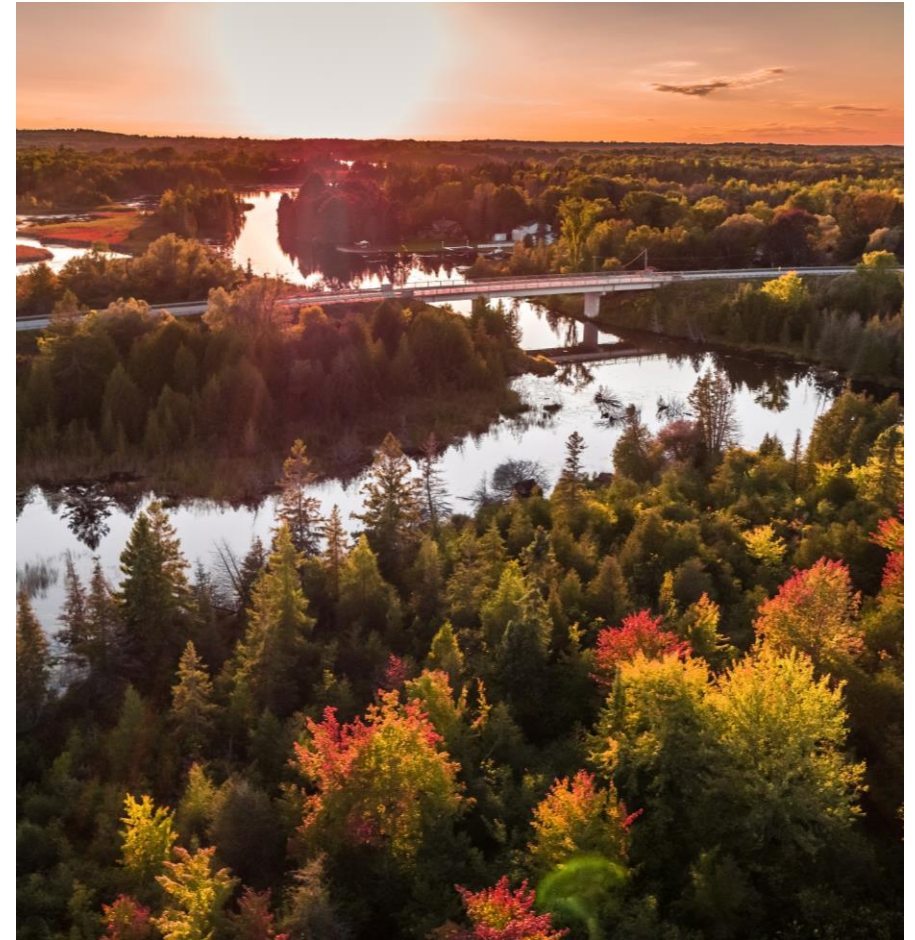
Budget Committee 2026 Kick Off

June 17, 2025



Topics

1. Review of Budget Components
2. Budget Process (Revisit 2025)
3. Budget Overview
4. 2025 Water and Wastewater Budget
5. 2025 Tax Supported Capital Budget
6. 2025 Tax Supported Special Projects Budget
7. 2025 Tax Supported Operating Budget
8. 2025 Agencies, Boards and Committees
9. Debt and Reserves
10. Next Steps
11. 2025 Process feedback



1. Tax Supported Budget Summary

- 2025 - 6.2% Budget Increase (Long Term Financial Plan LTFP recommended 4.5%)
 - 3% General Operations
 - 1.7% One-time Policing pressure Increase
 - 1.5% Infrastructure Levy

2026 Plan

- Outreach summer 2025 to External Agencies to identify pressures
- Staff developing Operating budget and LTFP
- Staff recommending, to advance capital program, a 2% Infrastructure Levy for 2026 forward
- August Council meeting to present LTFP (2026 to 2035)
- Mayor to provide direction to Budget Committee September 2025

2. Budget Process

Draft

- Departments and Finance team put together draft budgets

Draft

- Draft Budgets presented to the Budget Committee

Draft

- Budget Committee deliberates and presents Draft Budgets to the Mayor

2. Budget Process Continued

Proposed

- Mayor considers Draft Budgets and may opt to make changes

Proposed

- Mayor presents Proposed Budgets to Council and Public; presentations from community groups, delegations from public, correspondence

Proposed

- Presentations of Mayor's Proposed Budget to Council, delegations and correspondence from public. Council has 30 days to amend Mayor's Proposed Budget

2. Budget Process Continued.

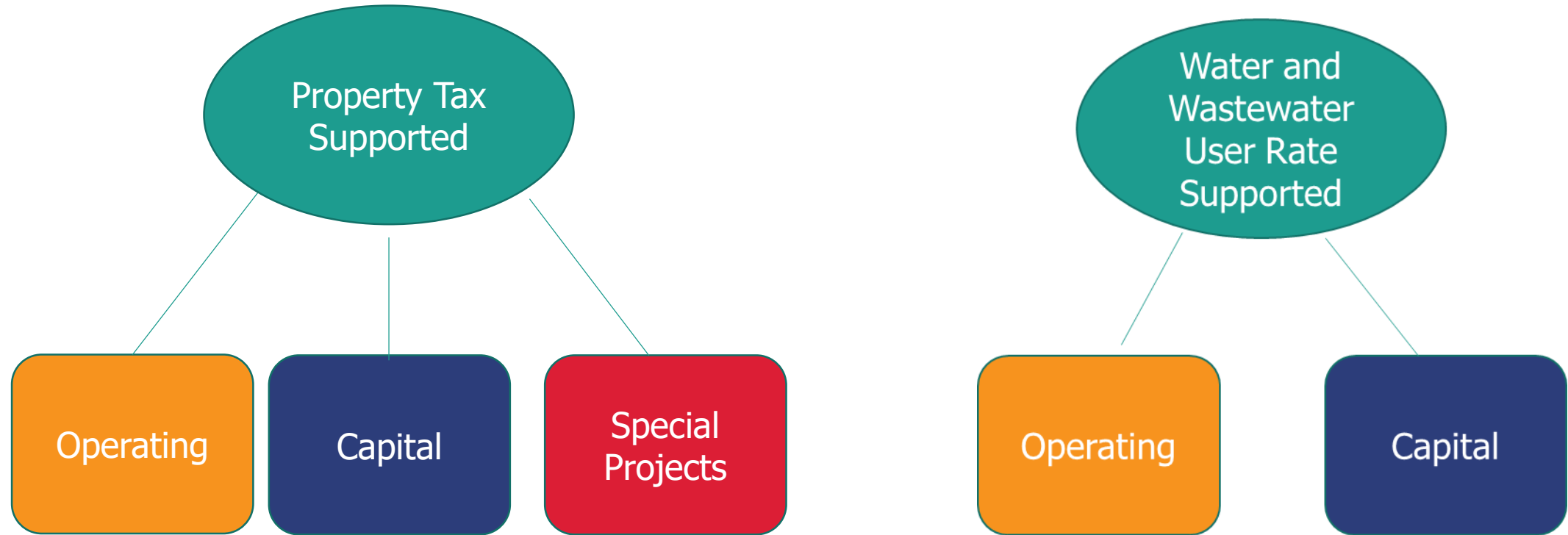


2. Strong Mayor Powers

Legislation – Part VI.1 of Municipal Act, 2001, O. Reg 530/22

- Mayor must present a budget by February 1 annually, otherwise it will be Council's responsibility
- Upon receipt, Council will have 30 days to amend the Mayor's Proposed Budgets by majority vote
- Mayor will have 10 days to veto any amendments passed by Council
- Council will have 15 days to override the Mayoral Veto with a two third majority
- Conflict of interest rules still apply to the Mayor (and Council), and a Mayoral Veto is prohibited on any specific matter where this is in effect

3. Overview Budget Funding Sources



3. 2024 to 2027 Strategic Priorities



- Strategic Plan is City's roadmap
- Annual Budget aligned to Strategic goals and actions
- For the complete Strategic Plan, please visit www.kawarthalakes.ca/strategicplan

3. 2025 Budget Alignment to Long Term Financial plan (LTFP)

City is advancing several LTFP goals:

- ✓ Continuing to build up Asset Management Reserve (\$17.4 Million)
- ✓ Continuing to address backlog of deferred capital needs
- ✓ Reducing reliance on debt for State of Good Repair assets
- ✓ Prepare for Growth
- ✓ Continual Review of Service Level Definition

3. 2025 Priorities and Highlights

- Keeping taxes affordable
- Enhancing **community safety** and emergency services
- Investment in health and well-being
- Growth benefits all
- Unprecedented Capital Budget for a growing community



3. Budget bottom line - 2025

1. Water and Wastewater Budget

- 3% user fee increase in adherence to Water-Wastewater Rate Study
(users of municipal water-wastewater only)

2. Operating budget (all property owners)

- 6.2% budget increase
 - 3% for general operations
 - 1.7% to address unanticipated pressures in police services,
 - 1.5% for continued support of the dedicated capital levy

3. Updates to the Long Term Financial (LTFP) Plan Coming 2025

- 2025 budget was final budget based on 2022 LTFP, as previously planned 3% tax increase no longer financially sustainable

4. Water-Wastewater Budget

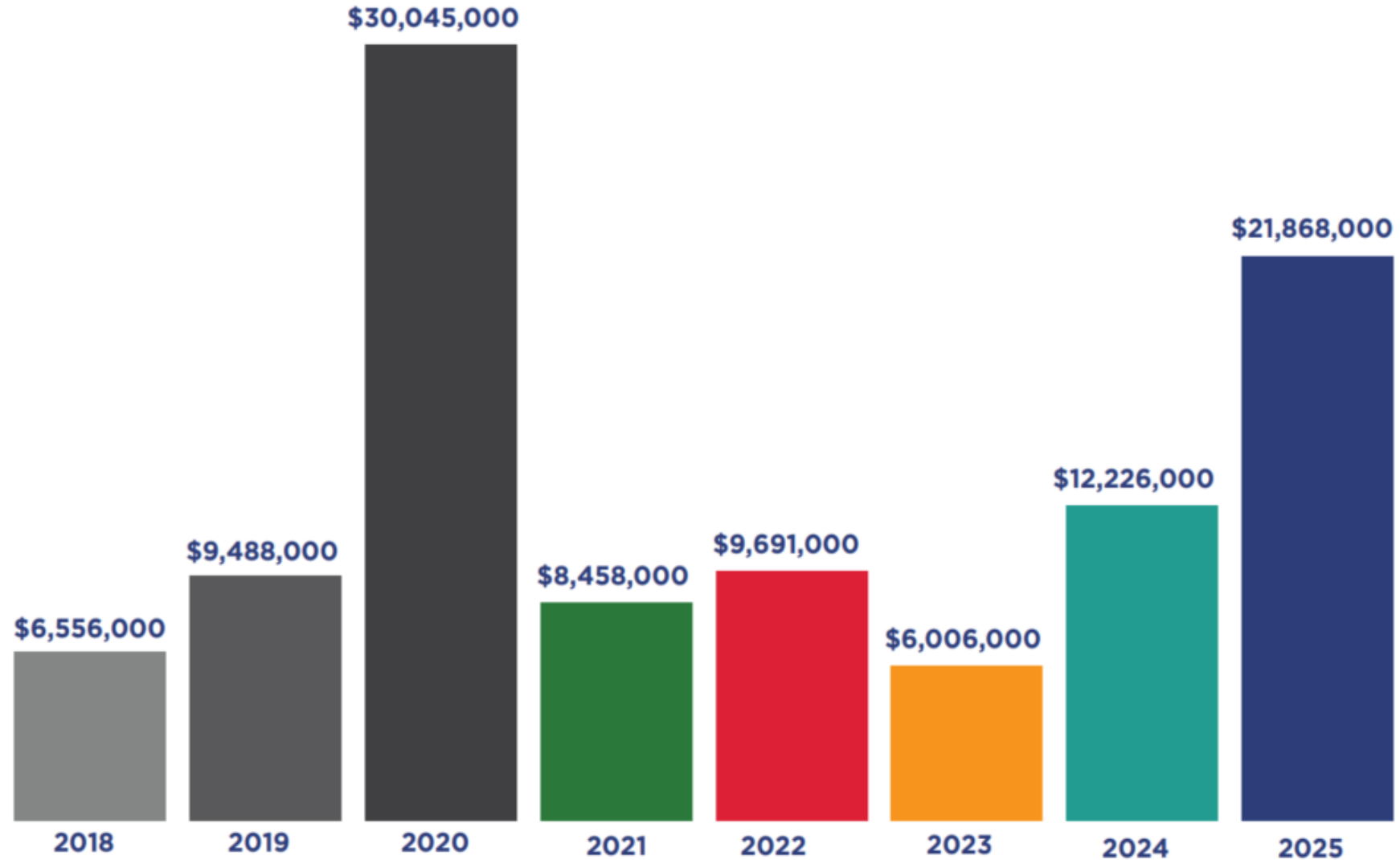


4. 2025 Water-Wastewater Capital Budget

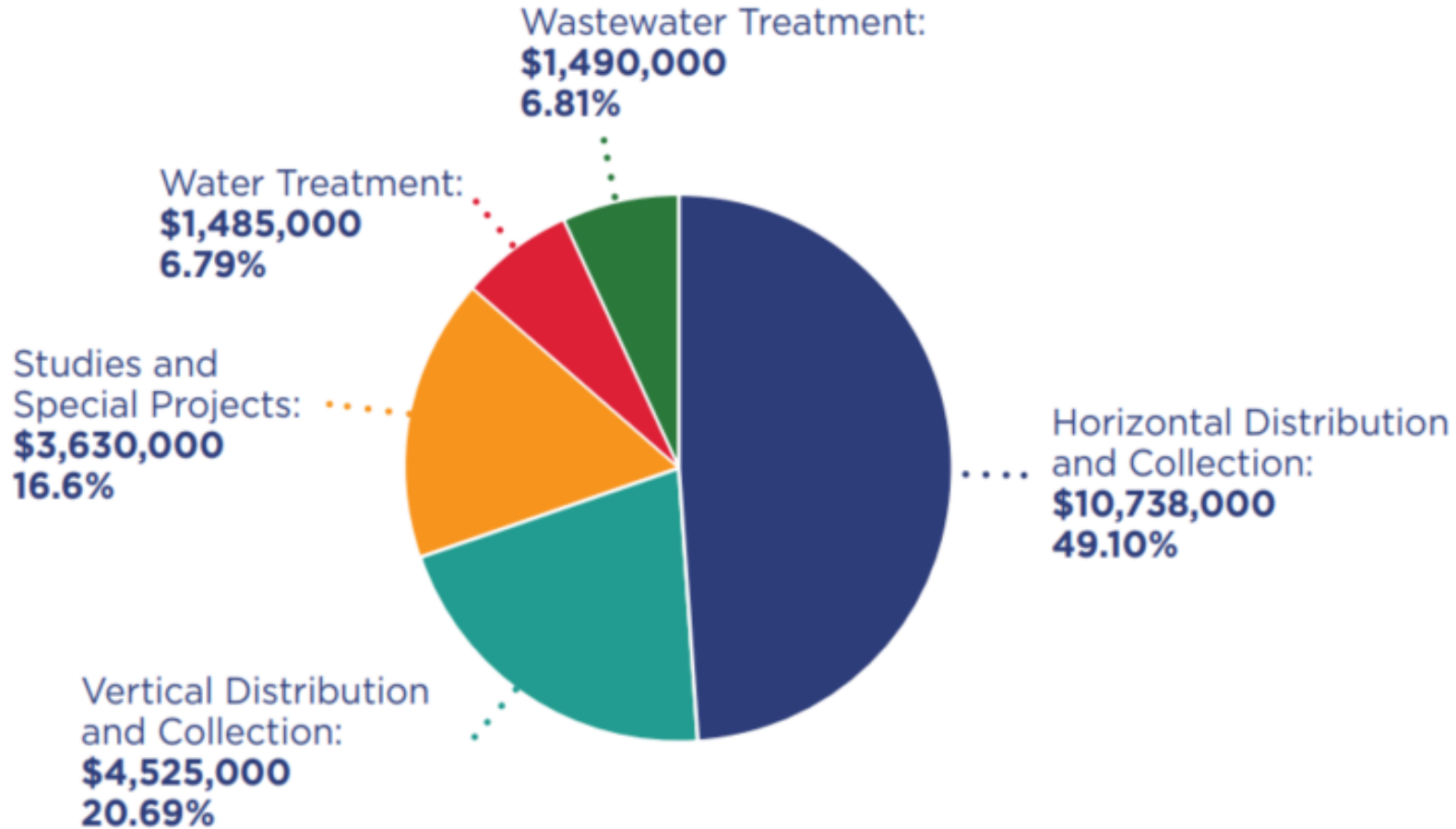


Title	Expenditure	Water Reserve	Water DC Reserve	Water ICIP Grant	Sewage Reserve	Sewage DC Reserve	Sewage Debenture
Water Treatment	1,485,000	1,485,000	0	0	0	0	0
Wastewater Treatment	1,490,000	0	0	0	1,490,000	0	0
Vertical Distribution and Collection	4,525,000	300,000	0	0	225,000	4,000,000	0
Horizontal Distribution and Collection	10,738,000	1,630,240	2,380,160	1,237,600	312,200	1,356,800	3,821,000
Studies and Special Projects	3,630,000	868,800	0	0	1,761,200	1,000,000	0
Total	21,868,000	4,284,040	2,380,160	1,237,600	3,788,400	6,356,800	3,821,000

4. Water-Wastewater Capital Budget Trend

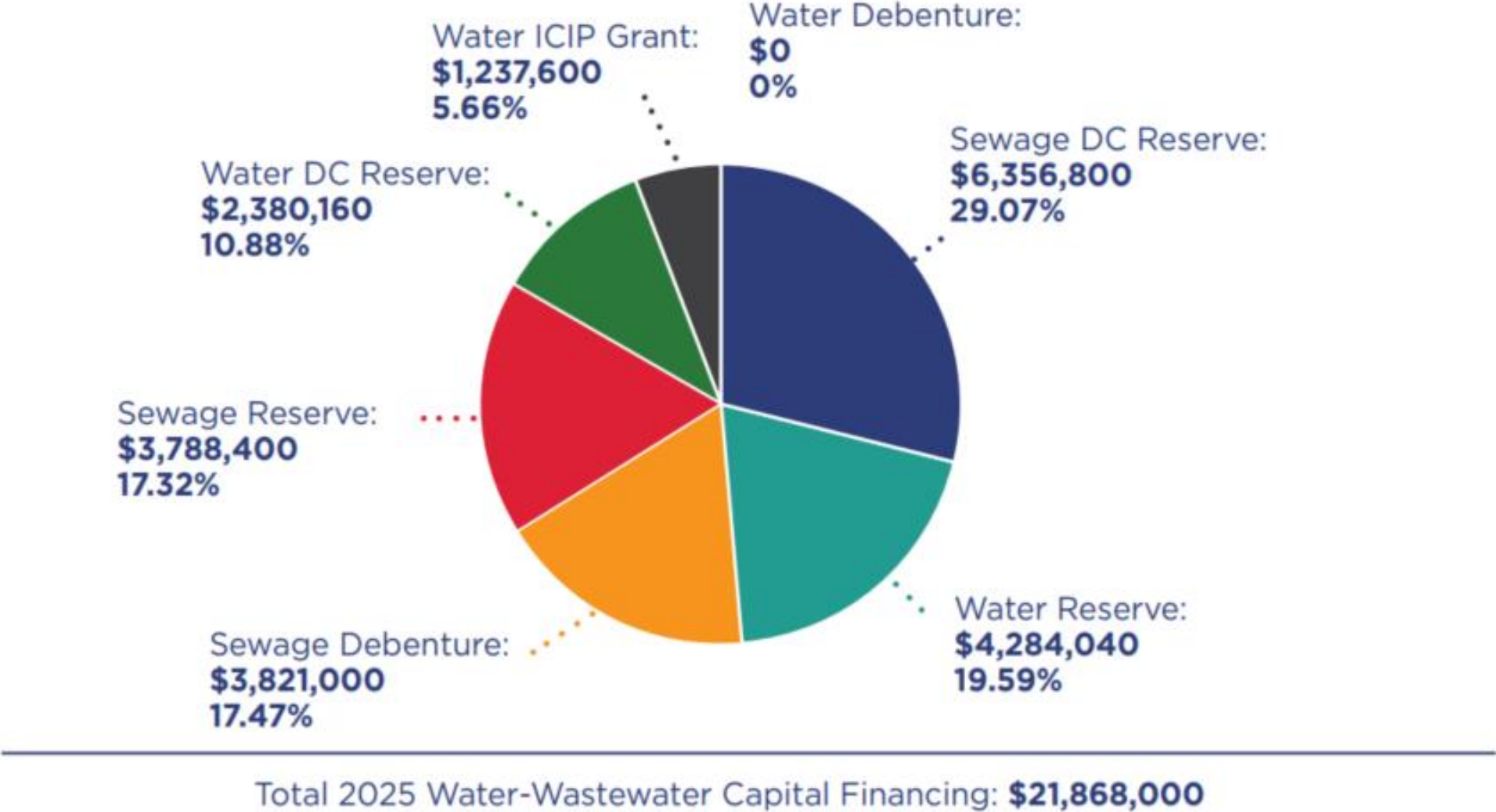


4. 2025 Water-Wastewater Capital Expenditure by Capital Program



Total 2025 Water-Wastewater Capital Expenditure: **\$21,868,000**

4. 2025 Water-Wastewater Capital Financing by Source

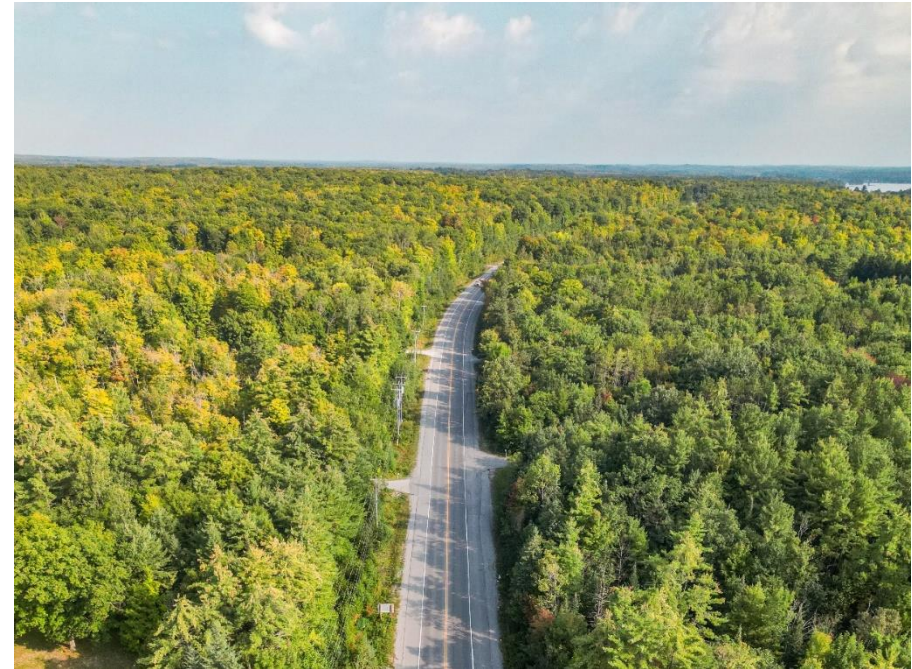


4. 2025 Water and Wastewater Operating Budget



	Actual 2023	Budget 2024	2025 Budget	Change from 2024 Budget
Tax Revenues	(250,323)	(229,750)	(260,000)	(30,250)
Other Revenues	(2,484,943)	(1,640,176)	(1,661,144)	(20,968)
User Charges, Licenses and Fines	(23,822,957)	(24,101,690)	(25,523,414)	(1,421,724)
Total Revenues	(26,558,223)	(25,971,616)	(27,444,558)	(1,472,942)
Salaries, Wages and Benefits	1,694,548	2,307,750	2,522,036	214,286
Materials, Training and Services	1,480,640	1,478,940	1,524,300	45,360
Contracted Services	9,205,056	9,920,878	10,206,650	285,772
Interest on Long Term Debt	1,460,299	2,027,491	1,927,663	(99,828)
Debt, Lease and Financial	4,542,099	5,091,827	4,838,083	(253,744)
Interfunctional Adjustments	8,171,447	5,144,730	6,425,826	1,281,096
Total Expenses	26,554,089	25,971,616	27,444,558	1,472,942
Total Water and Wastewater Budget	(4,134)	-	-	-

5. 2025 Tax Supported Capital Budget



5. Capital Summary

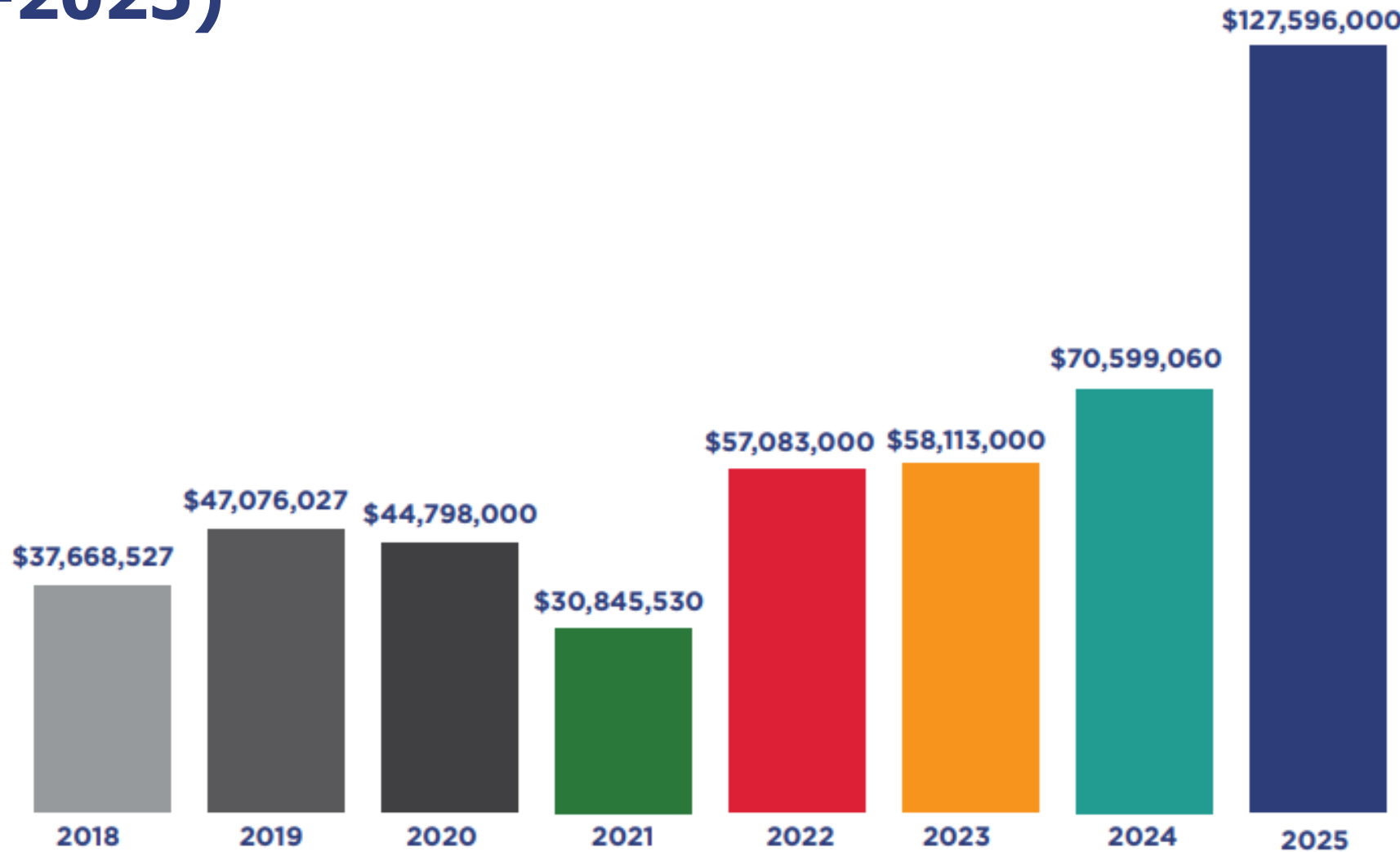
- Capital budget for a growing City
- \$128 million
- State of Good Repair Projects= \$68.9 Million



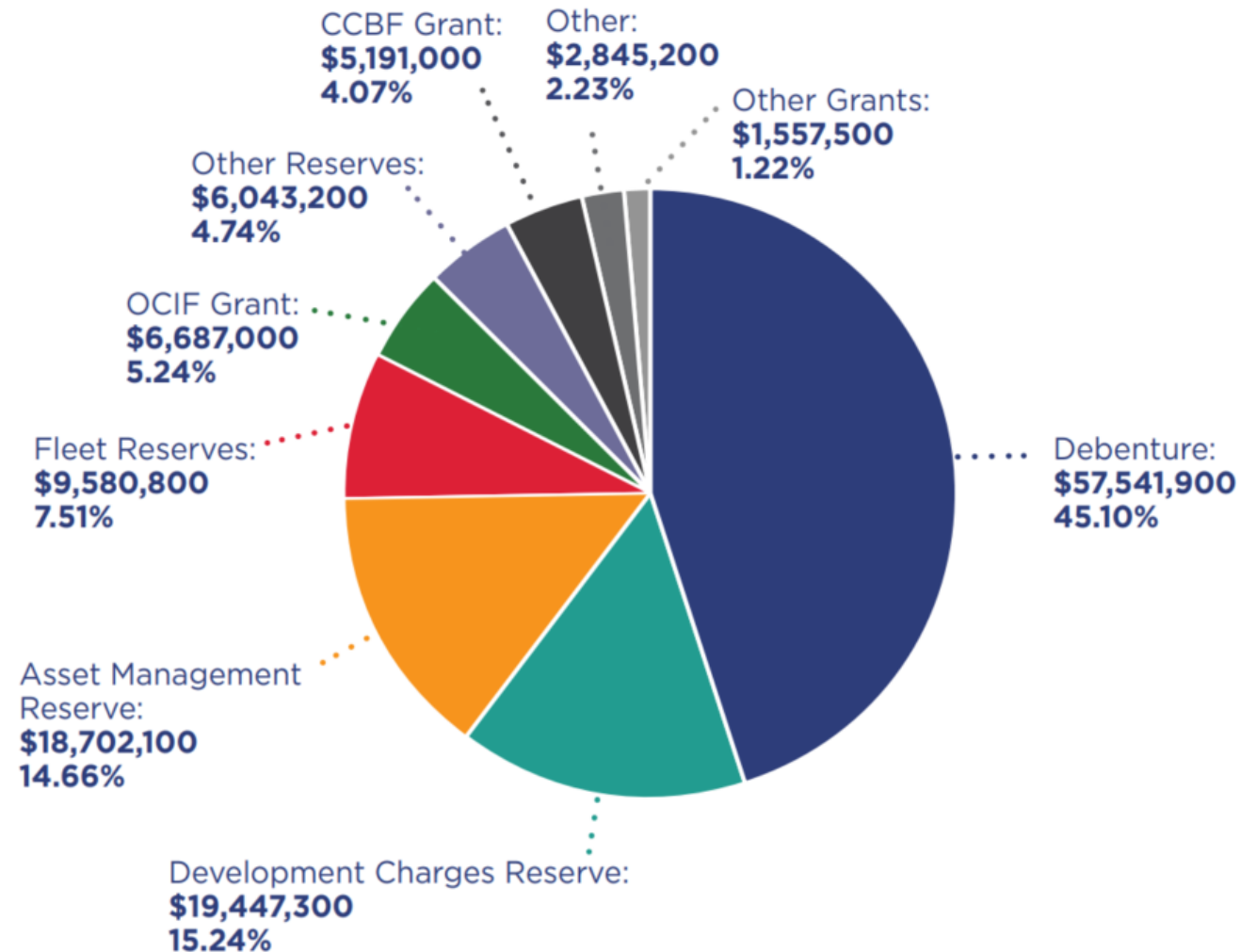
- Expansionary = \$58.7 Million projects



5. Total Tax Supported Capital Budget (2018-2025)



5. 2025 Tax Supported Capital Financing



Total 2025 Capital Financing: **\$127,596,000**

5. 2025 Highlighted projects



5. 2025 Capital Projects Budget Summary



Title	Expenditure	Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other
Multiyear Capital Projects	39,100,000	1,425,000	7,660,000		572,500		420,000		29,022,500	
Bridges and Culverts	11,149,000	302,000	1,400,000			465,000	1,011,000		7,971,000	
Urban/Rural Reconstruction	19,182,000	1,133,000	7,694,400		67,000	1,576,000			8,499,400	212,200
Urban/Arterial Resurfacing	8,364,000	1,536,000			1,100,000	3,150,000				2,578,000
Rural Resurfacing	6,891,000	2,816,000					4,075,000			
Gravel Resurfacing	2,139,000	2,139,000								

5. 2025 Capital Projects Budget Summary



Title	Expenditure	Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other
Lifecycle Management	2,362,000	1,181,000					1,181,000			
Sidewalks	466,000	466,000								
Traffic Signals and Streetlights	1,175,000	185,000	990,000							
Parking Lots	140,000	31,900	108,100							
Airport Siteworks and Facilities	3,305,000	100,100	211,900		2,193,000				800,000	
Landfill Siteworks and Facilities	3,020,000	170,000							2,850,000	

5. 2025 Capital Projects Budget Summary.



Title	Expenditure	Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other
Roads, Fleet and Transit Facilities	610,000	599,800			10,200					
Public Works Fleet	8,433,000		365,000	7,362,500	98,000			607,500		
Information Technology Systems	1,949,000	1,218,600			80,400			650,000		
Fire Facilities	1,528,000	1,528,000								
Fire Fleet and Equipment	6,382,000	691,700	20,300	2,193,000					3,477,000	
Paramedic Fleet and Equipment	588,000	128,600	120,000	25,300	14,100			300,000		
Police Fleet and Equipment	581,000	58,000	12,000		511,000					

5. 2025 Capital Projects Budget Summary Continued.



Title	Expenditure	Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other
Victoria Manor	728,000		5,400		722,600					
Administrative Facilities and Libraries	2,540,000	1,453,000			60,000				1,027,000	
Parks Siteworks and Facilities	3,302,000	841,800	860,200		550,000				995,000	55,000
Recreation Facilities	3,418,000	480,600			37,400				2,900,000	
Parks and Recreation Equipment	160,000	160,000								
Cemetery Siteworks and Facilities	84,000	57,000			27,000					
Total	127,596,000	18,702,100	19,447,300	9,580,800	6,043,200	5,191,000	6,687,000	1,557,500	57,541,900	2,845,200

6. Special Projects



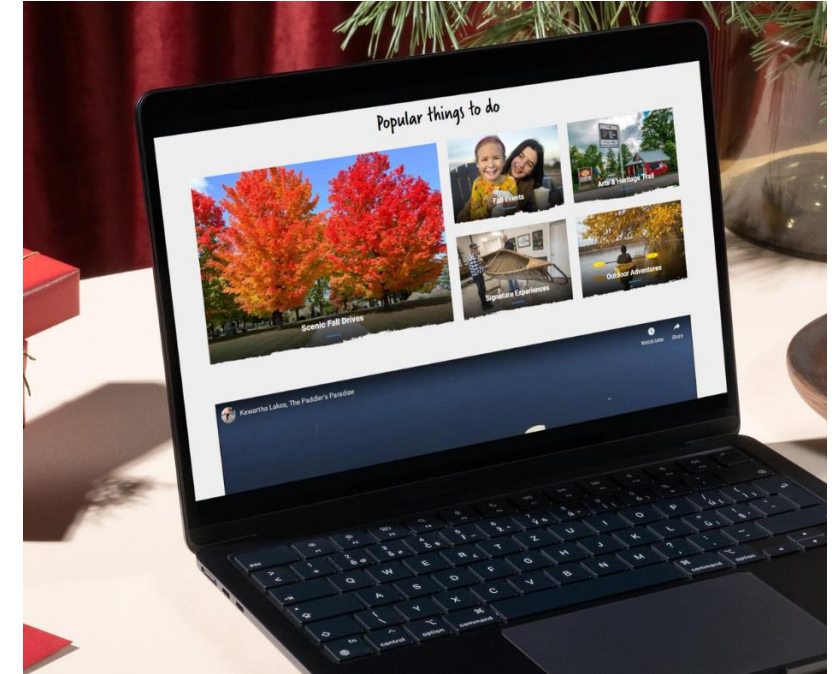
6. What is a Special Project

- Special projects budget initiated in 2020 to accommodate operating projects that take more than one year to complete
- Special projects typically encompass:
 - studies
 - plans
 - strategies
 - appeals and other significant operating initiatives that are one-time in nature and do not result in acquisition or improvement of capital assets
- 2025 transfer to Special Projects Reserve in Operating Budget is \$3 Million

6. Special Project Highlights

- Redevelopment of City websites
- Solid Waste Environmental Assessment
- 25th Anniversary commemoration
- Enterprise software expansion
- Flood hazard mapping

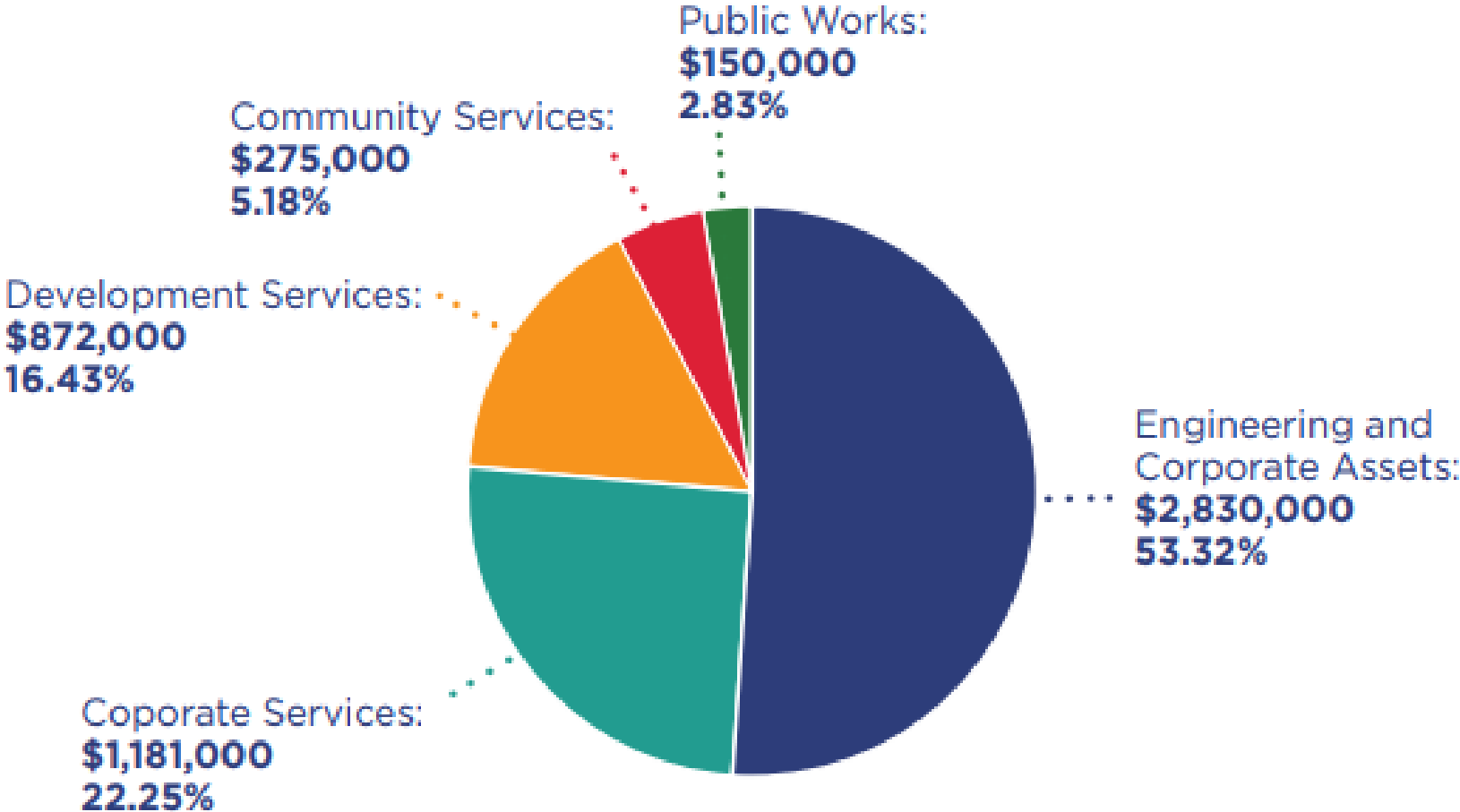
Plans: Stormwater Master Plan, Library Master Plan, Parks Master Plan, Cultural Master Plan, Downtown Revitalization, Signage Strategy, Indigenous Relations Framework, Official Plan review, Commercial Lands Supply Study and more



6. 2025 Special Projects Summary

Department / Division	Special Projects Reserve	DC Reserve	General Contingency Reserve	Economic Development Reserve	FHIMP Grant	Total
Office of the CAO	50,000	0	0	0	0	50,000
Engineering and Corporate Assets	2,482,800	330,000	17,200	0	0	2,830,000
Public Works	150,000	0	0	0	0	150,000
Corporate Services	679,900	0	501,100	0	0	1,181,000
Community Services	68,750	206,250	0	0	0	275,000
Planning	0	235,000	310,000	0	75,000	620,000
Economic Development	130,000	0	0	122,000	0	252,000
Total	3,561,450	771,250	828,300	122,000	75,000	5,358,000

6. 2025 Special Projects by Department

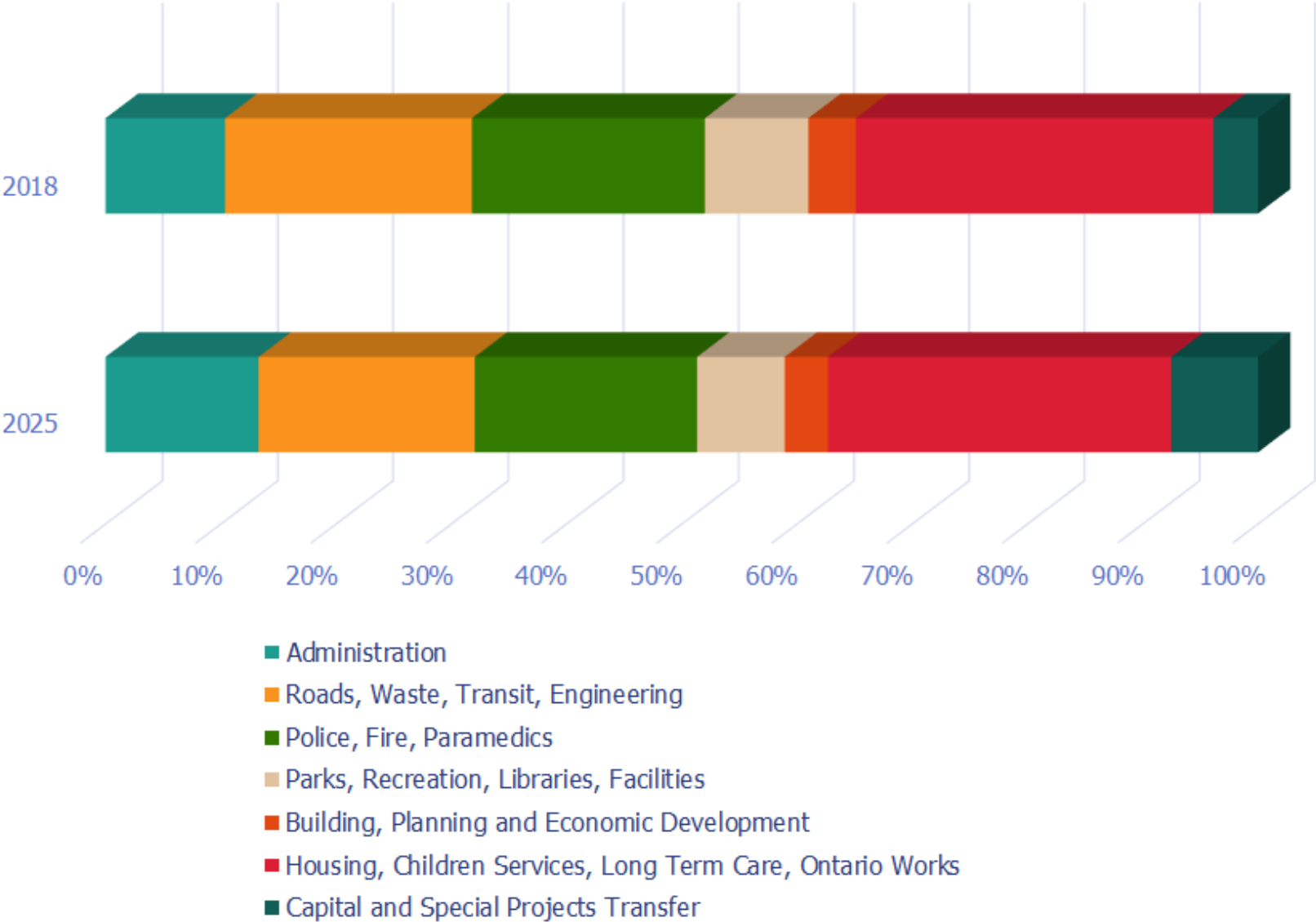


Total Proposed 2025 Special Projects Expenditure: **\$5,358,000**

7. 2025 Tax Supported Operating Budget



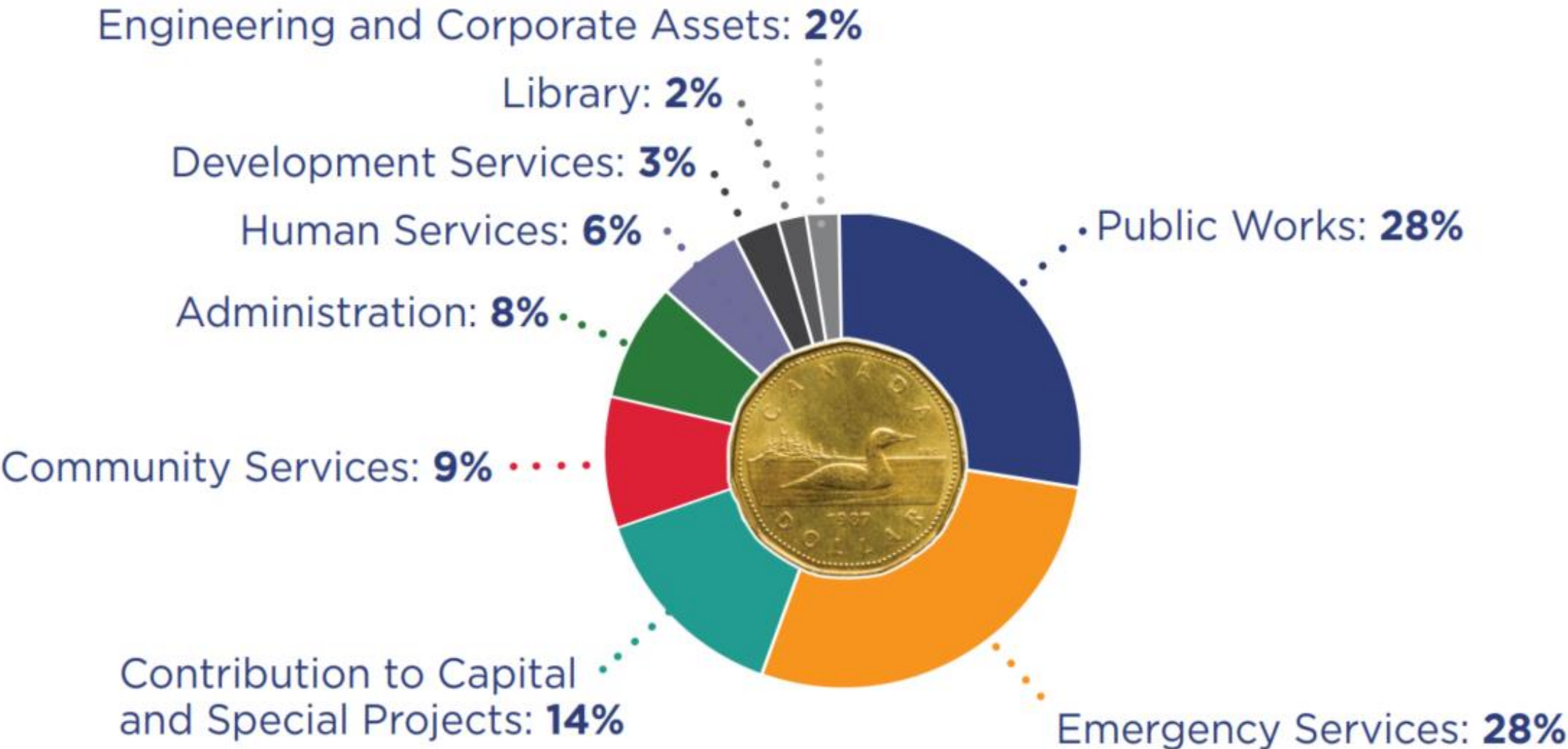
7. Overview Operating Budget 2018-2025



7. 2025 Operating Budget

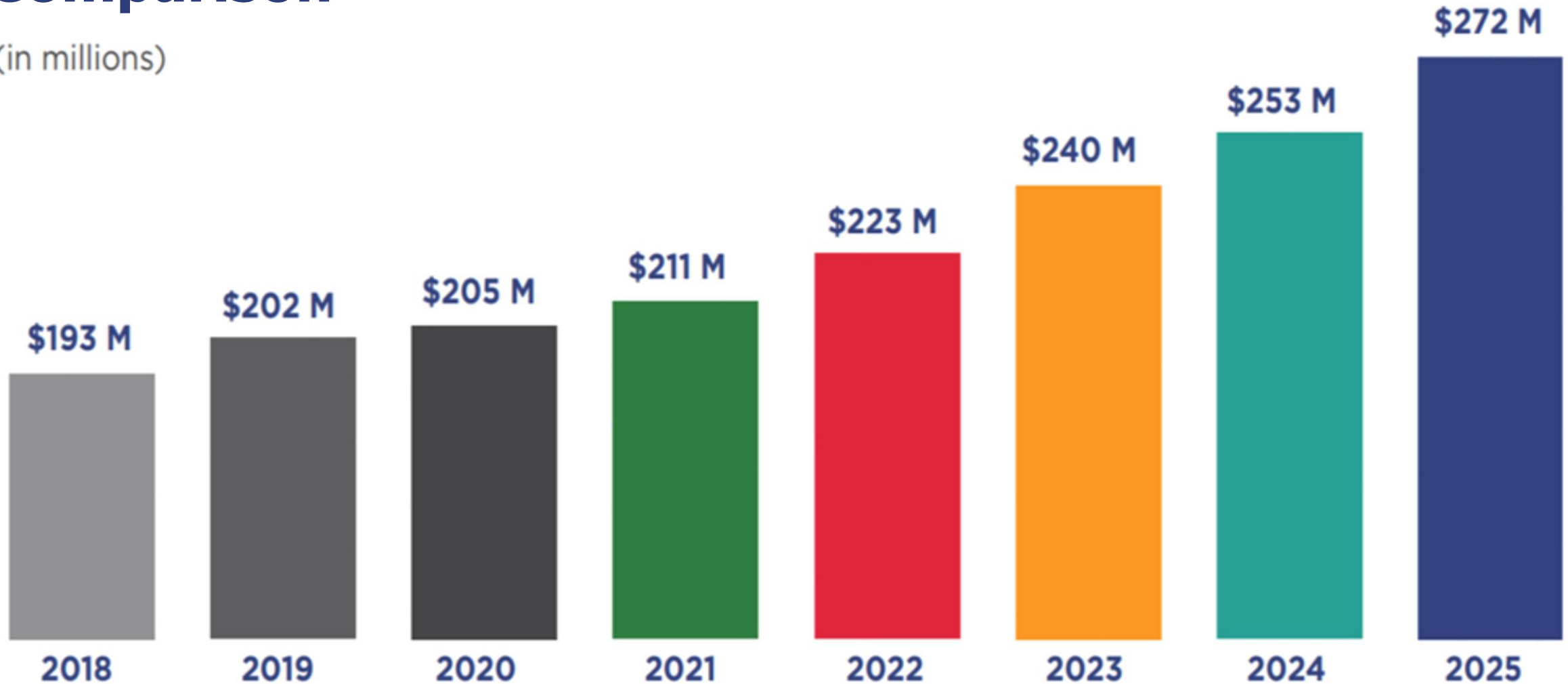
- Operating Budget relates to the day-to-day services provided by the Municipality
- Tax Assessment Growth budgeted at 2.7% and supplemental tax revenue has increased to \$3M
- Continue to support long-term strategy to build up reserves
- In preparation for growth, a commitment has been made to retaining, attracting and expanding our talent base
 - Gross salaries, wages and benefits forecasted to be \$109.7M
 - Represents 40% of overall Operating Budget

7. Where Tax Dollars Go



7. 2018 to 2025 Operating Expenditures Comparison

(in millions)



7. Financial Overview

Property Tax: 2018 to 2027

Proposed 2025 was
3.5, final was 3%

Cumulative general
tax increase 2018 to
2024 has been
20.04% or average of
2.86% per annum*

*Not including 1.5%
dedicated capital levy



8. Agencies, Boards and Committees



8. External Agencies

Agencies, Boards & Committees	Actual 2023	Budget 2024	2025 Budget	Change from 2024 Budget
Kawartha Lakes Haliburton Housing Corporation (KLHC)	2,778,131	3,222,589	3,781,454	558,865
Kawartha Lakes Police Services	9,677,850	10,266,219	8,272,485	146,825
Kawartha Lakes OPP	8,066,837	8,125,660	9,453,895	1,328,235
Kawartha Lakes Library	2,116,653	2,340,456	2,410,670	70,214
Conservation Authorities	1,489,295	1,584,535	1,655,724	71,189
Haliburton, Kawartha, Pine Ridge District Health Unit	2,328,524	2,444,955	2,518,304	73,349
Kawartha Lakes Health Care Initiative	76,804	117,643	121,172	3,529
Lindsay Downtown BIA	(40,876)	240,492	0	(240,492)
VON Canada0Ontario	105,735	123,843	127,558	3,715
Summary Agencies, Boards & Committees	26,598,953	26,846,792	28,341,262	

9. Forecasted December 31, 2024 Debt Balance

Type of Debt	Balance
General Levy Debt	\$48,876,947
Water/Wastewater Debt	43,082,631
KLH HC Housing Debt	16,054,767
Development Charge Debt – Tax	15,822,145
Development Charge Debt – WWW	14,401,709
Tile Drain Debt – Grant	231,967
Total Debt	\$138,470,166

June 24, 2025 Council
Report to address
debenture adjustments
Forecasted Debt balance
now \$135 Million

9. Debt Servicing Ratio (DSR)

City Revenue 2024 Budget	\$314 Million
DSR	10% = \$31.4 Million
2024 Debt Principal and Interest Payments	\$14.1 Million
2024 DSR Remaining	\$17.3 Million

\$17.3 Million
of DSR =
approx \$300
Million
available
debt room

9. Financial Overview Debt

- Debt Strategy in progress and Council to receive with LTFP August 26, 2025
- Province prescribes City maximum amount of debt payments to incur – currently well within limit (ARL)
- City currently has \$135 million in debt to support its roughly \$4 billion in assets
- In context of a household, this would be equivalent of a home valued at \$700,000 having a mortgage of approximately \$24,300



9. Reserves – Forecasted to December 31, 2025 (in \$ Millions)

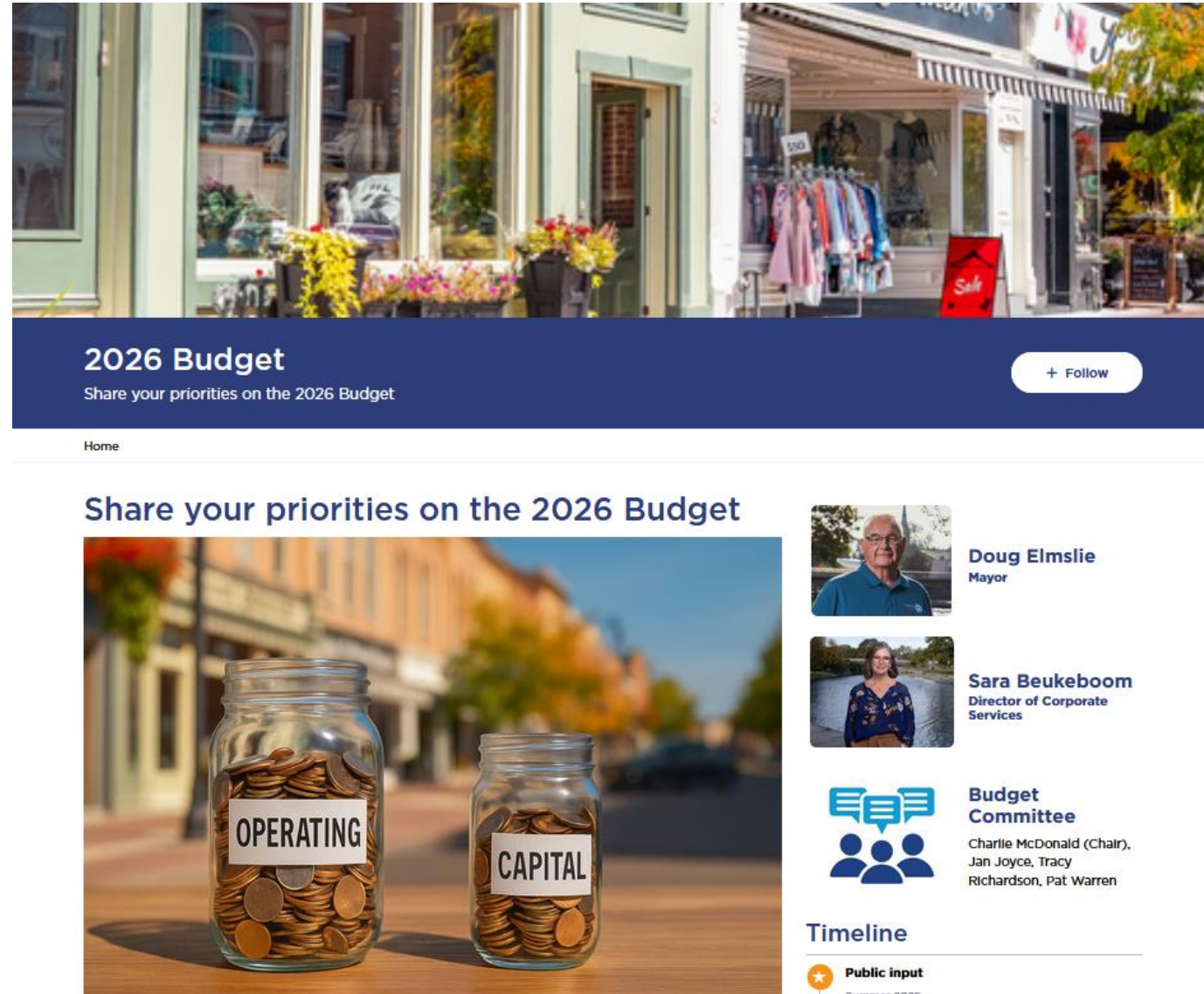
Reserves/Deferred Revenue Summary:	Balance 2024	2025 Contributions	Utilized in 2025 Operating	Utilized in 2025 Capital	Dec 31 2025
Infrastructure Reserves	25.67	34.50	0	(41.47)	18.70
Rate Reserves	10.96	4.00	(6.49)	(0.07)	8.40
Contingency Reserves	7.68	0.50	(1.69)	0	6.49
Obligatory Reserves	(7.29)	10.20	(1.76)	(25.30)	(24.15)
Legacy C.H.E.S.T. Fund Reserves	22.82	0	0	0	22.82
Other Reserves	1.28	0.21	0	0	1.49
Total Reserves/Deferred Revenue Summary	\$61.12	\$49.41	\$(9.94)	\$(66.84)	\$33.75

10. Next Steps

- Engagement Plan
- Outreach to External Agencies
- Internal 2025 Variance reporting
- 2026 Operating Budget development and LTFP forecasting
- Debt modelling and debt strategy
- Reserve modelling and reserve strategy
- August 26, 2025 LTFP to Council
- Mayor direction to Budget Committee September 2025
- Capital Early Start For 2026 to Council September 2025

10. Public Engagement

	2025	2026
Focus	Education	Consultation
Tactics	6-part video series	Budget setting on priorities
Timeline	Fall	Summer
Awareness	20K video views, 205 engagements (polls & questions answered)	300+ budgets submitted
Output	General awareness and knowledge of municipal budget	Key spending issues identified for Committee



2026 Budget
Share your priorities on the 2026 Budget [+ Follow](#)

Home

Share your priorities on the 2026 Budget

Doug Elmslie
Mayor

Sara Beukeboom
Director of Corporate Services

Budget Committee
Charlie McDonald (Chair), Jan Joyce, Tracy Richardson, Pat Warren

Timeline

Public input
Summer 2025

10. 2026 Public Engagement

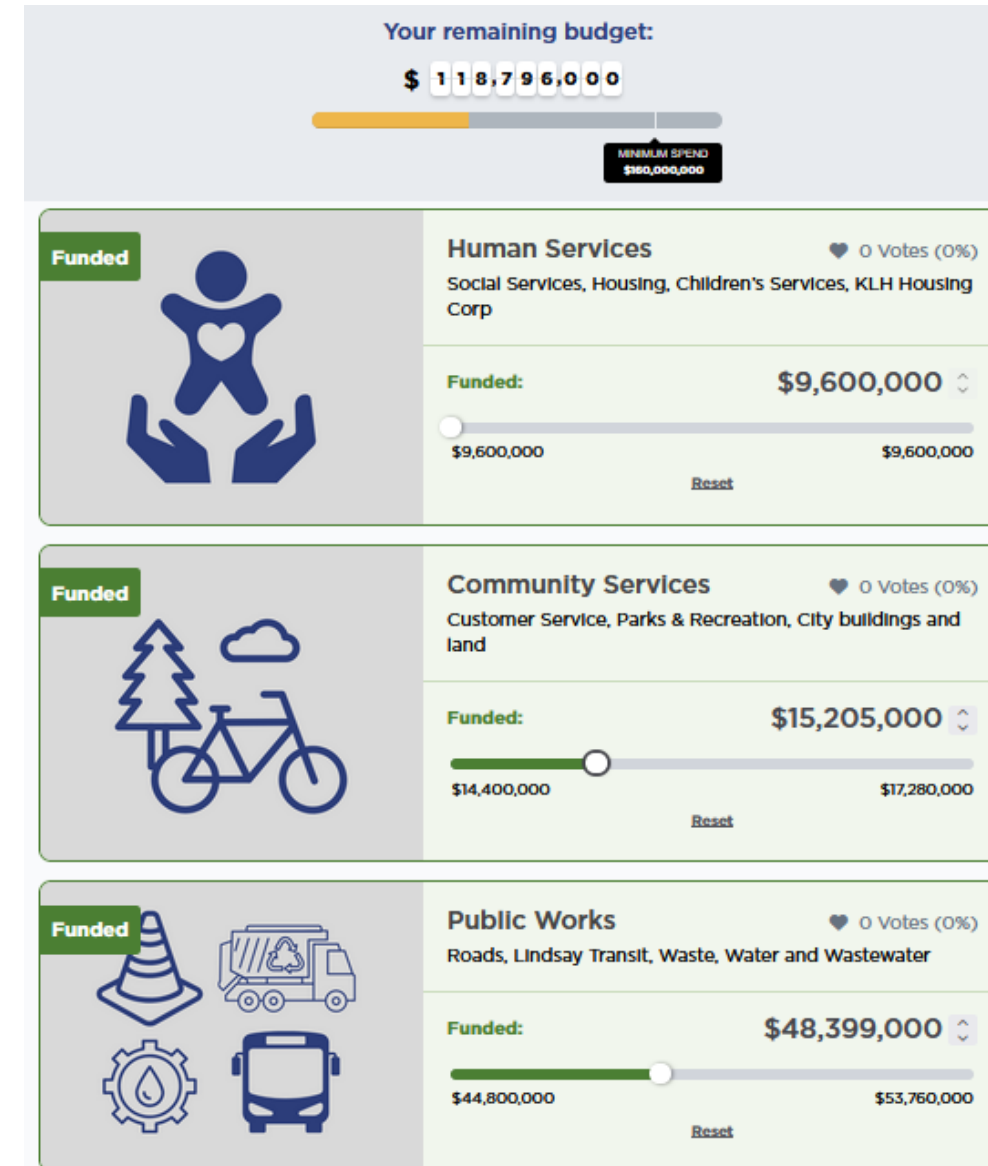
Next Steps

- Finalize menu of items where a business unit **increase** to tax supported levy is viable (Operating Budget) or items where tax supported levy **savings** can be proposed

Examples:

- + Additional Leaf and Yard collection per season
- + Additional transitional support to people facing homelessness
- Reducing waste collection to every 2 weeks

- Public engagement open on [Jump In](#) – July and August
- Feedback presented to Budget Committee – September
- ➡ Draft budget has consideration for public input
- Public meeting November 25
- ➡ Mayor's revisions include further public input



11. 2025 Budget Committee Feedback

- Transparency on new hires and associated business case
- Council ability to inform service levels
- More concentrated and fewer meeting days
- Clarity on Early Start projects process