

2026 Operating Budget Launch

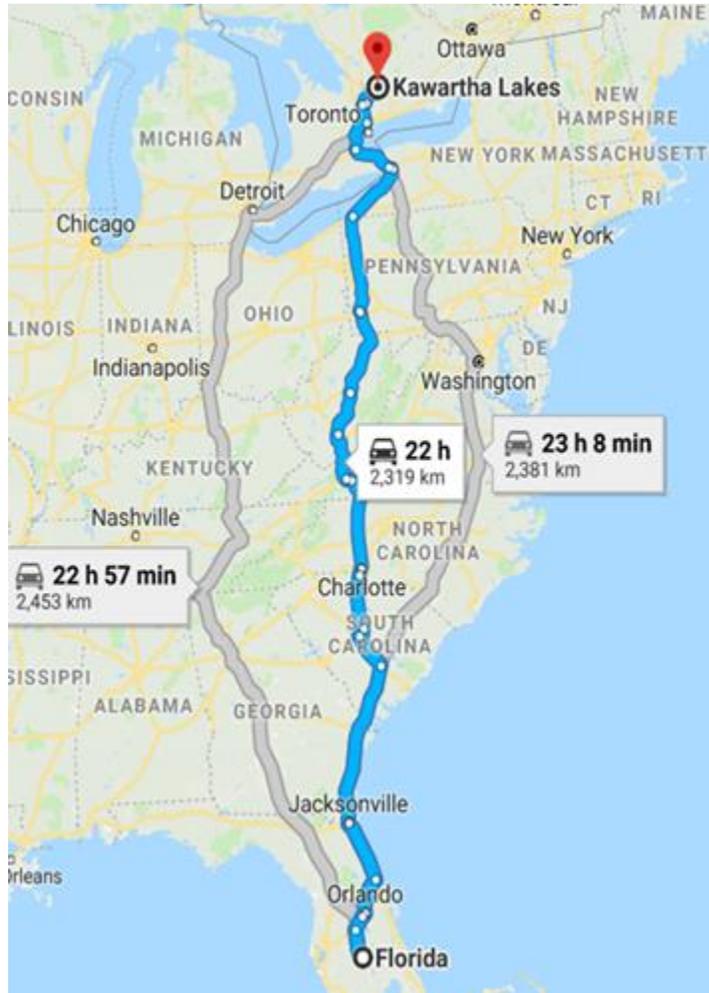
2026 Operating Budget Overview

September 16, 2025

Agenda

1. Financial Overview
2. Strong Mayor Legislation
3. Mayoral Directives
4. Budget Schedule
5. Revenue Tools
6. Preliminary Budget Overview
7. Transfers to Reserve

1. Financial Overview Geographic Disparity



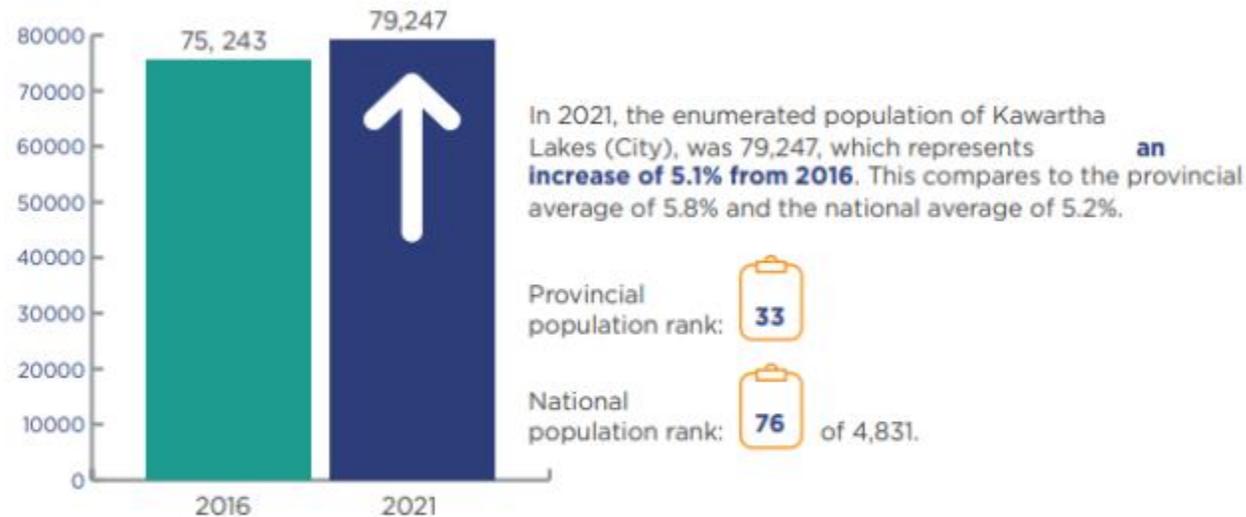
CKL road network >
5,300 Lane km

Location (City of)	Population	Population Density	Road Intensity (houses/lane km)
Toronto	2.8 Million	4,428/km ²	80
Peterborough	83,651	1,292/km ²	37
CKL	79,247	26/km ²	7

1. Financial Overview Planning for Growth

Kawartha Lakes Population

(as per Statistics Canada Population 2021 and 2016 censuses and chart)



2031 Provincial growth targets:
6500 housing units
100,000 populace

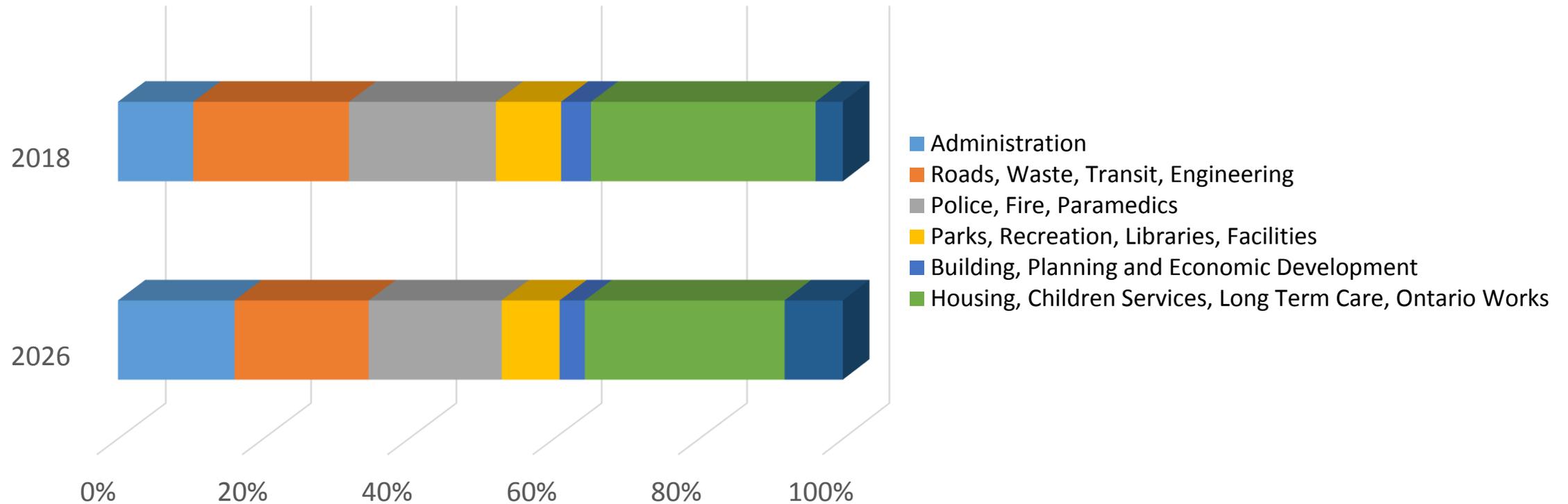
 The land area of Kawartha Lakes (City) is **3,033.66 square kilometres** and the population density was **26.1 people per square kilometre**.

 In 2021, there were **32,708 private dwellings** occupied in Kawartha Lakes (City), which represent **an increase of 5.2%** from 2016.

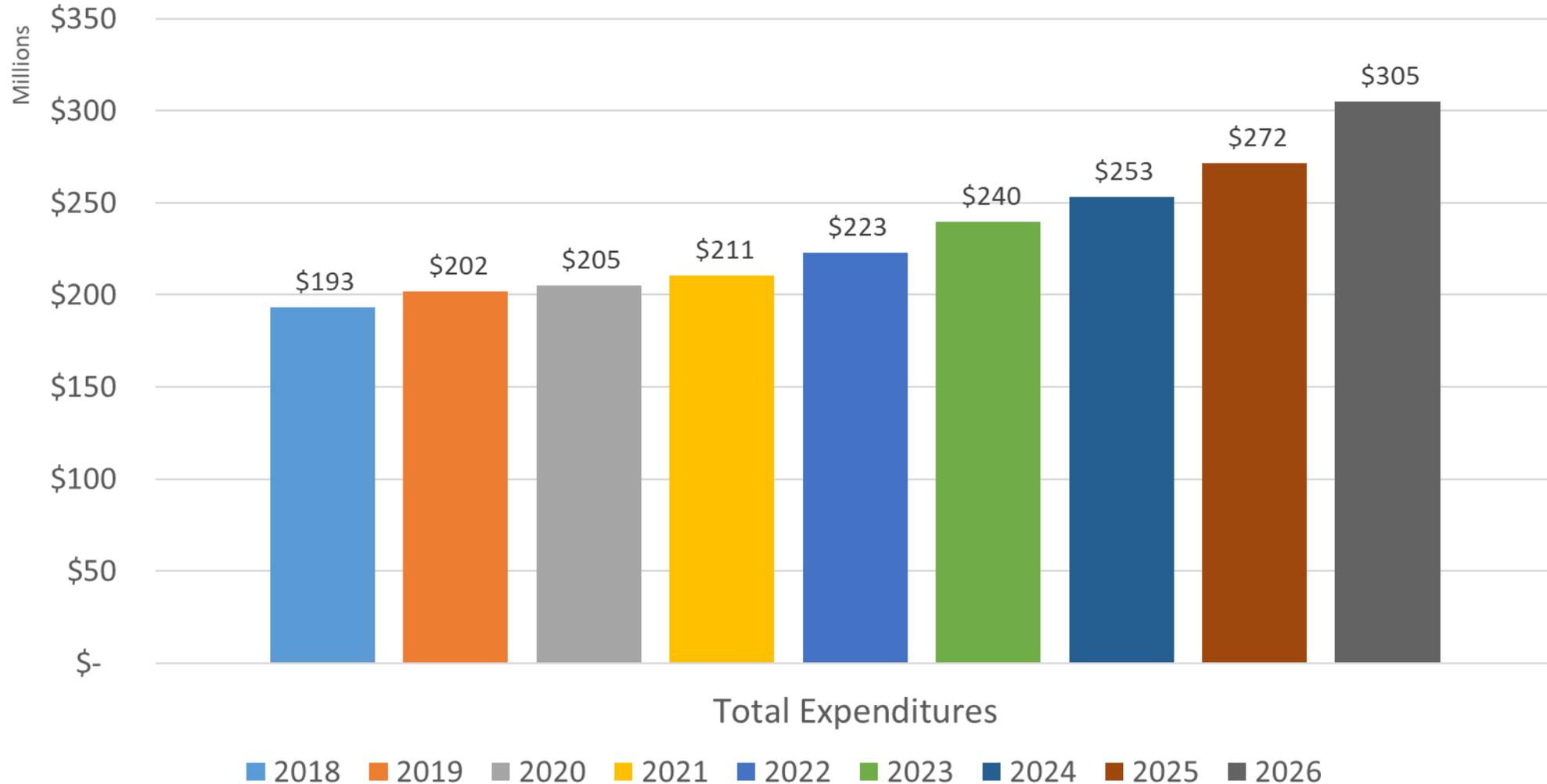
1. Financial Overview

Operating Budget: 2018-2026

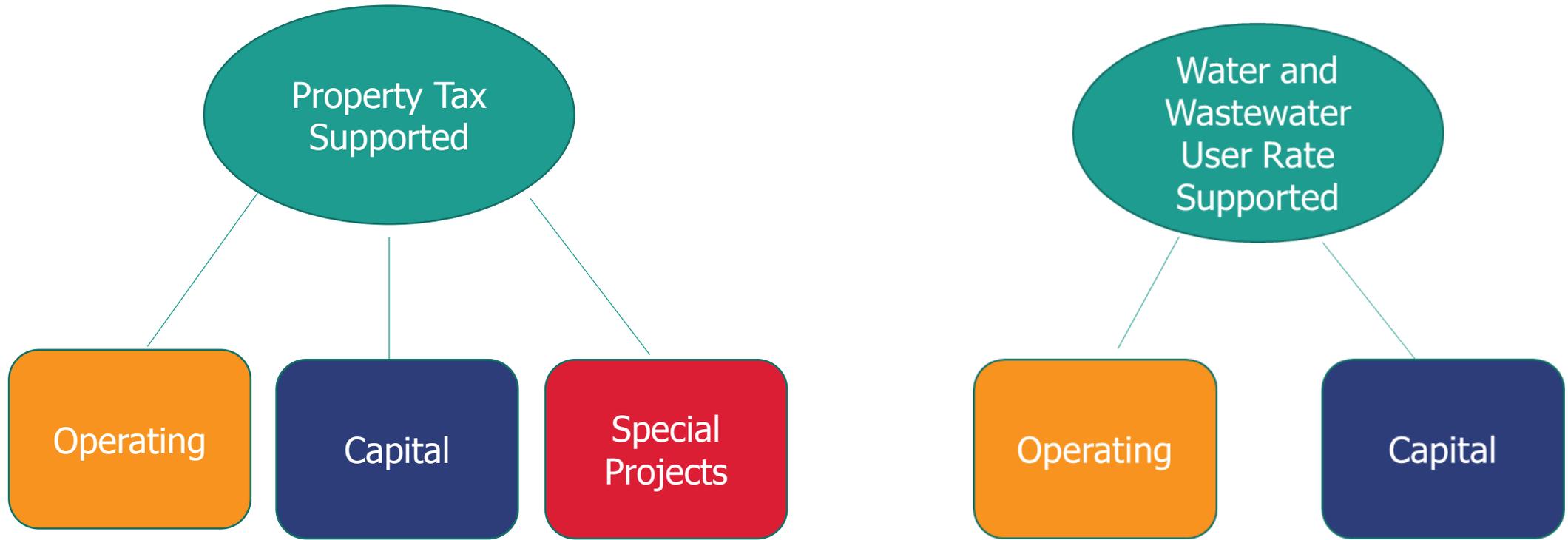
City provided consistent 200+ services in recent history in effective manner



1. Trend of Operating Expenditures 2018 -2026



1. 2025 Budget Funding Sources



2. Strong Mayor Legislation

- Part V1.1 of Municipal Act
- Propose annual budget subject to Council amendments, a Mayoral veto and a Council override process;
 - Budget shall be prepared on or before February 1. If not, Council shall prepare and adopt the budget

3. 2025 Mayoral Directives

- 02-2025 Establish Budget Committee
- 03-2025 Appoint Budget Committee Members
- 04-2025 Advance Approval for 2026 Capital and Special Project Budget items (Early Starts)

4. 2026 Budget Schedule

Date	Action
September 16, 2025, 10:00am	Budget Overview and Wage Impact
September 18, 2025, 10:00am-2:00pm	Budget Committee Meeting Department presentations: Corporate Services, Community Services External Agencies and Boards of Council: Kawartha Conservation and Otonabee Conservation
September 25, 2025, 10:00am-12:00pm	Department presentations: Chief Administrative Office, Engineering and Corporate Assets External Agencies & Boards of Council: Kawartha Lakes Police Services
September 29, 2025, 1:00pm-4:00pm	Department presentation: Development Services, Public Works External Agencies & Boards of Council: Kawartha Lakes Public Library, Lindsay Downtown BIA
September 30, 2025, 1:00pm-4:00pm	Department presentations: Paramedic Services, Fire Services, Human Services, Victoria Manor
October 6, 2025, 9:00am	Presentations on Capital Budget, Special Projects Budget, Water Wastewater Budget
October 8, 2025, 9:00am-12:00pm	Budget Committee Deliberations
October 9, 2025, 9:00am-12:00pm (if needed)	Budget Committee Deliberations
November 12, 2025, 7pm	Public Budget Meeting
November 25, 2025, 10:00am	Presentations of the Mayor's Budget to Council for deliberation
November 26, 2025, 1:00pm (if needed)	Presentations of the Mayor's Budget to Council for deliberation

5. Revenue Tools

- Municipal revenue tools regulated by Municipal Act include:
 - property taxes
 - fees and charges
 - investment income
 - special services/area ratings
 - development charges/reserve financing
- Ontario municipalities rely on property tax for approx 41% of revenue (MFOA municipal average)
- 2025 CKL was 58.6%

6. Preliminary Operating Budget Overview



Account	Preliminary Actuals		Proposed Budget		Budget Variance	Budget % Variance
	Actuals 2024	6/30/2025	Budget 2025	2026		
Revenue						
Tax Revenues	(146,672,165)	(170,393,976)	(158,625,492)	(173,904,074)	(15,278,582)	10%
Grants	(71,059,361)	(60,512,753)	(77,668,164)	(80,636,547)	(2,968,383)	4%
Recovery-Other Municipalities	(2,251,057)	(2,425,970)	(2,664,286)	(2,892,639)	(228,353)	9%
Other Revenues	(8,237,598)	(2,973,485)	(7,620,334)	(10,016,620)	(2,396,286)	31%
User Fees, Licenses and Fines	(25,074,832)	(16,151,024)	(23,936,363)	(24,157,400)	(221,037)	1%
Prior Years (Surplus) Deficit	(2,822,440)	1,139,474	0	0	0	
Total Revenue	(256,117,452)	(251,317,735)	(270,514,639)	(291,607,280)	(21,092,641)	8%
Expenses						
Salaries, Wages and Benefits	103,897,572	69,119,882	109,766,040	126,978,887	17,212,847	16%
Materials, Training, Services	20,404,602	14,785,399	20,736,577	21,678,309	941,732	5%
Contracted Services	35,953,080	51,614,388	32,327,818	37,023,587	4,695,769	15%
Rents and Insurance	4,474,521	3,951,232	4,385,239	4,551,704	166,465	4%
Interest on Long Term Debt	1,540,483	1,242,855	1,825,969	2,057,432	231,463	13%
Debt, Lease and Financial	8,249,301	6,981,713	8,799,097	8,738,701	(60,396)	(1%)
Transfer to External Clients	52,579,979	42,607,653	59,880,545	63,402,968	3,522,423	6%
Interfunctional Adjustments	2,546,550	3,844,886	3,532,820	4,440,839	908,019	26%
Transfer to/from Reserves	27,607,415	30,428,241	29,260,534	35,774,843	6,514,309	22%
Total Expenses	257,253,503	224,576,249	270,514,639	304,647,270	34,132,631	13%
	1,136,051	(26,741,486)	0	13,039,990	13,039,990	

6. Preliminary Budget Summary by Department

Department	Actual 2024	Budget 2025	2026 Budget	Change from 2025 Budget	% Increase Of Department
Summary Corporate Items	(133,354,608)	(142,029,500)	(151,356,392)	(9,326,892)	6.16%
Summary Mayor and Council	642,032	688,262	690,609	2,347	0.34%
Summary CAO	7,523,682	8,062,560	8,773,736	711,176	8.82%
Summary Community Services	12,662,975	13,079,350	16,214,132	3,134,782	23.97%
Summary Corporate Services	11,689,865	12,205,721	15,187,324	2,981,603	24.43%
Summary Development Services	4,436,534	4,077,461	6,201,341	2,123,880	52.09%
Summary Engineering and Corporate Assets	2,263,186	2,412,857	3,073,355	660,498	27.37%
Summary Emergency Services	19,902,005	19,365,529	22,784,918	3,419,389	17.66%
Summary Human Services	7,606,939	9,505,454	11,695,821	2,190,367	23.04%
Summary Public Works	39,386,825	41,461,262	46,652,016	5,190,754	12.52%
Summary Agencies, Boards & Committees	28,380,039	31,171,044	33,535,597	2,364,553	7.59%
Total	1,139,474	-	13,452,457	13,452,457	

6. 2026 Draft Budget Includes

- Contract expenditures increases
- Transfer to Reserves to build financial sustainability
- Attraction and Retention
- Transfer to External Clients

6. LTFP Assumptions

- General Levy assumptions
 - 2.7% Growth
 - 5.0% Tax Increase per LTFP
 - 2.0% Capital Infrastructure Levy
- Supplementary taxes remained consistent overall until MPAC growth figures known
- 2.5% CPI for contract increases

7. Transfer to from Reserve

Reserve Transfers	2026	2025	Variance
Asset Management Reserve	21,140,421	17,395,710	3,744,711
Aggregate Resources	1,000,000	1,000,000	-
Capital Contingency - Affordable Housing	500,000	500,000	-
Capital Contingency - Paramedic HQ	200,000	200,000	-
Fleet Reserve - Public Works	6,765,942	6,301,501	464,441
Fleet Reserve - Fire	1,750,000	2,000,000	(250,000)
Special Projects Reserve	4,000,000	3,011,450	988,550
Stabilization Reserves	843,022	(1,343,507)	2,186,529
Elections Reserve	(197,755)	70,000	(267,755)
Building Reserve	(226,787)	125,380	(352,167)
	35,774,843	29,260,534	6,514,309

Next Steps

- Budget Committee September meetings
- Develop Budget Strategy for Budget Committee October 8th and 9th deliberations
- Multi-faceted approach will include:
 - Budget reductions/refinements following Budget Committee presentations
 - Service Level options
 - Increased User Fees

Questions?

Overall Wage Impacts

2026 Operating Budget Overview



Current Workforce Snapshot

840

FTE

Full-Time (FT)
Positions

Core positions with standard FT hours providing essential services across all departments, including Victoria Manor

130

FTE
(~300 workers)

Part Time
(PT)/Seasonal
Workforce

This represents our workforce in additional PT/seasonal roles, offering flexibility and meeting fluctuating operational demands

93

Kawartha Lakes
Police

KLPS responsible for law enforcement, public safety, and emergency response within the community

400

Volunteer
Firefighters

VFFs supporting fire services alongside career staff, enhancing emergency response capacity

40

FTE
(~120 per year)

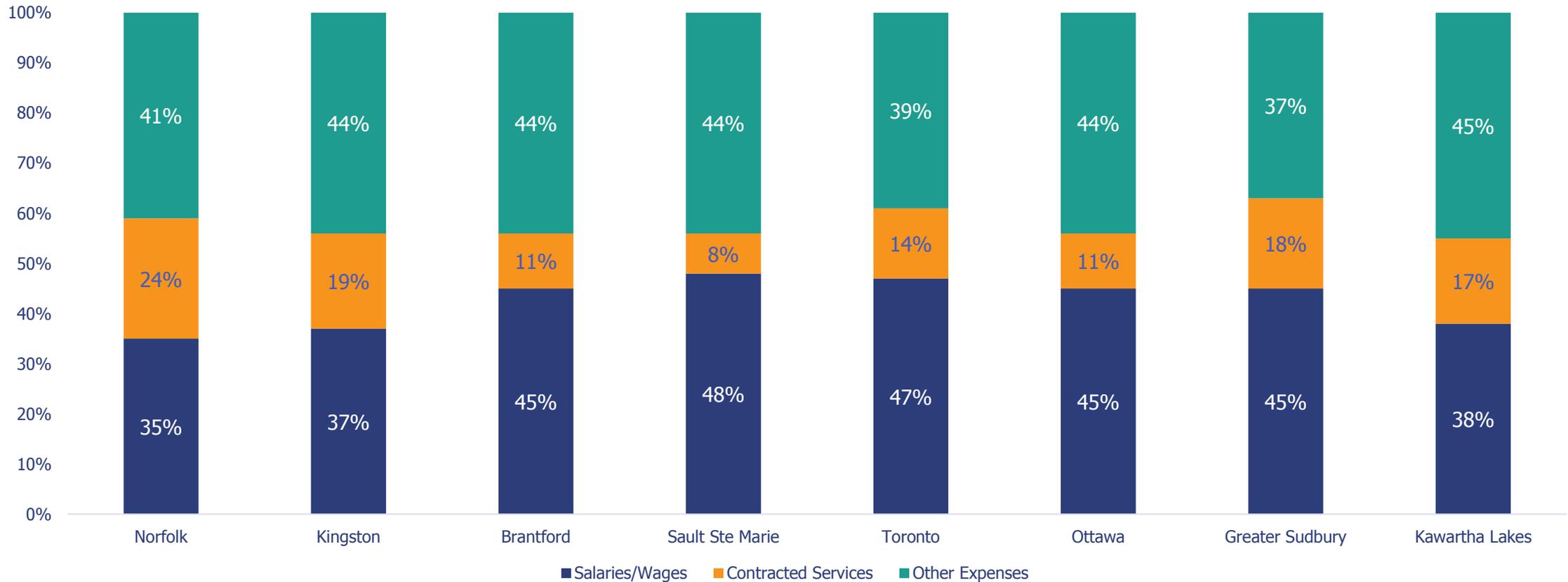
Students

Student workers contribute their skills across various departments, gaining valuable experience while supporting City operations

Comparative Staffing Analysis

Based on 2024 Financial Information Return, Kawartha Lakes reflects lower share of expenses to salaries and wages than other single-tier municipalities, indicating a leaner staffing structure.

Salaries/Wages/Contracted Services as a Percentage of Total Expenses



Workforce Climate

Market Reality

- Professional positions face intense competition in today's labour market
 - Engineering, Planning, and Finance professional premium salaries and have highly competitive employment markets
 - Licensed positions in long term care (RPNs, RNs) and paramedics also have tight labour market
- Recruitment of supervisory/management positions have seen improved hiring/retention outcomes following market wage adjustments

Recruitment Metrics

- Average 20–25 vacant positions monthly
- Standard fill time: 5–8 weeks
- Professional roles experiencing longest vacancies; some critical roles (Sr. Eng Tech, Sr. Planner, Finance) remain open for four months to a year

Strategic Staffing Investments

Preparing for Growth and Sustainability

- Over 1,500 employees deliver local services residents rely on
- Unprecedented population and development growth is driving increased service demand
- Commitment to attracting, retaining, and expanding talent through affordable and sustainable investments

Strengthening Capacity In:

- Growth readiness and response
- Affordable housing
- Emergency preparedness
- Community health, safety, and well-being
- Leveraging digital transformation

Commitments:

- Newly ratified union contracts mean fair pay and workplace stability
- Reviewing compensation to align with 60th percentile of comparators
- Balanced approach: fiscal responsibility with competitive wages and benefits
- Ensures reliable municipal services amid growth pressures

New Position Budget Impact

- New position allocation averaged 1% of gross operating budget over past two years, in alignment with target
- Post-pandemic recovery required accelerated staffing to address service backlogs and new community needs
- The long term financial plan forecasts a return to sustainable growth levels as we prioritize operational efficiency and modernizing technological solutions



Corporate-wide trends and drivers

Strategic staffing investments for 2026 and beyond



Population Growth & Development: Increased residential and commercial development is driving the need for expanded staffing across front-line and support functions.



Legislation & Certification Requirements: Changes in provincial regulations, particularly in Fire Services, Legal Services, and Public Works, are prompting the creation of new positions and restructuring of existing roles.



Technology & Automation: Advancements are reducing manual workloads in some areas while creating demand for specialized roles in IT, data analysis, and customer experience.



Succession Planning & Leadership Development: A consistent focus across departments on succession planning, mentorship, and preparing internal talent for leadership roles.



Service Delivery Needs & Cultural Transformation: New roles are being proposed to support service quality, staff engagement, and organizational modernization efforts.

Departmental Highlights

CAO's Office

Summary: Growth in responsibilities related to insurance, risk management, and grant-funded initiatives has created the need for additional administrative and leadership capacity

Key Drivers: Increased organizational risk and insurance demands; leadership development and succession planning; grant-funded program administration (short-term rental licensing)

New Positions Forecasted:

- Administrative Assistant, MLEL
- Manager of Insurance and Risk Management

Departmental Highlights

Community Services

Summary: Reorganization is underway to strengthen customer experience, recreation programming, and maintenance oversight. Expanded supervisory and technical roles are required to meet service growth

Key Drivers: Population growth and program expansion; implementation of CRM tools; Forest Management Plan update and infrastructure delivery

New Positions Forecasted:

- Supervisor of Customer Experience
- Supervisor, Aquatics & Wellness Programming
- Manager of Recreation & Community Partnerships
- Facility Projects Delivery Coordinator
- Arborist
- Urban Forester

Departmental Highlights

Corporate Services

Summary: Digital modernization, increasing project volume, and data-driven operations are driving demand for new roles across IT, Procurement, Communications, Strategy, and People Services

Key Drivers: Technology and digital transformation; higher demand for business analysis and service desk leadership; strategic planning and data utilization

New Positions Forecasted:

- Administrative Assistant
- Communications and Engagement Officer
- Executive Trainer
- People Services Associate
- Strategy Specialist
- Senior Procurement Specialist
- Supervisor, IT Service Desk
- GIS Specialist
- IT Senior Business Analyst

Departmental Highlights

Development Services

Summary: Rising development activity and evolving legislative frameworks require additional planning, economic development, and administrative capacity

Key Drivers: Increased planning and development applications; legislative reform and process modernization; digital transformation of development workflows

New Positions Forecasted:

- Administrative Assistant
- Planner
- Economic Development Student

Departmental Highlights

Engineering and Capital Assets

Summary: Capital program growth and municipal consent applications are increasing staffing pressures. Succession planning and mentorship are essential to long-term workforce sustainability

Key Drivers: Expanding capital budget and infrastructure program; municipal consent workload; workforce succession and knowledge transfer

New Positions Forecasted:

- Engineering administration

Departmental Highlights

Fire Services

Summary: Urban intensification and legislative changes are driving the need for more full-time firefighters, trainers, and fire prevention capacity. Training infrastructure is also under consideration

Key Drivers: Legislative requirements; increased urban density (vertical growth); certification requirements and volunteer turnover mitigation

New Positions Forecasted:

- Two Training Instructors
- Fire Prevention Inspector
- Emergency Vehicle Technician

Departmental Highlights

Human Services

Summary: Caseload growth and expected funding changes necessitate new frontline and managerial roles in housing, outreach, client services, and program delivery

Key Drivers: Population growth; rising caseloads and service demand; anticipated 2026 funding formula changes

New Positions Forecasted:

- Outreach and Housing Assistance Worker
- Building Technician (Housing)
- Client Services Workers
- Manager of Finance & Administration
- Manager of Service Delivery

Departmental Highlights

Library Services

Summary: Expanded programming and facility growth have prompted the Library Board to approve new supervisory capacity in technical and support services

Key Drivers: Facility growth and new service points; program expansion; historic under-staffing of technical support

New Positions Forecasted:

- Supervisor of Technical & Support Services

Departmental Highlights

Paramedic Services

Summary: Ongoing community growth and a new facility planned for 2028 are increasing staffing and technical support needs, particularly in logistics, training, and wellness oversight

Key Drivers: Community growth and ambulance additions; facility-based expansion (2028); scheduling automation and training needs

New Positions Forecasted:

- Paramedic Logistics Support Technician
- Superintendent of Health & Wellness

Departmental Highlights

Public Works

Summary: Service area expansion, equipment growth, and new regulatory standards require additional operators, labourers, and enhanced leadership hours

Key Drivers: Expansion of development and service area; increased plow and fleet requirements; technology and regulatory compliance (e.g. patrol software)

New Positions Forecasted:

- Equipment Operators
- Labourer
- Transit Driver(s) and Lead Hand premium
- Crew Lead, Waste Management
- Works Control Officer

Departmental Highlights

Kawartha Lakes Police Service



Key Drivers: Community growth

New Positions Forecasted:

- Constable

Personnel Budget Affordability Strategies

01

Position Phasing

Deferring start dates of new positions to Q2 and Q3 to reduce first-year budget impact by approximately \$1M

02

Strategic Gapping

Maintaining select vacant positions temporarily to offset wage pressures while ensuring service continuity

03

Revenue Recovery

Leveraging grants, capital project allocations, and enhanced fees to recover portion of wage costs

04

Contract Optimization

Reducing external contract expenses where new internal capacity can provide cost-effective alternatives