

October 6, 2025

To Members of the Budget Committee:

Re: Mayor's Memo #01-2025
2026 Budget

Thanks to staff, agencies, and committee members for your work and diligence. Creating the Budget is the most important thing we have to do outside of Health and Safety. Without the Budget, nothing happens and the City would be shut down like the U.S. Government. We will not go down that road.

I take this opportunity to say, once again, that the Long-Term Financial Plan passed by Council in August does not mean a 7% tax increase for 10 years. We do not have the authority to commit future mayor and councils to pass that kind of budget in advance. Each year, the Budget will be examined and the Mayor and Council of the day will go through their own process. The Long-Term Financial Plan also does not account for any grants or other funding that may be received in any year, nor for any emergency events that may have an impact on a particular year's budget. Furthermore, a budget increase does not equate to an equivalent tax increase; there are other factors involved, including the assessment on individual properties. Lastly, the 2% Capital Levy is not compounded each year; it is a stand-alone addition.

There is currently a 13–14-million-dollar pressure on the 2026 Budget, and the final costs of the 2025 Ice Storm and Wildfires are still unknown. It is at this juncture that I remind everyone that with Strong Mayor legislation, it is the Mayor's Budget that is brought forward. If Council does nothing, it will be considered to be In Force. Council does have the opportunity, through extractions, to ask for changes to the Budget. If that occurs, the Mayor has 10 days in which to decide to veto any change. Council then has a further 15 days to overturn a veto with a 2/3 majority, or 6 of 9 members. By consent, these timelines may be shortened.

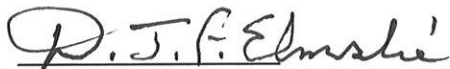
I asked Council to send me a 'wish list' of items for their wards which they would like to see included in the 2026 Budget. After reviewing the submissions and recognizing the pressures, as well as through discussion with Engineering staff, I am not prepared to

add any of the items to the budget. With the majority of asks being for roads, in 2026 when we return any road contingencies, or Capital Closed items to reserves, we can consider using these 2025 or previously committed funds to do the most needy roads. It should also be noted that removing a Capital item will not necessarily reduce the budget, as the Capital cost amount usually comes from Development Charges or Debentures.

Therefore, after discussion with the CAO and Director of Corporate Services, I am asking that the 2026 Budget not exceed 4%, and 3.9999% would be better, as well as a Capital Levy of 2%. I believe this has been communicated to staff.

In year we may have to make adjustments and decisions to deal with the Ice Storm Clean Up and the Wild Fires.

With thanks,

A handwritten signature in dark ink, appearing to read "D. J. F. Elmslie". The signature is fluid and cursive, with the first name "Doug" being the most prominent part.

Doug Elmslie,
Mayor