

Report to Committee of the Whole

Date: 4/13/2026
From: CAO Plumley
Re: 2026 Budget Analysis

RECOMMENDATION

THAT the Committee of the Whole receive the 2026 Budget Analysis report for information.

BACKGROUND

It has been identified that the process used for the development of the 2026 Budget needs to be reviewed and to provide clear and consistent messaging for the Public, Council and Staff. Based on the feedback received, the analysis below represents areas that can be improved upon.

ANALYSIS

2026 Budget Analysis	Issue	Improvement for 2027
No Public Involvement in the process.	The lack of public input on service delivery and proposed projects was lacking. Staff and Council received many questions after the draft budget was made public, responses were provided to all members. A summary of questions/responses was circulated as part of the budget agenda package.	Schedule a Special Council Meeting to receive delegations from members of the public where they can bring their ideas forward and raise awareness on specific initiatives for consideration.
A Priority Setting Exercise was held in December of 2025 to assist in determining the goals for the remainder of the term.	The main priorities: Roads related infrastructure. Establish long term financial planning (and execution) as a core capability for the Municipality and identify methods to preserve this for the future. Securing grant funding.	In 2027, the Priority Setting Exercise will be more focused on Orientation for the new Council and introduction of the various departmental responsibilities within the Municipality.

	<p>Upgrading of rinks. <i>Note: A Benchmarking Review was not brought forward as a Priority.</i></p>	
<p>Using the Tax Supported Assets Document prepared by Watson and Associates Staff released three budget scenarios with a five-year financial strategy and this caused a great deal of public confusion.</p>	<p>The public was not made aware of the reasoning and requirements associated with the scenarios.</p>	<p>Increased quality of communication will be a priority.</p>
<p>Separate release of Operation/Capital budgets was a disjointed process.</p> <p>Meeting dates were announced with the plan to have adoption at the January regular meeting of Council.</p> <p>It was the intent of Staff to release the documents as a package.</p>	<p>Prior to the initial meeting date, notification of HWS Funding was provided to Council with the understanding that it could not be announced. The public release of the Capital component was put on hold. However, the capital budget was provided to council prior to January 1, for their consideration.</p>	<p>In 2027, one complete package will be distributed in a binder format, which includes Operational and Capital, Previous year budget and actuals, Cost of living and construction price index, Assessment growth information, Costs for Policing, Insurance, CRA, Audit and all which are not restricted to COLA.</p>
<p>Using the Gravel Road Scoring data that was approved by Council, the need to upgrade gravel roads identified.</p> <p>There was no consensus as to the extent of what level they were to be addressed.</p> <p>After the initial budget presentations were received, there was no direction as to what an acceptable increase to the levy would be.</p>	<p>This unfortunately led to inconsistent direction to Staff by members of Council. It was unclear as to where and what changes Council wanted Staff to consider. Staff concerns that insufficient increases would lead to a deficit position were not fully taken into consideration. Do we borrow, if so, how much? What is the debt limit, how will it be funded, how can the Municipality accommodate the debt</p>	<p>Staff will use the forecast of Operational and Capital budget as proposed in 2026 for the initial budget presentation in 2027.</p> <p>Data from Consultants will be prepared and provided as they were in 2026.</p> <p>From there, after debate at the Council Table, changes or alterations will be in the form of a Motion of Council, to ensure clarity of what is to be achieved.</p>

<p>Notifications of any changes to the previous budget were provided to Council prior to being made public.</p> <p>Statements occur during meetings without background information or consultation with Financial Staff. This requires additional staff time to follow-up and confirm what has been introduced.</p>	<p>without raising taxes, contribute to reserves and still maintain a consistent level of service.</p> <p>Ultimately Treasurer Rahm prepared 15 separate budget scenarios which were then considered and reviewed by Department Heads, in hopes of having the information available for the various suggestions from Members.</p>	<p>The structure of budget will not change unless it is done with the consensus of council.</p> <p>Open communication between Council and Staff is welcomed. Whenever possible Members are encouraged to provide questions or concerns prior to meetings. This will ensure Staff is prepared and able to respond in a productive manner to move matters forward.</p> <p>This will ensure that Staff time is focused on a singular approved goal.</p>
<p>Data obtained from the Watsons & Associates report relating to fleet replacement was deferred, with the priority being rural road infrastructure.</p>	<p>The deferral of fleet replacement does not address the need for fleet replacement. Increased budget lines for maintenance were incorporated into the operating budget.</p>	<p>Reevaluating fleet replacement will be undertaken and incorporated into the draft budget based on the information provided by the <u>new</u> consultant's report.</p>
<p>Importance of identifying projects prior to budget development was noted. Auditor recommends that Working Funds balance should not decrease further.</p> <p>Balance should rest at no less than \$1,000,000</p>	<p>Previous year, working funds were used to accommodate additional post budget projects.</p> <ul style="list-style-type: none"> Crosswalk Lights Traffic Counts Speed Study Roof for Municipal Building Overrun of CC OTF project 	<p>Benchmarking Exercise will be drawn from Working Reserve Fund.</p> <p>It is not recommended that any additional projects should be drawn from this fund unless it is the result of unforeseen circumstances as was the Municipal Roof.</p>

CONCLUSION

As you will see in the analysis above, flaws were identified in the process. Staff are committed to providing a more cohesive budget structure in 2027 by considering the lessons learned. Having acknowledged the many concerns in the 2026 process, I want to congratulate Finance Staff, Department Heads and Council for approving the 2026 budget. I am pleased with the final result and thankful that Staff now has the document necessary to move forward with the direction provided by Council.

BUDGET/LEGAL IMPLICATIONS

There are no impacts on the budget.

OTHERS CONSULTED

Treasurer Kirsten Rahm

Public Works Manager Chad Kean

Fire Chief Brad Cole

Clerk Julia McCaugherty-Jansman

Chief Building Official Dan Halladay

ATTACHMENTS

None

Submitted by:

Darlene Plumley, CAO