



Report to Council

Department: Corporate Services
Division: Finance and Business Services
Date: November 17, 2025
Prepared by: Kate Rowe, CPA, Director Corporate Services/Treasurer
Report Number: Finance and Business Services-2025-08
Subject: 2026 Budget Outlook
Number of Pages: 6

Recommendation(s)

That Finance and Business Services – 2025-08 entitled 2026 Budget Outlook prepared by Kate Rowe, CPA, Director Corporate Services/Treasurer dated November 17, 2025 be received.

Purpose

To inform Council of the to-date identified impacts to the 2026 budget.

Background and Discussion

Section 290(1) of the Municipal Act requires municipalities to prepare and adopt an annual budget.

Administration has been working on the 2026 Draft Budget for Council consideration since June. The budget is in a Draft 2 form currently and will be

released to Council on Friday, November 21st. Administration will walk-through the entire document on Monday, November 24th and Council will deliberate on Monday, December 8th and Tuesday, December 9th. The below table identifies the information known today that has an impact to the 2026 budget.

Type	Dollar Value	Tax Rate Impact
<p><u>Fixed – OPP Contract Renewal</u></p> <p>The OPP contract for 2026 includes contractual increases for the settlement of wages (from 2025). The province delayed passing the increases over to Municipalities until 2026. The dollar value shown is the net impact of the increase and the transfer to reserve budgeted in 2025 to help offset the increase.</p>	\$81,460	0.41%
<p><u>New Positions per 2025 Organizational Review</u></p> <p>The Town adopted the findings of the 2024 Organization review which included the introduction of staff deemed essential (SP24-09-003). The presented impact</p>	\$268,022	1.33%

<p>reflects the next phase of the organization review which include the following positions: Network Systems Administrator and Assistant Manager, Financial Analysis and Planning. Additionally, through internal review, the need for a Communications Coordinator was identified.</p>		
<p><u>Fixed – Net Contractual Increases</u></p> <p>In 2024 the Town settled the new Union contract to be effective for 2024-2027. The Town also approved the non-union salary review. A funding strategy was presented at that time, and this is the net impact of those obligations less applied funding from the Salary Stabilization Reserve.</p>	<p>\$74,336</p>	<p>0.37%</p>
<p>Asset Replacement Requirements</p> <p>In 2025, the Town adopted its revised Asset Management Plan. The study indicated that the current budget for asset replacement is significantly underfunded</p>	<p>\$201,046</p>	<p>1.00%</p>

and requires a stabilized and annual increase to attempt to eliminate the deficit. This increase is for a 1% to the Asset Management reserve.		
<u>Growth from Taxation</u> Each year as new construction occurs; there is assessment that is added to the Town's roll book. This creates additional tax revenue that is used to help fund the budget.	\$362,064	(1.80%)
<u>General Inflationary Increases</u> Annually, increases are required to account for predicted Consumer Price Index impacts to fixed costs such as Insurance, Hydro, Gas and other utilities.	\$205,199	1.02%
<u>Other Budget Adjustments</u>	TBD	TBD

It should be noted the above does not include all impacts to the proposed tax rate as this is still being reviewed and finalized by Administration. The draft budget will be released on November 21st.

Financial Impact

This report is for informational purposes only and there is no financial impact. Any potential impact would be decided and approved at the budget deliberation meeting of Council.

Consultations

Kate Giurissevich, CPA, Chief Administrative Officer

Kate Rowe, CPA, Director, Corporate Services/Treasurer

Ann Marie Unis, CPA, Manager, Finance and Business Services

Maddison Tulett, Financial Analyst

Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.
- Take care of our natural environment and strengthen the sense of belonging to everyone who makes Essex "home".
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

Report Approval Details

Document Title:	2026 Budget Outlook - Finance and Business Services-2025-08.docx
Attachments:	
Final Approval Date:	Nov 11, 2025

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink that reads "Kate Giurissevich". The signature is written in a cursive style and is positioned above the printed name.

Kate Giurissevich, Chief Administrative Officer - Nov 11, 2025 - 2:54 PM