

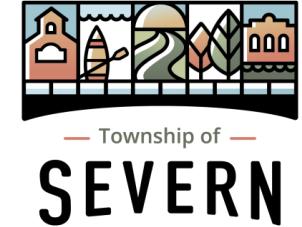


Township of

SEVERN

2026 Budget

2026 Budget Overview



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Strategic Plan Adherence



The budget is based on the principles of:

- continuing to maintain or enhance levels of service
- considering customer service
- economic development, and
- infrastructure needs.

Infrastructure Deficit – AMP



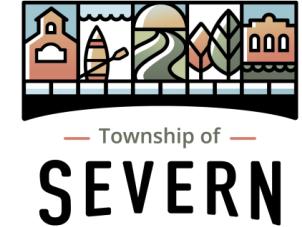
- The Township Asset Management Plan (AMP) was presented to Council in early 2021, update to currently underway for delivery early 2026.
- The AMP found that Severn's annual capital re-investment necessary to maintain our assets was \$8.7 million leaving us with a \$4.9 million annual funding gap:
 - \$3.2 million for tax rate-funded assets
 - \$1.7 million for water and sewer rate-funded assets
 - an annual 2.4% tax increase over 15 years for capital purposes only
 - an annual 4.0% water and sewer rate increase over 10 years

Infrastructure Deficit, continued



- Significant inflation in the past few years since the pandemic will have increased future replacement costs all our assets, in particular significant infrastructure assets.
- Next steps will be developing a long-term capital forecast to be used for future year's budget purposes currently underway to be delivered following the completion of the Asset Management Plan in 2026.

2025 Year-End Position



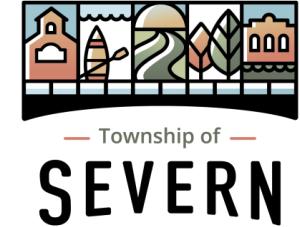
- To be reported at a Council Meeting in 2026
- Surplus to be allocated to areas of need as directed by Council at a future meeting
- Anticipated surplus for 2025 will be presented after the completion of the 2025 year-end financial statements in 2026

2026 Global Pressures



- GLOBAL Economy continues to challenge Supply Chains
- Inflation and Consumer Price Index Ontario 2025 – 2.00%
- Non-Res-Construction Price Index Ontario 2025 – 4.20%

2026 Budget Pressures



• Investment Revenue decrease (L)	\$ 420,000
• Police Services 2026 Cost Increase (L)	\$ 256,165
• Capital Levy (2025 - \$2,200,000) (2026 - \$2,500,000)(L)	\$ 300,000
• Taxation Reserve utilization 2025 (L)	\$ 200,000
• 3.0% Cost of Living remuneration Increase (L)	\$ 272,000
• Salary Step Changes (L)	\$ 72,000
• Positions approved in 2025 (L)	\$ 236,000
• Deputy Clerk \$145,000 (2025)	
• Recreation staff compliment \$47,000 (2026)	
• Winter Control Enhancements \$26,000 (2026)	
• Public Works Technician qualification \$18,000 (2026)	

(L) – Levy Funded (R) – Reserve Funded

2026 Budget Pressures, cont.



• 2026 Grants (Actual Requests - \$65,688) (L)	\$ 45,000
• 2026 Council Partnership Funding (2025 - \$113,250) (L)	\$ 89,250
• Administration Centre Renovation * (R)	\$ 1,000,000
• Signage Strategy (R)	\$ 342,500
• Modernization Software (R)	\$ 365,000
• Work Order Management Solution \$110,000	
• Human Resource Information System \$75,000	
• Customer Service/311 Solution \$70,000	
• Building Permit Solution \$45,000	
• Planning and Development Solution \$45,000	
• By-law Solution \$20,000	
• Westshore Recreation Facility (Grant Dependent) * (R)	\$15,000,000
• Westshore Wastewater Plant Optimization & EQ Tank * (R)	\$12,525,000

* high level estimate, actuals to be determined at design phase

(L) – Levy Funded (R) – Reserve Funded

2026 Budget Pressures, continued



- General Risks to delaying new positions
 - Council approved a 5-year hiring plan to address deficiencies or service level improvements noted in the Organizational Review
 - Delaying 2025 and 2026 hires will delay future year(s) plans – Development Engineering Coordinator, Planner, Financial Analyst, Manager of Recreation, Public Works Foreperson
 - It is difficult to do the required but 'extra' projects within current staff levels – Asset Management Plans, updated software for improved efficiency, run an election, increase recreation offerings, etc.
 - When the Westshore Recreation Facility is completed, it will need to be staffed, which coupled with other needs that are deferred will become unaffordable if needed all at once

2026 Budget Pressures, continued



- Reserves General Risks
 - Asset Management Planning and the high cost of infrastructure indicates that municipalities should be looking at increasing their reserves annually and over the long term for future asset replacement
 - Withdrawing more from reserves annually than we contribute to them will threaten future asset replacement. One offs are expected but the long-term goal must be to grow reserves to ensure financial stewardship for future Councils
 - Withdrawing more from reserves than we contribute to them also threatens future investment income which is generated from reserve funds. Investment income on statutory reserves is reinvested into specific reserves such as the Development Charges reserve and the CCBF (Federal Gas Tax Reserve), however the remaining investment income alleviates pressure on the tax levy. Currently doing so by 4 to 5 percent.
 - Depleting our reserves will threaten timely future asset replacement and could have an immediate impact on investment income used to offset levy increases.

2026 Budget Highlights



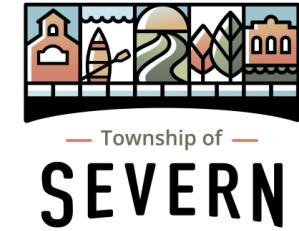
• Assessment Growth Impact	\$ 386,000
• Ontario Municipal Grant (OMPF) (2025 - \$1,206,100)	\$ 1,324,600
• Interest Revenue (2025 - \$1,950,000)	\$ 1,405,000
• Administration Capital	\$ 1,195,000
• Signage Strategy	\$ 342,500
• Corporate Services Capital	\$ 90,000
• Fire Capital	\$ 1,171,800
• Fire Capital Levy Impact	\$ 150,000
• Policing Costs Increase (11.06%)	\$ 256,165
• Policing Reserve Levy Stabilization	\$ 150,000
• Building Department Surplus Reserve	\$ 226,000
• Federal Gas Tax Funding (2025 - \$477,366)	\$ 477,366
• OCIF Funding (2025 - \$652,685)	\$ 717,954

2026 Budget Highlights, continued



• Roads Department Projects	\$ 6,835,000
• Roads Equipment	\$ 750,000
• Water and Sewer Capital	\$ 15,843,000
• SSEA Municipal Sharing/Sustainability (2025 - \$141,400)	\$ 156,315
• Lake Country (2025 - \$22,500)	\$ 22,500
• Physician Recruitment (2025 - \$29,000)	\$ 29,000
• Recreation Department Capital	\$ 16,115,500
• Building Department Capital	\$ 45,000
• Planning Department Capital	\$ 45,000
• Deputy Clerk (New in 2025)	\$ 145,000
• Taxation Reserve – Levy Stabilization	\$ 100,000
• Library Budget (2025 - \$298,630)	\$ 298,630

Items Removed to Reduce Levy Impact



STAFFING REQUIREMENTS	
Development Engineering Coordinator/GIS Analyst (2025)	150,600.00
Financial Analyst (2026)	111,600.00
Manager of Recreation (2026)	150,600.00
Planner (2026)	123,900.00
STUDIES AND REVIEWS	
Corporate Communications Strategy	45,000.00
Business Retention and Expansion Study	48,500.00
Grant for BR&E Study	(21,750.00)
Implementation of Compensation review	50,000.00
Compensation review	40,000.00
OTHER ITEMS	
Contingency increase for switch to higher insurance deductible (Municipal Insurance Pool)	25,000.00
Levy Transfer for Capital should be increasing by \$350,000 annually	50,000.00
Moving Investment income to reserves to stabilize levy	<u>1,080,000.00</u>
TOTAL LEVY ITEMS	
	<u>1,853,450.00</u>

Council Partnership Funding G-111-101-3156



• Physician Recruitment	\$ 29,000
• Lake Country	\$ 22,500
• Mariposa House Hospice – Operation Funding (4 yr commitment)	\$ 12,000
• Coldwater Mill Heritage Foundation	\$ 7,500
• Coldwater Canadiana Heritage Museum	\$ 7,500
• Green Haven Women's Shelter	\$ 7,500
• SEGBAY	\$ 5,000
• Georgian Bay Forever	\$ 5,000
• Simcoe County – Cycle Simcoe (2025 - \$113,250)	\$ <u>750</u> <u>\$ 96,750</u>

2026 Municipal Levy Increase



- 2025 \$14,577,407
- 2026 \$15,843,487
 - 8.69% Increase representing \$1,266,080

2026 Policing Levy Increase



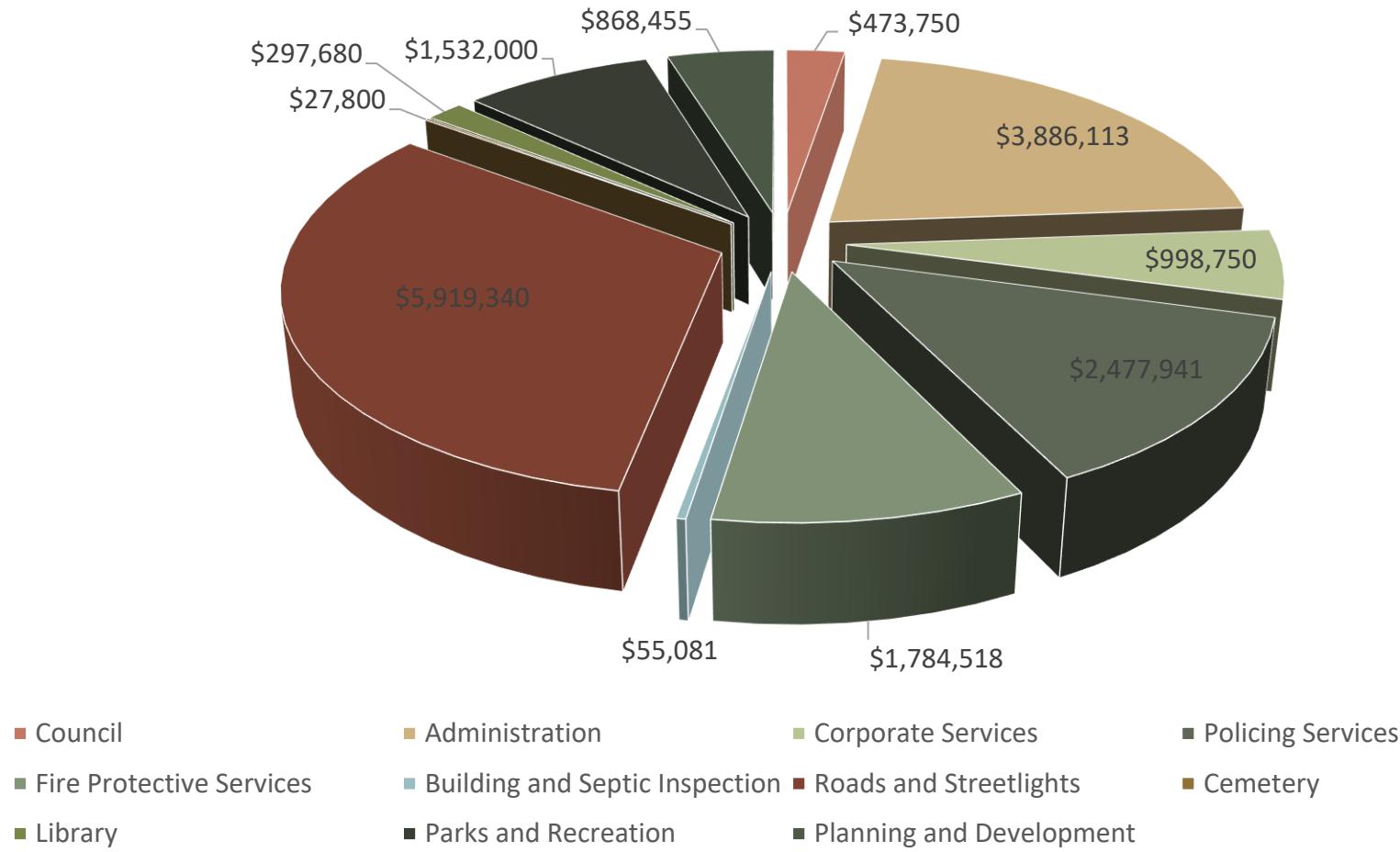
- 2025 \$2,367,801
- 2026 \$2,477,941
 - 4.65% Increase representing \$110,140

2026 Municipal Including Policing Levy Increase

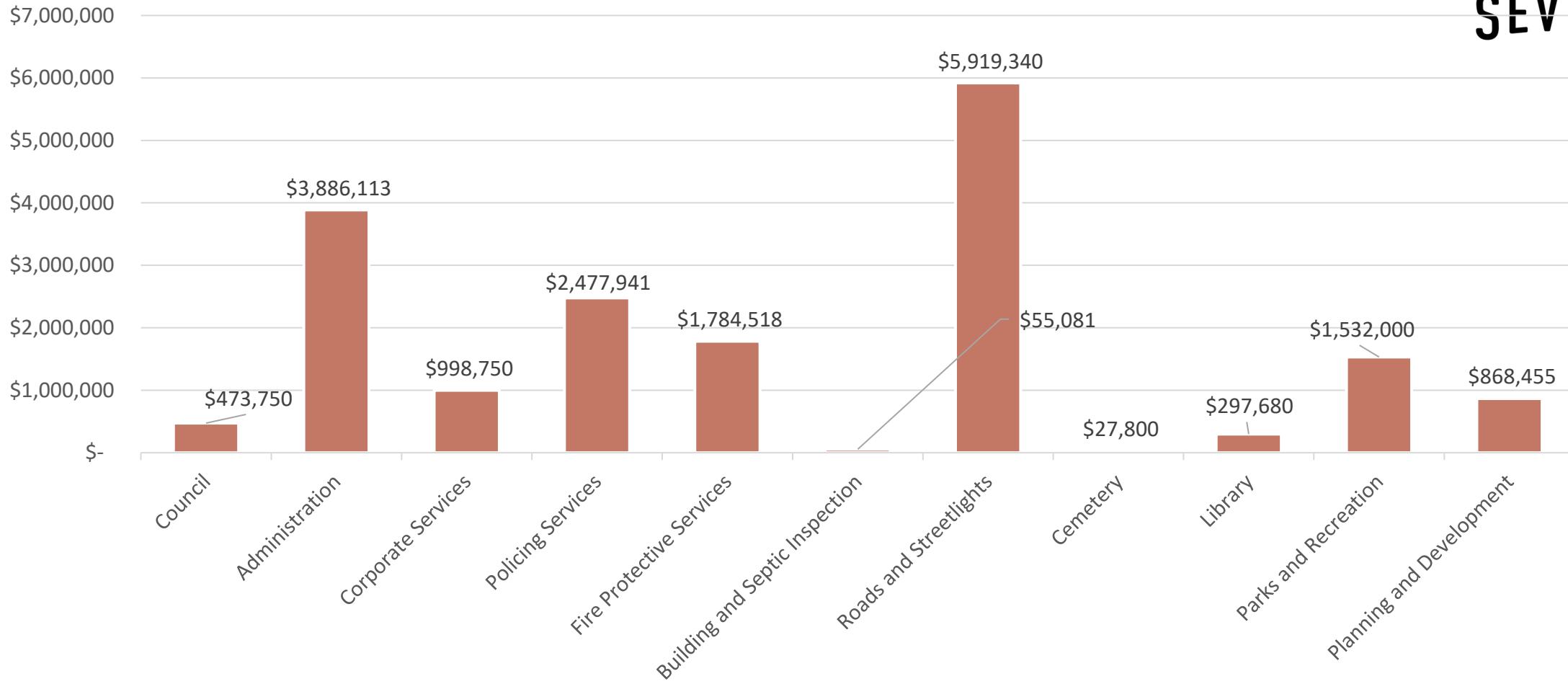


- 2025 \$16,945,208
- 2026 \$18,321,428
 - 8.12% Increase representing \$1,376,220

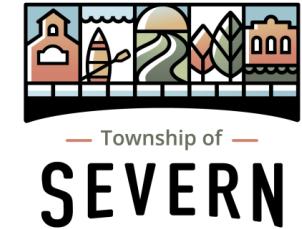
2026 Department Net Costs



2026 Department Net Costs



2026 Municipal Tax Impact



- Residential Phased in % Increase 0.00%
 - 2025 Average Single Family: \$340,000
 - 2025 Taxation $\$340,000 \times .00442791 = \$1,505.49$
 - 2026 Average Single Family: \$340,000
 - 2026 Taxation $\$340,000 \times .00468830 = \$1,594.02$
 - \$88.53 Increase
 - Percentage Increase of 5.88%

2026 Policing Impact



- Residential Phased In Increase 0.00%
 - 2025 Average Single Family: \$340,000
 - 2025 Taxation $\$340,000 \times .00071922 = \244.53
 - 2026 Average Single Family: \$340,000
 - 2026 Taxation $\$340,000 \times .00073326 = \249.31
 - \$4.78 Increase
 - Percentage Increase of 1.95%

2026 Combined Municipal and Policing Impact



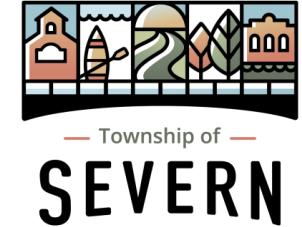
- Residential Phased in % Increase 0.00%
 - 2025 Average Single Family: \$340,000
 - 2025 Taxation $\$340,000 \times .00514713 = \$1,750.02$
 - 2026 Average Single Family: \$340,000
 - 2026 Taxation $\$340,000 \times .00542156 = \$1,843.31$
 - \$93.29 Increase
 - Percentage Increase of 5.33%

2026 Estimated Blended Tax Impact



- **Includes Municipal, County, and School Boards:**
 - Residential Phased in % Increase 0.00%
 - 2025 Average Single Family: \$340,000
 - 2025 Taxation $\$340,000 \times .00978070 = \$3,325.44$
 - 2026 Average Single Family: \$340,000
 - 2026 Taxation $\$340,000 \times .01016375 = \$3,455.68$
 - \$130.24 Increase
 - Percentage Increase of 3.92%

2026 Water and Sewer Rates



- A new water and sewer rates sustainability study was completed in 2025
- A 3.5% increase in water rates and a 4.5% increase in sewer rates has been included in the budget forecast
- Minimum water rate per unit in 2025 was \$896.90
- Minimum rate increase of 3.5% per unit in 2026 to \$928.31
- Minimum sewer rate per unit in 2025 was \$892.29
- Minimum rate increase of 4.5% per unit in 2026 to \$932.43
- Increase in annual water and sewer billing for residents on both water and sewer services of \$71.55

2026 Estimated Reserve Balances



	Estimated Balances Dec. 31/25	Developer Contribution	Interest Income	Contribution From Revenue Fund	Transfer To Revenue Fund	Transfer To Capital Fund	Estimated Balance Dec. 31/26
Development Charges	\$ 5,728,521	\$ 1,300,000	\$ 210,100		\$ 22,450	\$ 11,361,835	\$ (4,145,664)
Parkland Levies	\$ 727,135	\$ 20,000	\$ 26,700				\$ 773,835
Gas Tax	\$ 2,404,931		\$ 88,200	\$ 477,366		\$ 2,733,046	\$ 237,451
Building Replacement	\$ 3,421,956			\$ 400,000		\$ 1,045,000	\$ 2,376,956
Computer	\$ 303,186					\$ 440,000	\$ 263,186
Fire	\$ 671,424				\$ 49,000	\$ 221,800	\$ 400,624
Gravel Pits Asset Retirement Rese	\$ 194,549			\$ 9,000			\$ 203,549
Water Surplus Reserve	\$ 1,394,106			\$ 33,668		\$ 1,350,000	\$ 77,774
Sewers Surplus Reserve	\$ 914,705			\$ 170,000		\$ 338,008	\$ 746,697
Building Dep't	\$ 226,469				\$ 226,469		\$ 0
Westshore Upgrade & Mtce W&S	\$ 162,411						\$ 162,411
Westshore Frontage Adjustments	\$ 184,769						\$ 184,769
Ice Resurfacer/Compressor	\$ 84,012			\$ 5,000			\$ 89,012
Economic Development Reserve	\$ 24,370					\$ 24,370	\$ 0
Taxation	\$ 200,000				\$ 100,000		\$ 100,000
Recreational facilities	\$ 328,407						\$ 328,407
Roads Equipment/Vehicle Reserve	\$ 159,197			\$ 281,925		\$ 415,000	\$ 26,122
Utilities Equipment/Vehicle Reserv	\$ 709,443			\$ 87,700		\$ 110,000	\$ 687,143
Election	\$ 82,988			\$ 30,000	\$ 101,553		\$ 11,435
Parkland	\$ 313,538			\$ 40,000		\$ 120,500	\$ 233,038
Building Dep't. Vehicles	\$ 46,413			\$ 22,000			\$ 68,413
Bylaw Vehicle Replacement	\$ 32,782			\$ 4,000			\$ 36,782
Recreation Vehicle/Equipment Rep	\$ 127,582			\$ 20,000		\$ 60,000	\$ 87,582
Roads & Bridges	\$ 375,683					\$ 110,000	\$ 265,683
Emergency Preparedness	\$ 40,000						\$ 40,000
Fire Vehicle Replacement*	\$ 2,930,681					\$ 600,000	\$ 2,330,681
Columbarium	\$ 37,320			\$ 5,000			\$ 42,320
Administration Equipment	\$ 353,035			\$ 7,500			\$ 360,535
Road Rehabilitation	\$ 2,833,883			\$ 500,000			\$ 3,333,883
Youth Sports Reserve	\$ 14,386						\$ 14,386
Trader Cowan Land Sale Reserve	\$ 586,392					\$ 100,000	\$ 486,392
Winter Control Reserve	\$ 270,000						\$ 270,000
Policing Stabilization Reserve	\$ 300,000					\$ 150,000	\$ 150,000
Working Fund	\$ 3,615,661						\$ 3,615,661
Capital Reserve	\$ 8,287,801			\$ 4,989,915		\$ 2,449,130	\$ 10,828,586
Totals	\$ 38,087,737	\$ 1,320,000	\$ 325,000	\$ 7,083,074	\$ 499,472	\$ 21,628,689	\$ 24,687,650



Thank you.

Andrew Plunkett, Director of Finance / Treasurer | November 27, 2025

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