

2026 Budget overview



Township of Wellington North

Building a safe, sustainable, and welcoming community

township@wellington-north.com

519-848-3620

Presentation Overview

Operating Budget Summary

2026 Proposed Capital Budget

Reserve Funds

Debt Projections



Budget Process

- The aim of the Budget is to Focus Township resources to deliver on Council's values and priorities for Wellington North.
- New this year: Budget + two-year operating forecast (2027–2028) to improve visibility of emerging pressures.
- **Process to Date:**
 - Budget templates issued to departments — Sept 3, 2025
 - Treasurer meetings with departments — Sept–Oct
 - First joint budget meeting — Nov 3;
 - Next session Dec 15 (if needed)
- **Today's Objectives (Decisions/Direction Needed):**
 - To pass 2026 operating and capital budget



2026 Budget Guidelines

- Operating Budget 2026 assumes the status quo for service level, meaning that the Township will continue to provide the same level of service it budgeted the previous year (2025) unless otherwise proposed and documented
- Corporate wide cost pressures:
 - Wage/Salary: Budget increases (varies by department), Union & Non-Union
 - Employee Benefits & Payroll Remittances: Increase of ~**4%**
 - Municipal insurance renewal – Projecting a **5%** increase
 - Utilities: Hydro increase of **3.7%** (WNP Guidance)
 - Construction Price Index (Inflation, Q3 2025) – **4.2%**



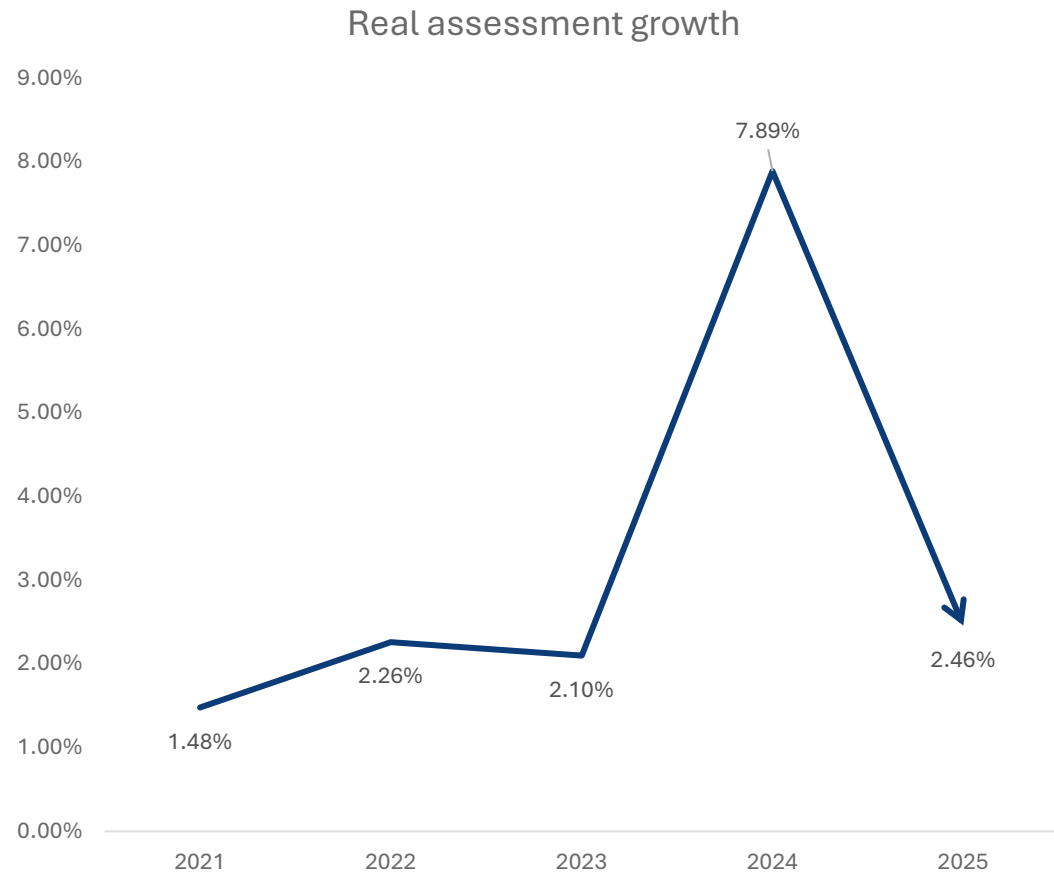
2026 Conservation Authority Budgets

Conservation Authority	2024 Budget	2025 Budget	2026 Budget	Diff - \$	Diff - %
Saugeen Valley Conservation Authority	108,777	113,611	126,124	12,513	11.0%
Grand River Conservation Authority	58,619	60,669	66,227	5,558	9.2%
Maitland Valley Conservation	55,429	60,657	69,283	8,626	14.2%
	222,825	234,937	261,634	26,697	11.4%



Growth vs Reassessment

- Growth is defined as new assessment – it has no impact on the current taxpayer
- During 2025, the Township has realized an estimated real assessment growth of **2.46%** (**2024 - 7.89%**, **2023 - 2.1%**, **2022 - 2.26%**, **2021 – 1.48%**)



2026 Operating Budget



2026 Tax Levy Budget Overview

Service Area	2024 Budget	2025 Budget	2026 Budget	% Change	Change \$
General Government	-485,357	-270,329	73,522	-127.20%	343,851
Protection Services	1,476,403	1,492,015	1,552,571	4.06%	60,556
Transportation Services	5,233,679	6,171,910	6,441,906	4.37%	269,996
Health Services	144,160	143,989	177,330	23.15%	33,341
Recreation and Cultural Services	3,150,926	3,134,693	3,024,347	-3.52%	-110,345
Planning and Development	126,951	50,740	55,558	9.50%	4,819
Total Levy Requirement	9,646,763	10,723,018	11,325,235	5.62%	602,217

Tax Levy Transfers	2024 Budget	2025 Budget	2026 Budget	% Change	Change \$
To Capital	2,612,857	3,061,599	3,084,489	0.75%	22,890
To Reserves	702,540	933,923	960,562	2.85%	26,638
To Reserve Funds	5,000	5,000	5,000	0.00%	-
New transfers	3,320,397	4,000,523	4,050,051	1.24%	49,528



Operating Budget Summary Analysis By Segment

2026 Budget Summary

FIR Category		2024 Budget	2025 Budget	2026 Budget	% Change	Change \$
General Government						
	General Government	(2,058,400)	(2,223,100)	(2,346,620)	5.6%	(123,520)
	Other Revenues-Supps/Omitts/Writeoffs	(281,789)	(367,708)	(271,375)	-26.2%	96,333
	Council	297,538	303,645	304,802	0.4%	1,157
	Administration	1,563,886	2,086,060	2,183,958	4.7%	97,898
	Property	(6,592)	(69,226)	202,756	-392.9%	271,982
	WNP Holding Co.					
	Subtotal - General Government	(485,357)	(270,329)	73,522	-127.2%	343,851
Protection Services						
	Fire	1,110,880	1,111,750	1,123,910	1.1%	12,160
	Police/Crossing Guard	58,038	68,781	80,742	17.4%	11,960
	Conservation Authority	222,825	234,937	261,634	11.4%	26,697
	Protective Inspection & Control					
	Animal Control	18,050	9,520	16,838	76.9%	7,318
	By-Law Enforcement	66,610	67,027	69,447	3.6%	2,421
	Subtotal - Protection Services	1,476,403	1,492,015	1,552,571	4.1%	60,556



Operating Budget Summary Analysis By Segment

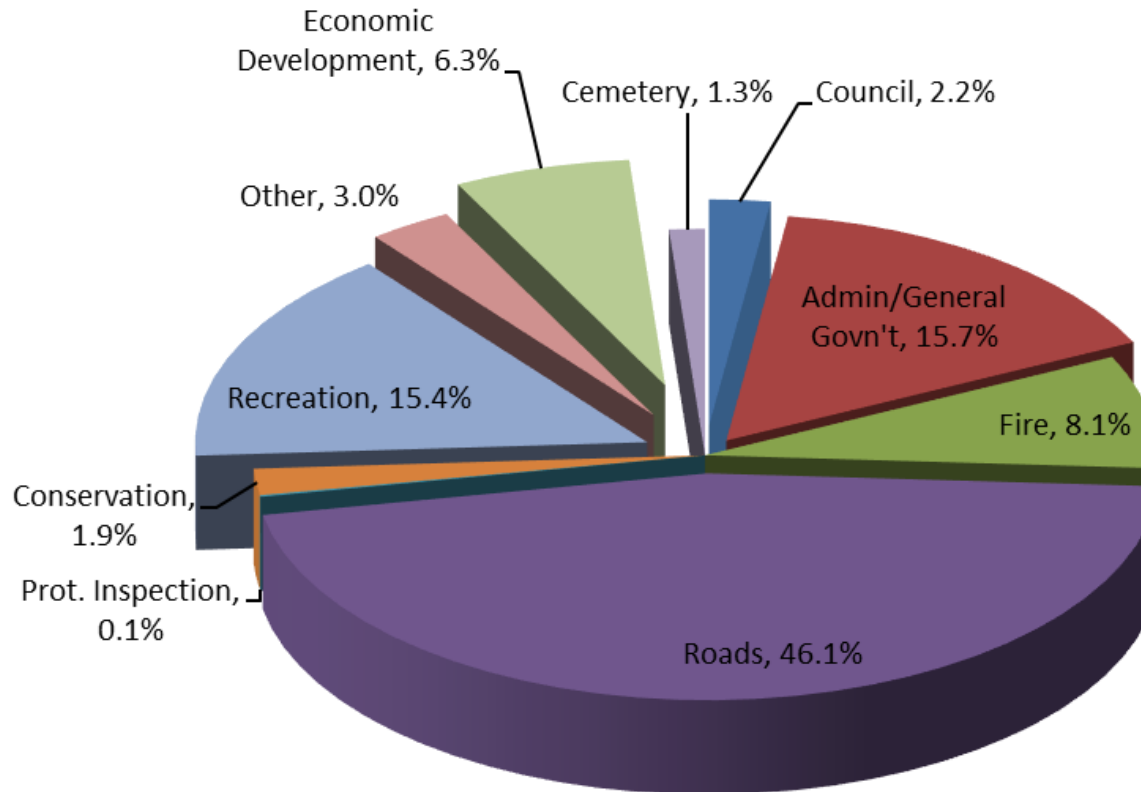
2026 Budget Summary

FIR Category	2024 Budget	2025 Budget	2026 Budget	% Change	Change \$
Transportation Services					
Roads	5,227,897	6,164,510	6,434,328	4.4%	269,818
Streetlights					
Rural Water	5,782	7,400	7,578	2.4%	178
Subtotal - Transportation Services	5,233,679	6,171,910	6,441,906	4.4%	269,996
Health Services					
Hospital					
Cemetery	144,160	143,989	177,330	23.2%	33,341
Subtotal - Health Services	144,160	143,989	177,330	23.2%	33,341
Recreation and Cultural Services					
Parks & Recreation	2,400,252	2,109,339	2,143,455	1.6%	34,116
Community & Economic Development	750,673	1,025,354	880,893	-14.1%	(144,461)
Subtotal - Recreation and Cultural Services	3,150,925	3,134,693	3,024,347	-3.5%	(110,345)
Planning and Development					
Planning	82,701	13,340	17,908	34.2%	4,569
Commercial & Industrial					
Tile Drains					
Municipal Drains	44,250	37,400	37,650	0.7%	250
Subtotal - Planning and Development	126,951	50,740	55,558	9.5%	4,819



Operating Budget – Where the 2026 Dollar Goes

2026 Where Budget Dollars Go



Draft Budget Modeling – 2026 Tax Implication – Base Case

	<u>2024</u>	<u>2025</u>	<u>2026 (Draft)</u>	<u>YoY Increase (%)</u>
Operating Budget	6,326,366	6,722,495	7,209,384	7.24%
Policy Mandated Transfer to Reserve funds	80,700	115,700	115,700	0.00%
Net Transfers	626,840	823,223	915,662	11.23%
Contributions to Capital	2,612,857	3,061,599	3,084,489	0.75%
Total Budgeted Tax Levy	9,646,763	10,723,018	11,325,235	5.62%
Organic Growth				2.46%
Impact to Existing Taxpayer				3.16%

	<u>2026</u>	<u>2025</u>	<u>COMPARISON OF TAXES</u>	<u>2026</u>	<u>2025</u>
AMOUNT TO BE RAISED	\$ 11,325,235	\$ 10,723,018	Residential Assessment	\$ 271,636.00	\$ 271,636.00
Tax Rate = amount to be raised/weighted assessment =	0.00574245	0.00557065	Tax Rate	0.00574245	0.00557065
			Taxes	\$1,559.86	\$1,513.19
			Increase over 2025		\$46.67

- ±1% levy ≈ \$14.85/year on the average home (~\$1.24/month).
 - 2026 proposal (3.16%) ≈ \$46.67/year on the average home (~\$3.89/month)
- Assumes typical single-family assessment of \$271,636 (2016 CVA)



Reserve/Reserve Funds – Net Transfers (Preliminary)

Net Reserve & Reserve Fund Transfers

2025				
	<u>From</u>	<u>To</u>	<u>Net</u>	<u>2024 vs 2025</u>
Council		120,700	120,700	35,000
Admin		277,944	277,944	225,944
Property		16,000	16,000	–
Fire		294,528	294,528	74,528
CBO		40,269	40,269	(104,089)
Roads		79,482	79,482	–
Streetlights		5,000	5,000	–
Rec		100,000	100,000	–
Planning		–	–	–
Cemetery		5,000	5,000	–
WNP Holding		–	–	–
Taxation Total	-	938,923	938,923	231,383
Sewer	480,465	250,000	(230,465)	(337,995)
Water	-	250,000	250,000	(248,441)
User Fee Total	480,465	500,000	19,535	(586,436)
Grand Total	480,465	1,438,923	958,459	(355,053)

2026				
	<u>From</u>	<u>To</u>	<u>Net</u>	<u>2025 vs 2026</u>
Council		120,700	120,700	–
Admin	(65,800)	314,651	380,451	102,507
Property		16,000	16,000	–
Fire		300,000	300,000	5,472
CBO		4,211	4,211	(36,059)
Roads		100,000	100,000	20,518
Streetlights		5,000	5,000	–
Rec		100,000	100,000	–
Planning		–	–	–
Cemetery		5,000	5,000	–
WNP Holding		–	–	–
Taxation Total	(65,800)	965,562	1,031,362	92,438
Sewer	480,465	338,980	(141,485)	88,980
Water	-	635,740	635,740	385,740
User Fee Total	480,465	974,721	494,256	474,721
Grand Total	414,665	1,940,282	1,525,617	567,159

2026–2028 Operating Forecast

Forecast							
Service Area	2026 Budget	2027	%Change	Change \$	2028	%Change	Change \$
General Government	73,522	206,260	180.54%	132,738	298,877	44.90%	92,618
Protection Services	1,552,571	1,606,327	3.46%	53,755	1,656,420	3.12%	50,093
Transportation Services	6,441,906	6,657,999	3.35%	216,093	6,931,980	4.12%	273,981
Health Services	177,330	191,168	7.80%	13,838	193,387	1.16%	2,220
Recreation and Cultural Services	3,024,347	3,156,653	4.37%	132,305	3,279,840	3.90%	123,187
Planning and Development	55,558	56,833	2.29%	1,275	58,859	3.56%	2,026
Total Levy Requirement	11,325,235	11,875,239	4.86%	550,004	12,419,364	4.58%	544,125

Forecast							
Tax Levy Transfers	2026 Budget	2027	%Change	Change \$	2028	%Change	Change \$
To Capital	3,084,489	3,240,074	5.04%	155,584	3,418,254	5.50%	178,180
To Reserves	960,562	1,042,965	8.58%	82,403	1,066,590	2.27%	23,625
To Reserve Funds	5,000	5,000	0.00%	-	5,000	0.00%	-
New transfers	4,050,051	4,288,038	5.88%	237,987	4,489,844	4.71%	201,805

Wages, insurance, and utilities are projected at the 5-year average increase (or at the same % increase used in 2026 vs 2025, where more conservative).
One-time items normalized; no service level expansions unless noted.

2026 Capital Budget



Draft Capital Program - 2026

Project Name	2026 Ask	
Environmental Services	\$	585,335.00
General Government	\$	708,615.00
Infrastructure/Operation/Transportation	\$	4,787,850.00
Protection Service	\$	79,700.00
Recreation Services	\$	1,048,000.00
Fleet	\$	1,500,000.00
Total	\$	8,709,500.00



General Government

Project Name	Amount
Arthur Office Parking Lot	\$ 31,075.00
Demolition of former Sacred Heart Catholic School	\$ 375,150.00
Mount Forest cemetery chapel door replacement	\$ 6,600.00
Mount Forest Cemetery fence repairs	\$ 12,100.00
Mount Forest Cemetery lawn mower	\$ 35,700.00
Mount Forest Cemetery software management	\$ 5,500.00
Mount Forest Cemetery storage shed repairs	\$ 26,400.00
Township Banners	\$ 37,290.00
IT Projects	\$ 173,800.00
Walkway Margarett Rae Morrison	\$ 5,000.00
Total	\$ 708,615.00



Environmental Services

Project Name	Amount	
OCWA 2026 Projects - Arthur	\$	105,090.00
OCWA 2026 Projects - Mount Forest	\$	380,245.00
Waterman Valve and Fire Hydrant Replacement	\$	100,000.00
Total	\$	585,335.00



Infrastructure & Transportation

Project Name	Amount
2026 Rural Asphalt Resurfacing	\$ 1,200,783.00
2026 Sidewalk Program	\$ 240,012.00
2026 Urban Asphalt Resurfacing	\$ 205,095.00
Culvert 2050 (Sideroad 25)	\$ 218,090.00
Culvert Sideroad 9W (Concession 7 to Concession 6)	\$ 48,590.00
Mount Forest Southeast Storm Study Area	\$ 28,250.00
Reconstruction - Clarke Street between Smith Street and Walton	\$ 2,662,280.00
Reconstruction - Cork Street (DESIGN ONLY)	\$ 100,000.00
Rural Road Rebuild - Sideroad 9W	\$ 84,750.00
Total	\$ 4,787,850.00



Protection Services

Project Name	Amount	
Air Bag Replacement	\$	35,000.00
Arthur Fire Hall Interior Painting	\$	5,000.00
Arthur Fire Hall Lighting Upgrade	\$	4,500.00
Decontamination Packs	\$	5,200.00
Minor Mount Forest Fire Hall Renovation	\$	30,000.00
Total	\$	79,700.00



Recreation & CED

Project Name	Amount
Arthur Arena Auditorium	\$ 40,000.00
Arthur Arena Auditorium HVAC	\$ 80,000.00
Arthur Arena Changerooms	\$ 95,000.00
Arthur Arena Scoreclock	\$ 62,000.00
Arthur Baseball Diamond Lighting	\$ 65,000.00
Arthur Lifeguard Chair	\$ 15,000.00
Arthur Pool	\$ 15,000.00
Bike Racks, Park Benches and Accessible Picnic Tables	\$ 25,000.00
Damascus Phone Line	\$ 5,000.00
Downtown Mount Forest Community Space Upgrades	\$ 5,000.00



Recreation & CED

Project Name	Amount
Facility Master Plan	\$ 60,000.00
Flag Pole Enhancement	\$ 24,000.00
Gravel Top-up at municipal parking lots and trails	\$ 50,000.00
Mount Forest & District Sports Complex Mechanical Room	\$ 25,000.00
Mount Forest & District Sports Complex Roof Blisters	\$ 20,000.00
Mount Forest Downtown LED Lighting	\$ 30,000.00
Mount Forest Outdoor Pool - Construction Levy	\$ 350,000.00
Recreation Master Plan Update	\$ 75,000.00
Replacement of Cork St. Safety Netting	\$ 7,000.00
Total	\$ 1,048,000.00



Fleet

Project Name	Amount
Backhoe Loader	\$ 275,000.00
Pickup Truck (2026)	\$ 70,000.00
Pickup Truck (2026)	\$ 70,000.00
Road Grader	\$ 790,000.00
Sidewalk Trackless Tractor	\$ 250,000.00
SUV Infrastructure	\$ 45,000.00
Total	\$ 1,500,000.00



Capital Program Trend

Project Costs

Dept/Year	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Council Directed Projects	748,805	-	-	-	-
20in20 Initiatives	-	-	-	-	-
Development Projects	-	-	-	-	-
Roads & Drainage	4,428,871	4,601,238	5,703,945	7,874,943	4,787,850
Waterworks	707,916	988,081	484,557	908,419	100,000
Sanitary Sewers	744,932	511,081	434,556	646,699	485,335
Fleet	958,000	-	930,000	865,000	1,500,000
Parks & Recreation	944,234	1,420,000	806,950	934,500	1,048,000
Fire	138,000	504,500	160,000	76,000	79,700
Admin, Information Technology & Property	160,750	489,603	932,000	1,344,180	627,815
Cemetery	-	49,849	20,000	21,080	80,800
Total	8,831,508	8,564,352	9,472,009	12,670,821	8,709,500
Arthur Wastewater Treatment Plant – Phase 2 Upgrade	-	-	13,500,000	-	-
Grand Total	8,831,508	8,564,352	22,972,009	12,670,821	8,709,500



Capital Program Trend

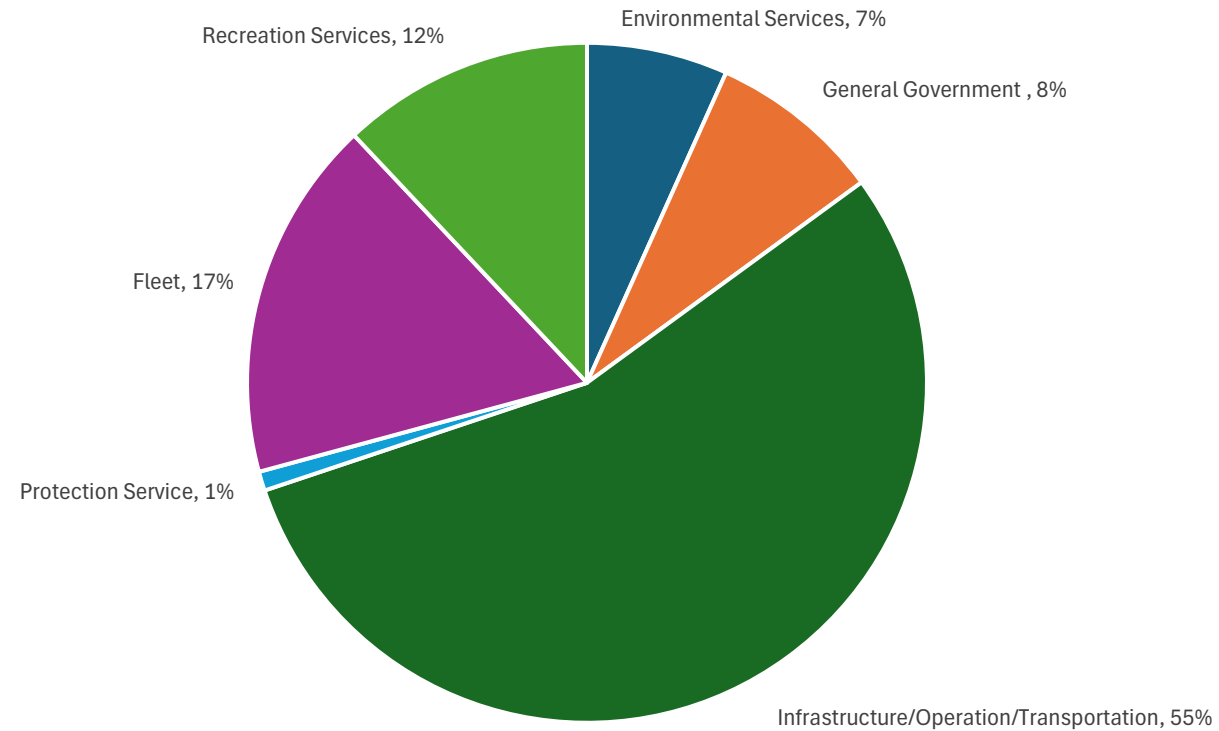
Funding Model

Source/Year	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenue (levy, fees, etc)	3,557,822	3,359,105	3,531,471	4,444,612	4,626,776
Grants	1,343,688	1,030,775	1,074,123	58,500	
Dev't Charges & Reserves	2,233,600	1,735,301	1,873,852	4,843,679	1,417,801
Developer Contributions	21,500	120,000	22,500	1,124,564	50,000
External Debt	-	-	-		-
Gas Tax	655,000	340,000	1,287,768	514,360	159,045
Sustained OCIF	900,000	1,979,171	1,682,295	1,685,106	1,405,878
Unfunded Amounts	119,898	-	-		1,050,000
Total	8,831,508	8,564,352	9,472,009	12,670,821	8,709,500
Arthur Wastewater Treatment Plant – Phase 2 Upgrade	-	-	13,500,000		
Grand Total	8,831,508	8,564,352	22,972,009	12,670,821	8,709,500



Capital Dollars Summary

Project Breakdown Department 2026



2026 Capital Budget Revisions

Project Name	Change Amount	Funding Source
Arthur Office Parking Lot	\$226,175.80	Reserve Funds
Backhoe loader	\$25,000.00	Tax Levy
Road Grader	\$10,000.00	Taxy Levy, Reserve Funds
Reconstruction - MF Drive (Design only)	\$100,000.00	User Fees, Reserve Funds
McPherson Park updates	\$50,000.00	Reserve Funds
Mount Forest Cenotaph	\$30,000.00	Tax Levy
Total	\$441,175.80	

Tax impact = \$41,000; majority of scope reductions funded by reserves.



Draft Capital Program – 2027-2028

- Departments submitted Capital Justification reports totaling \$18,535,951. Following staff deliberation and application of the Township's capital prioritization framework (condition/risk, compliance, service impact, readiness, funding/ARL), ~\$9.8M was deferred to 2027–2028 Capital Program initial listing; projects not prioritized for 2026 are listed below.

Project Name	Amount
IT Projects	\$ 225,900.00
McPherson Park Upgrades	\$ 50,000.00
Mount Forest & District Sports Complex Mechanical Room	\$ 30,000.00
Mount Forest Cemetery masterplan	\$ 29,700.00
Mount Forest Cemetery survey and title issues	\$ 33,000.00
Mount Forest Cemetery paving entrance road	\$ 11,000.00
Mount Forest Cenotaph	\$ 30,000.00
Mount Forest Community Centre Demolition of Changerooms	\$ 200,000.00
Mount Forest Community Centre HVAC and Dehumidifier	\$ 170,000.00
Mount Forest cremated remains section	\$ 16,500.00
Reconstruction - Clarke Street between Walton to Domville	\$ 1,919,870.00
Reconstruction - Mount Forest Drive (DESIGN ONLY)	\$ 100,000.00

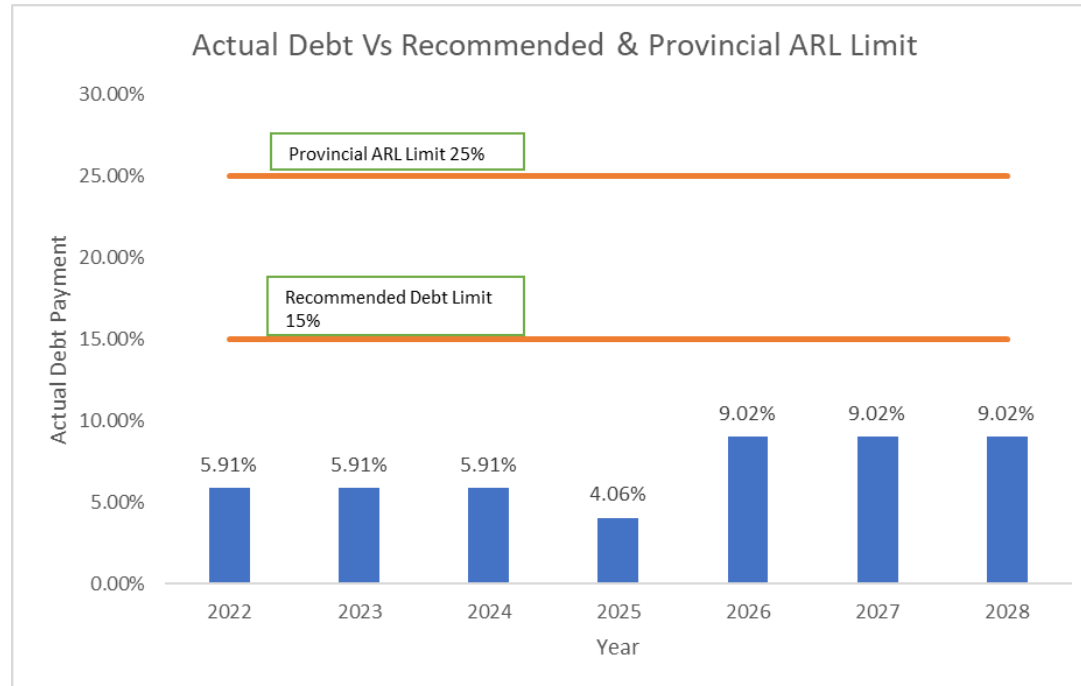
Draft Capital Program – 2027-2028 – Cont.

Project Name	Amount
Structure 21 Replacement (Sideroad 8E)	\$ 1,145,820.00
Arthur Arena Auditorium	\$ 750,000.00
Arthur Office Parking Lot	\$ 245,741.10
Arthur Pool	\$ 250,000.00
Bike Racks, Park Benches and Accessible Picnic Tables	\$ 25,000.00
Culvert Sideroad 9W (Concession 7 to Concession 6)	\$ 490,088.91
Downtown Mount Forest Community Space Upgrades	\$ 50,000.00
Gravel Top-up at municipal parking lots and trails	\$ 60,000.00
Reconstruction -Fergus Street Nbetween Birmingham Street E and Duraham Street E	\$ 1,846,740.50
Structure 21 Replacement (Sideroad 8E)	\$ 1,122,090.00
Arthur Arena Changerooms	\$ 1,000,000.00
Bike Racks, Park Benches and Accessible Picnic Tables	\$ 25,000.00
Total	\$ 9,826,450.51

A \$350,000 levy contribution for the Mount Forest Pool build will be included in each year's capital program at budget



Debt Utilization & ARL Compliance



ARL includes principal and interest; post 2026 headroom remains ~\$2.22M

- Proposed 2026 debt: \$4,725,000 (Arthur WWTP Phase 2) and \$1,050,000 (Clarke St Smith–Walton).
- 2025 ARL (provincial): \$3,477,661. Existing annual debt service: \$565,252.78.
- New annual payment (both projects): \$689,433.64 Tax-supported: \$125,351.57; DC/Rate supported: \$564,082.07.



