

**The Corporation of the City of Kawartha Lakes**  
**Agenda**  
**Budget Committee Meeting**

**Wednesday, October 8, 2025**

**9:00 A.M.**

**Council Chambers**

**City Hall**

**26 Francis Street, Lindsay, Ontario K9V 5R8**

**Members:**

**Councillor Dan Joyce**

**Deputy Mayor Charlie McDonald**

**Councillor Tracy Richardson**

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|           |                                                                                                                                                                                                                                           |         |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>1.</b> | <b>Call to Order</b>                                                                                                                                                                                                                      |         |
|           | The Budget Committee Meeting of October 8, 2025 will continue on Thursday, October 9, 2025 at 9:00 a.m. to complete the review of the Draft 2026 Tax Supported Budgets for the City of Kawartha Lakes should additional time be required. |         |
| <b>2.</b> | <b>Administrative Business</b>                                                                                                                                                                                                            |         |
| 2.1       | Adoption of Agenda                                                                                                                                                                                                                        |         |
| 2.2       | Declaration of Pecuniary Interest                                                                                                                                                                                                         |         |
| 2.3       | Adoption of Minutes from Previous Meeting                                                                                                                                                                                                 | 4 - 10  |
| <b>3.</b> | <b>Deputations</b>                                                                                                                                                                                                                        |         |
| <b>4.</b> | <b>New Business</b>                                                                                                                                                                                                                       |         |
| 4.1       | BC2025-08.4.1                                                                                                                                                                                                                             | 11 - 28 |
|           | <b>Overview of the Current State of the Draft 2026 Budgets</b><br>Jessica Hood, Supervisor of Budget and Financial Planning                                                                                                               |         |
| 4.1.1     | BC2025-08.4.1.1                                                                                                                                                                                                                           |         |
|           | <b>Review of the Draft 2026 Water and Wastewater Budget</b><br>Juan Rojas, Director of Engineering and Corporate Assets<br>Adam Found, Manager of Corporate Assets                                                                        |         |
| 4.1.2     | BC2025-08.4.1.2                                                                                                                                                                                                                           |         |
|           | <b>Review of the Draft 2026 Special Projects Budget</b><br>Sara Beukeboom, Director of Corporate Services<br>Adam Found, Manager of Corporate Assets                                                                                      |         |
| 4.1.3     | BC2025-08.4.1.3                                                                                                                                                                                                                           |         |
|           | <b>Review of the Draft 2026 Operating Budget</b><br>Sara Beukeboom, Director of Corporate Services                                                                                                                                        |         |

4.1.4 BC2025-08.4.1.4

**Review of the Draft 2026 Tax-Supported Capital Budget**

Juan Rojas, Director of Engineering and Corporate Assets

Adam Found, Manager of Corporate Assets

5. **Other Business**

6. **Adjournment**

**The Corporation of the City of Kawartha Lakes**  
**Minutes**  
**Budget Committee Meeting**

**Monday, October 6, 2025**  
**9:00 A.M.**  
**Council Chambers**  
**City Hall**  
**26 Francis Street, Lindsay, Ontario K9V 5R8**

**Members:**  
**Deputy Mayor Charlie McDonald**  
**Councillor Tracy Richardson**  
**Councillor Dan Joyce**  
**Councillor Pat Warren**

## 1. Call to Order

Chair Deputy Mayor McDonald called the meeting to order at 9:00 a.m. Councillors Tracy Richardson, Dan Joyce and Pat Warren were in attendance in Council Chambers. Chief Administrative Officer R. Taylor, Director of Corporate Services S. Beukeboom, Director of Engineering J. Rojas, Manager of Corporate Assets A. Found, and Executive Assistant to Mayor and Council C. Ellison were also in attendance in Council Chambers. Supervisor of Budget and Financial Planning J. Hood attended via Zoom.

## 2. Administrative Business

### 2.1 Adoption of Agenda

Item 4.1 **Mayoral Memo** to be moved after Item 5.2.

#### **BC2025-34**

**Moved By** Councillor Warren

**Seconded By** Councillor Richardson

**That** the Agenda for the Budget Committee Meeting of October 6, 2025, be adopted as amended.

**Carried**

### 2.2 Declaration of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

### 2.3 Adoption of Minutes from Previous Meeting

#### **BC2025-35**

**Moved By** Councillor Joyce

**Seconded By** Councillor Richardson

**That** the Minutes of the Budget Committee Meeting of Tuesday, September 30, 2025, be received and adopted.

**Carried**

## 3. Deputations

There were no deputations.

**Note: Items 5.1 and 5.2 were moved up on the Agenda.**

## 5. New Business

### 5.1 BC2025-07.5.1

#### **Police Services Budget Presentation**

Kirk Robertson, Police Chief

Chief Robertson presented the Kawartha Lakes Police Services Budget. He provided an overview of the pressures on the 2026 Budget, which the Board approved at a 10.23% increase. A new 3-year contract was negotiated for this year through to 2027, so salaries and benefits make up 8.66% of the increase. This also includes funding to cover the Crisis mental health nurse, which has traditionally been funded through a grant. For 2025 and for 2026, this funding has been more unstable in terms of whether, or when, it is sent through. Rather than rely on funding that may or may not continue, the Board opted to add this cost to the operating budget as a permanent line item. The salaries line also includes funding for one addition recruit to begin next May and the creation of a Staff-sergeant position at the end of next year.

The other significant pressure is newly-mandated training for Mental Health Crisis Response for all police officers. There is specialized Virtual Reality equipment needed in order to comply with this new training, and this accounts for an addition 0.9% of the budget increase. Lastly, there are capital and operating increases in order to replace an end-of-life cruiser and to update and expand the CCTV system. Cruisers have continually increased in cost since 2022 (at which time the cost was \$46K). The base cost is now over \$60K plus the cost of outfitting it with equipment, making a new cruiser come in at around \$80,000.00.

The total 2026 Budget for the Kawartha Lakes Police Services is \$13,684,975.00.

#### **BC2025-36**

**Moved By** Councillor Joyce

**Seconded By** Councillor Warren

**That the Kawartha Lakes Police Services Budget Presentation** be received.

**Carried**

### 5.2 BC2025-07.5.2

#### **Otonabee Conservation Budget Presentation**

Janette Smith, Chief Administrative Officer

Janette Smith presented the 2026 Budget for Otonabee Conservation Authority. The Authority spans multiple municipalities, and the City contributes a small percentage to the overall budget. The Board approved a 7.4% increase for 2026, representing an additional \$115,000.00 to be covered by 8 municipalities. The entire additional increase is to do capital needs, as the Authority has been able to find efficiencies in the Operating Budget for 2026. The City's contribution to their Budget is \$11,149.00, an addition \$776 over 2025.

The Capital Reserve has minimal funds and part of the capital increase is to begin building that reserve again with a \$15,000 infusion. The remainder of the capital increase will fund the decommissioning of a number of end-of-life assets, improving safety and efficiency. Another goal for 2026 is to identify more KPIs in terms of both governance and programs.

The total budget for Otonabee Conservation is \$1,652,767.00, of which the City's apportionment is \$11,149.00.

**BC2025-37**

**Moved By** Councillor Richardson

**Seconded By** Councillor Warren

**That the Otonabee Conservation Budget Presentation** be received.

**Carried**

**4. Correspondence**

**4.1 BC2025-07.4.1**

**Mayoral Memo 01-2025**

Mayor Elmslie

Mayor Elmslie spoke to his memo for the Budget Committee, outlining the pressures for next year's budgets. He reiterated the Long-Term Financial Plan that was approved by Council did not set the budget for this year, or any future year; it is a forecast that does not override the budget process for this Council or any future Council. He also set a target for the Committee to recommend a 4% increase, or less, plus the 2% Capital levy.

**BC2025-38**

**Moved By** Councillor Richardson

**Seconded By** Councillor Warren

**That the Mayoral Memo 01-2025** be received.

**Carried**

5.3 BC2025-07.5.3

**Proposed 2026 Special Projects, Water-wastewater, and Capital Budgets Presentation**

Adam Found, Manager of Corporate Assets

Manager Found gave an overview of the Special Projects, Water and Wastewater, and Capital Projects Budgets, with each portion being received separately with the corresponding Budget Tables below.

5.3.1 BC2025-07.5.3.1

**2026 Special Projects Budget**

Adam Found, Manager of Corporate Assets

Manager Found gave an overview of the Special Projects Budget and provided some background as to the rationale for separating these projects out from the Operating Budget, where they used to be held. These projects are generally longer than one year in duration and are funded like Capital projects, but cannot be classified as Tangible Capital Assets because of their (usually) non-tangible nature. Many of the projects in this Budget are Plans and Studies, which can be quite expensive and are often carried out over several years. This Budget can also be quite volatile and the 2026 Budget sees a large increase in spending from 2024 and 2025.

The total Special Projects Budget is currently \$8,020,000.00.

**BC2025-39**

**Moved By** Councillor Joyce

**Seconded By** Councillor Warren

**That the 2026 Special Projects Budget** be received.

**Carried**

5.3.2 BC2025-07.5.3.2

**2026 Water-Wastewater Capital Budget**

Adam Found, Manager of Corporate Assets

Manager Found presented the 2026 Water and Wastewater Capital Budget. He began with some background in terms of terminology and the process for planning capital projects. The 2026 Budget is again much higher than 2025 or earlier years, which reflects ongoing capital cost inflation, which does not match the inflationary costs seen by households. The municipality's 'basket of goods' is very different in nature, and capital costs have not leveled off the way some other costs have. Many of the projects are growth-related and the costs are borne upfront; development charges will help recover those costs as the City experiences the growth that is anticipated.

The total Budget for the Proposed 2026 Water-wastewater Capital Budget is \$45,956,000.00.

**BC2025-40**

**Moved By** Councillor Richardson

**Seconded By** Councillor Joyce

**That** the **2026 Water-wastewater Budget** be received.

**Carried**

**Meeting Recessed at 11:39 a.m. and reconvened at 12:15 p.m.**

After the recess, the committee continued discussion of the Special Projects Budget.

**BC2025-41**

**Moved By** Councillor Richardson

**Seconded By** Councillor Warren

**That** staff reduce the Special Projects Budget by \$912,000.00 to align with the increase in the Long-Term Financial Plan.

**Carried**

5.3.3 BC2025-07.5.3.3

**2026 Tax-Supported Capital Budget**

Adam Found, Manager of Corporate Assets

Manager Found presented the 2026 Tax-Supported Capital Budget. At a high level, \$59 million is being proposed for roads and bridges; \$47 million for facilities and siteworks, and just under \$20 million on fleet and equipment. There is still

heavy reliance on debenture as the City continues to grow the Asset Management Reserve - with the Capital Levy, the intent is to be able to only debenture long-term, high-cost projects, and self-fund through the reserve other capital projects by 2033. Part of the pressure on the 2026 Capital Budget is the attempt to eliminate previously deferred capital projects in the amount of \$32,605,000.00, which will leave approximately 30% of those deferred projects for future budgets through 2029. It was noted that deferring projects not only will increase the cost of that project, but could come with other unintended consequences such as non-compliance with legislation, increased risks in terms of safety or security, among other potential consequences. To eliminate the backlog of \$117,000,000.00 worth of capital projects by 2029 will be a significant achievement.

The total 2026 Tax-Supported Capital Budget is \$126,103,000.00.

**BC2025-42**

**Moved By** Councillor Warren

**Seconded By** Councillor Joyce

**That the 2026 Tax-Supported Capital Budget** be received.

**Carried**

**6. Other Business**

**7. Adjournment**

**BC2025-43**

**Moved By** Councillor Richardson

**Seconded By** Councillor Joyce

**That** the Meeting adjourn at 1:00 p.m.

**Carried**

# 2026 Operating Budget Update

October 8, 2025

# Agenda

1. Budget Schedule
2. Financial Overview
3. Mayoral Directives
4. Corporate Items Overview
5. Operating Budget – Current Position
6. Transfers to/from Reserve
7. Budget Strategy

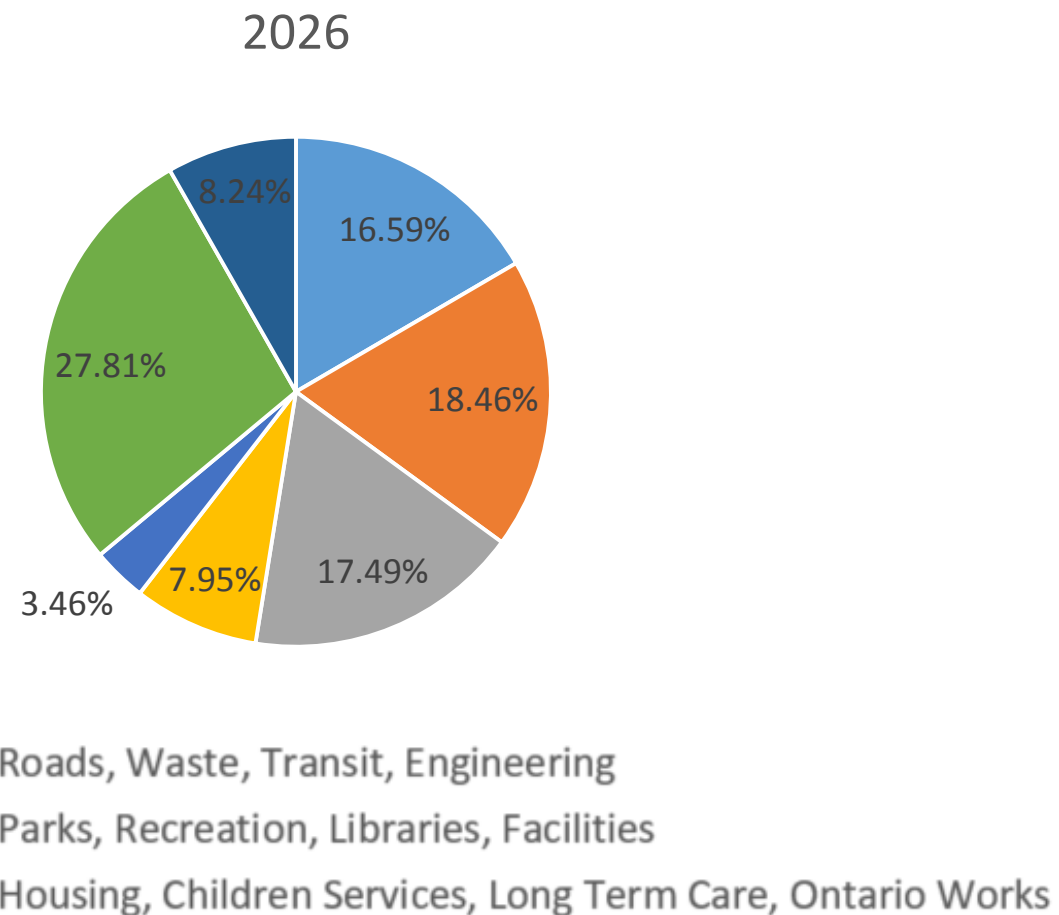
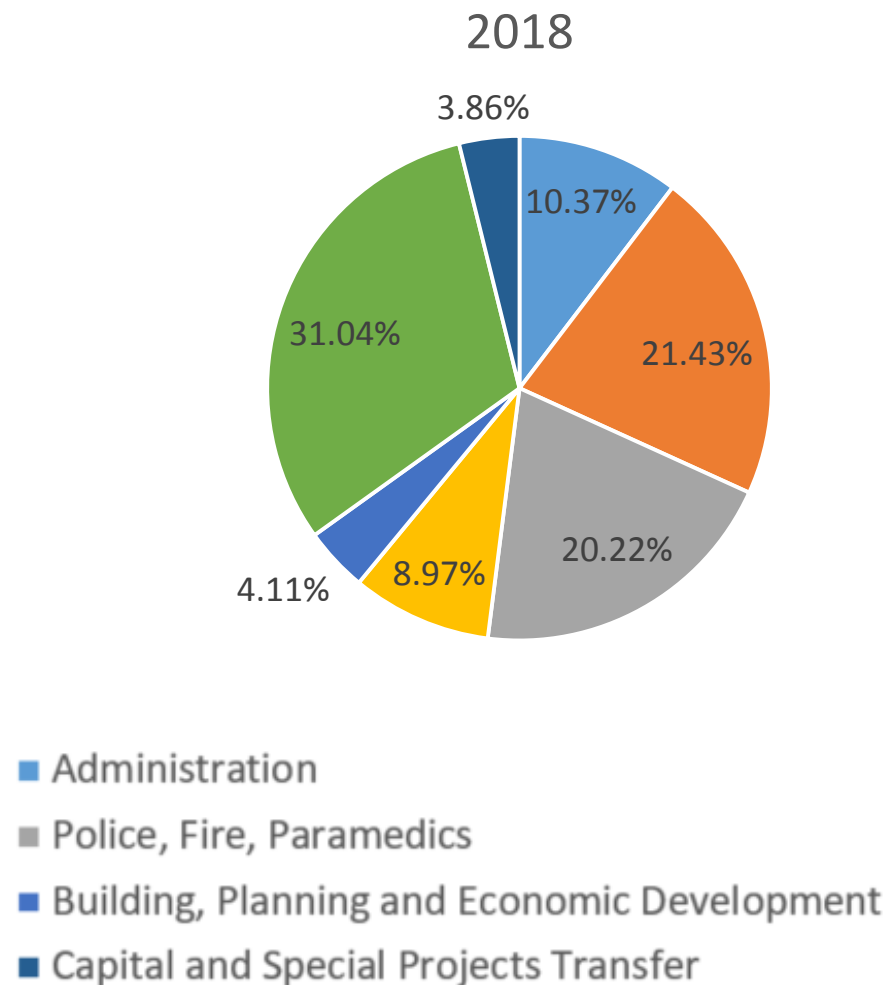
# 1. 2026 Budget Schedule

| Date                                               | Action                                                                                                                                                                                   |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>September 16, 2025, 10:00am</b>                 | Budget Overview and Wage Impact                                                                                                                                                          |
| <b>September 18, 2025, 10:00am-2:00pm</b>          | Budget Committee Meeting<br>Department presentations: Corporate Services, Community Services<br>External Agencies and Boards of Council: Kawartha Conservation and Otonabee Conservation |
| <b>September 25, 2025, 10:00am-12:00pm</b>         | Department presentations: Chief Administrative Office, Engineering and Corporate Assets<br>External Agencies & Boards of Council: Kawartha Lakes Police Services                         |
| <b>September 29, 2025, 1:00pm-4:00pm</b>           | Department presentation: Development Services, Public Works<br>External Agencies & Boards of Council: Kawartha Lakes Public Library, Lindsay Downtown BIA                                |
| <b>September 30, 2025, 1:00pm-4:00pm</b>           | Department presentations: Paramedic Services, Fire Services, Human Services, Victoria Manor                                                                                              |
| <b>October 6, 2025, 9:00am</b>                     | Presentations on Capital Budget, Special Projects Budget, Water Wastewater Budget                                                                                                        |
| <b>October 8, 2025, 9:00am-12:00pm</b>             | Budget Committee Deliberations                                                                                                                                                           |
| <b>October 9, 2025, 9:00am-12:00pm (if needed)</b> | Budget Committee Deliberations                                                                                                                                                           |
| <b>November 12, 2025, 7pm</b>                      | Public Budget Meeting                                                                                                                                                                    |
| <b>November 25, 2025, 10:00am</b>                  | Presentations of the Mayor's Budget to Council for deliberation                                                                                                                          |
| <b>November 26, 2025, 1:00pm (if needed)</b>       | Presentations of the Mayor's Budget to Council for deliberation                                                                                                                          |

## 2. Financial Overview

### Operating Budget: 2018-2026

City provided consistent 200+ services in recent history in effective manner

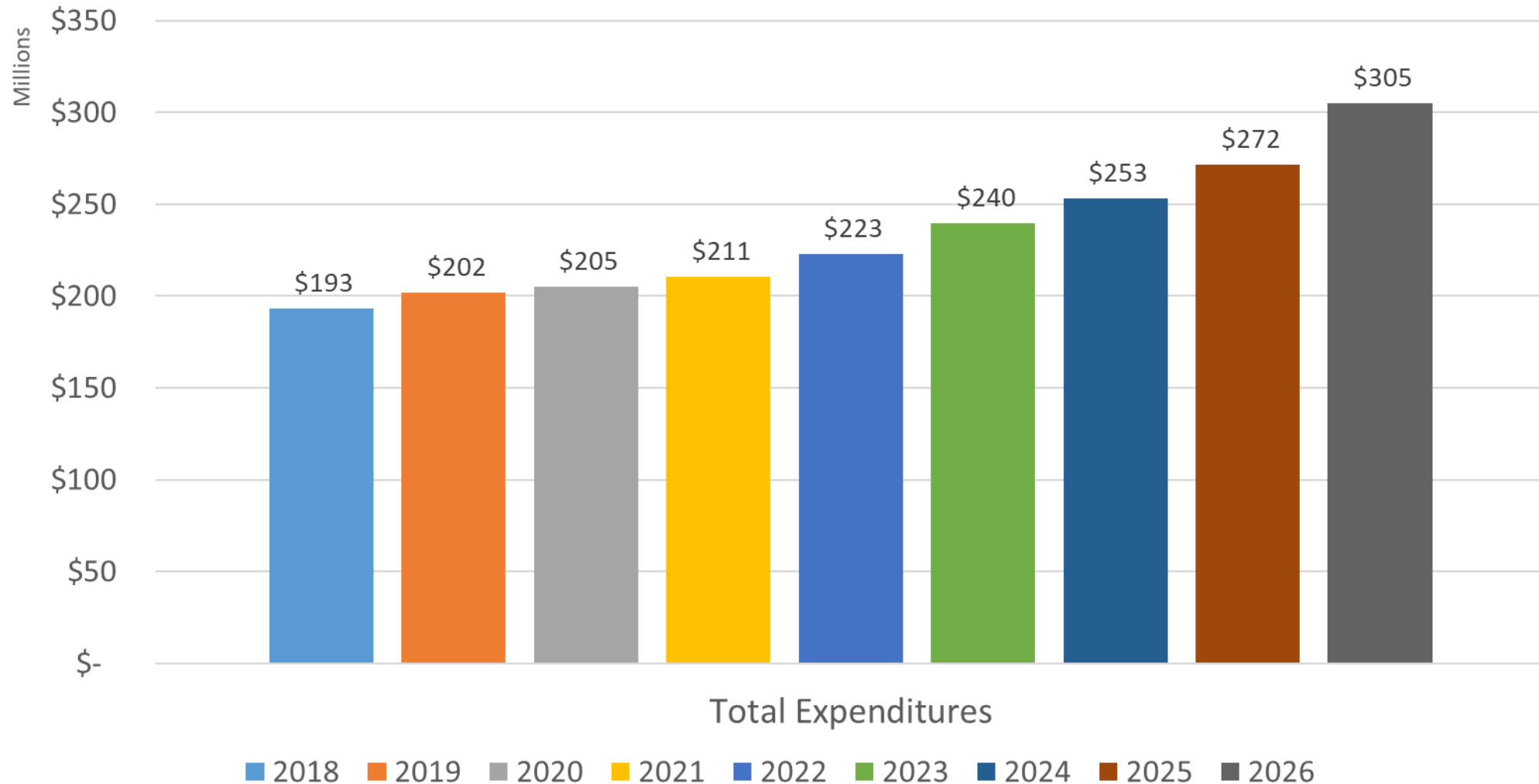


## 2. Financial Overview

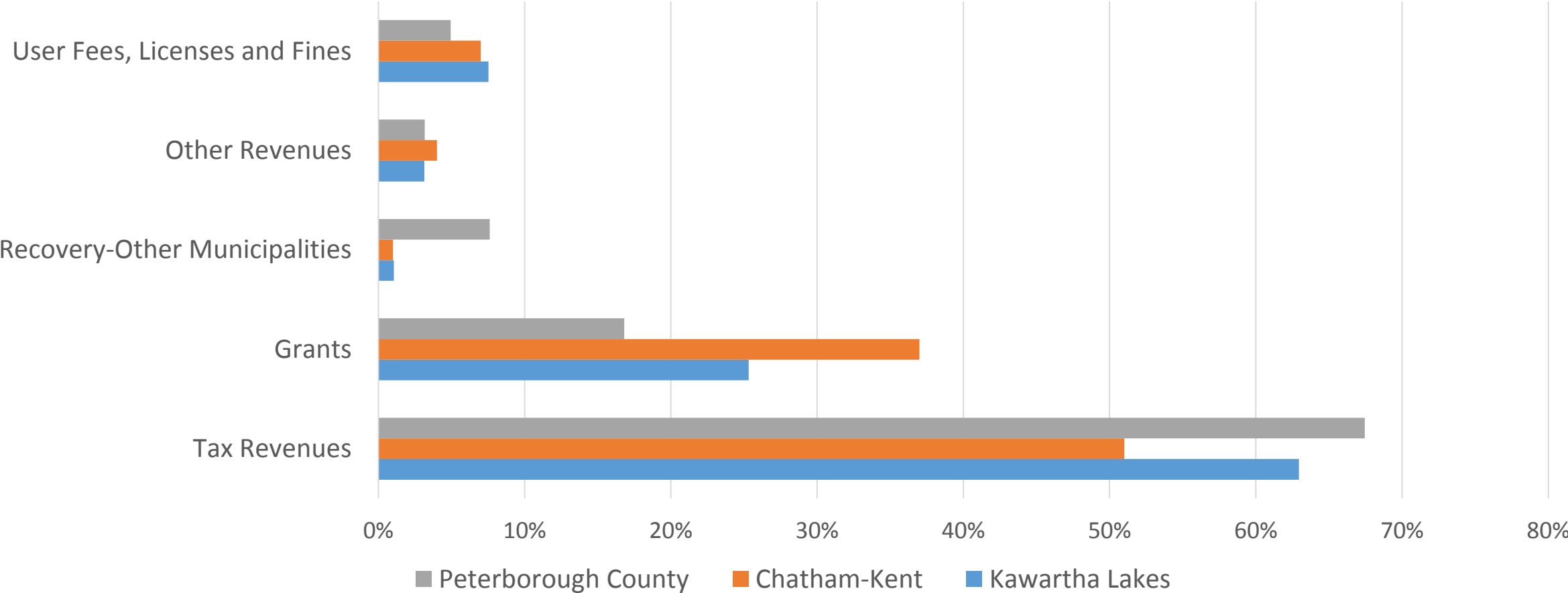
### Operating Budget: 2018-2026

- Administration section includes Corporate Items, Mayor and Council, CAO and Corporate Services
- Reporting realignments occurred since 2018 realigning to Corporate Items rather than departmental budgets:
  - Reserve transfers (Fire Fleet, Insurance)
  - Transfers to External Agencies and Community Donations (EcDev, Human Services)
- Reserve commitments increased
- Debt principal and interest increased
- IT related infrastructure centralized in IT budget vs individual departments (unless independent funding source)

## 2. Trend of Operating Expenditures 2018 -2026



# 2. 2025 Comparable Revenue by Service Type



### 3. 2025 Mayoral Directives

- 02-2025 Establish Budget Committee
- 03-2025 Appoint Budget Committee Members
- 04-2025 Advance Approval for 2026 Capital and Special Project Budget items (Early Starts)
- Mayor's Memo #01-2025
  - Instruction to not exceed 4% Operating Levy, 2% Capital Levy

# 4. Corporate Items – Operating Supported Levies

| Account                       | Actuals<br>2024 Actuals | Preliminary<br>6/30/2025 | Budget<br>2025   | Proposed<br>Budget 2026 | Budget<br>Variance | Budget %<br>Variance |
|-------------------------------|-------------------------|--------------------------|------------------|-------------------------|--------------------|----------------------|
| <b>Revenue</b>                |                         |                          |                  |                         |                    |                      |
| Tax Revenues                  | (170,620)               | (165,377)                | (168,115)        | (179,662)               | (11,547)           | 7%                   |
| Grants                        | (8,680)                 | (16,699)                 | (8,365)          | (8,365)                 | 0                  |                      |
| Other Revenues                | (4,992)                 | (1,369)                  | (4,830)          | (4,830)                 | 0                  |                      |
| User Fees, Licenses and Fines | (291)                   | (137)                    | (210)            | (210)                   | 0                  |                      |
| Prior Years (Surplus) Deficit | (2,822)                 | 1,139                    | 0                | 0                       | 0                  |                      |
| <b>Total - Revenue</b>        | <b>(187,405)</b>        | <b>(182,443)</b>         | <b>(181,520)</b> | <b>(193,067)</b>        | <b>(11,547)</b>    | <b>6%</b>            |
| <b>Expenses</b>               |                         |                          |                  |                         |                    |                      |
| Salaries, Wages and Benefits  | (1,377)                 | 568                      | 0                | 0                       | 0                  |                      |
| Materials, Training, Services | 48                      | 197                      | 8                | 8                       | 0                  | 3%                   |
| Contracted Services           | 277                     | 11,790                   | 0                | 0                       | 0                  |                      |
| Rents and Insurance           | 17                      | 0                        | 0                | 0                       | 0                  |                      |
| Interest on Long Term Debt    | 15                      | 12                       | 16               | 11                      | (5)                | (30%)                |
| Debt, Lease and Financial     | 537                     | 522                      | 841              | 821                     | (20)               | (2%)                 |
| Transfer to External Clients  | 1,820                   | 1,587                    | 2,174            | 2,545                   | 370                | 17%                  |
| School Board Payments         | 26,046                  | 26,172                   | 26,905           | 26,905                  | 0                  |                      |
| Interfunctional Adjustments   | 2,771                   | 91                       | 437              | 56                      | (381)              | (87%)                |
| Transfers to Reserves         | 4,012                   | 2,686                    | 1,923            | 4,789                   | 2,865              | 149%                 |
| <b>Total - Expenses</b>       | <b>34,167</b>           | <b>43,625</b>            | <b>32,304</b>    | <b>35,135</b>           | <b>2,831</b>       | <b>9%</b>            |
| <b>Grand Total</b>            | <b>(153,238)</b>        | <b>(138,818)</b>         | <b>(149,216)</b> | <b>(157,932)</b>        | <b>(8,716)</b>     | <b>6%</b>            |

Figures are shown in thousands of dollars (000s)

# 4. Corporate Items – Capital Supported Levies

| Account                       | Actuals<br>2024 | Preliminary Actuals<br>6/30/2025 | Budget<br>2025  | Proposed<br>Budget 2026 | Budget<br>Variance | Budget %<br>Variance |
|-------------------------------|-----------------|----------------------------------|-----------------|-------------------------|--------------------|----------------------|
| <b>Revenue</b>                |                 |                                  |                 |                         |                    |                      |
| Tax Revenues                  | (2,098)         | (17,426)                         | (17,416)        | (21,160)                | (3,745)            | 22%                  |
| Grants                        | 0               | (1,000)                          | (1,000)         | (1,000)                 | 0                  |                      |
| Other Revenues                | (962)           | (473)                            | (943)           | (3,638)                 | (2,695)            | 286%                 |
| <b>Total - Revenue</b>        | <b>(3,059)</b>  | <b>(18,899)</b>                  | <b>(19,358)</b> | <b>(25,798)</b>         | <b>(6,440)</b>     | <b>33%</b>           |
| <b>Expenses</b>               |                 |                                  |                 |                         |                    |                      |
| Materials, Training, Services | 9               | 0                                | 0               | 0                       | 0                  |                      |
| Interest on Long Term Debt    | 1,525           | 687                              | 1,810           | 2,047                   | 236                | 13%                  |
| Debt, Lease and Financial     | 7,434           | 3,757                            | 7,701           | 7,674                   | (27)               | (0%)                 |
| Interfunctional Adjustments   | (1,369)         | (678)                            | (1,683)         | 0                       | 1,683              | (100%)               |
| Transfers to Reserves         | 15,482          | 18,896                           | 18,717          | 24,640                  | 5,924              | 32%                  |
| <b>Total - Expenses</b>       | <b>23,082</b>   | <b>22,662</b>                    | <b>26,545</b>   | <b>34,361</b>           | <b>7,816</b>       | <b>29%</b>           |
| <b>Grand Total</b>            | <b>20,023</b>   | <b>3,763</b>                     | <b>7,187</b>    | <b>8,563</b>            | <b>1,376</b>       | <b>19%</b>           |

*Figures are shown in thousands of dollars (000s)*

# 5. Preliminary Operating Budget Overview

| Account                       | Actuals 2024     | Preliminary Actuals 6/30/2025     | Budget 2025   | Proposed Budget 2026 | Budget Variance   | Budget % Variance |
|-------------------------------|------------------|-----------------------------------|---------------|----------------------|-------------------|-------------------|
| Revenue                       |                  |                                   |               |                      |                   |                   |
| Tax Revenues                  | (172,717,933)    | (182,803,330)                     | (185,530,492) | (200,822,474)        | (15,291,982)      | 8%                |
| Grants                        | (71,059,361)     | (51,908,098)                      | (77,668,164)  | (80,791,548)         | (3,123,384)       | 4%                |
| Recovery-Other Municipalities | (2,251,057)      | (1,325,736)                       | (2,664,286)   | (3,378,683)          | (714,397)         | 27%               |
| Other Revenues                | (8,237,598)      | (3,045,291)                       | (7,620,334)   | (10,010,420)         | (2,390,086)       | 31%               |
| User Fees, Licenses and Fines | (25,074,832)     | (11,511,067)                      | (23,936,363)  | (24,029,400)         | (93,037)          | 0%                |
| Prior Years (Surplus) Deficit | (2,822,440)      | 1,139,474                         | -             | -                    | -                 |                   |
| Total Revenue                 | (282,163,221)    | (249,454,047)                     | (297,419,639) | (319,032,525)        | (21,612,886)      | 7%                |
| Expenses                      |                  |                                   |               |                      |                   |                   |
| Salaries, Wages and Benefits  | 103,897,572      | 58,690,329                        | 109,766,040   | 126,280,707          | 16,514,667        | 15%               |
| Materials, Training, Services | 20,404,602       | 11,571,844                        | 20,736,577    | 21,899,676           | 1,163,099         | 6%                |
| Contracted Services           | 35,953,080       | 33,807,926                        | 32,327,818    | 37,170,837           | 4,843,019         | 15%               |
| Rents and Insurance           | 4,474,521        | 3,329,281                         | 4,385,239     | 4,551,704            | 166,465           | 4%                |
| Interest on Long Term Debt    | 1,540,483        | 699,057                           | 1,825,969     | 2,057,432            | 231,463           | 13%               |
| Debt, Lease and Financial     | 8,249,301        | 4,417,775                         | 8,799,097     | 8,738,701            | (60,396)          | (1%)              |
| Transfer to External Clients  | 52,579,979       | 29,085,786                        | 59,880,545    | 63,402,968           | 3,522,423         | 6%                |
| School Board Payments         | 26,045,768       | 26,172,423                        | 26,905,000    | 26,905,000           | -                 |                   |
| Interfunctional Adjustments   | 2,546,549        | 2,191,458                         | 3,532,820     | 5,325,865            | 1,793,045         | 51%               |
| Transfers to Reserves         | 27,607,415       | 26,441,616                        | 29,260,534    | 35,724,571           | 6,464,037         | 22%               |
| Total Expenses                | 283,299,271      | 196,407,495                       | 297,419,639   | 332,057,461          | 34,637,822        | 12%               |
|                               | <b>1,136,051</b> | <b>(53,046,553)</b> <sup>21</sup> | -             | <b>13,024,936</b>    | <b>13,024,936</b> |                   |

# 5. Preliminary Budget Summary by Department

| Department                       | Actual 2024      | Budget 2025           | Budget (Surplus) Deficit | 2026 Budget       | Change from 2025 Budget | % Increase Of Department |
|----------------------------------|------------------|-----------------------|--------------------------|-------------------|-------------------------|--------------------------|
| Corporate Items                  | (133,354,608)    | (142,029,500)         | 12,549,806               | (149,369,792)     | (7,340,292)             | 4.91%                    |
| Mayor and Council                | 642,032          | 688,262               | (198,105)                | 690,609           | 2,347                   | 0.34%                    |
| CAO                              | 7,523,682        | 8,062,560             | (1,327,958)              | 8,473,464         | 410,904                 | 5.10%                    |
| Community Services               | 12,662,975       | 13,079,350            | (3,074,883)              | 16,127,057        | 3,047,707               | 23.30%                   |
| Corporate Services               | 11,689,865       | 12,205,721            | (856,481)                | 15,187,324        | 2,981,603               | 24.43%                   |
| Development Services             | 4,436,534        | 4,077,461             | (74,533)                 | 6,201,341         | 2,123,880               | 52.09%                   |
| Engineering and Corporate Assets | 2,263,186        | 2,412,857             | 282,044                  | 3,073,355         | 660,498                 | 27.37%                   |
| Emergency Services               | 19,902,005       | 19,365,529            | (5,097,583)              | 20,286,738        | 921,209                 | 4.76%                    |
| Human Services                   | 7,606,939        | 9,505,454             | (8,483,255)              | 11,473,004        | 1,967,550               | 20.70%                   |
| Public Works                     | 39,386,825       | 41,461,262            | (6,427,340)              | 46,652,016        | 5,190,754               | 12.52%                   |
| Agencies, Boards & Committees    | 28,380,039       | 31,171,044            | (2,969,736)              | 34,229,820        | 3,058,776               | 9.81%                    |
| <b>Total</b>                     | <b>1,139,474</b> | <b>- (15,678,026)</b> | <b>13,024,936</b>        | <b>13,024,936</b> |                         |                          |

# 5. Budget Changes

Operating budget refinements between September 16th and October 8th

| Amount            | Adjustment                                    |
|-------------------|-----------------------------------------------|
| 13,452,457        | Budget Shortfall - Reported September 16      |
| (222,817)         | Human Services                                |
| 664,223           | Kawartha Lakes Haliburton Housing Corporation |
| (87,075)          | Community Services                            |
| 16,600            | KLPS Capital Adjustment                       |
| (748,180.00)      | Emergency Services - Benefits Adjustment *    |
| (50,272.00)       | Short-Term Rental Reserve Transfer *          |
| <b>13,024,936</b> | <b>Budget Shortfall - Current</b>             |

*\* Changes made following Department presentation*

## 6. Transfer to from Reserve

| Reserve Transfers                        | 2026       | 2025        | Variance  |
|------------------------------------------|------------|-------------|-----------|
| Asset Management Reserve                 | 21,140,421 | 17,395,710  | 3,744,711 |
| Aggregate Resources                      | 1,000,000  | 1,000,000   | -         |
| Capital Contingency - Affordable Housing | 500,000    | 500,000     | -         |
| Capital Contingency - Paramedic HQ       | 200,000    | 200,000     | -         |
| Fleet Reserve - Public Works             | 6,765,942  | 6,301,501   | 464,441   |
| Fleet Reserve - Fire                     | 1,750,000  | 2,000,000   | (250,000) |
| Special Projects Reserve                 | 4,000,000  | 3,011,450   | 988,550   |
| Stabilization Reserves                   | 792,750    | (1,343,507) | 2,136,257 |
| Elections Reserve                        | (197,755)  | 70,000      | (267,755) |
| Building Reserve                         | (226,787)  | 125,380     | (352,167) |
|                                          | 35,724,571 | 29,260,534  | 6,464,037 |

# 7. Budget Strategy

| Financial Impacts Recommended Strategy |                                            | Explanation                                                                                                    |
|----------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>13,024,936</b>                      | <b>Budget Shortfall - Current</b>          |                                                                                                                |
| (275,000)                              | Interest Income                            | Potential refinements                                                                                          |
| (280,000)                              | Debt Principal and Interest                | Refine with 2025 debenture proceeds vs forecasted                                                              |
| (1,000,000)                            | Refine Wages                               | Phasing of new positions                                                                                       |
| (2,100,000)                            | Reduce Contract Expenses - all departments | Analyze 2026 contract estimates vs 2025 Year to Date                                                           |
| (1,300,000)                            | Adjust Reserve Transfers                   | Alternative funding to phase in reserve recommendations                                                        |
| (600,000)                              | Refine Material Expenses - all departments | Analyze 2026 materials estimates vs 2025 actuals                                                               |
| (1,700,000)                            | Rightsizing of Revenues - all departments  | Analyze 2026 revenue estimates vs 2025 actuals                                                                 |
| (750,000)                              | Reconsideration of growth for 2026         | Potential to increase growth related fees or assumptions                                                       |
| (350,000)                              | Refinements to Grant Revenue               | Reconsider reliance on grants – phase in right sizing                                                          |
| (669,746)                              | Community Services Budget Improvements     | Identified by department budget analysis                                                                       |
| (4,000,000)                            | Innovation and Efficiency                  | Allocate to departments to identify efficiencies and bring forward service level options to Council if need be |
| 190                                    |                                            |                                                                                                                |

## 7. Budget Strategy Continued

- Current budget is based on 5% tax levy and 2% infrastructure levy
  - Area rated services:
    - Kawartha Lakes Police Service is a 10.16% increase
    - Transit is currently an increases of 24.92%
    - OPP rates have not been received, 3% increase built into budget
- Area rated services do not align with current mandate

## 7. Next Steps

- Budget Committee deliberations - October 8th and 9th
- Work with departments to refine draft budgets
- October 24, 2025 Budget Book ready for disbursement
- November 12, 2025 Public Meeting
- November 25 and 26, 2025 Special Council meetings

# Questions?