

SUBJECT: 2026 Budget Review
TO: Budget Committee
FROM: Finance
N/A

Report Number: FIN-36-25

Wards Affected: All

Date to Committee: November 24, 2025

Date to Council: December 2, 2025

Recommendation

Adopt the 2026 Operating Budget including any approved budget amendments to be applied against the proposed net tax levy amount of \$282,201,378; and

Endorse that any surplus or deficit resulting from a difference between the actual results and the estimated 0.75% City portion of the net assessment growth be transferred to / from the Tax Rate Stabilization Reserve Fund; and

Adopt the 2026 Capital Budget for the City of Burlington, with a gross amount of \$105,722,127 with a debenture requirement of \$10,350,000 and the 2027-2035 capital forecast with a gross amount of \$1,074,884,815 with a debenture requirement of \$26,675,000 as outlined in the 2026 Budget Overview (FIN-42-25) and as amended by Council; and

Administer the debenture in the amount of \$6,350,000 in 2026 as tax supported debt; and

Administer the debenture in the amount of \$4,000,000 in 2026 as Multi-year Community Investment debt; and

Declare that, in accordance with sis. 5(1)5 of the *Development Charges Act, 1997* and sis. 5 of Ontario Regulation 82/98, it is Council's clear intention that the excess capacity provided by the above-referenced works will be paid for by future development charges.

Executive Summary

Purpose of report:

In July 2025, Council received the 2026 Financial Forecast Report (FIN-24-25). This report provided Council with an overview of the known and estimated financial pressures impacting the City. At this time, Council endorsed a Mayoral Direction for City staff to prepare a 2026 budget that results in a total tax increase (including the City, Halton Region, and Boards of Education) in the order of 4.5 per cent, with the City of Burlington share of taxes being less than 3 per cent.

On November 3, 2025, the Committee of the Whole received finance department report FIN-42-25 providing the 2026 budget overview. This report also included the multi-year simulation. Committee members received the 2026 Proposed Budget book which will be required for consideration at the meeting on November 24, 2025.

Subsequent to the publishing of the 2026 proposed budget materials, Halton Region provided notice to their Council that their budget projection including Police was being revised from 4.6% to 4.5%. When this revised value is used for Halton Region, the resulting overall tax increase is 4.46%, equivalent to \$43.36 per \$100,000 of residential current value assessment (CVA). The Region is set to officially release their proposed budget on December 3, 2024.

The 2026 proposed budget stabilizes and enhances service levels while ensuring our assets are maintained in a state of good repair. All of this will ensure residents continue to receive the programs and services that provide for the high quality of life in Burlington.

The budget is aligned with the 4 principles:

1. **Affordability** – Balance providing for today while preparing for our future.
2. **Livability** - Making sure the quality of life for the residents of Burlington is upheld and the services you depend on are enhanced, especially as we continue to grow by over forty per cent in the next 25 years.
3. **Sustainability** – Our budget must provide for present needs while preparing for our future.
4. **Transparency** – A simpler, easier to track and understand presentation of the budget, to foster better community engagement.

Appendix A provides a summary of Council Proposed Budget Amendments.

Appendix B provides a consolidation of all budget related questions and responses from Members of Council as well as those received from the public through the Town Hall events and from email.

If more time is required for review of the 2026 budget, the Budget Committee meeting will continue on November 25, 2025. Council review the 2026 budget, inclusive of any recommended amendments from Budget Committee, will take place at the December 2, 2025, Special City Council meeting.

Recommendation Report

Financial Matters:

Budget Financial Summary

The proposed 2026 Budget results in a recommended budget increase of 5.8%.

The net tax levy consists of a proposed base amount of \$281,323,579 plus recommended key investments of \$877,799 for a total proposed net tax levy of \$282,201,378.

The 2026 Budget focuses on planning ahead and protecting our city's future by making key community investments that improve service to residents.

2026 Overall Tax Impact

The overall tax increase for 2026 is proposed at 4.46%. This is the impact to the property tax bill, a result of the City of Burlington, Halton Region (reflecting their revised estimated increased), and Boards of Education, equivalent to \$43.36 per \$100,000 of residential current value assessment (CVA). Burlington's portion of the overall increase is 2.98%.

Implications

Decisions considered as part of 2026 budget deliberations need to be made in the context of the multi-year budget framework to avoid deferring a known financial impact to a future year. This includes consideration of the operational and financial implications related to deferrals, use of one-time revenues, and service level revisions that may be associated with achieving the desired 2026 tax levy.

Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
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Appendices:

- A. Summary of Council Proposed Budget Amendments
- B. Consolidated Budget Questions Q&A

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.