



TOWN OF  
**HALTON HILLS**  
*Working Together Working for You!*

## REPORT

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Amy Tawse, Manager of Budgets and Financial Reporting

**DATE:** May 26, 2025

**REPORT NO.:** CS-2025-012

**SUBJECT:** 2026 Budget Process

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### RECOMMENDATION:

THAT Report No. CS-2025-012, dated May 26, 2025, regarding the 2026 Budget Process be received;

AND FURTHER THAT the Mayor shorten the period to veto a Council resolution to amend the budget from ten (10) days down to three (3) days;

AND FURTHER THAT Council shorten the period to override the Mayor's veto of a Council resolution to amend the budget from fifteen (15) days down to ten (10) days;

AND FURTHER THAT Council provide direction to staff on the public consultations options as noted in this report at the June 23rd Council Workshop.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- Part VI.I of the Municipal Act assigns special powers and duties (Strong Mayor Powers) to the head of council to designated municipalities in Ontario.
- On October 31, 2023, the Province extended these powers to Halton Hills through the amendment of O.Reg 53/22.
- These pieces of legislation set out the process for preparing and proposing a municipal budget including timelines that must be adhered to.
- This report outlines the proposed 2026 budget process.

## **BACKGROUND AND DISCUSSION:**

The Province announced the Building Faster Fund on August 21, 2023, which is a three-year, \$1.2 billion program providing up to \$400 million per year to municipalities that meet or exceed their annual housing targets. To support municipalities in delivering housing targets, the government extended the Strong Mayor Powers to 47 municipalities with newly assigned targets, and Strong Mayor Powers will be extended to 169 more municipalities effective May 1, 2025.

The Town of Halton Hills was designated Strong Mayor Powers on October 31, 2023, and must now follow the powers and duties as set out in Section 284.16 of the Act regarding the municipal budget. The Mayor must table a proposed budget for the municipality on or before February 1st of each year and provide it to Council for consideration.

Once the Mayor has tabled the proposed budget, Council has thirty (30) days to pass a resolution to make any amendments to the budget. If no amendments have been made, the budget is deemed passed thirty (30) days after it has been tabled.

If within thirty (30) days Council passes a resolution to amend the budget, the Mayor has ten (10) days to veto the amendment, and as such the resolution to amend shall be deemed not to have passed by council. The Mayor may shorten the 10-day period by providing a written Mayoral decision to the Clerk and Council. Staff are suggesting this 10-day period be shortened down to three (3) days. If the Mayor does not veto any of the amendments within this period, the budget as amended is deemed adopted by the municipality.

Should the Mayor exercise her right to veto any of the amendments, Council has a 15-day period to override the Mayor's veto if two-thirds of the members of Council vote to override the veto. Council may shorten the 15-day day period by passing a resolution. Staff are suggesting this 15-day period be shortened down to ten (10) days. With the composition of Town Council being 11 members, a two-thirds vote would need eight (8) members to vote in favour of overriding the Mayor's veto. The Mayor may vote as a member of council in a vote to override a veto. If a vote to override a veto does not attain two thirds of the members vote, the veto stands and the budget is deemed adopted by the municipality. The decision process, as defined in the Strong Mayor Power legislation, is outlined in Appendix A.

Staff propose that the timeline to approve the 2026 budget takes place in December as has historically been done in the past. This permits the Town to issue construction RFPs in January, reaching a wider range of contractors and optimizing competitive pricing opportunities. The budget approval process, as amended through this report, is outlined in Appendix B.

## 2026 Budget Process

Under section 284.16 of the Act, the Town's 2026 operating and capital budgets will follow the process as outlined below:

Apr 29

- Budget training session for staff

### Budget Training Session for Staff

The annual budget training session for staff signals the official start to the budget process and serves to provide direction and procedural updates. For the 2026 budget, staff will receive information related to Strong Mayor Powers and the budget approval process; an update on the Town's long range financial plan; an overview of the CAO's budget directions, and a reminder of the four guiding budget principles to be used in the budget process:

1. Restore appropriate funding for reserves to support long-term financial stability,
2. Maintain current service levels for programs and staffing, leverage technology solutions to support efficiencies and productivity,
3. Align capital programs with available resources while ensuring compliance with legislation and health and safety standards, and
4. Defer the growth-related capital program until development charges are received.

Following the training session, staff will commence work on the 2026 budget.

### Operating Budget Preparation and Review Process

When preparing the proposed budget for the upcoming year, the prior year's approved budget serves as the foundation. Staff regularly meet during the budget preparation process to review and discuss all line items, aiming to identify savings, efficiencies, and any known changes. Adjustments are made to the existing base budget for various factors, including one-time items and reversals, expenditures previously endorsed or approved by Council, inflationary changes, service level impacts such as growing demand, and any additional operating costs resulting from capital projects or the acquisition of new capital assets.

Consideration is also given to additional budget pressures and staffing impacts to the base budget from services downloaded from other levels of government, legislation, or regulatory changes, fiscal uncertainties, and Council's Strategic Plan.

The Senior Management Team meets regularly to discuss all aspects of the operating budget and conduct a priority review of all year-over-year changes.

## Capital Budget Review Process

The capital budget and nine-year forecast are prepared through a structured process that prioritizes projects based on available resources and service type. Staff review the status of current projects, consult departmental workplans, assess human resource capacity, asset management plans, and available financing to identify capital projects for the upcoming year. These projects are then ranked using a capital scoring process that considers service levels, risk analysis, and project costs to prioritize projects within the department. The departmental lists are combined to create the preliminary capital budget for the Town.

The preliminary capital budget undergoes further analysis by the cross-functional budget review committee to ensure projects are prioritized according to corporate needs and strategic alignment. During this review, each project is ranked based on the type of service (core, legislated/mandated, enhanced service, etc.) and strategic alignment. The ranked list of projects is then reviewed by the Senior Management Team, who make decisions on which projects will be included in the capital budget.

## Mayor's Role in the Budget Preparation Process

Under Strong Mayor Powers, the Mayor will be an integral part of the budget preparation process, alongside staff. As staff work to compile the budget, they will meet with the Mayor regularly to share progress and updates.

Jun 23

- Council workshop - #1
- Budget and Long Range Financial Plan Update

## Council Workshop - #1

For the 2026 budget, there will be 3 Council Workshops. The first will present a summary of known operating and capital expenses that need to be incorporated into the budget for 2026. This workshop will further highlight key assumptions and challenges that will be considered during the budget preparation and provide a summary of any budget requests that have been approved by Council throughout the year to-date. Additionally, an overview of the capital funding targets will be provided.

During this workshop, staff will also provide an update on the Town's financial health. The Town's long range financial plan (LRFP) includes projections to manage the fiscal challenges of the next ten years, based on the following assumptions:

- The continued provision of current service levels,
- Specific timelines for expected growth revenues (DCs and Property Taxes),

- Minimal property tax increases,
- Delivery of a sustainable capital program and operating budget needs
- A plan to build sufficient reserve balances to support the Town.

Jun 30

- Mayor directs staff to create the 2026 capital and operating budget

### Mayor's Direction to Staff

Should the Mayor have any specific directions for staff to follow during budget preparations, they can be included with the June 30 Mayoral direction. If there are no specific directions, staff will continue to prepare the 2026 budget based on the projected cost increases and resources required to meet current service levels and long-range financial plan targets.

Sep 8

- Council workshop - #2

### Council Workshop #2

The second Council Workshop will present an update on the revenues and expenditures that are anticipated for the upcoming operating and capital budgets for 2026. This update will cover any changes to the assumptions and challenges that will impact the budgets, any adjustments required as part of the Mayoral direction, and any additional requests that have been brought forward or have previously been approved by Council to-date. Staff will also present the prioritized capital budget for 2026 that meets the targets set by the LRFP and ensures financial sustainability for the Town.

Capital projects that fall below the funding targets will also be presented for Council's information. Staff will be present at the workshop to provide Council with any additional department specific information that might be required.

Sep 30

- Budget enters print production stage

### Print Production Stage

Work continues to refine the budget up to September 30<sup>th</sup>. Following this date, the print production stage commences, and no further changes will be made to the draft budget numbers. As of October 1<sup>st</sup>, staff will commence work on the detailed supporting documentation for the budget and create the "budget binder".

Nov 3

- Mayor tables the 2026 Budget & Business Plan

**30 day window starts for Council to table budget amendments**

### **2026 Budget & Business Plan**

To comply with the timelines outlined in legislation, the 2026 Budget & Business Plan will be officially tabled on November 3<sup>rd</sup>. The proposed budget will be tabled by the Mayor and posted online for consideration by Council and members of the public. The intent is that the tabled budget document is the starting point of the formal budget process.

This starts the 30-day period, during which members of Council may submit an amendment to the budget through the Clerk using the Budget Amendment Form, to be voted on at the December 2<sup>nd</sup> Council meeting.

Nov 10

- Council workshop #3 (public) - 2026 Budget & Business Plan and LRFP Update

### **Council Workshop #3 - 2026 Budget & Business Plan**

This third Council workshop will be the first public meeting for the 2026 budget. There will be a walkthrough of both the 2026 operating and capital budgets and an update to the long range financial plan. Staff will be present at the workshop to answer any department specific questions.

Dec 1 &  
2 (morning)\*

- Budget Committee - presentations and discussion only

### Budget Committee

The 2026 capital and operating budgets will be presented to Budget Committee. In addition, there will also be the opportunity for public delegations and any requests for budget inclusions. This meeting will also include presentations from the two local Business Improvement Areas.

Time has also been allocated on the morning of December 2<sup>nd</sup> for the continuation of the Budget Committee meeting if required.

Dec 2  
(afternoon)

- Special Council Meeting (afternoon) - to hear, discuss and make decisions on amendments tabled by Council

**30 day window ends for Council to table budget amendments**

NO

Budget Deemed Adopted

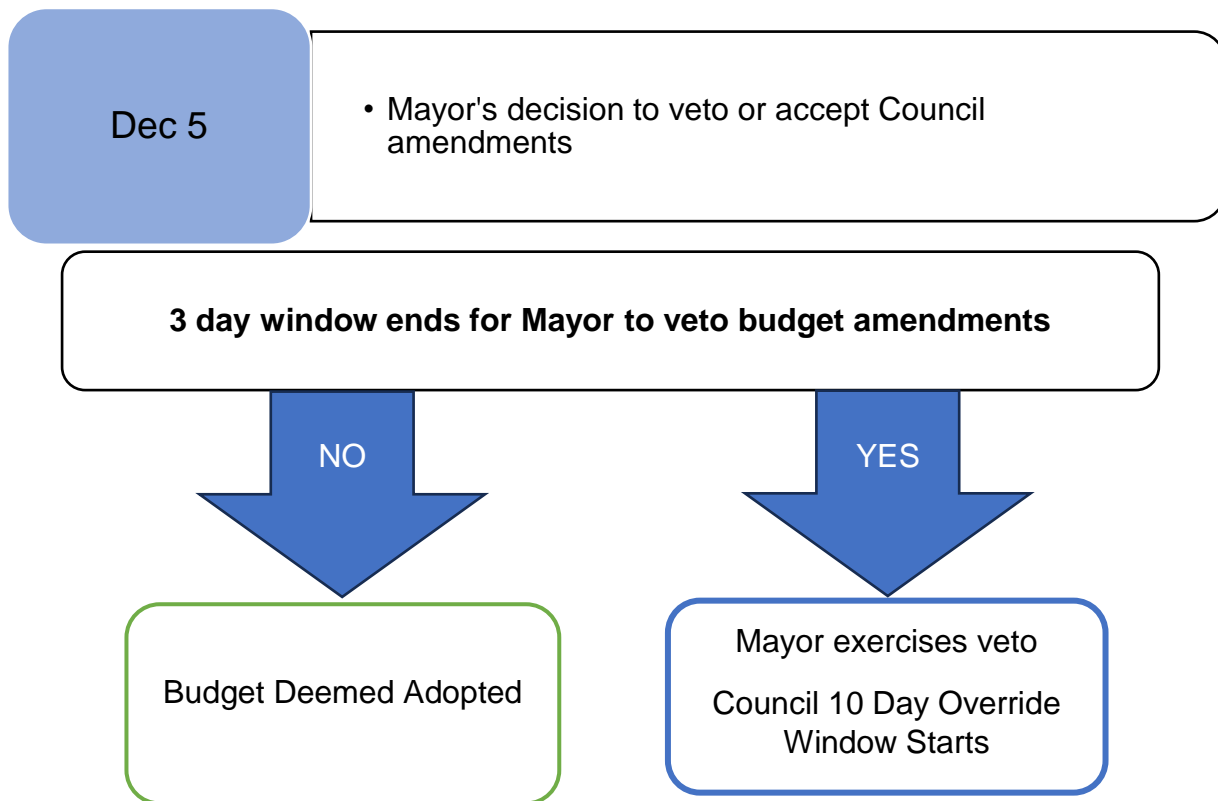
YES

Table Amendments  
Mayor's 3 Day Veto  
Window Starts

### Special Council Meeting

A special Council meeting will be held on the afternoon of December 2<sup>nd</sup> to hear, discuss and make decisions on any budget amendments that Councillors may have tabled. If there are no amendments tabled, the budget will be deemed adopted.

If there are amendments tabled by Councillors, the Mayor's 3-day veto period will commence, effectively providing 3 days for the Mayor to decide on whether to veto any amendments.

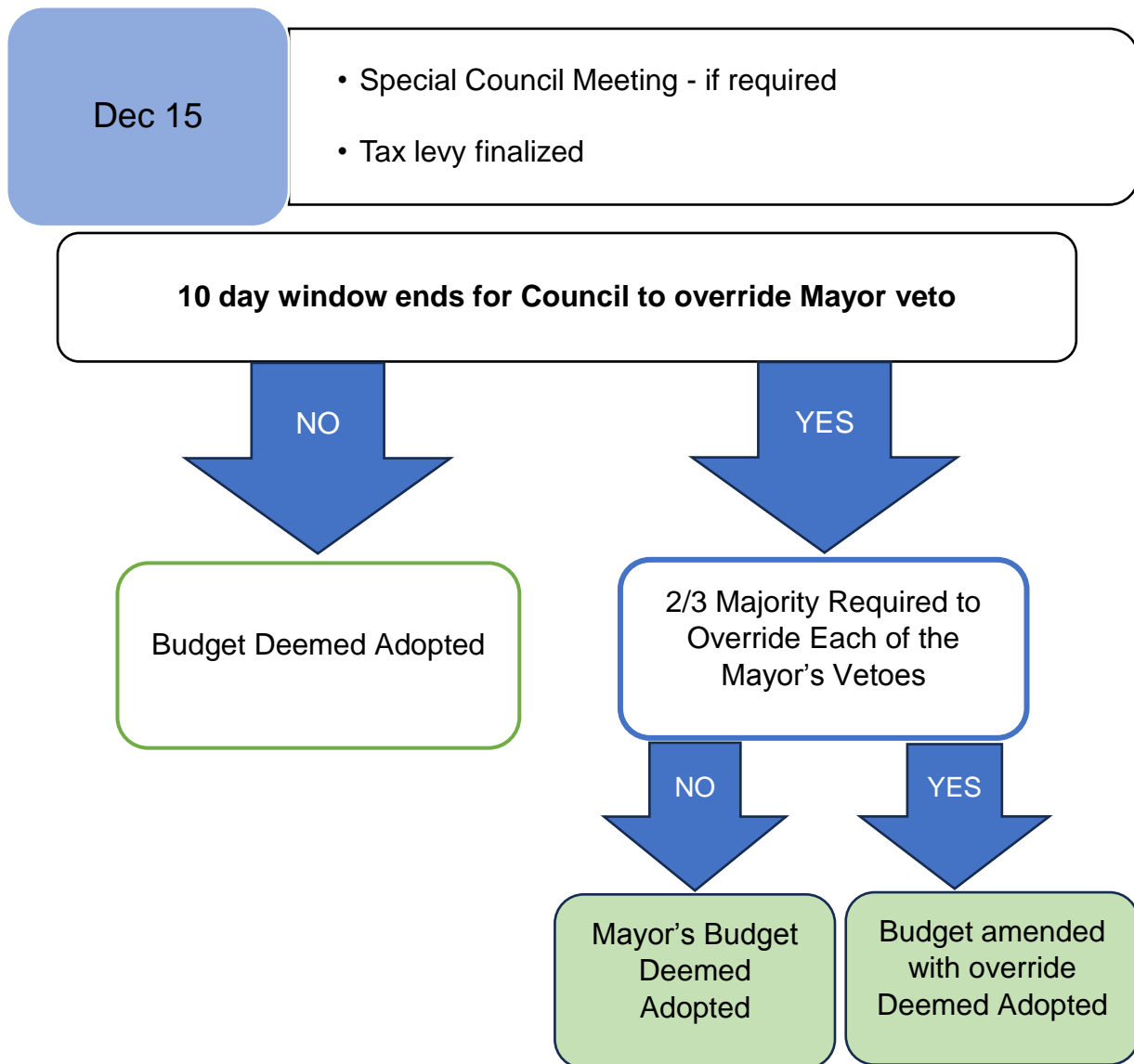


### **Mayoral Veto**

If the Mayor does not exercise the veto power by December 5<sup>th</sup>, the budget as amended through the special council meeting on December 2<sup>nd</sup> will be deemed adopted.

If the Mayor exercises the veto power, the 10-day override period commences. Councillors will have 10 days to decide if they want to override the Mayor's veto of an amendment.





### **Council 10 Day Override Period**

A special council meeting will be held on December 15<sup>th</sup>.

If members of Council do not wish to override the Mayor's veto power then the budget as tabled by the Mayor plus any amendments that the Mayor agreed to on December 5<sup>th</sup> is deemed adopted.

If Council wishes to exercise their override power, a vote will be held during this meeting on each budget item that Council wish to override. Should a 2/3 majority vote not be reached, the Mayor's budget will be deemed adopted.

If a 2/3 majority vote is reached for any particular amendment, the budget will be deemed adopted as amended.

## **Public Consultation**

Public consultation on the 2026 Budget will include a project page on the Town's engagement platform [letstalkhaltonhills.ca](https://letstalkhaltonhills.ca) with important information and opportunities for the public to provide input, similar to the 2025 process.

In addition to the two open meetings (Council Workshop #3 on November 10 and the Budget Committee Meetings on December 1 and 2), staff are also proposing options for Council's consideration to be discussed at the Council Workshop on June 23. At this workshop, staff would like to receive direction on the preferred approach.

Please note that due to current staffing, workload and priorities, only one engagement option (A or B) can be supported this year.

## **Engagement**

### **Option A: Ward Meetings (4)**

Similar to last year, one meeting would be held in each ward. These meetings would be Mayor/Councillor-led. Staff would not be in attendance, however, staff would:

- Prepare display boards
- Book the venue and set up the room
- Prepare comment cards
- Promote the meeting
- Post meeting - collate and share comments.

### **Option B: Town Hall (1)**

One meeting with staff in attendance, held in the Council Chambers to allow for live streaming, recording, in person and virtual participation. Staff would:

- Prepare display boards
- Promote the meeting
- Give a presentation
- Respond to questions
- Post meeting – share recording on letstalk

## **Timing**

Please note that either of the engagement options noted above can happen at either timing outlined below, based on Council's direction.

**Option A: Pre-budget Release**

Public consultation would be held in September, following the second Council Workshop on September 8. The purpose would be to receive initial feedback from the community on priorities, prior to finalizing the budget.

**Option B: Post-budget Release**

Public consultation would be held in October/early November following the release of the budget. This timing would allow the community to weigh in on the proposed budget prior to Budget Committee deliberation.

Finalized public consultation dates are expected after the June 23<sup>rd</sup> Council workshop.

**STRATEGIC PLAN ALIGNMENT:**

This report is administrative in nature and does not directly align with the Strategic Plan.

**RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

**PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

**INTERNAL CONSULTATION:**

The Town Clerk, Chief Administrative Officer, Commissioner of Corporate Services, Director of Communications and the Mayor were consulted on the preparation of this report.

**FINANCIAL IMPLICATIONS:**

This report is administrative in nature and does not have any financial implications.

Reviewed and approved by,

Moya Jane Leighton, Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer