

Staff Report

Presented By: Jim Bundschuh, Director, Corporate Services

Meeting Date: December 8, 2025

Subject: Final 2026 Business Plan and Budget Report

Attachment(s): 2026 Town of Saugeen Shores Business Plan
Attachment I – Financial Summaries
Attachment II – 2026 Business Plan – Operating Budget (2025-2026)
Attachment III – 2026 Business Plan – Operating Budget (2025-2034)
Attachment IV – 2026 Business Plan – Capital Plan (2025-2034)
Attachment V – 2026 Business Plan – Reserves (2025-2034)
Attachment VI – Fees and Charges Schedule 2026
Attachment VII - Property Tax Rates by Assessment Class
Attachment VIII – SS Business Plan Resolutions Final
Attachment IX – BASWR Budget
Attachment X- Admin Requested Information
Attachment XI - Staff Report - July 13, 2015- Waste Collection Services

Recommendation

That Council adopt By-law 111-2025, being the 2026 Tax Levy By-law establishing the 2026 Tax Rates effective December 12, 2025; and

That Council adopt By-law 112-2025, being the 2026 Fees and Charges By-Law effective January 1, 2026.

Report Summary

This report is a culmination of the Municipal 2026 Business Plan and Budget process that was deliberated by Council on November 12 and 26, 2025. If the budget is deemed adopted on December 12, 2025, the Town of Saugeen Shores 2026 Tax Levy will be set at \$25,984,488 and will result in an estimated combined blended tax rate increase of 3.82%. When combined with the planned increase in the Future Infrastructure Special Levy and reduction in the Waste Management Fixed Fee, this represents a \$202 increase to the average household assessed at \$314,000.

Background/Analysis

The Town of Saugeen Shores is a growing community placing increasing demands on municipal services. Council reviewed service levels, balancing resources to meet these evolving needs through its Business Plan deliberations on November 12th and 26th. By taking a balanced approach to growth, Saugeen Shores can achieve remarkable milestones while preserving the unique qualities that make the community both an attractive place to live and a welcoming environment for business. The Business Plan, which includes ten-year operating and capital plans, supports a balanced vision through proactive planning.

In 2025, the Town leveraged improvements to our core infrastructure, both water / wastewater and roads, ensuring our Town continues to grow thoughtfully. \$25 million in Provincial grant funding was successfully applied for in 2025 / 2026. These grants have:

- **Reduced wastewater rate increases** by approximately 4%, helping keep costs lower for residents.
- Allowed the municipality to **complete upgrades to Highway 21** in both Port Elgin and Southampton
- Provides **essential funding** for building the much-needed Turner Street roundabout in Southampton.

For 2026, the Town has a plan. The 2026 Business Plan, prioritizes:

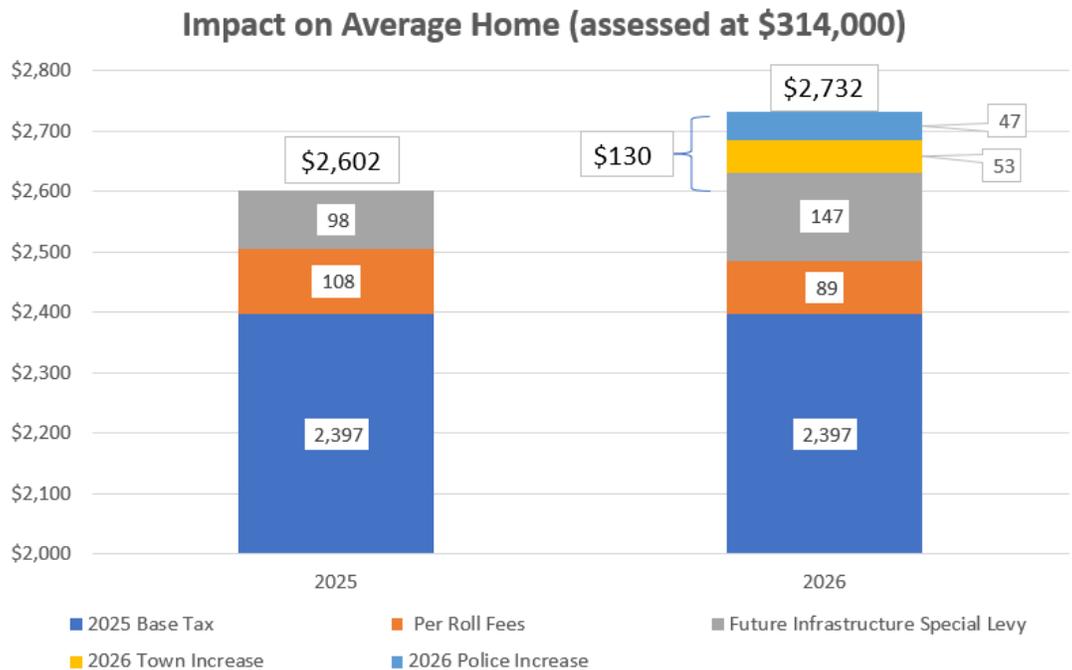
- **Growth** is funding opportunities to increase:
 - **Public Safety** through the funding of two new police officers
 - **Housing Affordability:** Expanding housing options through incentive programs and development projects.
 - **Healthcare:** Implementing recommendations from the Municipal Healthcare Review to strengthen local healthcare access.
 - **Increasing winter maintenance** in Southampton
- **New Nuclear Readiness:** Supporting the Bruce C Impact Assessment and preparing for growth related to new nuclear build opportunities.
- **Pryde AWC:** Managing operations and programming for the Pryde Aquatic & Wellness Centre in its inaugural year.
- **Municipal Election:** Delivering a well-administered election with a focus on voter engagement and accessibility.
- **Environmental Initiatives:** Advancing climate action through FCM's Partners for Climate Protection program and the 10,000 Tree Initiative.
- **Increasing Service Excellence** through access to municipal services and municipal staff.

Council's focus on controlling cost increases in the Town's operations has ensured that the levy increase remains reasonable. This proactive stance ensures that the Town is not just responding to challenges but thoughtfully shaping the development of Town to benefit our entire community.

Amendments to the November 12 submitted Business Plan were made as an outcome of the deliberations during November 12 and 26, 2025 meetings are outlined in Attachment VIII – SS Business Plan Resolutions Final, with highlighted changes as follows:

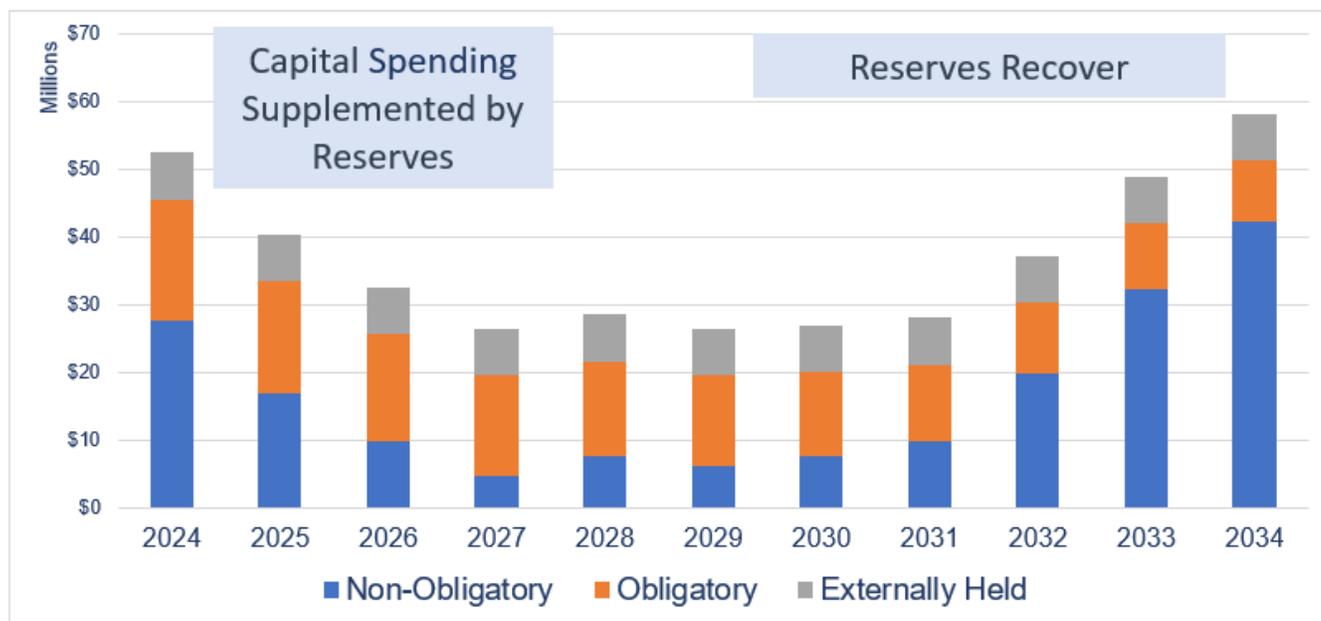
- The Waste Management Fixed Fee was reduced by \$19 per property facilitated by a \$175,535 reduction to the Garbage Recycling budget.
- Council authorized the 2026 funding of \$50,000 for the 10,000 Tree Initiative from the NWMO Reserve.
- Council added a Division Highlight to Planning and Development to direct staff to work with Pumpkinfest in 2026 to establish a sustainability plan and return to Council with a funding request in line with that plan
- Community Grant Funding of \$18,000 for the Battle Event, \$5,000 for Grey Bruce Hospice, \$500 for the Youth Climate Action Conference Sustainability Project and \$1,500 to remain available for further 2026 granting.
- Council added a Recreation Division Highlight to investigate advancing the timing of Coliseum upgrades.
- Council removed the Division Highlight for Planning and Development related to Design Guidelines Refresh.
- Ontario Municipal Partnership Fund (OMPF) funding is \$121,000 better than anticipated.
- Allocations to the Building Reserve have been updated and will be further refined as part of a 2026 Finance Division Highlight.

The changes incorporated into the final Business Plan result in a budget that delivers on the service needs of our community while ensuring that tax rates remain affordable. The estimated blended tax rate increase of 3.82% equates to an increase to the average household assessed at \$314,000 of \$202. This is based on the Education rate remaining flat and a County increase of 4.37% or \$72. As illustrated in the below table, the lower-tier municipal portion of the increase is \$130, comprised of a base Town operation increase of \$53, an increase for Police of \$47, the planned increase to the rate-based Future Infrastructure Special Levy of \$49 and a reduction of the per-property-based Waste Management Fee of \$19:



The use of reserves (see Attachment V – Reserves 2025-2034) and debt allows the measured dedicated Future Infrastructure Special Levy to grow to the required funding level by 2032. Non-Obligatory Reserves will fall to below \$5 million before returning to over \$40 million by 2034 (see below):

Reserves



Debt is summarized as follows:

- Southampton Wastewater Treatment Plant Expansion – \$10 million debt in 2025 Business Plan no longer required due to provincial Housing Enabling Water System Fund grant.
- Aquatic and Wellness Centre - \$28.3 million incremental debt in Q4 2025 / Q1 2026
- Various Road Reconstruction Projects – \$8.95 million in 2026-2027
- Water Treatment Plant Expansion – \$5 million debt in 2026.
- Transmission Line and Second Reservoir Construction – \$10 million debt in 2027-2028.
- Port Elgin Waterfront Design Recommendation Implementation – \$3.5 million in 2028
- Port Elgin Harbour Dock Replacement – \$2 million in 2028
- Southampton Town Hall and Library – \$9 million in 2028
- Port Elgin Fire Station – \$3 million in 2028 (\$7 million project less \$1.7 million sale price less 57% DC eligible)
- Landfill Optimization – \$2.5 million in 2029
- Centralized Operations Depot – \$5 million in 2033
- Southampton Medical Building basement – \$3 million in 2034

At the conclusion of the November 26, 2025 Business Plan meeting, Council passed Budget Approval Resolution 362-2025 to advance the 2026 Budget for By-law approval. The 2026 budget is summarized as follows:

1. Operating Budget with net operating income of \$13,066,842;
2. Capital Expenses of \$20,962,039 (net of revenue, debt proceeds and the increased Special Levy);
3. Proceeds from debt of \$9,950,000;
4. Use of Reserves of \$7,895,197;
5. Tax Levy increase \$1,500,466 to a total of \$25,984,488;
6. Rate-based dedicated Future Infrastructure Special Levy increase of \$526,928 to a total of \$1,525,354; and,
7. BIA levies set at \$66,000 for the Port Elgin BIA and \$58,700 for the Southampton BIA.

Linkages

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Corporate Services Division Highlight

Financial Impacts/Source of Funding

2026 Tax Levy of \$25,984,488 and a rate-based dedicated Future Infrastructure Special Levy of \$1,525,354.

Prepared By: Jim Bundschuh, Director, Corporate Services

Approved By: Kara Van Myall, Chief Administrative Officer