
Direction to Staff Regarding the 2026 Budget Process

In accordance with section 284.16 of the Municipal Act, 2001, and section 7 of Ontario Regulation 530/22, the Mayor shall, on or before February 1 of each year, prepare a proposed budget for the municipality, provide the proposed budget to Council for its consideration, and make the proposed budget available to the public.

Pursuant to Section 284.3 of the Municipal Act, 2001, I, Brant Burrow, Mayor of the Township of Elizabethtown-Kitley, hereby direct the Chief Administrative Officer and/or Director of Finance as follows:

1. In an effort to balance the competing interests of A) affordability pressures within the community, B) a desire to meet the service expectations of our residents, and C) the need to address a significant accumulated infrastructure gap brought about by chronic under-funding over a period of decades, prepare a draft 2026 Operating and Capital Budget for presentation to the Mayor based on the following:
 - 1.1. A total property tax levy impact of not more than 5%, while attempting to maintain current service levels.
 - 1.2. In the event current service levels cannot be maintained with a 5% budget cap, outline the specific service cuts which are incorporated into the draft budget in order to achieve the cap, and itemize the corresponding incremental levy impact in each case.
2. As part of the budget presentation materials, include regional context and comparative data based on existing census data, as has been the Township's standard practice in recent years.
3. Explore a business case for the possibility of "staffing up" the Public Works Department by one or two personnel. This would be an optional add-on to the base budget directed in Item 1 above, and the associated incremental impact to the levy should be itemized separately. This case study should include the following elements:

- 3.1. Validate the understanding that the Township has one of the most challenging ratios of Public Works staff per kilometer of roads, compared to other lower tiers in the region.
 - 3.2. Indicate if this(these) additional position(s) will be able to leverage existing equipment, or if additional capital investments will also be required in order to achieve maximum efficiencies and outline what those investments will be (if any).
 - 3.3. Ensure that a portion of the proposed up-staffing be directed towards routine maintenance of our Recreation amenities.
 - 3.4. Analyze whether or not up-staffing would ultimately result in fiscal efficiencies by building in-house project capacity, and what the anticipated return on investment would be – in terms of years, or dollars, or both.
4. Consider possible staffing costs associated with bringing By-Law Enforcement and Administration fully-in house. Examine historical outsourcing costs to determine if this can be accomplished within the base draft budget (of 5%) by reallocating outsource funding or, if not, detail the incremental effect on the overall levy and the value for money.
5. Review the terminology of "reserves" as a catch-all description for accounts which are actually used for distinct financial planning activities. Propose revised terminology which will better reflect activities such as (but not necessarily limited to) accumulating capital funds over several years to smooth out the purchase of expensive equipment, ensuring adequate general cash flow, mitigating the cost of unexpected events, etc. The proposed terminology should be clear for the public and Council alike. This may also require a review/update of a Reserves Policy.
6. Consider the fiscal impact of investing a greater amount of "surplus" funds in longer-term investments, while instead utilizing operating credit for short term financing of cash flow challenges which result from the tax billing cycle. The intent of this analysis should be to take advantage of interest spreads with long term investments that are portable and cashable if required.
7. Review the Township's current approach to equipment maintenance to determine if an alternate paradigm could create better budgetary performance and predictability. If an alternate paradigm cannot be accommodated within the base draft budget (of 5%), detail the incremental effect on the overall levy and the value for money.

Possible alternatives may include, but are not limited to:

- 7.1. Reducing equipment lifecycles by one year (ie., maintaining a generally newer fleet, instead of stretching equipment to – or beyond – reasonable limits).
 - 7.2. Bringing equipment maintenance in-house by way of hiring an on-staff mechanic. For clarity, such a position does not necessarily have to count towards the "one or two personnel" referred to in Item 3 above – especially if the cost of currently outsourced services will largely cover the increased staffing costs for a mechanic's position. If additional capital investments are required in order to support the position, these should also be detailed.
8. With respect to waterline assets owned by the Township, and which must be accounted for separately:
 - 8.1. Establish a best effort projection of capital/maintenance investments required over the next 5-10 years, and calculate the corresponding required rate increase on a current per-user basis.
 - 8.2. Before these budget details are released at large, targeted communication should be mailed directly to each water user, in advance, explaining what to expect in general terms and providing the relevant background on why the rate adjustment is necessary.
9. Work collaboratively with the Mayor throughout the preparation of this draft 2026 budget, including regular briefings as may be appropriate.

I will consider the draft 2026 budget prepared in accordance with this directive at the end of November 2025 and subsequently issue it as the Mayor's Draft Budget for public feedback and engagement, inclusive of a summary of any amendments which I may make to the draft budget as prepared by staff. Upon completion of the public engagement period, I may make additional amendments before formally issuing the Mayor's Budget for Council review and adoption.

Having been filed with the Clerk, this Directive takes effect immediately (September 30, 2025), and remains in effect unless and until it is subsequently revoked by myself in writing and filed with the Clerk, or until such time as the 2026 Budget is deemed adopted – whichever transpires first.



Brant Burrow
Mayor