

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Mayoral Directive No. MDI-2025-001

2026 Budget

To: Chief Financial Officer/Treasurer
Chief Administrative Officer
Clerk

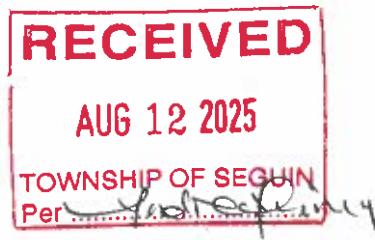
In accordance with Section 284.16 of the Municipal Act, 2001 (the "Act") and Section 7. Of Ontario Regulation 530/22, the Mayor shall, on or before February 1 of each year, prepare a proposed budget for the Township.

The Mayor hereby advises of their intent to exercise their assigned powers with respect to proposing a budget for the 2026 fiscal year.

To maintain the practices and procedures related to the Township's budget process prior to the enactment of Strong Mayor Powers I, Mayor Ann MacDiarmid, in accordance with Section 284.3 hereby direct staff to prepare the draft 2026 budget in accordance with the Mayor's Report to Council No. AD-2025-002, copy attached as Schedule "A" to this Directive.

Dated at Township of Seguin, this 12 day of August, 2025.

Ann MacDiarmid
Mayor Ann MacDiarmid





**Seguin Township
Report to Council**

Prepared for: Councillors

Subject: Information Report - 2026 Seguin Township Budget Process

From: Mayor Ann MacDiarmid

Agenda Date: August 5th, 2025

Report No: AD-2025-002

Executive Summary:

As of April 9th, 2025, the Ontario Provincial Government has expanded strong mayor powers to Seguin Township, enabling the mayor to propose the municipal budget, subject to council amendments and a unique veto system. If the mayor fails to present a budget by February 1, Ontario Regulation 530/22 mandates the council to adopt one.

As mayor, and in accordance with the new legislation, I plan to maintain the established budget process while working within the new legislative framework, with guidance provided from both council and staff for developing the 2026 budget according to the attached schedules. This change aims to bring compliance with provincial legislation yet ensure the democratic processes remain in place.

Prepared for: Councillors

Subject: Information Report - 2026 Seguin Township Budget Process

From: Mayor Ann MacDiarmid

Agenda Date: August 5th, 2025

Report No: AD-2025-002

Background & Analysis:

On April 9th, 2025 the Hon. Rob Flack, Minister of Municipal Affairs and Housing sent correspondence advising the Ontario Provincial Government was expanding strong mayor powers to the Township of Seguin to support provincial priorities.

Included in strong mayor powers is the authority to propose the municipal budget, which would be subject to council amendments and a separate mayoral veto and council override process. The amendment to the legislation also provides in Ontario Regulation 530/22 Section 7. (2) If the head of council does not propose a budget to council by February 1 in accordance with subsection (1), the council shall prepare and adopt the budget for the municipality. Essentially either the mayor proposes a budget, or the budget authority reverts to council. The applicable legislation related to strong mayor powers and municipal budgets is attached as Schedule "C" to this report.

As noted in previous discussions related to strong mayor powers it is my intention as Mayor to continue with a budget process similar to the process that was followed in the preparation of the 2025 Seguin Township Budget and as such a Mayoral Direction shall be provided to staff to work towards the 2026 Seguin Township Budget Schedule as outlined in Schedule "A" attached, including the 2026 Seguin Township Budget Preliminary Assumptions/Inputs as outlined in Schedule "B" attached.

Mayors Introduction

With the help of staff from the Finance, Clerks and the CAO, we are all learning the new budget processes and powers associated with the Strong Mayor Legislation. Although the budget details within this legislation are non-negotiable for any of the municipalities affected, it is my intention to make sure that our budget processes and outcomes are collaborative with all of council and staff.

As in the past, my intentions are to take our lead from the staff recommendations, because I truly believe that they are the experts and know best.

While it is always our goal to minimize tax increases, our responsibility as a council is to deliver the very best value to our ratepayers and to improve our levels of service and therefore the quality of life for everyone in Seguin – individuals and businesses.

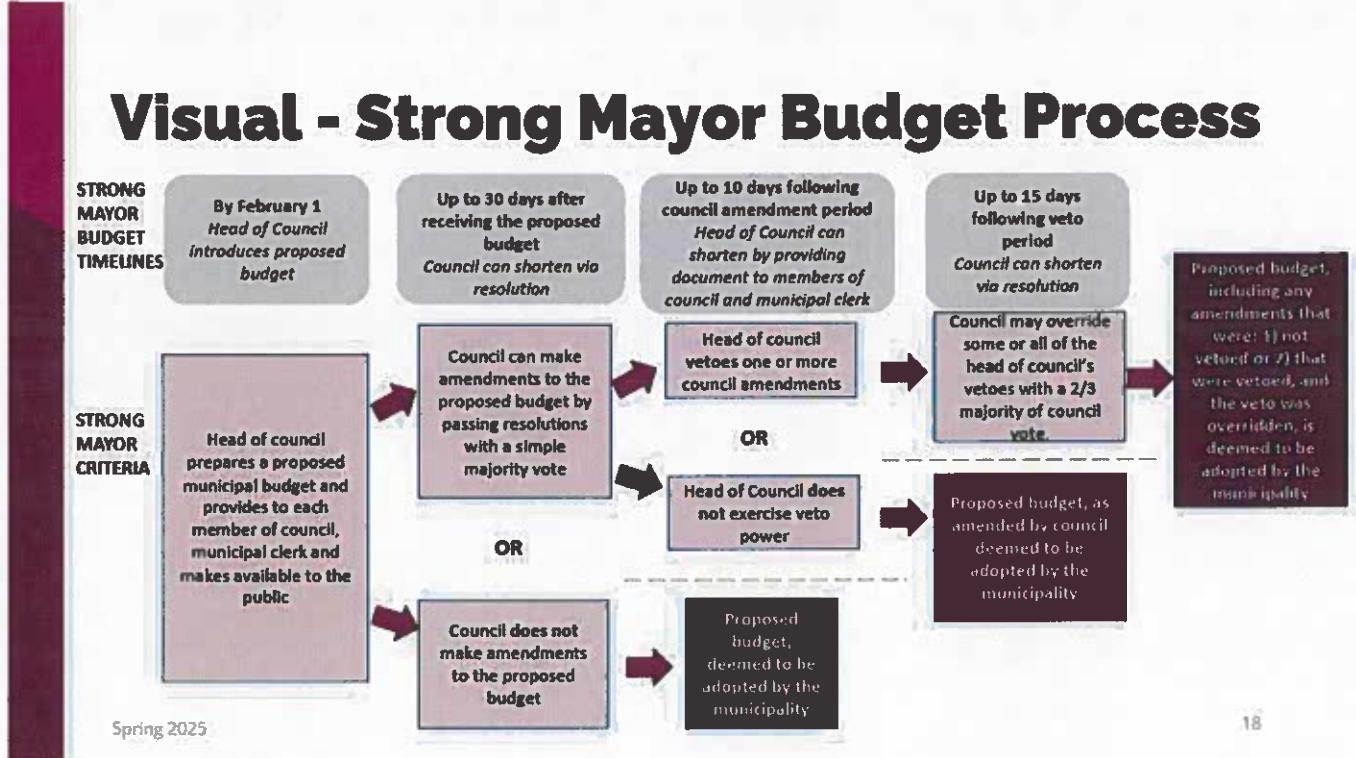
Outlined below are a couple of recommendations that I have asked staff to incorporate into this year's budget processes and discussions.

1. A focus on the elements of the budget that we can control and that will affect life in Seguin. While we receive several external levies for which we have little control, focusing our review on the parts of the budget we have direct influence over should be prioritized. In communicating the tax increases to our ratepayers, we should ask staff to separate the two parts of the budget: within our control and external levies that are imposed on us.
2. As a corporation we have matured over the last number of years and have developed the master plans and studies that enable staff to look at a 10-year horizon for all expenditures. While we have seen some long-term numbers for capital in the past, it is time to try to forecast all major expenditures – capital and operating for at least 10 years.
3. In discussion with staff, presenting the full budget to us as council at the October 20, 2025, council meeting is highly recommended. We will not be seeing piece by piece elements of the budget as we tried to do over the last few years.
4. Of the key external levies, we have virtually no control over education. However, we can have some influence over the budgets for OPP, DSSABB, Belvedere and EMS/Ambulance because we have a council representative representing Seguin on each of these boards. Therefore, I urge these representatives to ensure that the budget you support at those boards considers what impact that budget or tax increase will have on our ratepayers. We as council need to challenge ourselves to ensure whatever budget increase is being contemplated at OPP, DSSAB, Belvedere and EMS are delivering real value to Seguin ratepayers?
5. Although the budget officially comes from the mayor under the new legislation, it is my hope that it is a council budget. Once you see the full budget on October 20th, I encourage each member of council to meet with staff as appropriate and then put your thoughts and concerns in writing by October 31. Based on the input we receive by October 31, staff and I will bring back the mayors proposed 2025 budget recommendation November 17, 2025, in

accordance with the new legislation.

Outlined below is a flowchart provided by the Ministry of Municipal Affairs and Housing which illustrates the various steps in the municipal budget process under the strong mayor powers.

Visual - Strong Mayor Budget Process



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Strategic Plan Alignment:

Seguin Foundations

Practice Fiscal Responsibility – Trusted with the taxpayer dollar, make decisions and plan for a healthy financial future, investing responsibly and utilizing funding resources when possible.

Prepared by:



**Ann MacDiarmid,
Mayor**

Attachments:

- Schedule "A" – 2026 Seguin Township Budget Schedule.
- Schedule "B" – 2026 Seguin Township Budget Preliminary Assumptions/Inputs.
- Schedule "C" – Legislation Related to Strong Mayor Powers and Municipal Budgets.

**TOWNSHIP OF SEGUIN
2026 BUDGET SCHEDULE - COUNCIL**

| Action | Date |
|---|--------------------|
| 1. Mayor's Report to Council on Budget Schedule and Process, including Preliminary Budget Assumptions | August 5, 2025 |
| 2. User Fee Recommendations review and direction by Council | September 15, 2025 |
| 3. Draft Operating and Capital Budget available for Council, including SLCP's, COLA, and User Fee changes, with estimated Preliminary Tax Rate increase | October 20, 2025 |
| 4. Written questions and comments from Council on budget due by | October 31, 2025 |
| 5. Mayor's Proposed Operating and Capital Budget presented to Council - Strong Mayor timelines start | November 17, 2025 |
| 6. Mayor's Proposed In year Adjustments to Township Operating and Capital Budgets to Council, including tax rate bylaw | April 20, 2026 |



Seguin Township 2026 Preliminary Budget Assumptions/Inputs

Key Principles:

- Start with amended 5 year capital program, as approved by Council for 2025 – to be amended by Department Heads for current costing and availability, and extended out to 10 years where possible
- No debt or deficit, with the exception of infrastructure related to MZO (exact timing and amount to be determined) and Capital Leasing Program with Enterprise eFleets
- Continue to implement Comprehensive Asset Management Plan
- Maintain current staffing levels and programs, unless specifically identified
- All reserves to be positive over next 5 years; target of 25-30% of Operating Expenditures annually and at end of period

Background & Analysis:

- Current CPI for Canada is 1.9%, for Ontario 1.8% (June 2025)
- No significant cuts to OMPF
- Current staff complement - Projected grid movement of \$51,568, each 1% for COLA is approximately \$55,691,
- Insurance increase expected to be 3-5% or \$28,000-\$31,000
- External levies –expect 2-4% (\$112,000 - \$224,000)
- 2022 Asset Management Plan recommended a tax rate increase of at least 1.5% per year to accommodate the infrastructure funding gap – amounts to \$245,376
- MPAC re-assessment for 2026 deferred again, no date currently in sight

Taxes:

- 1% tax rate increase generates approximately \$163,584 in municipal tax revenue (before real growth)
- Current real growth taxation increase is just over \$110,000

Capital:

Major 2026 capital projects, per the 2025 capital budget:

| | |
|--|--------------|
| ➤ Fire Master Plan | \$ 65,000 |
| ➤ Zoning Bylaw Review | \$ 100,000 |
| ➤ Replace Plow trucks (Capital Leases) | \$ 942,180 |
| ➤ Replace Fire vehicles | \$ 250,000 |
| ➤ Star Lake Road project continues | \$ 1,100,000 |
| ➤ Rosseau Memorial Hall Project | \$ TBD |

Strong Mayor Powers and the Municipal Budget

Amendments to the Municipal Act and Ontario Regulation 530/22

Municipal Act, 2001

The amendment to the Municipal Act, 2001 related to budget is set out in Section 284.16 Powers and duties re budget provides,

Powers and duties re. budget

284.16 (1) In accordance with this section and subject to the regulations, the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality.

Proposed budget

(2) The head of council shall, in accordance with the regulations, prepare a proposed budget for the municipality and provide the proposed budget to the council for the council's consideration.

Council may adopt or amend budget

(3) After receiving the proposed budget, council may, in accordance with the regulations, pass a resolution making an amendment to the proposed budget.

Veto power

(4) The head of council may, in accordance with the regulations, veto a resolution passed under subsection (3).

Override of veto

(5) Council may, in accordance with the regulations, override the head of council's veto under subsection (4) if two-thirds of the members of council vote to override the veto.

Adoption of budget

(6) The budget for the municipality shall be adopted in accordance with the regulations.

Same

(7) For greater certainty, the regulations may provide for the circumstances in which the budget is deemed to be adopted.

Ontario Regulation 530/22

O.Reg. 530/22 Sections 7, 8 and 9 provides,

Annual budget

7. (1) The head of council shall, on or before February 1 of each year,

(a) prepare a proposed budget for the municipality that includes the estimates of sums required under subsection 289 (1) or 290 (1) of the Act, as the case may be;

(b) provide the proposed budget to each member of council and to the clerk; and

(c) make the proposed budget available to the public.

(2) If the head of council does not propose a budget to council by February 1 in accordance with subsection (1), the council shall prepare and adopt the budget for the municipality.

(3) Subject to subsection (4), within 30 days after receiving the proposed budget from the head of council in accordance with clause (1) (b), the council may pass a resolution making an amendment to the proposed budget.

(4) A council may in a year pass a resolution to shorten the 30-day period referred to in subsection (3) for the year.

(5) If council does not pass a resolution under subsection (3) within 30 days, or, if a shorter period is set under subsection (4), within that period, the proposed budget shall be deemed to be adopted by the municipality.

(6) Subject to subsection (7), within 10 days after the expiry of the time period for council to pass a resolution under subsection (3), the head of council may veto a resolution passed by council under subsection (3) by providing on the day of the veto to each member of council and to the clerk a written veto document that includes the veto and the reasons for the veto.

(7) The head of council may in a year shorten the 10-day period referred to in subsection (6) for the year by providing to each member of council and to the clerk a written document specifying a shorter period.

(8) If the head of council vetoes a resolution in accordance with subsection (6), the resolution shall be deemed not to have been passed by council.

(9) If the head of council does not veto a resolution in accordance with subsection (6) within 10 days or, if a shorter period is set under subsection (7), within that period, the proposed budget shall be deemed to be adopted by the municipality.

(10) Subject to subsection (11), within 15 days after the expiry of the time period for the head of council to veto a resolution under subsection (6), council may override the head of council's veto if two-thirds of the members of council vote to override the veto.

(11) A council may in a year pass a resolution to shorten the 15-day period referred to in subsection (10) for the year.

(12) For greater certainty, the head of council may vote as a member of council in a vote to override a veto.

(13) If the council overrides the veto under subsection (10), subsection (8) does not apply, and the resolution shall be deemed to be passed by council.

(14) After the expiry of the time period for council to override the head of council's veto under subsection (10), the proposed budget is deemed to be adopted by the municipality.

Budget process — conflict of interest

8. If, under section 5.3 of the *Municipal Conflict of Interest Act*, the head of council is prohibited from using the power and exercising the duty under subsection 284.16 (2) of the Act to prepare the proposed budget for the municipality with respect to a matter,

(a) council may pass a resolution to amend the proposed budget with respect to the matter; and

(b) the head of council may not veto the resolution.

Budget process — in-year budget amendments

9. (1) The head of council may, for the purpose of raising an additional general upper-tier levy or a special upper-tier levy in the year under section 311 of the Act or a general local municipality levy or a special local municipality levy in the year under 312 of the Act, as the case may be, prepare a proposed budget amendment for the municipality and,

(a) provide the proposed budget amendment to each member of council and to the clerk; and

(b) make the proposed budget amendment available to the public.

(2) Subject to subsection (3), within 21 days after receiving the proposed budget amendment from the head of council in accordance with subsection (1), the council may pass a resolution making an amendment to the proposed budget amendment.

(3) A council may in a year pass a resolution to shorten the 21-day period referred to in

subsection (2) for the year.

(4) If council does not pass a resolution under subsection (2) within 21 days, or, if a shorter period is set under subsection (3), within that period, the proposed budget amendment shall be deemed to be adopted by the municipality.

(5) Subject to subsection (6), within 5 days after the expiry of the time period for council to pass a resolution under subsection (2), the head of council may veto a resolution passed by council under subsection (2) by providing to each member of council and to the clerk, on the day of the veto, a written veto document that includes the veto and the reasons for the veto.

(6) The head of council may in a year shorten the 5-day period referred to in subsection (5) for the year by providing to each member of council and to the clerk a written document specifying a shorter period.

(7) If the head of council vetoes a resolution in accordance with subsection (5), the resolution shall be deemed not to have been passed by council.

(8) If the head of council does not veto a resolution in accordance with subsection (5) within 5 days,

or, if a shorter period is set under subsection (6), within that period, the proposed budget amendment shall be deemed to be adopted by the municipality.

(9) Subject to subsection (10), within 10 days after the expiry of the time period for the head of council to veto a resolution under subsection (5), council may override the head of council's veto if two-thirds of the members of council vote to override the veto.

(10) A council may in a year pass a resolution to shorten the 10-day period referred to in subsection (9) for the year.

(11) For greater certainty, the head of council may vote as a member of council in a vote to override a veto.

(12) If the council overrides the veto under subsection (9), subsection (7) does not apply, and the resolution shall be deemed to be passed by council.

(13) After the expiry of the time period for council to override the head of council's veto under subsection (9), the proposed budget amendment is deemed to be adopted by the municipality.