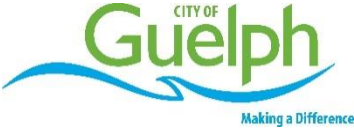


Mayoral Direction



Resolution Number:	2025 – B7
Date:	April 1, 2025
Subject:	2026 City Budget


In accordance with section 284.16 of the Municipal 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 City, provide the proposed budget to Council for its consideration, and make the proposed budget available to the public.

I, Cam Guthrie, Mayor of the City of Guelph, pursuant to Section 284.3 of the Municipal Act, hereby direct the Chief Administrative Officer and City Treasurer to:


1. In an effort to address significant affordability pressures within the community, prepare an update to the adopted 2026 operating and capital budget, for presentation to the Mayor, which has been developed with a goal to be one of the lowest property tax increases in Ontario compared with similar cities based on the following:
 - a. A total property tax impact of not more than 2.5% for the City Services portion of the budget, representing approximately 65% of the total tax impact which is under direct control of the Mayor and Council. The 2026 increase will be calculated based on the 2025 adopted net expenditure budget.
 - b. Preparation and presentation of two additional scenarios for the 2026 City Services portion outlining what disinvestments were made to reach a 2.5% tax levy impact for 2026, which would be added back to reach:
 - i. A 3.5% tax levy impact; or
 - ii. The existing proposed 4.5% tax levy impact.
 - c. A review of all non-tax supported budgets with the objective of identifying any opportunities to reduce the impact of increases on residents and businesses while prioritizing adherence to legislative requirements.
 - d. Evaluation of all budgeted investments and disinvestments in accordance with the following prioritization criteria:
 - i. Creation of new housing units – prioritizing the services directly required to enable more housing (water, wastewater, stormwater and roads).
 - ii. Meeting legislated and regulatory requirements – prioritizing investments to meet legislative requirements including maintaining standards in emergency service response, health and safety, and minimum winter road maintenance standards.

- iii. Risk of disinvestment – prioritizing investments where disinvestment or deferment carries a high or very high level of financial, regulatory or public risk, in alignment with the approved Enterprise Risk Management framework.
 - iv. Impact to the public – prioritizing, where possible, investments where disinvestment is deemed to have a significant impact to the residents based on existing service levels and expectations.
 - v. Future Guelph Strategic Plan – prioritizing items that meet the above criteria and additionally demonstrate the ability to advance the goals of the Future Guelph Strategic Plan in a measurable way.
 - vi. Equity lens – prioritizing items that, when evaluated based on the above criteria would otherwise be equal, advance equity as determined through the application of the City’s equity lens (where data is available).
 - e. Adherence to Council-approved financial policies.
 - f. Disclosure of all deferred and/or deprioritized budget investments that were included in the adopted 2026 budget, as well as any associated risks/impacts resulting from changes to established service levels.
 - g. Pending the outcome of Council’s decision on retaining the property at 72 Farquhar Street (the Drill Hall), provide options to the Mayor for further consideration to deprioritize capital projects within the 2026 capital budget to create capacity for a mixed use space including an arts and cultural centre in the former Drill Hall, while respecting the Council designated heritage attributes of the building; and include corresponding operating impacts.
 - h. That staff continue to pursue opportunities for new grants or other funding sources to help mitigate budget impacts for 2026.
2. Provide a forecast of the projected 2025 year-end surplus or deficit position, and the impact on the contingency reserves from reserve funding the final year of the commitment for renovations and expansions under the Guelph General Hospital Levy of 0.21% or \$750,000.
3. Immediately review 2025 and prior approved capital projects that have not yet started and report back to the Mayor with any options for deferring projects to create capacity for capital funding for other priorities.
4. Maintain a multi-year budget outlook with updates as necessary to the 2027, 2028 and 2029 operating budget forecasts.
5. Work collaboratively with the Mayor throughout the preparation of the 2026 staff budget update, including monthly briefings.
6. The 2026 staff budget update prepared in accordance with this directive will be considered by the Mayor in September 2025 and subsequently issued as the Mayor’s draft budget for public feedback and engagement, inclusive of a summary of any amendments made by the Mayor to the staff budget update. Upon completion of the public engagement period, the Mayor may make additional amendments before formally issuing the Mayor’s Budget for Council adoption.

7. That the 2026 budget update for Local Boards and Shared Service providers, representing approximately 35% of the total tax impact and not under the direct control of Mayor and Council:
 - a. Be presented to, and adopted by, Council subsequent to the adoption of the City's 2026 budget update; and
 - b. That correspondence be sent to respectfully request that these Local Boards and Shared Services (Library, Police, Public Health, County of Wellington Social Services, Downtown Guelph Business Association, The Elliott Long Term Care Home and Grand River Conservation Authority) submit a budget aligned with the objective of achieving affordability for our community.
8. The adoption of the 2026 budget update for both City Services and Local Boards and Shared Services must occur by the end of December 2025.

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