Staff Report

Report To: City Council

Report From: Kate Allan Director of Corporate Services

Meeting Date: November 30, 2026

Report Code: CR-26-101

Subject: 2027 Mayor's Budget Process and Timelines

Recommendations:

THAT in consideration of Staff Report CR-26-101 respecting the process and timelines for the 2027 Mayor's Budget, City Council approves shortening the:

1. 2027 budget amendment period from 30 days to 25 days; and
2. 2027 budget over-ride of the Mayor's veto period, if required, from 15 days to 5 days.

Highlights:

- The January 11, 2027, Strong Mayor Budget Workshop will provide Council and the public with opportunities to inform the Mayor's proposed budget.
- The Mayor's proposed budget will be released on January 28, 2027, with the statutory amendment and veto periods proposed to align with scheduled Council meetings.

Vision 2050 - Strategic Plan Alignment:

Strategic Plan Priority: The recommendation contributes to core service delivery or a corporate initiative that enables service delivery for one or more strategic priorities.

Previous Report/Authority:

Preliminary 2027 Budget Process

Background:

Section 290 of the *Municipal Act, 2001* requires municipalities to prepare and adopt an annual budget.

Under the strong mayor provisions of the *Municipal Act, 2001* and Ontario Regulation 530/22, the Mayor is responsible for preparing and proposing the annual municipal budget by February 1. The legislation establishes a prescribed process for budget adoption, including Council's authority to amend the proposed budget, the Mayor's authority to veto amendments, and Council's authority to override a mayoral veto.

The statutory framework provides for a 30-day Council amendment period, a 10-day mayoral veto period and a 15-day Council veto override period. The legislation permits Council and the Mayor to shorten their respective periods to accommodate municipal meeting schedules.

While responsibility for proposing the budget rests with the Mayor, a collaborative and transparent budget development process remains fundamental to informed municipal decision-making.

The annual operating budget reflects the cost of delivering established municipal service levels, meeting legislative and contractual obligations, and implementing approved decisions. Changes to service levels should be supported by appropriate operational and financial analysis, which in turn informs future budgets.

The City's capital planning process is undertaken separately from operating budget deliberations. The Mayor's proposed budget will establish the amount raised through taxation to support capital investment, consistent with the City's dedicated annual capital levy increase of 1 per cent of the prior year's levy. The prioritization and allocation of capital funding will continue to be informed by Council through the City's multi-year capital planning process.

Analysis and Options:

2027 Operating Budget Development

Staff commenced preparation of the 2027 operating budget in late August 2026. Following the municipal election, staff engaged with the Mayor to establish an understanding of his budget objectives, acceptable thresholds for increases, priority areas for investment, and opportunities for expenditure reductions.

Service Levels and Budget Development

The draft operating budget reflects established service levels, existing commitments and decisions made to date.

While the budget workshop provides an opportunity to identify potential changes to municipal services, adjustments to the budget for service-level changes that have not yet been defined or approved would be premature. Rather, these discussions can serve as a catalyst for subsequent service reviews, supported by appropriate operational and financial analysis.

Where approved service-level changes are implemented during the year, available reserves or alternative funding sources may be considered to address in-year costs, with ongoing financial implications incorporated into future budgets. Similarly, in-year savings may be available to offset other expenditure pressures or contribute to reserves, subject to applicable approvals.

Strong Mayor Budget Workshop

An all-day special meeting of the Resilient Community Advisory Committee is proposed for January 11, 2027. The workshop is intended to build Council's understanding of the City's existing services, the associated costs of service delivery, and the key financial pressures influencing the 2027 budget.

The presentation will provide summary-level financial information by division, highlighting significant budget drivers and staffing complements. A detailed line-level budget package, including historical actuals and prior-year budgets, will be made available to Council and the public on January 4, 2027.

The recent municipal election provided a significant opportunity for community engagement. The workshop will enable members of Council to bring forward the perspectives gained through those conversations, identify priorities and communicate potential budget additions, reductions, or changes for the Mayor's consideration.

The meeting will be open to the public and include a designated public forum, with opportunities for both written and in-person submissions. The City's Communications Team will issue media releases advising the community of the meeting date, availability of budget materials, and deadlines for submitting feedback.

The workshop is intended to facilitate information sharing and discussion. No budget amendment motions will be considered. Feedback received from Council and the public will inform the development of the Mayor's proposed budget, with formal Council amendments considered following its release.

Board members and members of staff from the Owen Sound Police Service and Owen Sound & North Grey Union Public Library will present the budget details for their respective levies.

Capital Budget and Planning

The Mayor's proposed budget will incorporate the City's dedicated annual capital levy increase of 1 per cent of the prior year's tax levy, consistent with the City's commitment to sustainable infrastructure investment.

On February 2, 2027, at the Resilient Community Advisory Committee meeting, staff will present an update to the 2027 capital budget, building on the multi-year capital budget approved by Council in July 2026.

A comprehensive review of the City's five-year capital plan will occur in the spring or early summer of 2027. Council will continue to play a central role in establishing capital investment priorities and determining the allocation of available capital funding through this process.

Proposed Budget Timelines

The following schedule provides opportunities for Council and public input prior to the Mayor formally proposing the budget and aligns the statutory budget adoption process with the City's Regular Council meeting schedule.

Date	Milestone
January 4	Publication of detailed draft budget and workshop materials through the Resilient Community Advisory Committee January 11, 2027 agenda.
January 11	Strong Mayor Budget Workshop – Resilient Community Advisory Committee meeting.
January 12–27	Mayor and staff consider Council and public feedback and finalize the proposed budget.
January 28	Mayor tables the 2027 budget which will be posted to the website and emailed to Council.

Date	Milestone
February 2	2027 capital budget update – Resilient Community Advisory Committee meeting.
February 22	Council considers amendments to the Mayor's proposed budget. If no amendments are passed, the budget is deemed adopted at the conclusion of the amendment period.
March 3	Deadline for the Mayor to veto Council amendments, if applicable.
March 8	Council considers motions to override mayoral vetoes, if applicable.

To facilitate the proposed schedule, staff recommend that Council exercise its authority under Ontario Regulation 530/22 to shorten the budget amendment and veto override periods. The Mayor will separately exercise his authority to shorten the mayoral veto period.

This approach supports informed Council participation, meaningful public engagement and an efficient budget adoption process while maintaining compliance with the legislative framework.

Resource Alignment:

Financial Resources

There are no additional financial requirements associated with budget development.

Human Resources

Budget development is led by the Finance and Communications Divisions and is a collaborative process that involves City staff from every department.

Time and Scheduling

The proposed budget process will result in a 2027 Budget that is deemed adopted no later than March 8, 2027.

Technology and Infrastructure

N/A.

Climate and Environmental Impacts:

There are no anticipated climate or environmental impacts.

Communication and Engagement:

The 2027 budget process is designed to promote transparency, informed decision-making, and meaningful engagement with Council and the community prior to the Mayor formally proposing the budget.

Key communication and engagement strategies include:

- Leveraging the community feedback received by members of Council during the recent municipal election.
- Publishing detailed draft budget materials on January 4, 2027, providing Council and the public with one week to review the information in advance of the budget workshop.
- Hosting a public budget workshop on January 11, 2027, with a designated public forum and opportunities for written and in-person submissions.
- Issuing media releases and utilizing the City's communication channels to promote the budget workshop, availability of budget materials, opportunities for public input, and key budget milestones.
- Ensuring the Mayor's proposed budget, subsequent amendments, and budget adoption outcomes are communicated to the public.

These strategies provide opportunities for Council and the community to inform the development of the Mayor's proposed budget and maintain transparency throughout the statutory budget adoption process.

Report Developed in Consultation With:

City Manager; Clerk; Mayor

Attachments:

None.

Submission approved by:
Tim Simmonds, City Manager

For more information on this report, please contact Kate Allan, Director of Corporate Services at kallan@owensound.ca or 519-376-4440 ext. 1238.