

The background features a light gray surface with several fingerprints. One fingerprint is dark green and in sharp focus on the left, while others are lighter and faded in the background. On the right side, there are overlapping green geometric shapes, including triangles and polygons, in various shades of green.

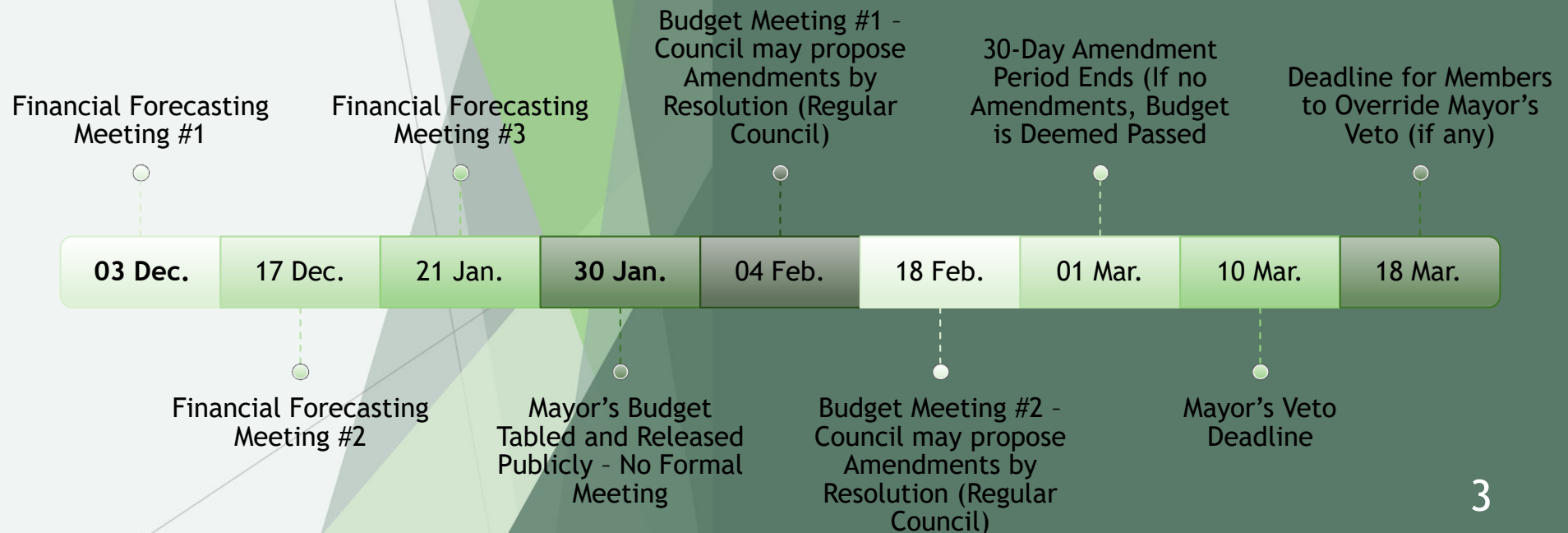
2026 Forecast

Council Presentation
January 21, 2026

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Budget Timeline Forecast & Tabling- 2026



Overall Budget Impacts

- ▶ **2026 Forecasted Southgate Taxation Rate Increase 3.17%**
- ▶ 1% of the Southgate Tax Rate is Equivalent to \$145,023 (\$124,453 for 2025 Budget)

In Previous years we had presented a Blended Rate. Since Grey County's Information has not been finalized, the forecast meetings will focus on Southgate Taxation increases

- ▶ 1% of the Blended Tax Rate is Equivalent to \$220,943 (\$192,299 for 2025 Budget)
- ▶ **Grey County Final Rate Increase is 4.78%**
- ▶ Blended Rate Forecasted Based on Estimates = **3.29%**

Wages - Cost of Living Allowance (COLA)

- Budgeted at 2% increase
 - Total \$126,360
 - Taxation \$105,500 (0.73% of Budgeted Southgate Rate Increase)
 - User-Fee \$20,860
- **IT Upgrades**
 - **Total Increase from D2 based on updated quotes \$19,510**
 - **Taxation \$18,290**
 - **User-Fee \$1,220**

Overall Budget Impacts

Uncontrollable/Already Approved Items

Item	Cost	Percentage Impact
Roads Capital - Debt Repayments (Victoria Street Phase 1 & 2 - Debt Items Starting in 2025 - Not Budgeted for full payments in 2025)	\$197,161	1.36%
Police Services Increase - Final Amount Rec'd	\$148,497	1.02%
Conservation Authorities (GRCA & SVCA) - Final Amount Rec'd	\$11,872	0.08%
Insurance Premiums Increase - RST Not Budgeted Previously	\$32,286	0.22%
Roads Operating - Sideroad 75 - Municipal Drainage Works - Southgate Portion	\$150,000	1.03%
Roads Capital - 50% of Tandem Plow Truck (in 2025 Budget Split between 2025/2026 Budgets)	\$135,000 Taxation (\$215,000 Total - \$30,000 Sale of Current, \$50,000 Winter Maintenance Reserve)	0.93%
Roads Capital - Pickup Truck - Deferred in 2025 Budget to 2026	\$50,000 Taxation (\$60,000 Total - \$10,000 Sale of Current)	0.34%
Wages - Step Increases	\$66,000 Taxation (\$89,500 total including user-fee wages)	0.46%
Total		5.45%

Summary of Changes: Draft 1 to Draft 2 to Draft 3	Amount	Impact on Tax Rate - Southgate Rate
Draft 1		5.11%
Library Operating - Software Change for Patron Computer	\$2,300	0.02%
SVCA - Final Amount Received	\$2,136	0.01%
Municipal Land - Legal Fees	\$5,000	0.03%
Canine - MSS Contract 30 Hours	\$8,000	0.06%
Roads - Operating - Unit #126 Repairs/Maintenance	\$15,000	0.10%
Recreation - Operating - Hours for New Position (30 to 40)	\$21,969	0.15%
Roads - Capital - SDRD 41 Micro Surfacing	\$22,000	0.15%
Roads - Operating - Winter Maintenance - Sand & Salt	\$50,000	0.34%
Roads - Capital - SDRD 39 - Micro Surfacing	\$82,000	0.57%
Roads - Capital - Wilders Lake Road Micro Surfacing	\$150,000	1.03%
Roads - Capital - Sand Dome Replacement (2025)	\$376,504	2.60%
Roads - Capital - S36 - Sd Rd 71 Replacement	-\$500,000	-3.45%
Growth - MPAC Forecasted Results for 2026 @ 85%	-\$589,811	-4.07%
Growth - MPAC Forecasted Results for 2026 @ 100%	-\$121,786	-0.84%
OPP Services - Final Amount Received	-\$5,135	-0.04%
Draft 2		<u>1.61%</u>
S033 Bridge Replacement (In place of Asset Management Plan)	\$200,000	1.42%
Additional 2 Hours - Dundalk & Egremont Transfer Stations	\$16,742	0.12%
Roads - Streetlight Utilities - Flato Developments - Assumed Roads	\$30,400	0.22%
All Departments - IT Upgrades/Enhancements	\$18,290	0.12%
Finance - Tax Registration Revenues	-\$47,040	-0.32%
Draft 3		<u>3.17%</u>

Additional Proposed Items

Item for Consideration - Not Included in Forecasted Rate Increase	Amount	Impact on Tax Rate
Roads - Capital - 49 G9-26 Double Surface Treatment (DST) 367, 368, 45, 459-Padding	\$420,000	2.90%
Roads - Capital - Contribution to Reserves	\$500,000	3.45%
Administration - Capital - Contribution to Reserves	\$500,000	3.45%
Fire - Capital - Contribution to Reserves	\$100,000	0.69%
Finance - Capital - Contribution to Reserves - Financial System Replacement	\$25,000	0.17%
Library - Capital - Contribution to Reserves	\$100,000	0.69%
WRDM - Capital - Collection Truck - 50% Deposit	\$275,000	1.90%
Roads - New Lead Hand Position	\$77,620	0.54%
Library - Outreach Position	\$47,400	0.33%
Administration - Operating - Pay Administration Strategy update	\$27,000	0.19%
Total Additional Items		<u>14.31%</u>

Asset Management Plan

December 3rd Council Approved Option #2 with a 5-year phased in approach a Service Level of Current Funding + 2%/year

This requires an annual increase of 3.40% from 2024 service levels.

AMP is based on 2024 Asset Data for Replacements, not Additional Assets

Phased-In Funding Required		\$2,058,258
2025 Increase in Capital Spending (Over 2024)	\$863,513	
2026 Increase in Capital Spending - as forecasted in Draft 3 (Over 2025)	\$861,999	
Total to Date Increase in Funding	\$1,725,512 (2025 + 2026)	
Remaining Funding Required for Phase-In		\$332,746
Funding Recommended		
2027 (Additional to Forecast - \$332,746/3 years)	\$110,915	*Not adjusted for Inflation
2028	\$110,915	*Not adjusted for Inflation
2029	\$110,915	*Not adjusted for Inflation

Operating & Capital Budget:

Finance Department

Total Operating Budget

\$826,432

- **\$85,432** Operating Increase Year over Year:
 - Wages & Benefits - 2025 Maternity Leave Salaries were unbudgeted, Financial Analyst not budgeted for 12 months in 2025, Customer Service Rep Split in 2026 40% Finance, 50% Clerks, 10% Recreation (80% Finance in 2025)
 - **(\$47,040) Increase to Revenue - Tax Registrations**
 - \$6,700 in Audit Fees (Agreement with KPMG)
 - Increased Contribution to Capital

Total Capital Budget

\$6,000

- \$6,000 - Computers (Taxation)

Additional Item for Consideration	Amount	Impact on Tax Rate
Contribution to Reserves - Financial System	\$25,000	0.17%

Operating & Capital Budget:

Administration/HR/IT

Total Operating Budget

\$1,090,537

- **\$45,816** Operating Increase Year Over Year
 - \$3,250 Telephone & Internet Charges
 - **\$12,750** Computer & Contracted Services
 - \$22,003 Insurance
 - Reduction in Legal Fees
 - Wages & Benefits

Total Capital Budget

\$223,443

- \$2,500 - Office Furniture (Taxation)
- \$220,943 - Contribution to Reserves (Taxation)

Additional Item for Consideration	Amount	Impact on Tax Rate
Contribution to Reserves	\$500,000	3.45%
Pay Administration Strategy Update	\$27,000	0.19%

Operating & Capital Budget:

Planning

Total Operating Budget

\$249,903

- **\$11,453** Decrease Year Over Year
 - (\$13,800) Increase in Revenue - Proposed Fee Increase
 - Wages & Benefits
- **\$1,020 Computer Services Increase**

Total Capital Budget

\$30,000

- \$30,000 - Zoning By-Law Review (Development Charges) - 2025 Carry Forward Item

Economic Development

Total Operating Budget

\$253,123

- **\$29,557** Increase Year Over Year
 - \$30,000 Increase to Capital Contribution
 - \$2,000 Advertising
 - \$700 Professional Development
 - Wages & Benefits
 - \$10,000 Chamber of Commerce to be Funded through Community Funds

Total Capital Budget

\$70,000

- \$40,000 - Dundalk Revitalization (50% Reserves/ 50% ROD Funding - *Pending Approval*)
- \$20,000 - Contribution to Reserves - CIP (Taxation)
- \$10,000 - Entry Signage (Taxation)

Operating & Capital Budget:

Clerks

Total Operating Budget

\$430,943

- **\$127,851** Increase Year Over Year Net-Impact
 - \$88,600 - Legislative Coordinator (New Position)
 - Wages & Benefits - 50% of Customer Services Position (20% in 2025), Step increases and COLA
 - (\$4,500) Increase in Marriage Ceremony Revenues
 - **\$11,148** Legal Fees, Computer Services
 - \$6,450 Professional Development - Attended Conference Virtual in 2025

Total Capital Budget

\$3,500

- Laptop/Tech for New Position (Taxation)

Operating & Capital Budget:

Council

Total Operating Budget

- \$5,629 Decrease Year Over Year
 - Reduction in Capital Contribution

\$295,400

Total Capital Budget

- \$12,500 Contribution to Election Reserves - 2030 (Taxation)
- \$15,000 Council Laptops (\$11,250 Reserves, \$3,750 Taxation)
- \$40,000 Election (Reserves)

\$67,500

Operating & Capital Budget:

Building

Total Operating Budget

\$669,983

- \$246,305 - Year Over Year Decrease (Transfer from Reserves)
 - (\$100,000) Legal Fees - Decreased Litigation
 - (\$72,000) Reduction in Capital Contribution
 - (\$15,000) Reduction - Contract Fees
 - \$68,500 Revenue Reduction on Building Permits
 - Wages & Benefits Decrease - Remove Position - Inspector

Total Capital Budget

\$3,000

- Laptop

***Building Department budget is \$0 impact to Taxation as it is funded through fees**

Operating & Capital Budget:

By-Law & Canine

By-Law

Total Operating Budget -

- **\$25,202** Decrease Year Over Year
 - (\$28,000) Legal - Decreased Litigation
 - **\$530 Computer Services**

Total Capital Budget -

- \$5,000 Contribution to Reserve - Vehicle (Taxation)
- \$1,000 Tablet for Unit #314 (Taxation)

\$295,370

\$6,000

Canine

Total Operating Budget -

- \$800 Decrease Year Over Year
 - (\$11,200) - MSS at 30 hours/week
 - \$3,000 Pound Service
 - \$3,300 Legal

Total Capital Budget -

- \$0

\$41,300

\$0

Operating & Capital Budget:

Fire & Emergency Management

Total Operating Budget

\$878,220

- **\$107,329** Decrease - Year Over Year
 - Wages & Benefits
 - **\$10,550** Contracted Services, Computer Services, Legal Fees
 - \$10,000 Building Maintenance
 - (\$135,032) Reduction in Capital Contribution - No Reserve Contribution

Total Capital Budget

\$62,800

- \$34,200 SCBA Air Bottle Replacements (Taxation)
- \$7,500 SCBA Air Pack Retrofit (Taxation)
- \$3,100 PPE (Taxation)
- \$3,000 Computer (Taxation)
- \$10,000 Cascade Bottles (Taxation)
- \$5,000 Grey County Radio Reserve (Taxation)

Additional Item for Consideration	Amount	Impact on Tax Rate
Contribution to Reserves	\$100,000	0.69%

Operating & Capital Budget:

Library

Total Operating Budget

\$626,935

- **\$73,636** Increase - Year over Year
 - \$57,500 - Increase in Capital Contributions
 - \$11,900 Wages & Benefits - Program Assistant Increase
 - **\$2,790** Increase Computer Services

Total Capital Budget

\$94,500

- \$27,500 Library Collections - Replacements & Growth (\$15,000 funded through DCs)
- \$5,000 Computers (Taxation)
- \$2,000 Furniture (Taxation)
- \$60,000 - Contribution to Reserves (Taxation)

Item for Consideration	Amount	Impact on Tax Rate
Contribution to Reserves	\$100,000	0.69%
Community Outreach Position (30 hours)	\$47,400	0.33%

Operating & Capital Budget:

Recreation & Culture

Total Operating Budget

\$811,862

- **\$43,049** Increase Year Over Year
 - **\$25,150** Computer Services
 - Debit Terminal at Arena
 - Recreation/Facility Management Software Implementation (\$8,000-\$11,000/year for five years, \$12,000 Set-up fee to be funded through Recreation Reserves)
 - Increase in Infinity Costs - Current & New Position
 - (\$5,350) Decrease in Yard Maintenance - Will be Completed by New Position
 - Wages & Benefits - Step Increases, COLA
 - \$87,869 New Position
 - Increase in Revenues
 - 2nd Year of North Wellington Aquatic Funding - 5-years of \$50,000/year funded through Reserves (Community Funds)

Total Capital Budget

\$643,500

- \$300,000 Sports Field Development (DCs)
- \$100,000 Sports Field Development Study (\$75,000 DCs, \$25,000 Taxation)
- \$10,000 Contribution to Rural Reserves (Taxation)
- \$125,000 Contribution to Infrastructure Reserve (Taxation)
- \$3,500 Laptop & Tech for New Position (Reserves)
- \$80,000 Parkland Developments (Development Charges)
- \$50,000 Flooring for Auditorium (Reserves)

Operating Budget:

Public Works - Roads & Solid Waste Roads

Total Operating Budget

\$8,272,302

- **\$1,303,684 Increase - Year Over Year**
 - **\$885,041** Contribution to Roads Capital/Debt Repayment
 - Increases to Materials, Supplies & Fuel
 - \$86,990 Wages & Benefits
 - Promote Operator to Team Leader, Transfer to Dedicated WRDM/Roads Admin, Add Casual Operator, add \$10,000 for On-Call Pay for Snowplow Operators
 - \$150,000 SRD 75 Municipal Drainage
 - \$50,000 Added for Additional Salt & Sand

Waste Resources and Diversion Management

Total Operating Budget

\$999,498

- **\$89,514 Increase - Year Over Year**
 - \$84,591 - Wages & Benefits
 - Manager + Roads/Waste Admin Reallocation of Wages
 - Step Increases & COLA
 - **\$16,742 - Additional 2 Hours/Transfer Station**
 - (\$16,500) Increase in Revenue (Fee/Tipping/Blue Cart Contract)

Item for Consideration	Amount	Impact on Tax Rate
Addition of Team Leader (Holstein)	\$77,620	0.54%

Item for Consideration	Amount	Impact on Tax Rate
Collection Truck - 50% Deposit	\$275,000	1.90%

Roads Capital

Project	Amount	Funding Source
Roads		
Asphalt Approaches to Bridges	\$35,000	Taxation (\$24,550), CCBF (\$10,450)
12 G8-21 CIP with DST	\$275,000	CCBF
Main St West Reconstruction & Sidewalks	\$4,931,000	Grey County (\$3,150,000), Debt Issuance - Payments in 2027 (\$1,781,000)
Contribution to Reserves	\$220,943	Taxation
SDRD 71 Culvert Replacements	\$200,000	Taxation
03 08-G9 CIP Pave 50mm	\$2,000,000	Reserves (\$500,000), DCs (\$880,000), Debt Issuance - Payments in 2027 (\$620,000)
S36 - SDRD 71 Replacement	\$200,000	Taxation
S125 - Dual Culverts	\$200,000	Taxation
Bradley/Highpoint	\$66,000	Taxation (\$36,960), DCs (\$29,040)
Artemesia Townline Proton Station - HWY 10	\$350,000	Taxation
Osprey Street Construction	\$4,106,016	HECS Grant/DCs
Dundalk Sidewalks	\$30,000	Taxation (\$16,800), DCs (\$13,200)
SDRD 39 Micro Surfacing	\$82,000	Taxation
Wilders Lake Road Micro Surfacing	\$150,000	Taxation
SDRD 41 Micro Surfacing	\$22,000	Taxation
Sand Dome Replacement - Holstein	\$376,504	Taxation
S033 Bridge Replacement	\$200,000	Taxation
Victoria Street - Debt Payment - Principal & Interest	\$824,638	Taxation

Roads Capital - Continued

Project	Amount	Funding Source
Street Lights		
Debt Payment - Principal & Interest	\$14,437	Taxation
Storm Drains		
Braemore Storm Works	\$149,000	Taxation
Debt Payment - Principal & Interest	\$64,028	Taxation
Signs	\$16,500	Taxation
Equipment		
Backhoe	\$300,000	Taxation
Single Axel Plow Truck	\$300,000	Taxation (\$275,000), Sale of Asset (\$25,000)
Tandem Plow Truck (50% Deferred from 2025 Budget)	\$215,000	Taxation (\$135,000), Winter Maintenance Reserve (\$50,000), Sale of Asset (\$30,000)
Pickup Truck (Deferred from 2025 Budget)	\$60,000	Taxation (\$50,000), Sale of Asset (\$10,000)
Trackless Boom Mower	\$55,000	Taxation
SUV for Dundalk Depot (Shared Roads/Water/Wastewater)	\$45,000	Taxation (\$11,250), Water/Wastewater Reserves (\$33,750)

Operating Budget:

Public Works - Water & Wastewater

Water

Total Operating Budget

\$1,393,092

- **\$20,717** Decrease - Year Over Year
 - \$142,722 Increase in Debt Repayments - Water Tower & Victoria Street
 - \$63,400 Increase in Repairs/Maintenance & Materials - Water Meters nearing end-of-life (15-20 year life expectancy)
 - (\$22,500) Decrease in Write-offs (New Process Implemented in 2025 to Eliminate Need to do so)
 - (\$14,500) Increase in Revenues - Residential/Commercial
 - Wages & Benefits - Promotion of Operator to Team Leader, Added Operator for 6 Months, Transfer of Dedicated Water Operations Admin

Wastewater

Total Operating Budget

\$1,107,110

- **\$67,110** Increase- Year Over Year Net-Impact
 - \$20,000 Lagoon Professional Services
 - \$10,000 Collection System Review Study
 - **\$3,910** Computer Services
 - Wages & Benefits - Promotion of Operator to Team Leader, Added Operator for 6 Months, Transfer of Dedicated Water Operations Admin
 - (\$67,000) Increase in Revenues - Residential/Commercial/Frontage Connections

Currently Watson's is completing a Water/Wastewater Rate study

****Water/Wastewater Department budgets are \$0 impact to taxation as they are fee based****

Operating Budget:

Public Works - Cemetery & Crossing Guards

Cemetery

Total Operating Budget

\$70,933

- \$25,883 Year Over Year Net-Impact
 - \$9,768 Wages & Benefits - Increase of Hours - Admin and Management, Step Increases, COLA
 - \$2,000 Assumed Cemeteries
 - \$1,500 Audit Fees - Not budgeted under Cemetery in 2025
 - \$1,500 Machine Rentals
 - **\$500 Membership Fees**

Crossing Guards

Total Operating Budget

\$27,098

- \$6,748 - Year Over Year Net-Impact
 - Wages & Benefits - Crossing Guard Management, Step Increases and COLA

Capital Budget - Public Works

Department	Items	Total \$	Funding
Roads	<ul style="list-style-type: none"> Street Lights Storm Drains Roads Signs Equipment 	<ul style="list-style-type: none"> \$14,437 \$213,028 \$14,269,101 \$16,500 \$975,000 TOTAL \$15,488,066 	<ul style="list-style-type: none"> Taxation (Debt Repayment) Taxation (\$64,028 Debt Repayment) Reserves (\$500,000), Restricted Reserves (\$3,219,956), Grants (\$2,093,750), Donations from Others (\$3,150,000 Grey County) Taxation (\$2,904,395), Debt Issuance (\$2,401,000) Taxation Winter Maintenance Reserve (\$50,000), Sale of Assets (\$65,000), Taxation (\$826,250), Water Contribution for Shared Vehicle (\$33,750)
Waste Resource & Diversion Management	<ul style="list-style-type: none"> 2003 System Start-Up - Final Dundalk Transfer Station Upgrades - 2025/2026 Holstein Transfer Station Upgrades New Roll-Off Bin Tarp System 1-50 Yard - Over Budget in 2025 Covered Bin - 40-Yard 	<ul style="list-style-type: none"> \$41,687 \$382,480 (Adding to \$517,520 in 2025 Budget) \$50,000 \$6,300 \$25,000 TOTAL \$505,467 	<ul style="list-style-type: none"> Taxation (Debt Repayment) Development Charges (60% of Project - \$229,488), Taxation (\$152,992) Taxation (\$43,100), Restricted Reserves (\$6,900) Taxation Taxation
Cemetery	<ul style="list-style-type: none"> Zero-Turn Lawn Mower - 2025 Iron Fence Along Columbarium Contribution to Reserves 	<ul style="list-style-type: none"> \$10,000 \$10,000 \$5,000 	<ul style="list-style-type: none"> Reserves Reserves Taxation
Wastewater	<ul style="list-style-type: none"> Main St West Sewer Install SCADA Technology (from 2024) Osprey St Sanitary Upgrade Shared Vehicle - Roads/Wtr/WW Sewage Treatment Facility Upgrade - from 2025 Budget - \$1.5M Increase (\$4.75M, now \$6.25M) 	<ul style="list-style-type: none"> \$255,500 \$468,200 \$189,500 \$16,875 \$6,251,534 TOTAL \$7,184,609 	<ul style="list-style-type: none"> Reserves/Restricted Reserves Restricted Reserves Reserves/Restricted Reserves Reserves \$3.46M Grants, \$2.79M Restricted Reserve (DCs @ 90%)
Water	<ul style="list-style-type: none"> Well D5/Main Street Water Tower Ida St. S Victoria to Hanbury Main St. W Watermain Osprey St Watermain Upgrade Well D3 Fire System Upgrade Shared Vehicle - Roads/Wtr/WW Misc. Equipment Laptop 	<ul style="list-style-type: none"> \$342,472 \$107,761 \$34,963 \$1,070,000 \$127,500 \$500,000 \$16,875 \$2,000 \$3,000 TOTAL \$2,204,571 	<ul style="list-style-type: none"> Debt Repayment: Reserves (\$127,001), Restricted Reserves (\$215,471) Debt Repayment: Reserves (\$31,251), Restricted Reserves (\$76,510) Debt Repayment: Reserves Debt Issuance - DC Eligible- 10%/90% Debt Issuance - DC Eligible - 10%/90% Debt Issuance Reserves Reserves Reserves

Capital Budget - Public Works

Items for Consideration

Items for Consideration	Amount	Impact on Tax Rate
49 G9-26 DST 367, 368, 458, 459-Padding	\$420,000	2.90%
Contribution to Reserves	\$500,000	3.45%
Total Roads		6.35%

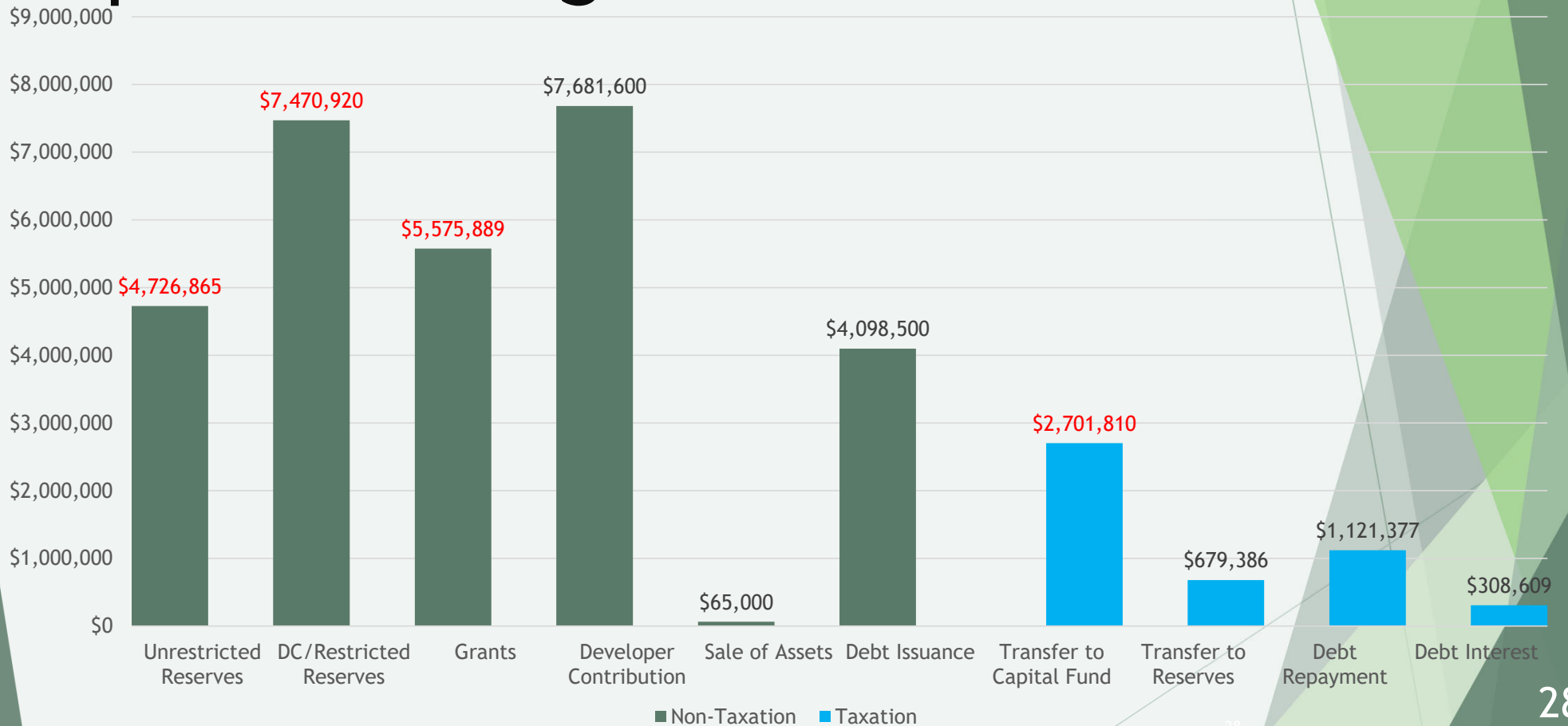
Capital Budget - Remaining Departments

Department	Items	Total \$	Funding
Finance	<ul style="list-style-type: none"> Computers 	<ul style="list-style-type: none"> \$6,000 	<ul style="list-style-type: none"> Taxation
Clerks/Council	<ul style="list-style-type: none"> Laptop/Tech for New Position Contribution to Reserve - 2030 Election Council Laptops Election - 2026 	<ul style="list-style-type: none"> \$3,500 \$12,500 \$15,000 \$40,000 	<ul style="list-style-type: none"> Taxation Taxation Taxation (\$3,750)/Reserves (\$11,250) Reserves
Administration	<ul style="list-style-type: none"> Computers/Office Furniture Contribution to Infrastructure Reserve 	<ul style="list-style-type: none"> \$5,000 \$220,943 	<ul style="list-style-type: none"> Taxation Taxation
Planning	<ul style="list-style-type: none"> Zoning By-Law Review 	<ul style="list-style-type: none"> \$30,000 	<ul style="list-style-type: none"> Reserves/Restricted Reserves
Building & By-Law	<ul style="list-style-type: none"> Contribution to Reserves - Vehicle Tablet Computer 	<ul style="list-style-type: none"> \$5,000 \$1,000 \$3,000 	<ul style="list-style-type: none"> Taxation Taxation Building Reserve
Economic Development	<ul style="list-style-type: none"> Dundalk Revitalization (Renderings) CIP - Contribution to Reserves Entry Signage - Dundalk West & East 	<ul style="list-style-type: none"> \$40,000 \$20,000 \$10,000 	<ul style="list-style-type: none"> 50% Res/50% ROD Funds - <i>Pending Approval</i> Taxation Taxation
Industrial Land	<ul style="list-style-type: none"> HWY 10 Bypass Rd - Construction (Carried forward from 2024/2025) 	<ul style="list-style-type: none"> \$3,280,400 (Share of \$7,812,000 in 2026) Remainder of Project in 2027 Completion; Total Project Estimated Cost \$13,467,540 	<ul style="list-style-type: none"> 2025 Portion Funded through Reserves (2023 Land Sales) \$4,531,600 Funded by Developer in 2026 (Total Developer Funding \$7,282,745)

Capital Budget - Remaining Departments - Continued

Department	Items	Total \$	Funding
Fire	<ul style="list-style-type: none"> • Bunker Gear • SCBA Air Bottle Replacement • SCBA Air Pack Retrofit • Computer • Grey County Radio Reserve • Cascade Bottles 	<ul style="list-style-type: none"> • \$3,100 • \$34,200 • \$7,500 • \$3,000 • \$5,000 • \$10,000 	<ul style="list-style-type: none"> • Taxation • Taxation • Taxation • Taxation • Taxation • Taxation
Recreation	<ul style="list-style-type: none"> • Computer & Tech • Sports Field Development Study • Sports Field Development • Auditorium Sport Flooring • Playground Equipment • Norm Jack Park Development • Contribution to Reserves (Rural/Infrastructure) 	<ul style="list-style-type: none"> • \$3,500 • \$100,000 • \$300,000 • \$45,000 • \$50,000 • \$10,000 • \$135,000 	<ul style="list-style-type: none"> • Reserves • Restricted Reserves 75%/Reserves 25% • Restricted Reserves • Reserves • Restricted Reserves • Restricted Reserves • Taxation
Library	<ul style="list-style-type: none"> • Library Collection (Replace & Growth) • Equipment/Furniture • Contribution to Reserves 	<ul style="list-style-type: none"> • \$27,500 • \$7,000 • \$60,000 	<ul style="list-style-type: none"> • Restricted Reserves (\$15,000), Taxation (\$12,500) • Taxation • Taxation

Capital Funding Sources



Taxpayer (Homeowner) Impact - Southgate Rate



\$94.91/year

On average home
assessment of \$285,734

\$33.22/year

For every \$100,000 of
Assessment Value



\$7.91/month

On average home
assessment of \$285,734

\$2.77/month

For every \$100,000 of
Assessment Value



3.17% Increase

In the Southgate Tax Rate

Taxpayer (Homeowner) Impact - Blended Rate



\$151.97/year

On average home
assessment of \$285,734

\$53.19/year

For every \$100,000 of
Assessment Value



\$12.66/month

On average home
assessment of \$285,734

\$4.43/month

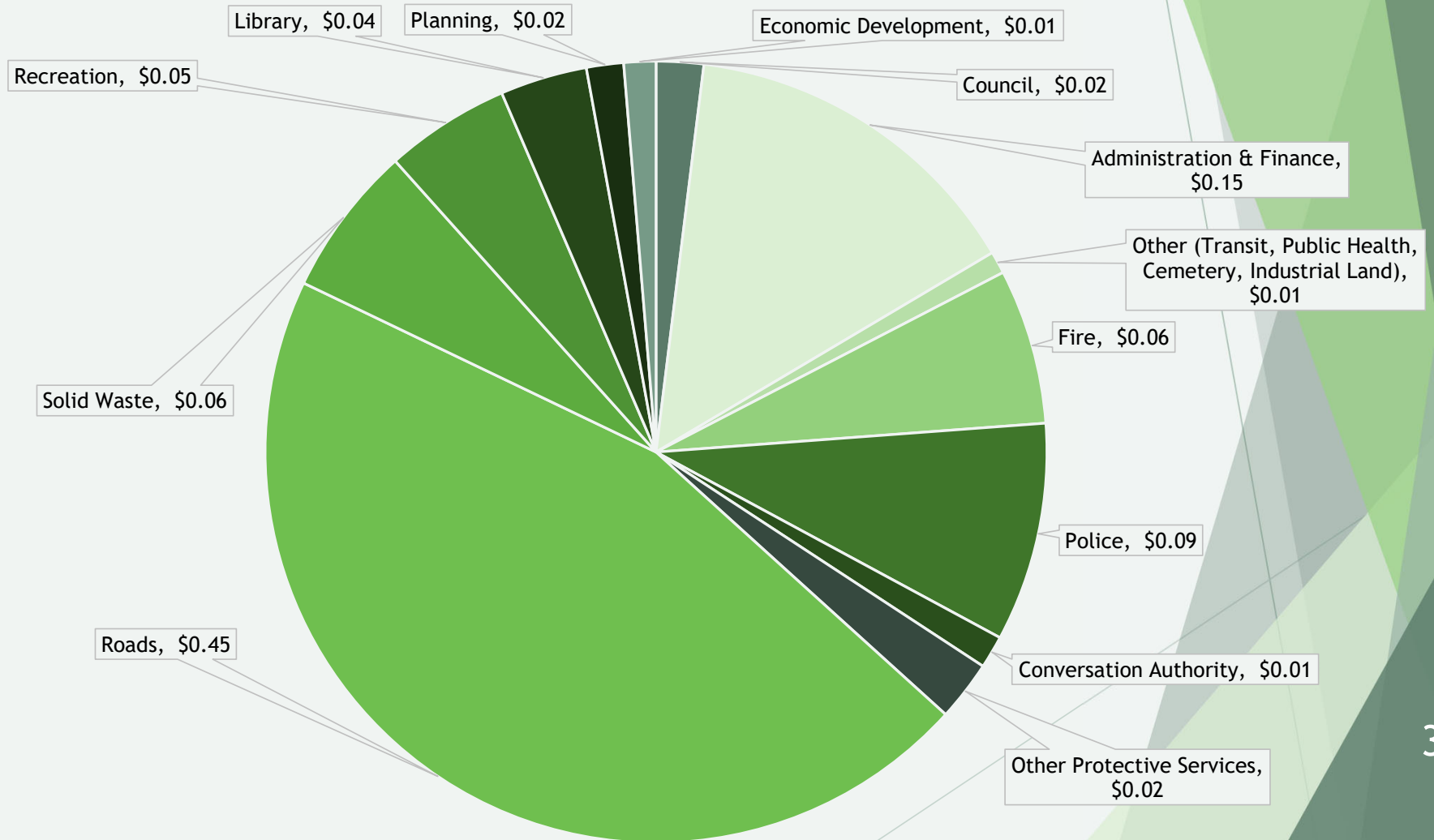
For every \$100,000 of
Assessment Value



3.29% Increase

In the Southgate Tax Rate

Departmental Breakdown per \$1 of Taxation



General Reserves

2026	Beginning	IN	OUT	Ending
Tax Stabilization & Working Funds	\$1,158,508	\$0	-\$137,354	\$1,021,154
Reserves - Working Purposes	\$5,184,884	\$32,500	-\$3,535,812	\$1,681,572
Reserves - Capital Purposes	\$9,578,627	\$959,639	-\$1,003,001	\$9,535,265
Reserve Funds	\$508,696	\$75,000	-\$82,500	\$501,196
Obligatory Reserves	\$10,853,392	\$535,450	-\$6,926,210	\$4,462,632
Total	\$27,284,105	\$1,602,589	-\$11,684,877	\$17,201,817

Community Funds

2026	Beginning	IN	OUT	Ending
<i>Community Enhancement - Dundalk (Royalties)</i>	\$180,085	\$49,000		
North Wellington Aquatic Centre Commitment - 5-Years (2 nd Year)			-\$25,000	
South East Grey			-\$25,000	
Economic Development - Dundalk Revitalization Renderings			-\$20,000	
Policy #3 - Grants/Donations			-\$12,500	
Chamber of Commerce - Final Year of Agreement			-\$10,000	
Projected Ending Balance				\$136,585
<i>Southgate Community Vibrancy Fund (Solar)</i>	\$270,032	\$75,000		
North Wellington Aquatic Centre Commitment - 5-Years (2 nd Year)			-\$25,000	
Policy #3 - Grants/Donations			-\$12,500	
Projected Ending Balance				\$307,532

Debenture Summary

Loan	Payment Amount	Outstanding Balance	Maturity Date
Infrastructure Ontario	\$420,937	\$1,598,096	12-16-2029
Infrastructure Ontario - 2026 Loan A	\$859,600	\$5,722,402	10-15-2035
Infrastructure Ontario - 2026 Loan B	\$107,760	\$1,108,379	10-15-2045
Waste Loan - Final Payment 2026	\$41,687		
<i>Proposed Debt (2026 Issuance, 2027 1st Payment)</i>			
Water - Main Street West Water Main (Partially repaid through DCs, remainder through Water Reserve)		\$1,070,000	12-15-2046
Water - Osprey St Water Main (Partially repaid through DCs, remainder through Water Reserve)		\$127,500	12-15-2036
Water - Well D3 Fire System Upgrade (repaid through Water Reserve)		\$500,000	12-15-2036
Roads - Main Street West Reconstruction (Partially repaid through DCs, remainder through Taxation)		\$1,781,000	12-16-2036
Roads - 03 08-G9 CIP Pave 50 mm (Partially repaid through DCs, remainder through Taxation)		\$620,000	12-16-2036
Total	\$1,429,984	\$12,527,377	

Ontario Annual Repayment Limit (ARL)

= Own Source Revenues x 25%
(Limit for Annual Debt Principal & Interest Payments)

**\$15,323,310 x 25% =
\$3,830,828**

Debenture Summary - 10-Year Outlook

			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Own Source Revenues			\$ 15,323,310	\$ 15,476,543	\$ 15,631,309	\$ 15,787,622	\$ 15,945,498	\$ 16,104,953	\$ 16,266,002	\$ 16,428,662	\$ 16,592,949	\$ 16,758,878	\$ 16,926,467
25% Annual Limit			\$ 3,830,828	\$ 3,869,136	\$ 3,907,827	\$ 3,946,905	\$ 3,986,374	\$ 4,026,238	\$ 4,066,501	\$ 4,107,166	\$ 4,148,237	\$ 4,189,720	\$ 4,231,617
Project Description	Lender	Maturity Date											
For demonstration purposes only:													
Current Annual Payments:													
Well D5 - Water	IO	12-16-2029	-\$ 215,471	-\$ 215,471	-\$ 215,471	-\$ 215,471							
Main Street East - Water	IO	12-16-2029	-\$ 127,001	-\$ 127,001	-\$ 127,001	-\$ 127,001							
Main Street East - Roads	IO	12-16-2029	-\$ 64,028	-\$ 64,028	-\$ 64,028	-\$ 64,028							
LED Streetlighting	IO	12-16-2029	-\$ 14,436	-\$ 14,436	-\$ 14,436	-\$ 14,436							
Waste Loan	CIBC	03-01-2026	-\$ 41,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Victoria Street - 2025 Issuance through IO (Water & Road)	IO	10-15-2035	-\$ 859,601	-\$ 836,648	-\$ 814,198	-\$ 790,741	-\$ 767,788	-\$ 744,835	-\$ 722,133	-\$ 698,929	-\$ 675,975	-\$ 653,023	
Water - Dundalk Water Tower	IO	10-15-2045	-\$ 107,761	-\$ 105,258	-\$ 102,879	-\$ 100,253	-\$ 97,750	-\$ 95,248	-\$ 92,841	-\$ 90,242	-\$ 87,740	-\$ 85,237	-\$ 82,803
Total Proposed Payments (Previous/Future Budget Items):													
Industrial Land - HWY 10 Bypass Road (2027 Budget Item)	IO	12-16-2037			-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801	-\$ 155,801
Water - Main St W Water Main (2026 Budget Item)	IO	12-16-2046		-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230	-\$ 78,230
Water - Osprey St Water Main (2026 Budget Item)	IO	12-16-2036		-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594	-\$ 15,594
Water - Well D3 Fire System Upgrade (2026 Budget Item)	IO	12-16-2036		-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156	-\$ 61,156
Water - Well D6 (2028 Budget Item)	IO	12-16-2038				-\$ 497,952	-\$ 497,952	-\$ 497,952	-\$ 497,952	-\$ 497,952	-\$ 497,952	-\$ 497,952	-\$ 497,952
Wastewater - Ida & Eco Pumping Station (2027 Budget Item)	IO	12-16-2037			-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442	-\$ 192,442
Wastewater - Ida N-Gleneg Sewer (2030 Budget Item)	IO	12-16-2040						-\$ 128,294	-\$ 128,294	-\$ 128,294	-\$ 128,294	-\$ 128,294	-\$ 128,294
Wastewater - Glenelg Sewers (2032 Budget Item)	IO	12-16-2042							-\$ 128,294	-\$ 128,294	-\$ 128,294	-\$ 128,294	-\$ 128,294
Recreation - Community Centre Facility (2035 Budget Item)	IO	12-16-2048											-\$ 667,456
Admin - Admin Building (2027 Budget Item)	IO	12-16-2038		-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344	-\$ 520,344
Roads - Main St West Reconstruction (2026 Budget Item)	IO	12-16-2036		-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840	-\$ 217,840
Roads - 03 08-G9 CIP Pave 50mm (2026 Budget Item)	IO	12-16-2036		-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834	-\$ 75,834
Roads - 71-TL-26 CIP overlay 50mm (2027 Budget Item)	IO	12-16-2038			-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314	-\$ 122,314
Roads - 22-03 Dromore Construct Pave (2030 Budget Item)	IO	12-16-2041						-\$ 161,710	-\$ 161,710	-\$ 161,710	-\$ 161,710	-\$ 161,710	-\$ 161,710
Total Proposed Payment													
			-\$ 1,429,986	-\$ 2,331,841	-\$ 2,777,569	-\$ 3,249,438	-\$ 2,803,045	-\$ 3,067,594	-\$ 3,042,485	-\$ 3,144,976	-\$ 3,119,520	-\$ 3,094,065	-\$ 3,106,064
Difference to Annual Repayment Limit													
			\$ 2,400,842	\$ 1,537,295	\$ 1,130,258	\$ 697,468	\$ 1,183,329	\$ 958,644	\$ 1,024,016	\$ 962,190	\$ 1,028,717	\$ 1,095,655	\$ 1,125,553

Thank you & Questions ?

Council Presentation
January 21, 2026



Township of
th gate