



# 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%             |
| <b>Total</b>   |  | <b>5.45%</b>      |

| Summary of Changes: Draft 1 to Draft 2 to Draft 3                  | Amount     | Impact on Tax Rate - Southgate Rate |
|--|------------|-------------------------------------|
| <b>Draft 1</b>   |            | <b>5.11%</b>                        |
| 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%                              |
| <b>Draft 2</b>   |            | <b>1.61%</b>                        |
| 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%                              |
| <b>Draft 3</b>   |            | <b>3.17%</b>                        |

# 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%              |
| <b>Total Additional Items</b>   |           | <b>14.31%</b>      |

# Asset Management Plan

December 3<sup>rd</sup> 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 <i>Draft 3</i> (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

- **\$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

**\$1,090,537**

### Total Capital Budget

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

**\$223,443**

| 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

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

**\$249,903**

### Total Capital Budget

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

**\$30,000**

## Economic Development

### Total Operating Budget

- **\$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

**\$253,123**

### Total Capital Budget

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

**\$70,000**

# 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** \$295,400

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

**Total Capital Budget** \$67,500

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

# 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

**\$295,370**

#### Total Capital Budget -

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

**\$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

**\$41,300**

#### Total Capital Budget -

- \$0

**\$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
  - 2<sup>nd</sup> 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

- **\$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

- **\$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  |
| <b>S033 Bridge Replacement</b>                        | <b>\$200,000</b> | <b>Taxation</b>   |
| 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

- **\$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

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

### Wastewater

#### Total Operating Budget

- **\$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

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

# 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%              |
| <b>Total Roads</b>                      |           | <b>6.35%</b>       |

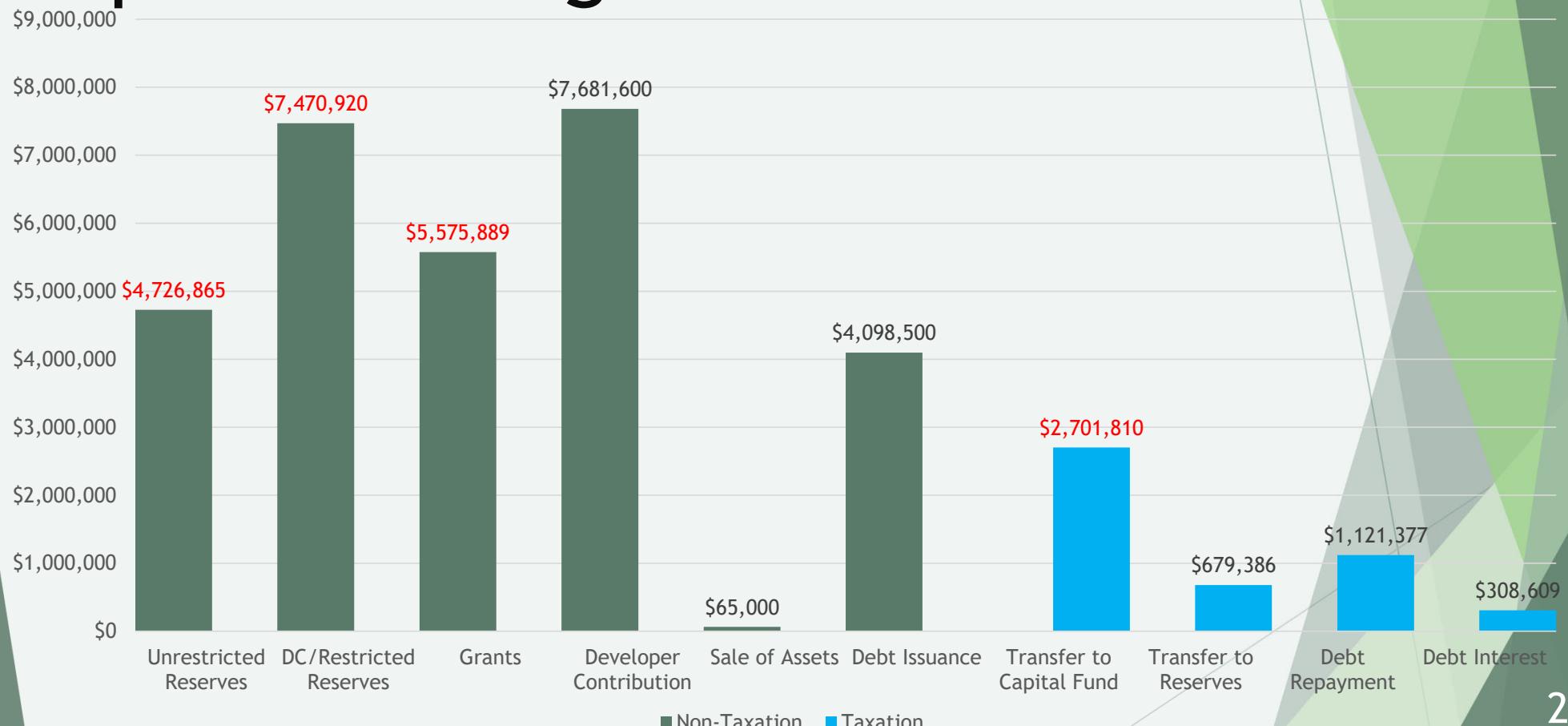
# Capital Budget - Remaining Departments

| Department           | Items   | Total \$   | Funding   |
|----------------------|---|--|---|
| Finance              | • Computers   | • \$6,000  | • Taxation  |
| Clerks/Council       | • Laptop/Tech for New Position<br>• Contribution to Reserve - 2030 Election<br>• Council Laptops<br>• Election - 2026 | • \$3,500<br>• \$12,500<br>• \$15,000<br>• \$40,000  | • Taxation<br>• Taxation<br>• Taxation (\$3,750)/Reserves (\$11,250)<br>• Reserves  |
| Administration       | • Computers/Office Furniture<br>• Contribution to Infrastructure Reserve  | • \$5,000<br>• \$220,943   | • Taxation<br>• Taxation  |
| Planning             | • Zoning By-Law Review  | • \$30,000   | • Reserves/Restricted Reserves  |
| Building & By-Law    | • Contribution to Reserves - Vehicle<br>• Tablet<br>• Computer  | • \$5,000<br>• \$1,000<br>• \$3,000  | • Taxation<br>• Taxation<br>• Building Reserve  |
| Economic Development | • Dundalk Revitalization (Renderings)<br>• CIP - Contribution to Reserves<br>• Entry Signage - Dundalk West & East    | • \$40,000<br>• \$20,000<br>• \$10,000   | • 50% Res/50% ROD Funds - <i>Pending Approval</i><br>• Taxation<br>• Taxation   |
| Industrial Land      | • HWY 10 Bypass Rd - Construction (Carried forward from 2024/2025)  | • \$3,280,400 (Share of \$7,812,000 in 2026)<br>• Remainder of Project in 2027 Completion; Total Project Estimated Cost \$13,467,540 | • 2025 Portion Funded through Reserves (2023 Land Sales)<br>• \$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"> <li>• Bunker Gear</li> <li>• SCBA Air Bottle Replacement</li> <li>• SCBA Air Pack Retrofit</li> <li>• Computer</li> <li>• Grey County Radio Reserve</li> <li>• Cascade Bottles</li> </ul>  | <ul style="list-style-type: none"> <li>• \$3,100</li> <li>• \$34,200</li> <li>• \$7,500</li> <li>• \$3,000</li> <li>• \$5,000</li> <li>• \$10,000</li> </ul>                           | <ul style="list-style-type: none"> <li>• Taxation</li> <li>• Taxation</li> <li>• Taxation</li> <li>• Taxation</li> <li>• Taxation</li> <li>• Taxation</li> </ul>  |
| Recreation | <ul style="list-style-type: none"> <li>• Computer &amp; Tech</li> <li>• Sports Field Development Study</li> <li>• Sports Field Development</li> <li>• Auditorium Sport Flooring</li> <li>• Playground Equipment</li> <li>• Norm Jack Park Development</li> <li>• Contribution to Reserves (Rural/Infrastructure)</li> </ul> | <ul style="list-style-type: none"> <li>• \$3,500</li> <li>• \$100,000</li> <li>• \$300,000</li> <li>• \$45,000</li> <li>• \$50,000</li> <li>• \$10,000</li> <li>• \$135,000</li> </ul> | <ul style="list-style-type: none"> <li>• Reserves</li> <li>• Restricted Reserves 75%/Reserves 25%</li> <li>• Restricted Reserves</li> <li>• Reserves</li> <li>• Restricted Reserves</li> <li>• Restricted Reserves</li> <li>• Taxation</li> </ul> |
| Library    | <ul style="list-style-type: none"> <li>• Library Collection (Replace &amp; Growth)</li> <li>• Equipment/Furniture</li> <li>• Contribution to Reserves</li> </ul>  | <ul style="list-style-type: none"> <li>• \$27,500</li> <li>• \$7,000</li> <li>• \$60,000</li> </ul>  | <ul style="list-style-type: none"> <li>• Restricted Reserves (\$15,000), Taxation (\$12,500)</li> <li>• Taxation</li> <li>• Taxation</li> </ul>   |

# 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**

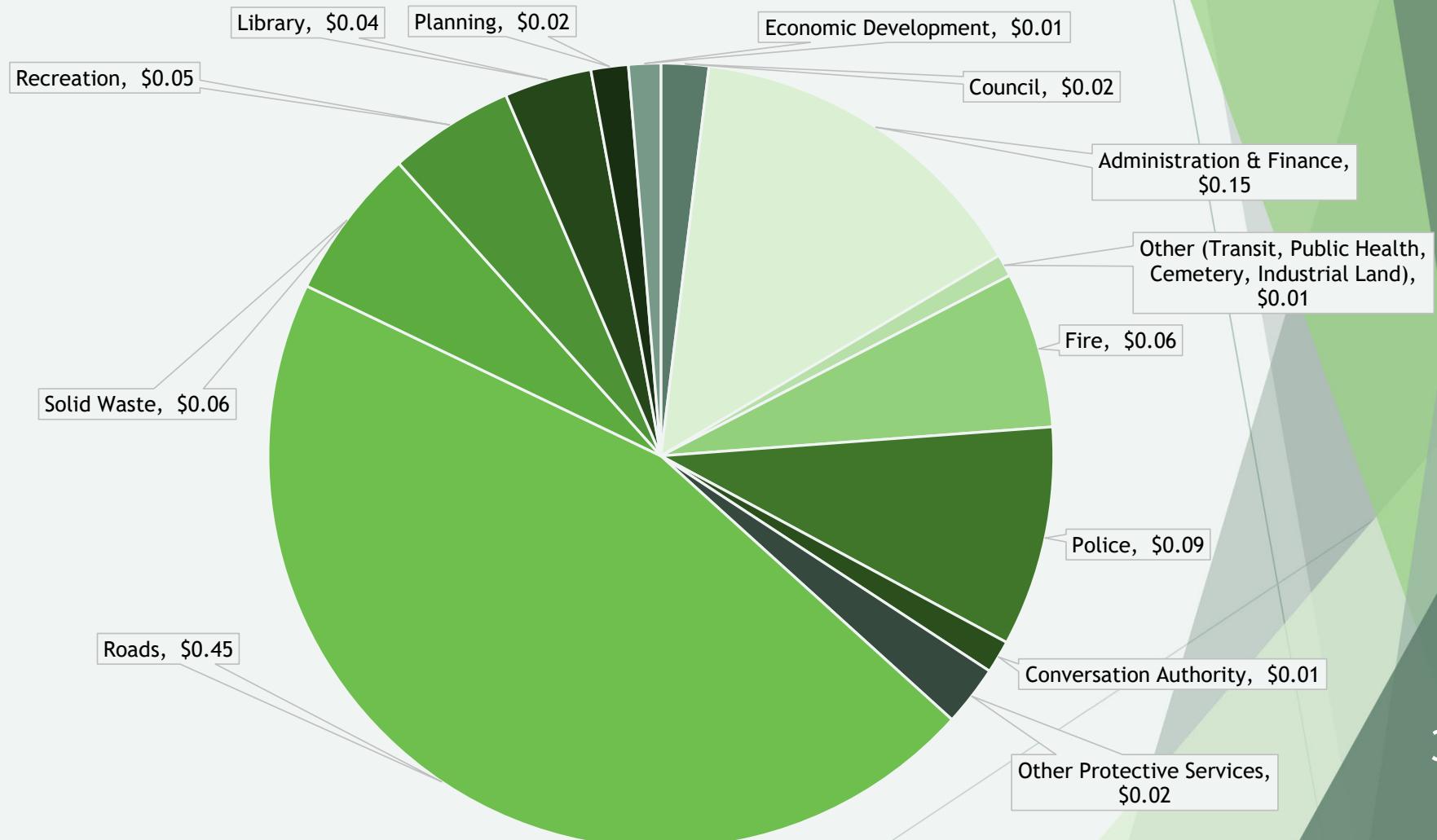
For every \$100,000 of  
Assessment Value



**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         |
| <b>Total</b>                      | <b>\$27,284,105</b> | <b>\$1,602,589</b> | <b>-\$11,684,877</b> | <b>\$17,201,817</b> |

# Community Funds

| 2026  | Beginning | IN       | OUT       | Ending    |
|---|-----------|----------|-----------|-----------|
| <b>Community Enhancement - Dundalk (Royalties)</b>                          | \$180,085 | \$49,000 |           |           |
| North Wellington Aquatic Centre Commitment - 5-Years (2 <sup>nd</sup> 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 |
|   |           |          |           |           |
| <b>Southgate Community Vibrancy Fund (Solar)</b>                            | \$270,032 | \$75,000 |           |           |
| North Wellington Aquatic Centre Commitment - 5-Years (2 <sup>nd</sup> 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    | Ontario Annual Repayment Limit (ARL)  |
| 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 1<sup>st</sup> Payment)</i>                                   |                    |                     |               | $= \text{Own Source Revenues} \times 25\%$<br>(Limit for Annual Debt Principal & Interest Payments) |
| 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    | $\$15,323,310 \times 25\% = \$3,830,828$  |
| 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    |   |
| <b>Total</b>  | <b>\$1,429,984</b> | <b>\$12,527,377</b> |               |   |

# 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 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <i>Current Annual Payments:</i>                                |        |               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Well D5 - Water  | IO     | 12-16-2029    | -\$ 215,471          | -\$ 215,471          | -\$ 215,471          | -\$ 215,471          | -\$ 215,471          |                      |                      |                      |                      |                      |                      |
| Main Street East - Water                                       | IO     | 12-16-2029    | -\$ 127,001          | -\$ 127,001          | -\$ 127,001          | -\$ 127,001          | -\$ 127,001          |                      |                      |                      |                      |                      |                      |
| Main Street East - Roads                                       | IO     | 12-16-2029    | -\$ 64,028           | -\$ 64,028           | -\$ 64,028           | -\$ 64,028           | -\$ 64,028           |                      |                      |                      |                      |                      |                      |
| LED Streetlighting   | IO     | 12-16-2029    | -\$ 14,436           | -\$ 14,436           | -\$ 14,436           | -\$ 14,436           | -\$ 14,436           |                      |                      |                      |                      |                      |                      |
| Waste Loan   | CIBC   | 03-01-2026    | -\$ 41,687           | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Victoria Street - 2025 Issuance through IO (Water & Roads)     | 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           |
| <i>Total Proposed Payments (Previous/Future Budget Items):</i> |        |               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| 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          |
| 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          |
| <b>Total Proposed Payment</b>                                  |        |               | <b>-\$ 1,429,986</b> | <b>-\$ 2,331,841</b> | <b>-\$ 2,777,569</b> | <b>-\$ 3,249,438</b> | <b>-\$ 2,803,045</b> | <b>-\$ 3,067,594</b> | <b>-\$ 3,042,485</b> | <b>-\$ 3,144,976</b> | <b>-\$ 3,119,520</b> | <b>-\$ 3,094,065</b> | <b>-\$ 3,106,064</b> |
| <b>Difference to Annual Repayment Limit</b>                    |        |               | <b>\$ 2,400,842</b>  | <b>\$ 1,537,295</b>  | <b>\$ 1,130,258</b>  | <b>\$ 697,468</b>    | <b>\$ 1,183,329</b>  | <b>\$ 958,644</b>    | <b>\$ 1,024,016</b>  | <b>\$ 962,190</b>    | <b>\$ 1,028,717</b>  | <b>\$ 1,095,655</b>  | <b>\$ 1,125,553</b>  |

For demonstration purposes only:

# Thank you & Questions ?

Council Presentation  
January 21, 2026

