

The background features a large, stylized fingerprint on the left side, rendered in a dark green color. To the right of the fingerprint, there are several overlapping green geometric shapes, including triangles and polygons, in various shades of green. The overall design is modern and professional.

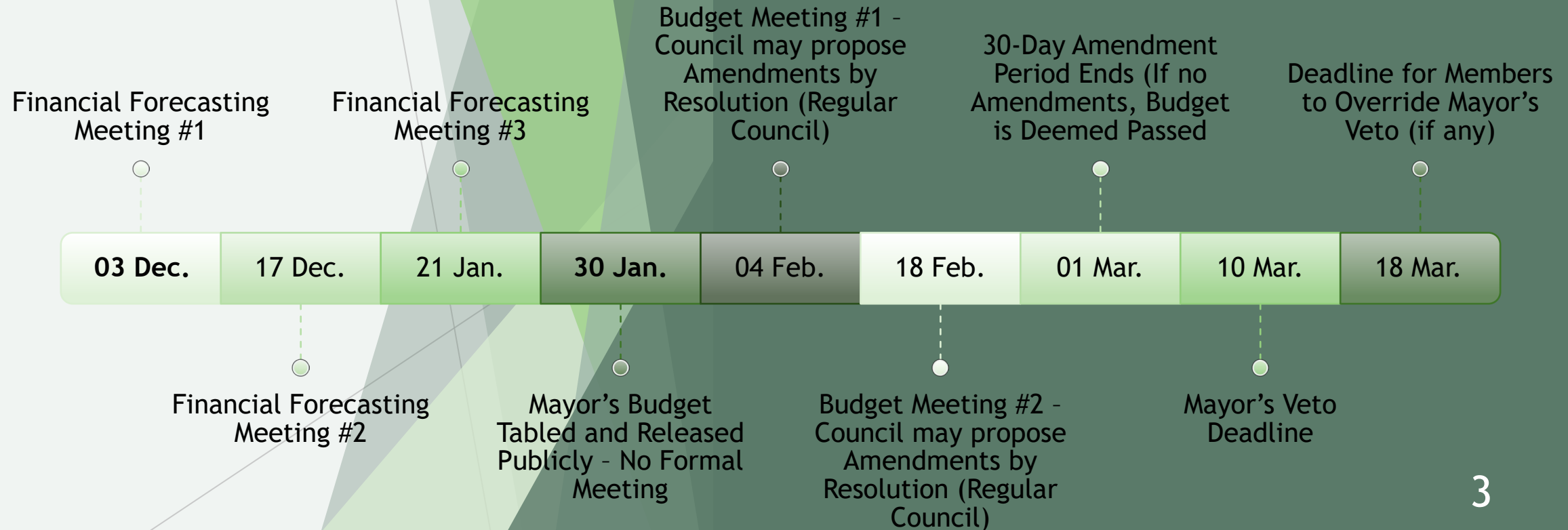
2026 Forecast

Council Presentation
December 17, 2025

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Budget Timeline Forecast & Tabling- 2026



Overall Budget Impacts

- ▶ **2026 Forecasted Southgate Taxation Rate Increase 1.61%**
- ▶ 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)
- ▶ Currently in the Budget being presented is a Placeholder for **6.63%** Grey County Increase (2025 Increase)
- ▶ Blended Rate Based on Estimates = **2.76%**

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

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

| Item for Consideration - Not Included in Forecasted Rate Increase | Amount | Impact on Tax Rate - Southgate Rate |
|---|------------|-------------------------------------|
| Draft 1 | | 5.11% |
| Planning - Operating - Increase to Advertising | \$750 | 0.01% |
| Library Operating - Software Change for Patron Computer | \$2,300 | 0.02% |
| 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% |
| SVCA - Final Amount Received | -\$13,096 | -0.09% |
| OPP Services - Final Amount Received | -\$5,135 | -0.04% |
| Draft 2 | | <u>1.61%</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% |
| Roads - Capital - S033 Bridge Replacement | \$200,000 | 1.38% |
| 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% |
| Asset Management Plan - 5-Year Phase-In Approach - See Slide 8 for Details | \$133,187 | 0.92% |
| Total Additional Items | | <u>15.67%</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.

| | | |
|--|---------------------------|-------------|
| 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 2 (Over 2025) | \$661,999 | |
| Total to Date Increase in Funding | \$1,525,512 (2025 + 2026) | |
| Remaining Funding Required for Phase-In | | \$532,746 |
| Funding Recommended | | |
| 2026 (Additional to Forecast - \$532,746/4 years) | \$133,187 | |
| 2027 | \$133,187 | |
| 2028 | \$133,187 | |
| 2029 | \$133,187 | |

Operating & Capital Budget:

Finance Department

- Total Operating Budget\$851,952
- \$124,532 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)
 - \$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

\$1,080,377

- \$26,903 Operating Increase Year Over Year
 - \$3,250 Telephone & Internet Charges
 - \$3,200 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

\$248,833

- **\$12,473 Decrease Year Over Year**
 - (\$13,800) Increase in Revenue - Proposed Fee Increase
 - Wages & Benefits
- **\$750 Increase to Advertising**

Total Capital Budget

\$30,000

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

Economic Development

Total Operating Budget

\$253,023

- **\$29,457 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 **\$429,333**

- \$126,241 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
 - \$10,538 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 -

\$294,340

- \$25,733 Decrease Year Over Year
 - (\$28,000) Legal - Decreased Litigation

Total Capital Budget -

\$6,000

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

Canine

Total Operating Budget -

\$41,300

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

Total Capital Budget -

\$0

- \$0

Operating & Capital Budget:

Fire & Emergency Management

Total Operating Budget

\$877,720

- \$107,829 Decrease - Year Over Year
 - Wages & Benefits
 - \$10,150 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

\$626,445

- **\$73,146 Increase - Year over Year**
 - \$57,500 - Increase in Capital Contributions
 - \$11,900 Wages & Benefits - Program Assistant Increase
 - **\$2,300 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

\$811,512

- **\$42,699 Increase Year Over Year**
 - \$24,800 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

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

Total Operating Budget

\$8,041,602

- \$1,072,984 Increase - Year Over Year
 - \$685,041 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 \$10,00 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

\$981,046

- \$71,062 Increase - Year Over Year
 - \$84,591 - Wages & Benefits
 - Manager + Roads/Waste Admin Reallocation of Wages
 - Step Increases & COLA
 - (\$16,500) Increase in Revenue (Fee/Tipping/Blue Cart Contract)

| 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 |
| 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

\$1,392,982

- \$20,827 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

\$1,107,000

- \$67,000 Increase- Year Over Year Net-Impact
 - \$20,000 Lagoon Professional Services
 - \$10,000 Collection System Review Study
 - \$3,800 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

\$70,433

- \$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

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 \$13,938,597 \$16,500 \$975,000 <p>TOTAL \$15,157,562</p> | <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 (\$2,704,395), 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 <p>TOTAL \$505,467</p> | <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 | <ul style="list-style-type: none"> \$255,500 \$468,200 \$189,500 \$16,875 <p>TOTAL \$933,075</p> | <ul style="list-style-type: none"> Reserves/Restricted Reserves Restricted Reserves Reserves/Restricted Reserves Reserves |
| 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 <p>TOTAL \$2,204,571</p> | <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 |
|---|-----------|--------------------|
| S033 Bridge Replacement | \$200,000 | 1.38% |
| 49 G9-26 DST 367, 368, 458, 459-Padding | \$420,000 | 2.90% |
| Contribution to Reserves | \$500,000 | 3.45% |
| Total Roads | | 7.72% |

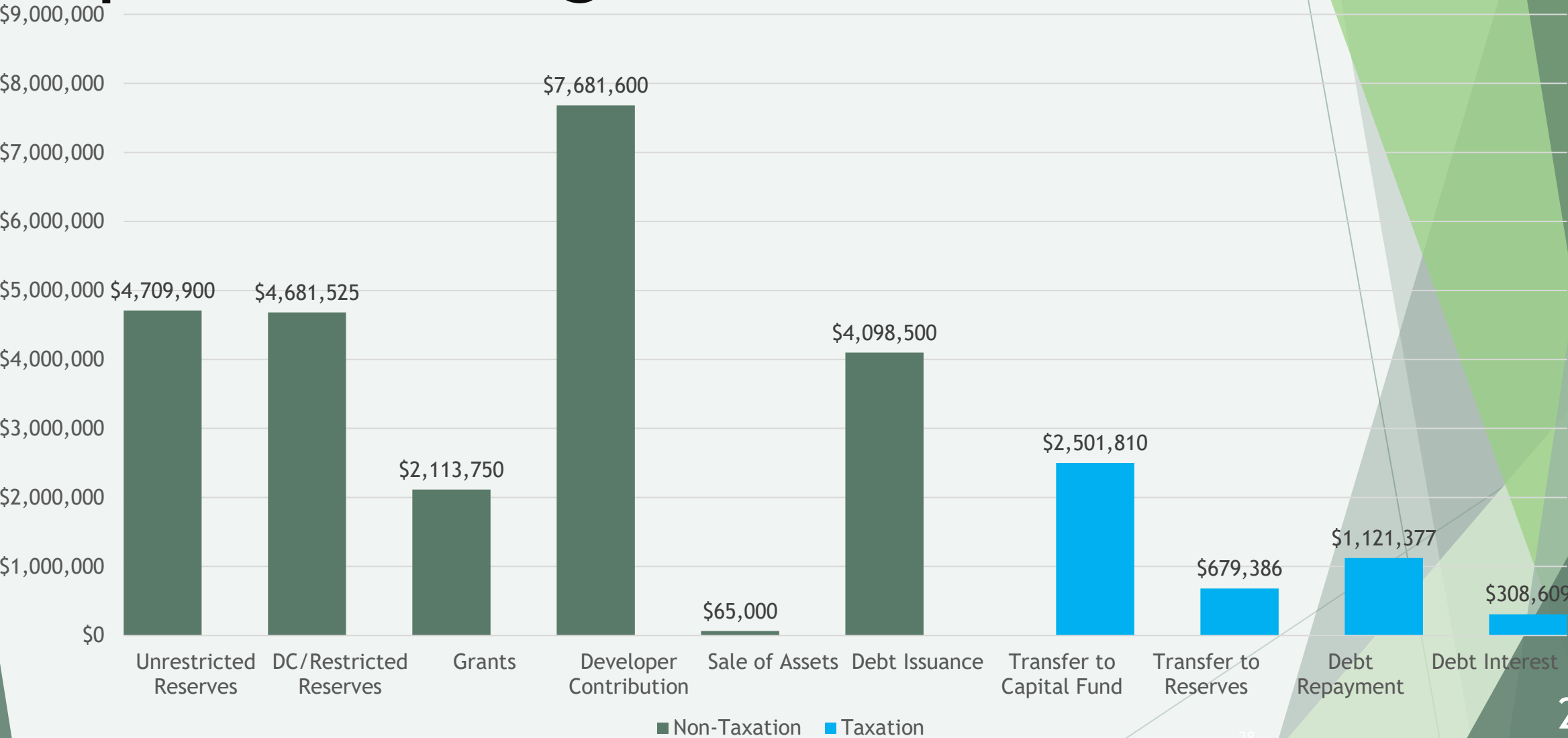
Capital Budget - Remaining Departments

| 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



\$48.32/year

On average home
assessment of \$285,734

\$16.91/year

For every \$100,000 of
Assessment Value



\$4.03/month

On average home
assessment of \$285,734

\$1.41/month

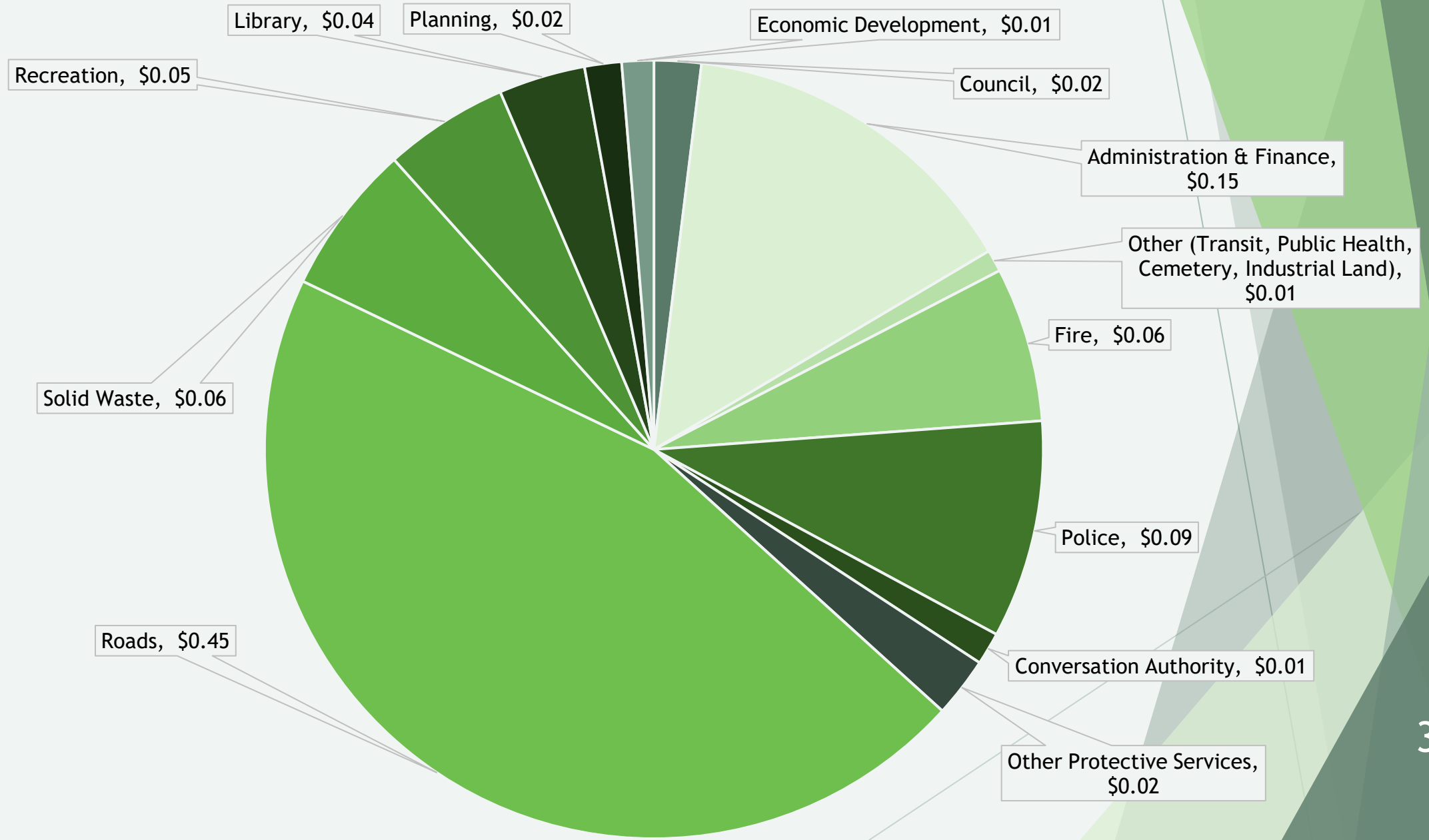
For every \$100,000 of
Assessment Value



1.61% 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 | -\$3,534,534 | \$1,682,850 |
| Reserves - Capital Purposes | \$9,578,627 | \$959,859 | -\$1,013,001 | \$9,525,485 |
| Reserve Funds | \$508,696 | \$75,000 | -\$82,500 | \$501,196 |
| Obligatory Reserves | \$9,104,674 | \$535,450 | -\$4,136,815 | \$5,503,309 |
| Total | \$25,535,389 | \$1,602,809 | -\$8,894,204 | \$18,233,994 |

Community Funds

| 2026 | Beginning | IN | OUT | Ending |
|--|-----------|----------|-----------|-----------|
| <i>Community Enhancement - Dundalk (Royalties)</i> | \$180,085 | \$49,000 | | |
| North Wellington Acquatic 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 Acquatic 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)

\$15,101,667 x 25% =
\$3,775,417

Debenture Summary - 10-Year Outlook

| | | | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|--|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Own Source Revenues | | | \$ 15,101,667 | \$ 15,252,684 | \$ 15,405,211 | \$ 15,559,263 | \$ 15,714,855 | \$ 15,872,004 | \$ 16,030,724 | \$ 16,191,031 | \$ 16,352,941 | \$ 16,516,471 |
| 25% Annual Limit | | | \$ 3,775,417 | \$ 3,813,171 | \$ 3,851,303 | \$ 3,889,816 | \$ 3,928,714 | \$ 3,968,001 | \$ 4,007,681 | \$ 4,047,758 | \$ 4,088,235 | \$ 4,129,118 |
| | | | | | | | | | | | | |
| Project Description | Lender | Maturity Date | | | | | | | | | | |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| Water - Well D6 (2028 Budget Item) | IO | 12-16-2038 | | | | -\$ 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 |
| Wastewater - Ida N-Gleneg Sewer (2030 Budget Item) | IO | 12-16-2040 | | | | | | -\$ 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 (2028 Budget Item) | IO | 12-16-2049 | | | | -\$ 563,324 | -\$ 563,324 | -\$ 563,324 | -\$ 563,324 | -\$ 563,324 | -\$ 563,324 | -\$ 563,324 |
| Recreation - Community Centre Facility (2035 Budget Item) | IO | 12-16-2048 | | | | | | | | | | |
| Admin - Admin Building (2027 Budget Item) | IO | 12-16-2038 | | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 | -\$ 536,794 |
| 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 |
| 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 |
| 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 |
| Roads - 22-03 Dromore Construct Pave (2030 Budget Item) | IO | 12-16-2041 | | | | | | -\$ 161,710 | -\$ 161,710 | -\$ 161,710 | -\$ 161,710 | -\$ 161,710 |
| | | | | | | | | | | | | |
| Total Proposed Payment | | | -\$ 1,429,986 | -\$ 2,348,291 | -\$ 2,794,019 | -\$ 3,829,212 | -\$ 3,382,819 | -\$ 3,647,368 | -\$ 3,622,259 | -\$ 3,724,750 | -\$ 3,699,294 | -\$ 3,673,839 |
| Difference to Annual Repayment Limit | | | \$ 2,345,431 | \$ 1,464,880 | \$ 1,057,284 | \$ 60,604 | \$ 545,895 | \$ 320,633 | \$ 385,422 | \$ 323,008 | \$ 388,941 | \$ 455,279 |

*For demonstration purposes only:
Based on this model, if all projects
are approved, Southgate would
almost exceed its debt capacity by
2029.*

Thank you & Questions ?

Council Presentation
December 17, 2025



Township of
Northgate