

Staff Report



To	City Council
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, February 4, 2026
Subject	2026 Budget Update Local Boards and Shared Services Agencies

Recommendation

1. That an amended 2026 operating budget for the City's local boards and shared services (LBSS) agencies be approved, inclusive of the following:
 - a. The LBSS agencies budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement over 2025 of \$16,053,381 or 4.57 per cent inclusive of the following:
 - i. Guelph Police Services: an increased tax levy requirement over 2025 of \$6,631,188
 - ii. Guelph Public Library: an increased tax levy requirement over 2025 of \$2,574,107
 - iii. County of Wellington: an increased tax levy requirement over 2025 of \$8,191,200
 - iv. Guelph-Wellington-Dufferin Public Health: an increase tax levy requirement over 2025 of \$132,524
 - v. The Elliott Community, an increase tax levy requirement over 2025 of \$61,317
 - vi. The LBSS proportionate share of assessment growth revenue in the amount of \$1,536,955
 - b. Grand River Conservation Authority budget with an increase in gross operating expenses over 2025 in the amount of \$50,000.
 - c. Total transfers to/from Reserve and Reserve Funds in 2026 in accordance with the LBSS reserve and reserve fund update.
2. That Council approves the application of assessment growth revenue above the amount budgeted to reduce the 2026 tax levy impact, contrary to the prescribed treatment under the Revenue Budgeting Policy.
3. That an amended 2026 net levy requirement from taxation and payment in lieu of property taxes inclusive of City and LBSS agencies up to \$383,998,629 be approved.
4. The Downtown Guelph Business Association budget with gross expenditures of \$807,754 and a total levy of \$742,836.
5. That 2027 and 2028 operating budget forecasts, where one has been provided by the organization, be received for information.

6. An amended 2026 LBSS capital budget with a net decrease of \$14,300 from the 2026 adopted budget resulting in the gross 2026 expenditure amount of \$5,234,300 inclusive of funding transfer from capital reserve funds and other sources including partnerships, grants, and debt financing.
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Executive Summary

Purpose of Report

The City continues to separate the budget process into two phases for the 2026 confirmation: City budget (re-)adoption and Local Boards and Shared Services (LBSS) agencies budget approval.

The 2026 City services budget was confirmed by Council following the Strong Mayor budget process on December 16, 2025, with a gross expenditure budget of \$501,105,104 and a 2026 property tax and payment in-lieu of taxes levy requirement of \$11,807,655 or 3.36 per cent over 2025. Additionally, Council approved a special levy for capital works at the Guelph General Hospital of \$375,000 in 2026 or 0.11 per cent tax levy impact.

The LBSS budget process does not trigger the Strong Mayor timelines give that the budget preparation and submission processes are defined in the governing Statute applicable to each LBSS organization. The power of Council to amend and/or approve the budget of each LBSS organization also varies based on the governing legislation.

The purpose of this report is to present the City's LBSS agencies' 2026 budgets for confirmation. The proposed budget can be viewed at www.guelph.ca/budget, with the LBSS specific information found under the [LBSS](#) tab. Updates will be made to the website to reflect final budget decisions for both City services and LBSS, by mid-February.

Key Findings

The 2026 LBSS budget was adopted through the 2024-2027 MYB in November 2023 with a property tax and payment in-lieu of taxes levy increase of \$9,561,834 or 2.72 per cent over 2025.

This year, the Mayor respectfully requested LBSS agencies to join the City in finding ways to limit budget increases for 2026.

The 2026 LBSS agencies budget update presented for Council confirmation represents a 2026 budget requirement, net of the proportionate share of assessment growth, totalling an increase net levy requirement over 2025 of \$16,053,381 or 4.57 per cent.

Strategic Plan Alignment

The 2026 LBSS Budget Update aligns with the Foundation theme of the Future Strategic Plan, Object 4: Maintain our financial health by implementing the long-term Financial Planning Framework, specifically, supporting action 4.1.1: implement the MYB planning process aligned to our strategic planning process.

Future Guelph Theme

Foundations

Future Guelph Objectives

Foundations: Maintain the City's healthy financial position

Financial Implications

The financial implications of the budget are fully documented and presented in the 2026 Budget Confirmation materials.

Report

The 2026 budget update marks Guelph's second confirmation year within the 2024–2027 multi-year budget (MYB) cycle. It reflects the City's continued commitment to strategic investment and responsible financial planning, while carefully balancing the needs of a growing community with affordability pressures and sound fiscal stewardship.

The City funds all or part of the operations of several LBSS agencies that have separate governance structures and varied relationships with the City. The LBSS agencies impact both the City's tax-supported and non-tax-supported budgets. While Council does not have direct oversight of these boards and agencies, City Councillors sit as members of the board of governors for each of these entities. More information about each of the LBSS agencies is available in the [Budget Manual](#).

With the passage of the Strong Mayors, Building Homes Act, 2022 in September 2022, and its coming into force in July 2023, the budget process was altered to follow a new time-limited progression, with the budget being deemed adopted as the final step. Although each of the LBSS budgets are funded, in whole or in part, by the municipality and approved by Council, the budget preparation and submission process for each LBSS is defined in its governing statute.

The Strong Mayor budget process does not apply to LBSS budget preparation and submission. Therefore, the City has separated the budget adoption process into two phases: City budget confirmation and LBSS agencies budget confirmation.

The power to amend and/or approve the budget of each LBSS organization varies based on the governing legislation of each organization and is summarized below for Council's awareness:

- Downtown Guelph Business Association – Council may approve the proposed budget, in whole or in part, but may not add expenditures.
- Guelph Public Library – Council may approve or amend the budget estimates submitted by the Library Board.
- Guelph Police Service – Council may approve or amend (increase or decrease) the overall budget submitted by the Police Board but does not have the authority to approve or disapprove specific items within the estimates. If the Police Board is not satisfied with Council's amendments, an arbitration process exists, managed through the Ontario Police Arbitration and Adjudication Commission, to resolve the matter.
- The Elliott Community – Council may approve the proposed budget, in whole or in part, and may amend the budget.
- Wellington- Dufferin- Guelph Public Health – The City is an obligated municipality under governing public health legislation and is required to pay a portion of public health expenses. The Public Health Board is accountable to the

municipality and must specify in its annual estimates what is required to cover expenses; however, there is no explicit authority for Council to amend or edit the estimates or control the payment of expenses.

- Grand River Conservation Authority – Conservation authority budgets are approved by the Conservation Board following a legislated process that includes preparation of a draft budget, a meeting to approve the draft budget, and consultation with participating municipalities affected by the draft budget, as necessary, to finalize the annual budget.
- County of Wellington Shared Services – The County of Wellington is the delivery agent for the County of Wellington and the City of Guelph under the Ontario Works Act, 1997 and the service manager under the Housing Services Act, 2011. Costs are apportioned to the City in accordance with the legislation.

The 2026 LBSS budget was adopted through 2024-2027 MYB in November 2023 with a property tax and payment in-lieu of taxes levy increase of \$9,561,834 or 2.72 per cent over 2025.

This year, the Mayor respectfully requested LBSS agencies to join the City in finding ways to limit budget increases for 2026.

The 2026 LBSS agencies budget update presented for Council confirmation represents a 2026 budget requirement, net of the proportionate share of assessment growth, totalling an increased net levy requirement over 2025 of \$16,053,381 or 4.57 per cent.

The City requested and received correspondence from several LBSS agencies outlining their 2026 budget updates for their organizations. These submissions are included in Attachments 1 through 5 of this report.

Financial Implications

The financial implications of the budget are fully documented and presented in the 2026 Budget Confirmation materials.

Consultations and Engagement

Sarah Purton, Manager of Finance, Guelph Police Services

Dan Atkins, Chief Executive Officer, Guelph Public Library

Shauna Calder, Manager of Finance, County of Wellington

Brian Herman, Chief Financial Officer, Guelph-Wellington-Dufferin Public Health

Michelle Karker, Chief Executive Officer, The Elliott Community

Karen Armstrong, Deputy CAO and Secretary/Treasurer, Grand River Conservation Authority

Downtown Guelph Business Association

Attachments

Attachment-1 Guelph Police Services Board

Attachment-2 Wellington-Dufferin-Guelph Public Health

Attachment-3 The Elliott Community

Attachment-4 Grand River Conservation Authority

Departmental Approval

None.

Report Author

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This report was approved by:

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