



GRAND VALLEY

STAFF REPORT

To: Mayor Soloman and Members of Council
From: Steven Freitas, Director of Finance/Treasurer
Meeting Date: March 24, 2026
Report Number: 2026-066
Subject: Final 2026 Operating and Capital Budget

Recommendation

THAT Council receive the Report – Final 2026 Operating and Capital Budget;

AND FURTHER THAT Council approves the Final 2026 Operating and Capital Budget as presented and directs staff to prepare and present the necessary by-laws for adoption.

Executive Summary

Purpose

To present the Final 2026 Operating and Capital Budget for the Town of Grand Valley.

Key Findings

After several budget meetings, and incorporating the revisions requested by Council, the 2026 gross expenditure budget for the Town of Grand Valley is \$18,538,329, with \$12,933,379 in budgeted revenues, for a net budget (total tax levy) of \$5,604,950. As presented, this 2026 budget results in a total tax levy increase of \$377,138 over the 2025 total tax levy of \$5,227,812. After incorporating assessment changes, this represents an increase of 5.477% to the residential tax rate for 2026. For comparison, the residential tax rate increase for 2025 was 4.781%.

Financial Implications

Despite incorporating numerous budget reductions, continued and significant use of reserves and reserve funds, and new borrowing to finance large capital projects, this budget results in a property tax increase across all property types.

For the Town's portion of the 2026 property tax bill, taxpayers will pay an additional \$45.24 per \$100,000 in assessed residential value. For example, if a residential property is assessed at \$500,000, the property tax increase will be \$226.19 for 2026.

Report

Background

For the 2026 budget, Council directed that the capital budget portion of the 2026 budget be presented, deliberated, and approved before the end of 2025. This was completed last December, when a number of capital projects were approved while others were deferred to future budget meetings for consideration along with the draft operating budget.

The 2026 Operating and Capital budget covers the expenses and revenues for the services and programs the Town provides. At their January 27th, February 24th and March 10th budget meetings, Council received a first, second and final draft and provided direction on revisions, information required and additional items for consideration.

Discussion

This report includes the Final 2026 Operating and Capital budget for the Town which is presented in Appendix 1. This Final budget incorporates all changes made or requested at the January 27th, February 24th, and March 10th budget meetings. As directed by Council, staff have made numerous decreases in expenditure budgets and increases in revenue budgets to reduce the overall budget increase.

Under [Resolution 2026-02-39](#), Council directed staff to work towards a 5% or less increase. Staff made considerable progress in bringing the overall budget increase down considerably given numerous "unavoidable" budget pressures as outlined in previous budget presentations. This Final presentation of the budget includes numbers based on the approved Fire Board and Community Centre Board budgets, and the DRAFT Library Board budget.

To assist with Council deliberations, the following table summarizes changes made to the 2026 Operating and Capital Budget between the Final DRAFT version (presented on March 10, 2026), and the Final version as presented for this March 24, 2026, Council meeting.

Final DRAFT 2026 budget as presented for the 2026-03-10 Council Meeting:

Description	Amount
Final DRAFT 2026 NET Operating and Capital Budget	\$5,680,250
2025 Approved NET Operating and Capital Budget	\$5,227,812
Proposed Increase (2026 over 2025)	\$452,438

Changes made per the discussion at the 2026-03-10 Council Meeting:

Description	Line	Amount
Reduce CC levy budget by \$15.9k from \$214.8k to \$198.9k per Board Approved Budget 2026-Mar-09	OPER86	(\$15,900)
Reduce Library levy budget by \$29k from \$329k to \$300k	OPER121	(\$29,000)
Reduce ASE revenues by \$17.5k from \$87.5 to \$70k	OPER217	\$17,500
Reduce Transfer to Cap Res by \$75.5k	CAP8	(\$75,500)
	Sub-Total (A)	(\$102,900)

Changes made subsequent to the discussion at the 2026-03-10 Council Meeting:

Description	Line	Amount
2026-03-17 - Increased by \$14.5k (from \$76.7k to \$91.2k) based on updated amounts related to Debt issuance. Updated to Town's proportionate share of 61.382% of the total \$148,551.48 payment amount due to I.O. on 2026-Oct-15.	OPER87	\$14,500
2026-03-17 - Increased by \$11.7k (from \$106.8k to \$118.5k) based on adding back a labour budget for 640 hours (40 hrs/week x 16 weeks) for 1 Temp Summer Student.	OPER250	\$11,700
2026-03-17 - Increased by \$1.4k (from \$32.5k to \$33.9k) based on adding back a benefits budget for 1 Temp Summer Student.	OPER251	\$1,400
2026-Mar-17 - Increased by \$30.5k (from \$118.1k to \$148.6k) based on actual amounts for Debt issuance to Infrastructure Ontario (I.O.). Debt of \$3,113,500 will be issued @ 4.53% for 20 years, with semi-annual payments on April-15 and Oct-15 annually. For 2026, the budget for one repayment on 2026-Oct-15 is included.	CAP23	\$30,500
2026-Mar-17 - Increased by \$30.5k (from \$118.1k to \$148.6k) based on actual amounts for Debt issuance to Infrastructure Ontario (I.O.). Debt of \$3,113,500 will be issued @ 4.53% for 20 years, with semi-annual payments on April-15 and Oct-15 annually. For 2026, the budget for one repayment on 2026-Oct-15 is included.	CAP26	(\$30,500)
	Sub-Total (B)	\$27,600
	Net Changes - 2026-03-10 and 2026-03-17 [Total (C) = (A)+(B)]	(\$75,300)

Final 2026 Operating and Capital Budget as presented for the 2026-03-24 Council Meeting:

Description	Amount
Final 2026 NET Operating and Capital Budget	\$5,604,950
2025 Approved NET Operating and Capital Budget	\$5,227,812
\$ Change in Town Budget (Levy) 2026 vs 2025	\$377,138
% Change in Town Budget (Levy) 2026 vs 2025	7.214%
% Change in Residential Tax Rate 2026 vs 2025 (Incorporating Assessment Changes)	5.477%

The Final 2026 Operating and Capital Budget includes budgets for the following significant capital projects and operating activities:

- \$5.0 million for the construction of the Southeast Sewage Pumping Station to support growth in local employment lands, new housing, and commercial areas, bringing needed tax revenue and jobs. Funding for this project is being provided by \$2.5 million in Development Charges (DCs) already collected for the project, and by \$2.5 million in internal borrowing from other DC Reserve Funds that will need to be repaid with interest.
- \$2.25 million for the construction of a new road in the Hill Town (Monticello) subdivision to enable the development of the subdivision. The Town will be issuing Debt for the construction of this capital project, and under the Local Improvement Charge By-law (2025-37), benefiting properties will proportionately share the cost of the project over 10 years.
- \$612,000 for Ontario Provincial Police (OPP) policing costs for the Town based on the 2026 contract, which represents a \$60,000 (11%) increase over the 2025 contract.
- \$370,000 for the rehabilitation of Bridge 5 on Sideroad 27-28 funded by the Town's 2026 allocation from the Ontario Community Infrastructure Fund (OCIF).
- \$327,900 for gravel to continue the rehabilitation of the Town's rural road network.
- \$140,800 for two semi-annual loan repayments related to Debt issued to Infrastructure Ontario (I.O.) for Bridge 10 Construction. Per By-Law 2025-26 - Debentures in the principal amount of \$1.15M were issued 2025-May-01 related to Bridge 10 Construction. The Debt bears interest at the rate of 4.01% per annum and matures during a period of 10 years.
- \$92,100 for the Town's proportionate share (61.382%) of \$148,600 for one semi-annual loan repayment due 2026-Oct-15. This is based on a 2026-Apr-15 issuance of Debt to Infrastructure Ontario (I.O.) of \$3.115 million for the Community Centre Expansion Project. In 2027 and onwards there will be 2 repayments on this Debt which will bear interest at the rate of 4.53% per annum and mature during a period of 20 years.

The Final 2026 budget includes ongoing lease-to-own payments for the following equipment:

- \$140,200 for #404 - 2022 Grader with payments required until November 2027.
- \$98,000 for T45 - 2025 Snow Plow with payments required until February 2029.
- \$77,200 for T46 - 2023 Snow Plow with payments required until May 2028.
- \$39,400 for MVE - 2023 Municipal Vehicle with payments required until October 2028.
- \$9,600 for T406 - 2021 Snow Plow with payments required until February 2026.
- \$9,800 for T43 - 2023 RAM 1500 with payments required until January 2030.
- \$6,500 for BVE - 2023 By-Law Vehicle with payments required until February 2027.
- \$6,200 for 2 Multifunction Office Printers (MFPs) print/copy/scan/fax required until 2028.

The Final budget continues to be presented in the new format as follows:

- 1 Operating - For each unique Department/Activity Area listing Operating expenses with subtotals, followed by Operating revenues with subtotals, and finally a Net Operating budget total.
- 2 Capital – For each unique Department/Activity Area or Capital Program with the same presentation format as Operating.

For this Final report, and as requested by Council, this presentation of the budget includes a more dynamic format including greater use of colour to increase the visual effectiveness of reported data.

➤ Please note that to assist with deliberations, all changes since the 2026-Mar-10 meeting have been highlighted in green in Appendix 1.

This new presentation format is intended to provide Council with a more complete picture of activity budgets (expenses, revenues & net) with subtotals for easier review of the overall budget per activity. Furthermore, it clearly shows how much of the overall tax levy is attributed to Operating vs Capital. The notes column provides updated commentary on budget assumptions and details where appropriate for Council's continued consideration and budget deliberation. A summary at the bottom shows the total gross expenditure budget, total revenue budget, and the net budget as proposed in this Final budget.

A by-law is attached to this report for Council approval of the Final 2026 Operating and Capital Budget.

Financial Impact

The 2026 gross expenditure budget for the Town of Grand Valley is \$18,538,329, with \$12,933,379 in budgeted revenues, for a net budget (total tax levy) of \$5,604,950. As presented, the 2026 budget results in a total tax levy increase of \$377,138 over the 2025 total tax levy of \$5,227,812.

Of the overall \$5,604,950 net budget for 2026, \$4,952,550 is dedicated to the Operating activities of the Town, while \$652,400 is dedicated to Capital activities.

After incorporating assessment changes, this represents an increase of 5.477% to the residential tax rate for 2026. For comparison, the residential tax rate increase for 2025 was 4.781%.

For the Town's portion of the 2026 property tax bill, taxpayers will pay an additional \$45.24 per \$100,000 in assessed residential value. For example, if a residential property is assessed at \$500,000, the property tax increase will be \$226.19 for 2026.

Consultations

Management and staff
Engineering consultants

Attachments

Appendix 1 – Final 2026 Operating and Capital Budget
Appendix 2 – DRAFT Final 2026 Operating and Capital Budget By-Law

This report was submitted by

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This report was approved by

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