

Mayoral Direction

Direction No.: MDI-2025-001
Date: December 1, 2025
Subject: 2026 Operating Budget

Authority:

Part VI.1 (Special Powers and Duties of Head of Council) of the *Municipal Act, 2001* (the "Act"), Sections 284.3 and 284.4 (Direction to Employees) for the purposes of performing the duties under Part VI.1, the Mayor may direct staff to:

- a. Undertake research and provide advice to the head of council and the municipality on policies and programs of the municipality or of the head of council as they relate to the powers and duties under this Part; and
- b. Carry out duties related to the exercise of the power or performance of the duty, including implementing any decisions made by the head of council under this Part.

Section 284.16 of the Act and Section 7 of O.Reg. 530/22, the Mayor shall, on or before February 1 of each year, prepare a proposed budget for the municipality.

Decision:

I, Ian C. Boddy, Mayor of the City of Owen Sound, hereby direct staff to:

1. Bring forward a 2026 Operating Budget that reflects a rate increase lower than the initially requested 8.5 per cent, with a target in the range of 4.5 per cent to 5.5 per cent that will result in a combined rate increase of 6 per cent or less.
2. Maintain the current tax levy dedicated to capital at 1 per cent.
3. Include an Owen Sound Police Service 2026 rate increase no greater than 5.5 per cent.

4. Include an Owen Sound North Grey Union Public Library 2026 rate increase no greater than 5.5 per cent.

As Mayor, I am issuing this direction regarding the 2026 Operating Budget under the new Strong Mayor Powers legislated by the Province. While these powers have been delegated back to Council for most matters, the budget remains my sole responsibility and cannot be delegated. In preparation for this direction, I have met individually with each member of Council, the City Manager, and the Director of Corporate Services/Treasurer to solicit their input and feedback on the upcoming operating budget and the overall operations of the City. In addition to these meetings, I have also reviewed reports and other information that have been presented throughout the year to Council, Committees, and the Service Review Committee to ensure a comprehensive understanding of priorities and past discussions. This collaborative approach has ensured that the perspectives and priorities of Council are reflected in my direction to the City Manager.

The starting point for budget discussions was a 7.56 per cent rate increase for City Operations, 8.39 per cent for Owen Sound Police Services and 10.97 for Owen Sound North Grey Union Public Library.

However, after careful consideration of Council's feedback and the common themes that emerged, including a strong desire to see savings from the Service Review, a focus on asset management, and a clear expectation to review and reduce staffing costs in several departments. It is evident that a lower rate increase is both necessary and achievable.

The majority of Council expressed a tax threshold in the range of 3.5 per cent to 5.5 per cent, with only one member supporting the original 8.5 per cent proposal. There was also significant opposition to increasing the additional 1 per cent for capital, and a call to prioritize core services, infrastructure, and winter operations.

As staff work toward the directed rate increase, I am directing Staff to maintain 1 per cent for capital and remove the additional 1 per cent dedicated to capital.

This budget will be fiscally responsible, responsive to Council's feedback, and focused on delivering essential services to our community.

This direction takes effect at 12:01 a.m. on the date stated above and remains in effect until modified or revoked.

Originally signed by Ian C. Boddy

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