CITY OF Welland

MEMORANDUM

TO: **Council**

FROM: **Melanie Steele, MBA CPA CA, City Treasurer**

DATE: **November 28, 2025**

SUBJECT: **2026 Budget Estimates Confirmed & Updated**

Council and the public received the Mayor's proposed 2026 budget on November 4th, 2025. Since publishing the budget package, staff have received announcements and confirmed estimates that impact figures within the budget details. There is no net impact to the overall tax levy increase which remains at 3.57% and the net water/wastewater increase at 6.97%. To ensure the final budget documentation published is accurate and enables transparent and accountable reporting, the following adjustments will be made to the detail within the final budget package when published:

1. Staff received the 2026 Ontario Municipal Partnership Fund (OMPF) allotment. The allotment was reduced from $4,047,700 in 2025 to $4,005,600 in 2026. Staff had estimated a 2% increase in this revenue as a placeholder in the proposed 2026 budget. As a result, a change to the net levy expenditures of $123,100 is required.
2. Staff received confirmation from its benefits provider of our 2026 rates. The rates were lower than estimated resulting in savings of $363,344 ($326,223 for levy supported programs, $19,489 for the water program, and $17,632 for the wastewater program).
3. Staff have been monitoring trends in parking revenue since it experienced a significant increase in 2024. Recently staff confirmed trends to the end of October 2025. As a result of these trends, staff have increased the parking fines revenue by $65,000.

4. MPAC provided the City with its 2026 tax roll information. As a result, staff have updated the assessment growth for 2026 at 2.09%. When preparing the 2026 proposed budget staff had used MPAC's Q3 forecast of 2.60%.

Table 1 itemizes the changes in Levy and Rate Expenditures as noted above.

	Levy	**Water**	**Wastewater**
Adjustment to OMPF funding	$123,100		
Employee benefit savings	($326,223)	($19,489)	($17,632)
Additional Parking Fine Revenue	(65,000)		
Adjustment to Contingency	(345)	$19,489	$17,632
Net Expenditure Change in $	**($268,468)**	**$0**	**$0**

Table 2 summarizes the original Tax Levy Summary (Page 20/21 of budget package) to the Revised Tax Levy Summary (in millions)

	Approved 2025 Net Budget	**Revised** 2026 Net Budget	**Revised** 2026 Net Change in $	**Revised** 2026 Net Change in %	Original 2026 Net Change in $	Original 2026 Net Change in %
Net Tax Levy Expenditures	$52.641	$55.620	$2.979	5.66%	$3.248	6.17%
Less: Assessment Growth				(2.09%)		(2.60%)
Net Tax Levy Increase				**3.57%**		**3.57%**

There is no change to figures presented in Water/Wastewater Budget (Page 22/23 of budget package) as the reduction in expenditure is directly offset with the increase in contingency as outlined in Table 1.