



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: Tuesday, August 12, 2025

Report Number: FS-2025-11

Subject: 2026 Business Plan and Budget Timeline with Strong Mayor Powers Legislative Framework

Recommendations

It is recommended:

That Report FS-2025-11 entitled “2026 Business Plan and Budget Timeline with Strong Mayor Powers Legislative Framework” **be received;**

And that the proposed timelines for the development and review of the 2026 Business Plan and Budget as outlined in this report **be approved.**

Background

The Strong Mayor, Building Homes Act, 2022 grants Strong Mayor powers to the Head of Council under Part VI.1 of the Municipal Act, 2001.

Effective May 1, 2025, these powers change how the Town’s municipal budget is prepared, presented and approved. Key legislative provisions include:

- **Section 284.16** – Requires the Head of Council (Mayor) to prepare and table a proposed budget by February 1 each year.

- **O. Reg. 530/22** – Establishes mandatory timelines for budget review, including periods for Council amendments, Mayoral veto and potential Council override.

Historically, the Town's budget process has followed a consistent framework, with development beginning in August, followed by presentation to Council and public engagement in December, and budget adoption typically achieved in January. While the build-up and internal development of the 2026 budget will continue to follow this traditional framework, the timing for Council presentation and budget adoption has been adjusted to reflect the new legislated process under Strong Mayor powers. Specifically, the tabling of the budget in January and its final adoption occurring as late as March, rather than tabling in December and adopting in January as in previous years.

Although the budget process framework will be similar to years past, there will be some notable differences:

1. **Operating Budget - Administration** will prepare the Requested Operating Budget as in years past, i.e. Department Directors will build their annual operating budget based on the delivery of programs and services approved by Council, however prior to finalizing the Proposed Budget, the Mayor will attend a review meeting with the Senior Management Team (SMT) where each Director will identify and explain noteworthy items. The Mayor will have an opportunity at this time to make changes to Administration's Proposed Budget. Once this review and any changes are complete, Administration will finalize the Mayor's Proposed Budget.
2. **Capital Budget** – Traditionally, the Capital Budget is prepared in two steps. The first step being the determination of how much funding should be allocated to Capital Reserves to support the Town's Capital Program. The determination is based on long-term forecasts, such as the Town's Asset Management Plan, which has a 10-year planning horizon that includes planned projects, estimated costs and funding sources. This step occurs at the Requested Budget stage, has a direct impact to the Tax Levy (and therefore tax rate) and is not expected to change.

The second step is the development of Departmental 5-year Capital Plans presented to Council via Council Report. This typically occurs after the annual Budget has been approved, usually the first quarter of the new year. Although the Proposed Budget has included expected capital projects for the upcoming year, actual commitment to capital projects occurs with Council's approval of Departmental 5-year Capital Plans.

This step will change with Strong Mayor Powers. Administration will now be required to include firm capital projects for the upcoming year during the Requested Budget stage, however prior to finalizing the Proposed Budget, the Mayor will attend a review meeting with the SMT, similar to the Operating Budget, where each Director will identify and explain capital projects

recommended for the upcoming year. The Mayor will have an opportunity at this time to make changes to Administration's proposed capital projects for the upcoming year. Once this review and any changes are complete, Administration will finalize the capital project component of the Mayor's Proposed Budget.

Administration will continue to complete Departmental 5-year Capital Plans and will present their plans through Council Reports in the first quarter of the new year seeking Council approval in principle, however the first year's capital projects will have already been committed through the annual Approved Budget.

3. Budget Deliberations and Public Engagement – Traditionally, after the tabling of Administration's Proposed Budget and subsequent posting of the Budget document to the Town's website the following day, the SMT would present their budgets to Council at a following Council Meeting, highlighting key items, where Council would have an opportunity to ask questions and potentially request and vote on amendments to the Proposed Budget.

Council and Administration would also have the benefit of reviewing comments submitted by residents through the Town's online community engagement platform (and/or received through other channels such as email), which is typically open for 28-days following the posting of the budget to the Town's website.

With Strong Mayor legislation imposed on Tecumseh, this process will change to follow legislative directives. For the 2026 budget, after the Mayor has presented the Mayor's Proposed Budget, the Budget document will be posted to the Town's website the following day where Council members and residents will have an opportunity to review the document in full. Residents will have a 21-day period to submit comments through the Town's online community engagement platform and/or other means. Those comments will be compiled by Administration and shared with Council and the SMT immediately following the 21-day period.

A Special Council Meeting will be held within 30-days of the tabling of the Mayor's Proposed Budget, allowing members of Council an opportunity to make amendments to the Mayor's Proposed Budget through resolution. The new legislative framework with regard to amendments then follows, including a Mayor Veto Period and Council Override Period.

It is worth emphasizing that the intent of the Province's Strong Mayor legislation is to empower the head of Council to make changes with respect to the annual operating and capital budgets that will help to advance provincial strategic priorities.

The proposed timeline has been structured to accommodate statutory timeframes without requesting shortened periods. However, legislated timelines for amendment, veto, and override periods may be shortened by Council resolution if desired in future cycles.

Comments

Effective May 1, 2025, the province granted Strong Mayor powers under Part VI.1 (Special Powers and Duties of the Head of Council) of the Municipal Act, 2001 (the “Act”) to the Town’s head of council. These powers change how the budget is tabled and approved.

The intent of these legislated changes is to provide heads of council with enhanced authority to advance provincial priorities of:

- Building 1.5 million new residential units by December 31, 2031, and
- Constructing and maintaining infrastructure to support housing, including:
 - Transit
 - Roads
 - Utilities
 - Servicing

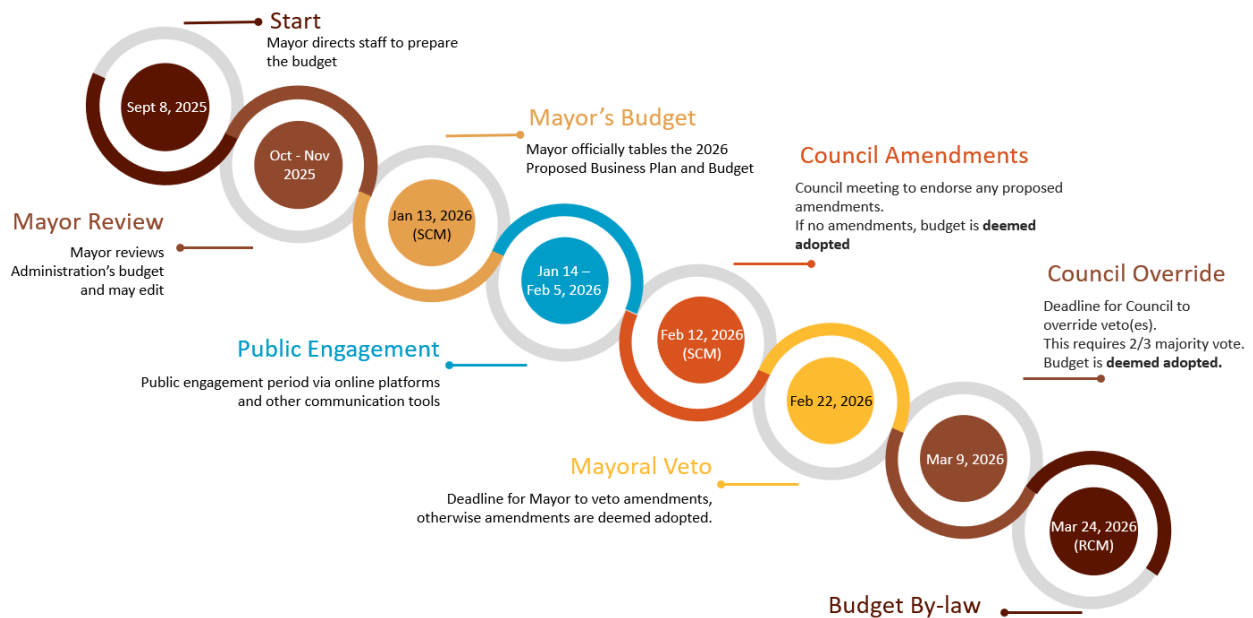
Section 284.16 of the Act requires a head of council granted the Strong Mayor powers to prepare a proposed budget and provide it to council for council’s consideration in accordance with the regulations. Under section 284.3 of the Act, the head of council can direct staff to take certain actions, such as to direct staff to prepare the proposed budget. Section 7 of O. Reg. 530/22 sets out rules regarding the new budget process, which includes an amendment period, veto period, and override period. Below are the key highlights.

Budget Proposal	Mayor to table the proposed budget to Council by February 1 . If not, Council must prepare and adopt the budget.
Council Amendment Period	Council may amend the proposed budget within 30 days (may be shortened by resolution). If council does not make any amendments within the amendment period, then the proposed budget is deemed adopted .
Mayoral Veto Period	Mayor may veto any Council amendment(s) within 10 days of the amendment period (may be shortened by resolution). If the head of council vetoes a council amendment, the amendment is deemed not to have been passed. If the head of council does not veto a council amendment, the proposed amended budget is deemed adopted.

Council Override Period	Council may override a Mayoral veto with a 2/3 majority vote within 15 days of the veto (may be shortened by resolution). If Council overrides the veto, the council amendment is deemed to be passed.
Budget Adoption	Budget is deemed adopted after the amendment, veto and override periods conclude.

The proposed 2026 Business Plan and Budget timelines incorporate legislative changes while preserving the overall structure of the Town's historical budget cycle.

The following info-graphic outlines the key steps in the 2026 Operating, Lifecycle and Reserve budget process and the proposed timelines associated with the revised process.



The table below outlines the changes to the budget process.

Budget Step	Historical Process (Pre-Strong Mayor Powers)	Revised Process (Under Strong Mayor Powers)
Pre-Budget Consultation	<ul style="list-style-type: none"> - August – September - Finance presentation to Council at the first RCM in September. 	<ul style="list-style-type: none"> - No longer required - No formal Finance presentation to Council.
Requested Budget	<ul style="list-style-type: none"> - September – October - Departments prepare requested budgets and review with CAO and Finance. - Includes potential capital projects. - SMT roundtable held. 	<ul style="list-style-type: none"> - September – November - Departments prepare requested budgets and review with CAO and Finance. - Includes firm capital projects. - SMT roundtable held with Mayor – Mayor may edit budget.
Proposed Budget	<ul style="list-style-type: none"> - Administration’s Proposed Budget – Mid-December - Finance prepares the budget document. - CAO and Finance present budget to Council. 	<ul style="list-style-type: none"> - Mayor’s Proposed Budget – Mid-January - Finance prepares the budget document. - Mayor, CAO and Finance present budget to Council.
Public Engagement	<ul style="list-style-type: none"> - 28 days (Mid-December to January) - Via online platform - Administration compiles submissions for Council and SMT consideration. 	<ul style="list-style-type: none"> - 21 days (Mid-January to February) - Via online platform - Administration compiles submissions for Council and SMT consideration.
Deliberation/ Amendments	<ul style="list-style-type: none"> - Council Deliberations – January - Directors present budgets at SCM. - Council (including Mayor) questions, proposes edits and votes on changes. - Budget is approved in principle. 	<ul style="list-style-type: none"> - Council Amendments – 30 days (Jan-Feb) - Council (excluding the Mayor) reviews the budget and may propose amendments by resolution (simple majority vote; Mayor can vote).

	<ul style="list-style-type: none"> - Motion is passed to approve the levy. 	<ul style="list-style-type: none"> - If no amendments are passed, the Mayor's budget is deemed adopted.
Mayoral Veto Period	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - 10-day period following Council's proposed amendments - Mayor may veto any or all amendments. - If no vetoes are issued, the amended budget is deemed adopted.
Council Override Period	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - 15-day period following any Mayoral veto - Council may override the veto with a two-thirds majority. - Budget is then deemed adopted.
Budget By-Law	<ul style="list-style-type: none"> - End of January - Finance prepares a budget by-law. 	<ul style="list-style-type: none"> - End of March - Finance prepares a budget by-law.

The proposed process provides opportunities for Council and the public to review and provide comments/input into the budget and maintains the Town's traditional budget development structure, i.e. Administration's preparation of the requested budget to deliver on Council priorities and Council-adopted services, while providing for the Mayor to exercise legislated Strong Mayor powers.

Consultations

All Departments

Financial Implications

None

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

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Deputy Treasurer & Manager Financial Services

Reviewed by:

Robert Auger, LL.B.
Director Legislative Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None