



Subject: 2026 Rates Budget

To: Council

From: Financial Services Department

Report Number: 2025-166

Meeting Date: November 4, 2025

Recommendation:

That the Mayor's 2026 Rates Budget as outlined in Financial Services Report 2025-166 **BE RECEIVED.**

Purpose:

The purpose of this report is to present the Mayor's 2026 Rates Budget to Council **FOR INFORMATION**, and

A separate report has been prepared and presented to Council, titled "2026 Rates Setting Report 2025-167," to establish water, wastewater, and storm sewer rates to be charged.

Background:

Strong Mayors Budget

In 2025 the Mayor received Strong Mayor Powers. The legislation outlines:

- The Mayor shall prepare and present a budget to Council before February 1
- The Mayor must provide the proposed budget to each Member of Council and the Clerk, and make the proposed budget available to the public

On September 5, 2025, the Mayor issued Mayoral direction MDI-2025-001 to the CAO, and CFO/Treasurer to prepare and provide the draft budgets to Council and the public on October 6, 2025.

Staff have prepared the budgets with direction from the Mayor. The Mayor has directed staff to:

- Reduce water loss
- Reduce inflow and infiltration

Council can propose amendments to the budget. The following process has been put forward to facilitate amendments:

- Councillors to send/discuss any proposed amendments with the Mayor, CAO and CFO/Treasurer by October 27, 2025
- Clerks' department to publish the Budget Meeting (Special Council Meeting) Agenda with the budget documents published on October 6, 2025 and any amendments on October 28, 2025
- Budget amendments to be considered at the November 4, 2025 Budget Meeting (Special Council Meeting)

If amendments are passed by Council on November 4 and the Mayor waives the right to veto those amendments, or if there are no amendments, the process stops after November 4 and the Budget will be deemed adopted. There will be no resolution to pass the budget.

If amendments are passed by Council on November 4th that the Mayor wants to veto, the process will be as follows:

- Mayor veto period is between November 5 – November 15 (10 days)
- Council override period is between November 16 – December 1 (15 days).

Budget would be deemed ADOPTED December 2nd.

The following process has been put forward to facilitate the overriding of a veto:

- Council to send a notice of override to the City Clerk by November 19, 2025.
- Clerks' department to publish the November 25, 2025 Council Meeting Agenda with notice of override on November 20, 2025.
- Notice over override to be considered at the November 25, 2025 Council Meeting. If two-thirds (6) of the Council vote in favour of overriding a veto, the budget is deemed adopted with that amendment.

Budget Document

The 2026 Rates Budget is presented in a similar fashion as the prior year Rate Budget.

Salient differences are as follows:

- When moving to the new accounting system, Financial Services fully adopted the Province of Ontario's Financial Information Return (FIR) reporting requirements into the system and financial process. This includes the account structure of the FIR and the allocation of Council and administrative costs to operational departments. This will aid in more timely reporting in the future which will support grant applications.

- As a result of updated methodology the average usage of the average residential property has been changed from 188 m3 to 142 m3.

The Mayor, along with Financial Services would like to thank Public Works staff for their leadership and support in developing the Mayor's 2026 Rates Budget.

Similar to the Mayor's 2026 Capital and Related Project Budget and Levy Budget, the Mayor's 2026 Rate Budget was developed through a process that requested Council and staff input and consideration to:

- Direction from the Mayor
- The City's established Vision/Mission/Values
- The Strategic Pillars identified in the City's Strategic Plan
- The following themes/foci:
 - Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
- Tactically considering where the City can support and drive competitive advantages:
 - People
 - Processes – getting to simple (moving towards)
 - Community – Connection
 - Location
- Service levels
- Growth – achieving economies of scale
- Impact of leading a reduction in the Infrastructure Deficit.

The budget document should be read in conjunction with:

- The 2026 Capital and Related Project Budget and Levy (Report 2025-164) presented to Council on November 4, 2025.
- The 2026 Proposed User Fees and Charges (Report 2025-165) presented to Council on November 4, 2025.
- The 2026 Rate Setting (Report 2025-167) presented to Council on November 4, 2025.

Discussion:

Financial Services highlights the budget is a plan to allocate resources in advance for the maximum benefit of City residents and stakeholders. It is a method to authorize revenue and expense authority. In preparing the 2026 Rates Budget, certain assumptions and estimates are necessary. They are based on information available to

staff at the time of preparing the budget. Actual results will vary although, as regulated through the Municipal Act, a balanced budget is required.

Rate Budget Impact

Water and Wastewater

If the proposed 2026 Rates Budget and 2026 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property using 142 m3 of water will be:

	Annual \$ Change	Monthly \$ Change	\$ Change
Water	\$91.91	\$7.65	12%
Wastewater	\$88.02	\$7.34	7%
Blended/Combined	\$179.93	\$14.99	8.89%

This increase is required to offset the Niagara Region anticipated water and wastewater increases as presented at the Niagara Region's Budget Review Committee of the Whole – August 14, 2025, and to fund City of Port Colborne capital projects to reduce water loss and inflow and infiltration ("I&I"). The Niagara Region forecasted rate increase is 9.05%. Reduced water loss and I&I would result in lower charges from the Niagara Region, all things being equal.

Storm Sewer

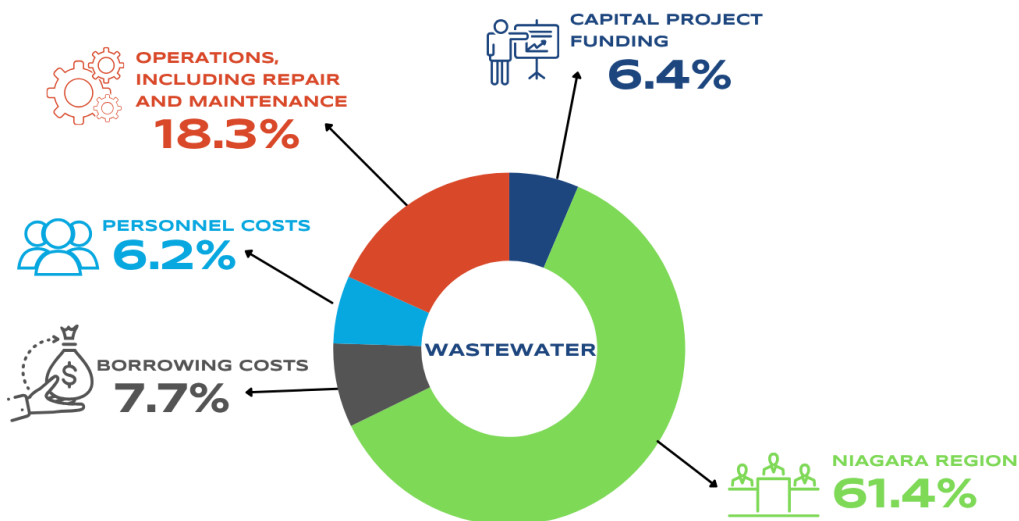
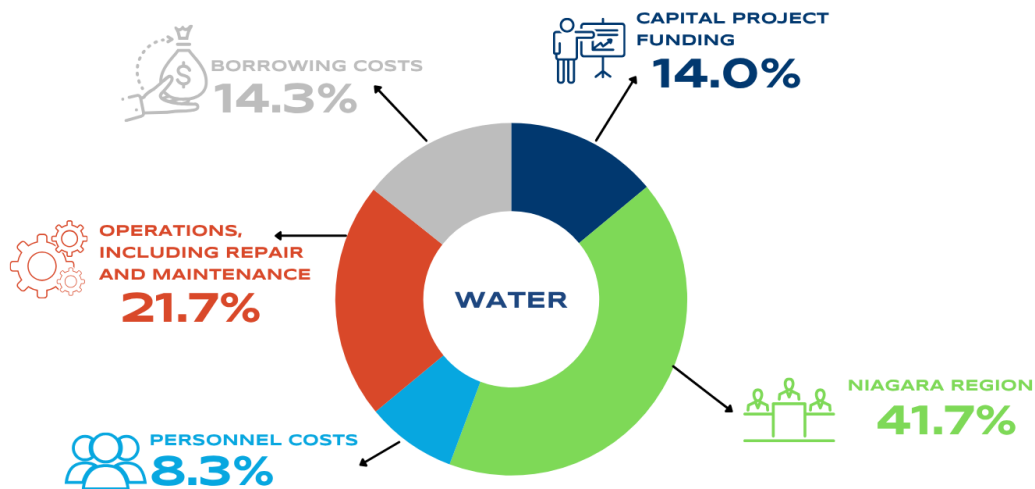
If the proposed 2026 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$27.39 per year or \$2.28 per month, which represents a 10% increase over the prior year.

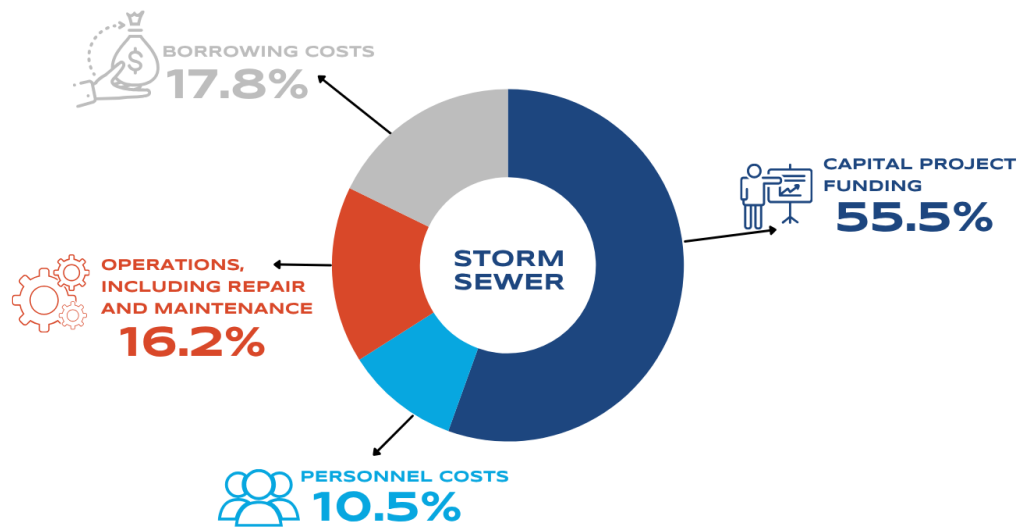
Budget Summary

This budget was developed to maintain current service levels and tackle water loss and I&I.

The number of initiatives and actions that are funded within this budget are significant.

The 2026 Rates Budget as outlined in Appendix A – 2026 Rates Budget Divisional Summary & Detail totals \$20,681,600 (2025 - \$18,967,500). In percentage terms, the water, wastewater, and storm sewer budgets can be broken down as follows:





In dollar terms, the water, wastewater, and storm sewer budgets can be broken down as follows:

	Storm Sewer	Wastewater	Water	Total
Total Revenue	2,988,000	10,100,300	7,593,300	20,681,600
Niagara Region	-	6,198,400	3,169,900	9,368,300
Personnel costs	315,084	630,168	630,148	1,575,400
Operations	484,125	1,846,732	1,644,052	3,974,909
Capital	1,319,600	610,337	325,900	2,255,837
Borrowing costs	531,300	782,500	1,084,800	2,398,600
Reserve transfers	337,891	31,163	738,500	1,108,554
Total Expenses	2,988,000	9,442,500	7,593,300	20,681,600
Surplus / (Deficit)	-	-	-	-

Water and wastewater usage and billing metrics can be found in Appendix C.

Some of the salient highlights and changes in the 2026 Rates Budget are as follows:

- The budget incorporates an anticipated 9.05% combined increase in water and wastewater charges from the Niagara Region, as communicated at their Budget Review Committee of the Whole – August 14, 2025. This increase is before adjusting for the City's increase in water purchases and improvements in wastewater volumes. Volume adjustments have been made in the budget.

- This budget accounts for the fact that water purchased vs. water billed ratio fell year-to-date to 54.6% in 2025 vs. 56.7% in 2024 as a result of a 95% increase in water pipe breaks (39 vs. 20) and that the wastewater plant cleaned 1.82 litres for every litre of water billed (or metered). This compares to 2.08 litres in 2024.
- The budget maintains the wastewater backflow and disconnect grant program, with the backflow at \$1,000 and disconnect at \$2,500. This program exists through the wastewater by-law.
- The budget maintains the water and wastewater lateral replacement grants at up to \$2,000 each. If both lines are done at the same time, the program allows for a grant up to \$5,000.
- The budget maintains the Guaranteed Income Supplement (GIS) grant introduced in 2021 for wastewater charges.
- The budget maintains the pre-authorized payment (PAP) and move to online billing incentives that have been in place since 2021. The City currently has 1,757 or 27.9% of Water/Wastewater accounts on PAP and 1,277 or 20.3% of Water/Wastewater accounts on online billing.
- This budget provides a number of water, wastewater and storm water projects as follows:
 - 2026-2028 Watermain Lining Program (water)
 - Lockview Area Servicing (water)
 - Sugarloaf Street and Marina Area Engineering (wastewater)
 - Highway 140 Engineering Design for Future Development (wastewater)
 - Clarke Area Storm Sewer Environmental Assessment and Design (storm sewer)
 - Storm Sewer Repair and Rehabilitation

2025 Forecast

The City is forecasting a \$166,807 deficit in water. This represents 2.5% of the budget and is driven by additional water purchases from the Niagara Region resulting from the 39 watermain breaks that have occurred in 2025. The number of watermain breaks is up 95% in 2025 at 39 breaks from 20 breaks in 2024.

The City is forecasting a \$853,231 surplus in wastewater. This change primarily driven by lower than budgeted volume of wastewater being sent to the treatment plant (\$500,000) and the timing of debt issuance and related cost of borrowing (\$237,769). These favourable variances are partially offset by an increase in the allocated corporate administrative expenses (\$337,713) resulting from a change in expense allocation methodology.

The City is forecasting a \$76,321 surplus in storm sewer as a result of a favourable decline in allocated corporate administrative expenses (\$65,861) resulting from a change in expense allocation methodology.

The surpluses and deficit amounts note above are reflected in the forecast as changes in the transfers to and from reserve.

In preparing this forecast, as with this budget, certain assumptions and estimates are necessary. This forecast is based on information available to Staff at the time. Actual results will vary.

Reserve Forecasted Balances

Should this budget move forward, and the 2026 budget equal actual, and the 2025 forecast equal forecast at year end, the forecasted rate reserves would be as follows at the end of 2026 (provided there are no new projects or contingencies approved):

- Water forecasted at \$810,052
- Wastewater forecasted at \$2,528,171
- Storm Sewer forecasted at \$397,910

Reserves are used in case of an emergency, to cover a budget shortfall in-year and to support future capital works recognizing the identified infrastructure deficit.

The City's reserve target for rate reserves is the estimate cost to replace 1 KM of linear asset (\$2,940,000) plus 10% of budget. The target reserve balances are as follows:

- Water forecasted at \$3,699,300
- Wastewater forecasted at \$3,950,000
- Storm Sewer forecasted at \$3,238,000

Risks to the Rates Budget

Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond the control of Council and Staff, including, but not limited to:

- Changes to legislation, including rules and regulation
- Decisions of other levels of government (i.e. Ministry of the Environment, Conservation and Parks)
- Unforeseen and/or unplanned environmental considerations related to approved projects
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers
- Inflation advancing more than anticipated
- Interest rates declining which impacts investment income and related reserve transfers
- Unexpected changes or usage in infrastructure
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings

- A resurgence in COVID-19 or other epidemics, pandemics, or other public health crisis event
- Weather conditions that impact operations, including storm surges that have a significant impact on wastewater flows due to I&I

Looking Forward

Corporate Services recognizes that continuous improvement is a process. Looking forward to 2026, staff identify the following activities that will help determine the financial outcomes of the City going into the 2027 budget process:

- Public open house identified a desire to introduce a mechanism to have differentiated wastewater fees for low water users – investigate further (limitation software)
 - Continue with water, wastewater and storm projects identified
 - Complete wastewater and storm sewer 10-year master plans
 - Re-introduce a multi-year capital budget
 - Continue to work towards Key Performance Indicators (KPIs) and related benchmarks, where applicable
 - Continue enhancing geographic information systems (GIS) to visualize the asset management program
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Internal Consultations:

As stated, the Mayor and Financial Services would like to thank Public Works for their leadership and support in developing this 2026 Rates Budget.

Financial Implications:

The 2026 Rates Budget is as presented.

Public Engagement:

The 2026 Rates Budget was published on the City's website on October 6, 2025 for Members of Council and the Public. On November 4, 2025, there will be a Special Council Meeting where the 2026 Rates Budget will be presented to Council and where amendments (if any) can be discussed/formally passed by Council.

Following the budget process, staff will continue to review service levels and operations. Should changes be requested or sought, staff will seek input and where necessary approval from Council.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

Staff present, for information purposes, the Mayor's 2026 Rates Budget and the various appendices.

Appendices:

- a. Appendix A – Divisional Summary & Detail
- b. Appendix B – Divisional Multi-Year Budgets
- c. Appendix C – Divisional Usage & Billing Metrics
- d. Appendix D – 2026 Rate Budget Presentation

Respectfully submitted,

Adam Pigeau, CPA, CA
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

Appendix A – Divisional Summary and Detail
Rates (Water, Wastewater, Storm Sewer) Divisional Summary

CITY OF PORT COLBORNE
2026 Budget – Rates Divisional Summary

	Rates Total	Water	Wastewater	Storm Sewer
Revenue				
User Charges	20,624,400	7,570,500	10,065,900	2,988,000
Other Revenue	57,200	22,800	34,400	-
Total Revenue	20,681,600	7,593,300	10,100,300	2,988,000
Expense				
Personnel Expense				
Salaries and Wages	1,177,300	1,177,300	-	-
Benefits	398,100	398,100	-	-
Subtotal Personnel Expense	1,575,400	1,575,400	-	-
Non-Personnel Expense				
Materials	393,214	245,400	125,914	21,900
Contract Services	858,653	308,929	414,724	135,000
Rents and Financial Expenses	2,100	-	-	2,100
External Transfer to Others	196,000	58,600	137,400	-
Other Agency Payout	9,368,300	3,169,900	6,198,400	-
Subtotal Non-Personnel Expense	10,818,267	3,782,829	6,876,438	159,000
Total Expense	12,393,667	5,358,229	6,876,438	159,000
Surplus/(Deficit) Before Allocation	8,287,933	2,235,071	3,223,862	2,829,000
Allocation	-	-	-	-
Total Allocated	-	-	-	-
Surplus/(Deficit) After Allocation	8,287,933	2,235,071	3,223,862	2,829,000
Transfer to/from Reserve	1,108,554	738,500	32,163	337,891
Transfer Between Funds	7,179,379	1,496,571	3,191,699	2,491,109
Total Transfer	8,287,933	2,235,071	3,223,862	2,829,000
Surplus/(Deficit)	-	-	-	-

City of Port Colborne
2026 Operating Budget
Water/Wastewater/Storm Sewer

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Revenue					
User Charges	18,906,400	18,969,400	20,624,400	1,718,000	9.09%
Other Revenue	61,100	61,100	57,200	(3,900)	(6.38%)
Total Revenue	18,967,500	19,030,500	20,681,600	1,714,100	9.04%
Expense					
Personnel Expense					
Salaries and Wages	997,500	997,500	1,177,300	179,800	18.03%
Benefits	345,800	345,800	398,100	52,300	15.12%
Subtotal Personnel Expense	1,343,300	1,343,300	1,575,400	232,100	17.28%
Non-Personnel Expense					
Materials	511,400	511,400	393,214	(118,186)	(23.11%)
Contract Services	796,500	796,500	858,653	62,153	7.80%
Rents and Financial Expenses	2,100	2,100	2,100	-	0.00%
External Transfer to Others	48,200	48,200	196,000	147,800	306.64%
Other Agency Payout	9,016,560	8,716,560	9,368,300	351,740	3.90%
Subtotal Non-Personnel Expense	10,374,760	10,074,760	10,818,267	443,507	4.27%
Total Expenses	11,718,060	11,418,060	12,393,667	675,607	5.77%
Surplus/(Deficit) Before Allocation	7,249,440	7,612,440	8,287,933	(1,038,493)	14.33%
Allocated Out	(805,980)	(805,980)	-	805,980	(100.00%)
Allocated In	805,980	805,980	-	(805,980)	(100.00%)

Appendix A – Divisional Summary and Detail

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Total Allocated	-	-	-	-	0.00%
Surplus (Deficit) After Allocation	7,249,440	7,612,440	8,287,933	(1,038,493)	14.33%
Transfer to/from Reserve	(355,428)	134,917	1,108,554	1,463,982	(411.89%)
Transfer Between Funds	7,604,868	7,477,523	7,179,379	(425,489)	(5.60%)
Total Transfer	7,249,440	7,612,440	8,287,933	1,038,493	14.33%
Surplus/(Deficit)	-	-	-	-	0.00%

Appendix A – Divisional Summary and Detail

Rates (Water, Wastewater, Storm Sewer) Divisional Detail

City of Port Colborne

2026 Operating Budget

Water

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Revenue					
User Charges	6,757,000	6,757,000	7,570,500	813,500	12.04%
Other Revenue	26,700	26,700	22,800	(3,900)	(14.61%)
Total Revenue	6,783,700	6,783,700	7,593,300	809,600	11.93%
Expense					
Personnel Expense					
Salaries and Wages	997,500	997,500	1,177,300	179,800	18.03%
Benefits	345,800	345,800	398,100	52,300	15.12%
Subtotal Personnel Expense	1,343,300	1,343,300	1,575,400	232,100	17.28%
Non-Personnel Expense					
Materials	286,600	286,600	245,400	(41,200)	(14.38%)
Contract Services	272,400	272,400	308,929	36,529	13.41%
External Transfer to Others	4,100	4,100	58,600	54,500	1,329.27%
Other Agency Payout	2,881,660	3,081,660	3,169,900	288,240	10.00%
Subtotal Non- Personnel Expense	3,444,760	3,644,760	3,782,829	338,069	9.81%
Total Expenses	4,788,060	4,988,060	5,358,229	570,169	11.91%
Surplus/(Deficit) Before Allocation	1,995,640	1,795,640	2,235,071	(239,431)	12.00%
Allocated Out	(805,980)	(805,980)	-	805,980	(100.00%)
Total Allocated	(805,980)	(805,980)	-	805,980	0.00%
Surplus (Deficit) After Allocation	2,801,620	2,601,620	2,235,071	566,549	(20.22%)

Appendix A – Divisional Summary and Detail

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Transfer to/from Reserve	(25,956)	(303,877)	738,500	764,456	(2,945.20%)
Transfer Between Funds	2,827,576	2,905,497	1,496,571	(1,331,005)	(47.07%)
Total Transfer	2,801,620	2,601,620	2,235,071	(566,549)	(20.22%)
Surplus/(Deficit)	-	-	-	-	0.00%

City of Port Colborne
2026 Operating Budget
Wastewater

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Revenue					
User Charges	9,408,100	9,496,100	10,065,900	657,800	6.99%
Other Revenue	34,400	34,400	34,400	-	0.00%
Total Revenue	9,442,500	9,530,500	10,100,300	657,800	6.97%
Expense					
Personnel Expense					
Subtotal Personnel Expense	-	-	-	-	0.00%
Non-Personnel Expense					
Materials	202,900	202,900	125,914	(76,986)	(37.94%)
Contract Services	391,700	391,700	414,724	23,024	5.88%
External Transfer to Others	44,100	44,100	137,400	93,300	211.56%
Other Agency Payout	6,134,900	5,634,900	6,198,400	63,500	1.04%
Subtotal Non-Personnel Expense	6,773,600	6,273,600	6,876,438	102,838	1.52%
Total Expenses	6,773,600	6,273,600	6,876,438	102,838	1.52%
Surplus/(Deficit) Before Allocation	2,668,900	3,256,900	3,223,862	(554,962)	20.79%
Allocated In	537,320	537,320	-	(537,320)	(100.00%)
Total Allocated	537,320	537,320	-	(537,320)	0.00%
Surplus (Deficit) After Allocation	2,131,580	2,719,580	3,223,862	(1,092,282)	51.24%

Appendix A – Divisional Summary and Detail

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Transfer to/from Reserve	(139,174)	592,476	32,163	171,337	(123.11%)
Transfer Between Funds	2,270,754	2,127,104	3,191,699	920,945	40.56%
Total Transfer	2,131,580	2,719,580	3,223,862	1,092,282	51.24%
Surplus/(Deficit)	-	-	-	-	0.00%

City of Port Colborne

2026 Operating Budget

Storm Sewer

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Revenue					
User Charges	2,741,300	2,716,300	2,988,000	246,700	9.00%
Total Revenue	2,741,300	2,716,300	2,988,000	246,700	9.00%
Expense					
Personnel Expense					
Subtotal Personnel Expense	-	-	-	-	0.00%
Non-Personnel Expense					
Materials	21,900	21,900	21,900	-	0.00%
Contract Services	132,400	132,400	135,000	2,600	1.96%
Rents and Financial Expenses	2,100	2,100	2,100	-	0.00%
Subtotal Non- Personnel Expense	156,400	156,400	159,000	2,600	1.66%
Total Expenses	156,400	156,400	159,000	2,600	1.66%
Surplus/(Deficit) Before Allocation	2,584,900	2,559,900	2,829,000	(244,100)	9.44%
Allocated In	268,660	268,660	-	(268,660)	(100.00%)
Total Allocated	268,660	268,660	-	(268,660)	(100.00%)
Surplus (Deficit) After Allocation	2,316,240	2,291,240	2,829,000	(512,760)	22.14%
Transfer to/from Reserve	(190,298)	(153,683)	337,891	528,189	(277.56%)
Transfer Between Funds	2,506,538	2,444,923	2,491,109	(15,429)	(0.62%)

Appendix A – Divisional Summary and Detail

	2025 Budget	2025 Forecast	2026 Budget (Proposed)	2025 v 2026 Budget Variance (\$)	2025 v 2026 Budget Variance (%)
Total Transfer	2,316,240	2,291,240	2,829,000	512,760	22.14%
Surplus/(Deficit)	-	-	-	-	0.00%

Appendix B - Divisional Multi-Year Budgets

Appendix B - Summary - Five Year Combined Rates

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	153,816	111,000	192,791	94,200	148,307	60,100	69,400	69,400	68,900	(500)	(0.7%)
Variable	2,774,850	2,743,067	2,722,662	3,016,000	3,171,357	3,303,393	3,522,400	3,567,400	3,908,900	341,500	9.6%
Fixed	10,199,398	10,247,000	10,729,296	10,550,900	13,225,783	13,196,120	15,438,700	15,330,700	16,703,800	1,373,100	9.0%
Total Revenue	13,128,065	13,101,067	13,644,749	13,661,100	16,545,447	16,559,613	19,030,500	18,967,500	20,681,600	1,714,100	9.04%
Fixed vs. Variable	79%	79%	80%	78%	81%	80%	81%	81%	81%		
Niagara Region	6,381,607	6,961,745	7,257,787	7,319,079	7,497,041	8,370,179	8,716,560	9,016,560	9,368,300	351,740	3.9%
Personnel costs	1,082,704	1,248,700	1,025,813	1,190,900	943,223	983,800	1,343,300	1,343,300	1,575,400	232,100	17.3%
Operations	1,612,962	2,088,910	2,066,787	2,423,929	2,808,238	2,801,634	3,731,845	3,166,468	3,974,909	808,441	25.5%
Capital	1,602,373	701,597	2,596,700	2,311,700	5,436,700	896,700	3,941,578	3,902,700	2,255,837	(1,646,863)	(42.2%)
Borrowing costs	895,785	895,785	895,481	895,481	969,077	1,546,000	1,162,300	1,893,900	2,398,600	504,700	26.6%
Reserve transfers	1,552,633	1,204,330	(197,819)	(479,989)	(1,108,832)	1,961,300	134,917	(355,428)	1,108,554	1,463,982	(411.9%)
Total Expenses	13,128,065	13,101,067	13,644,749	13,661,100	16,545,447	16,559,613	19,030,500	18,967,500	20,681,600	1,714,100	9.04%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-
Revenue Budget to Actual / Forecast	26,998		(16,351)		(14,166)		63,000				
Niagara Region	48.6%	53.1%	53.2%	53.6%	45.3%	50.5%	45.8%	47.5%	45.3%		
Capital & Reserves	24.0%	14.5%	17.6%	13.4%	26.2%	17.3%	21.4%	18.7%	16.3%		
% of Total Revenue	72.6%	67.7%	70.8%	67.0%	71.5%	67.8%	67.2%	66.2%	61.6%		

Appendix B - Summary - Five Year Water Budgets

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	71,587	97,000	101,315	63,100	115,262	28,700	33,300	33,300	32,800	(500)	(1.5%)
Variable	2,142,479	2,120,000	2,253,659	2,376,000	2,609,797	2,604,993	2,917,200	2,917,200	3,267,300	350,100	12.0%
Fixed	2,547,531	2,540,000	2,776,318	2,743,200	3,420,313	3,305,420	3,833,200	3,833,200	4,293,200	460,000	12.0%
Total Revenue	4,761,596	4,757,000	5,131,292	5,182,300	6,145,371	5,939,113	6,783,700	6,783,700	7,593,300	809,600	11.93%
Fixed vs. Variable	54%	55%	55%	54%	57%	56%	57%	57%	57%		
Niagara Region	2,172,540	2,040,866	2,417,834	2,398,200	2,658,172	2,572,900	3,081,660	2,881,660	3,169,900	288,240	10.0%
Personnel costs	649,478	749,300	615,488	714,540	549,323	589,900	537,320	537,320	630,148	92,828	17.3%
Operations	845,712	935,310	1,085,475	1,003,970	1,276,526	1,149,513	1,587,083	1,294,876	1,644,052	349,176	27.0%
Capital	266,700	266,700	706,700	621,700	1,808,700	568,700	1,462,814	1,445,500	325,900	(1,119,600)	(77.5%)
Borrowing costs	364,629	364,629	364,326	364,326	364,800	364,800	418,700	650,300	1,084,800	434,500	66.8%
Reserve transfers	462,537	400,195	(58,531)	79,564	(512,149)	693,300	(303,877)	(25,956)	738,500	764,456	(2945.2%)
Total Expenses	4,761,596	4,757,000	5,131,292	5,182,300	6,145,371	5,939,113	6,783,700	6,783,700	7,593,300	809,600	11.93%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-
Revenue Budget to Actual / Forecast	4,596		(51,008)		206,258		-				
Niagara Region	45.6%	42.9%	47.1%	46.3%	43.3%	43.3%	45.4%	42.5%	41.7%		
Capital & Reserves	15.3%	14.0%	12.6%	13.5%	21.1%	21.2%	17.1%	20.9%	14.0%		
% of Total Revenue	60.9%	56.9%	59.8%	59.8%	64.4%	64.6%	62.5%	63.4%	55.8%		

Appendix B - Summary - Five Year Wastewater Budgets

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	82,109	14,000	90,586	31,100	31,548	31,400	36,100	36,100	36,100	-	0.0%
Variable	632,371	623,067	469,003	640,000	561,560	698,400	605,200	650,200	641,600	(8,600)	(1.3%)
Fixed	6,345,888	6,300,000	6,574,340	6,370,000	7,895,354	7,955,900	8,889,200	8,756,200	9,422,600	666,400	7.6%
Total Revenue	7,060,368	6,937,067	7,133,929	7,041,100	8,488,462	8,685,700	9,530,500	9,442,500	10,100,300	657,800	6.97%
Fixed vs. Variable	91%	91%	93%	91%	93%	92%	94%	93%	94%		
Niagara Region	4,209,067	4,920,879	4,839,953	4,920,879	4,838,869	5,797,279	5,634,900	6,134,900	6,198,400	63,500	1.0%
Personnel costs	324,739	374,600	307,744	357,270	356,025	356,025	537,320	537,320	630,168	92,848	17.3%
Operations	638,672	903,500	787,912	1,067,997	1,101,303	1,196,396	1,699,386	1,360,354	1,846,732	486,378	35.8%
Capital	1,124,797	324,897	840,000	840,000	2,852,000	302,000	854,018	836,700	610,337	(226,363)	(27.1%)
Borrowing costs	-	-	-	-	73,077	650,000	212,400	712,400	782,500	70,100	9.8%
Reserve transfers	763,093	413,191	358,320	(145,046)	(732,813)	384,000	592,476	(139,174)	32,163	171,337	(123.1%)
Total Expenses	7,060,368	6,937,067	7,133,929	7,041,100	8,488,462	8,685,700	9,530,500	9,442,500	10,100,300	657,800	6.97%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-
Revenue Budget to Actual / Forecast	123,301		92,829		(197,238)		88,000				
Niagara Region	59.6%	70.9%	67.8%	69.9%	57.0%	66.7%	59.1%	65.0%	61.4%		
Capital & Reserves	26.7%	10.6%	16.8%	9.9%	25.0%	7.9%	15.2%	7.4%	6.4%		
% of Total Revenue	86.4%	81.6%	84.6%	79.8%	82.0%	74.6%	74.3%	72.4%	67.7%		

Appendix B - Summary - Five Year Storm Sewer Budgets

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Acutal	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Installation service fee	120	-	890	-	1,498					-	
Rate fees	1,305,980	1,407,000	1,378,638	1,437,700	1,910,116	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Total Revenue	1,306,100	1,407,000	1,379,528	1,437,700	1,911,614	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Personnel costs	108,487	124,800	102,581	119,090	37,875	37,875	268,660	268,660	315,084	46,424	17.28%
Operations	128,578	250,100	193,400	351,962	430,409	455,725	445,377	511,238	484,125	(27,113)	(5.30%)
Capital	210,876	110,000	1,050,000	850,000	776,000	26,000	1,624,746	1,620,500	1,319,600	(300,900)	(18.57%)
Borrowing costs	531,156	531,156	531,155	531,155	531,200	531,200	531,200	531,200	531,300	100	0.0%
Reserve transfers	327,003	390,944	(497,608)	(414,507)	136,130	884,000	(153,683)	(190,298)	337,891	528,189	(277.56%)
Total Expenses	1,306,100	1,407,000	1,379,528	1,437,700	1,911,614	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-

Revenue Budget to Actual / Forecast

(100,900)

(58,172)

(23,186)

(25,000)

Appendix C - Water and Wastewater Usage and Billing Metrics

	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	YTD
Water (M³)					
Water purchase from Region (Actual)	2,335,980	2,537,830	2,763,052	2,925,112	2,256,460
Water of Region Total	54,119,757	56,510,456	56,474,455	58,458,771	42,047,685
Port Colborne %	4.32%	4.49%	4.89%	5.00%	5.37%
Wastewater (M³)					
Wastewater to Region (Actual)	3,697,951	3,701,614	4,130,394	3,467,961	2,233,674
Niagara Region Total	67,109,853	73,320,193	76,721,561	71,248,100	46,945,580
Port Colborne %	5.51%	5.05%	5.38%	4.87%	4.76%
Billing (M³)					
Water bill	1,609,570	1,625,245	1,704,627	1,665,317	1,229,715
Water billed vs. Water Purchased (Goal 85%)	68.90%	64.04%	61.69%	56.93%	54.50%
Additional Data					
Lake Level (Avg. cm above datum)	117.0	98.0	96.6	93.0	79.9 (to August)
Precipitation (MM)	939.0	839.0	992.3	868.0	419.5 (to August)

2026 Rate Budget

Council Meeting: November 4, 2025



PORT COLBORNE

Strong Mayor Powers

In 2025 the Mayor received Strong Mayor Powers.

The legislation outlines:

- The Mayor shall prepare and present a budget to Council before February 1
- The Mayor must provide the proposed budget to each Member of Council and the Clerk, and make the proposed budget available to the public



The Budget Process

- **October 6, 2025** – Proposed 2026 Capital and Related Project and Levy (Operating) Budget and 2026 Rates Budgets published on the City's Website for Members of Council and the Public
- **November 4, 2025** – Special Council Meeting where the Budget will be presented to Council and where amendments (if any) can be discussed/formally passed by Council



Presenting the Budget

Legislation

The **Mayor shall prepare and present** a budget to Council before February 1.

The **Mayor must provide** the proposed budget to each Member of Council and the Clerk, and make the proposed budget available to the public.

In Practice

On September 5, 2025, the Mayor issued Mayoral Direction [MDI-2025-001](#) to the CAO, and CFO/Treasurer to prepare and provide the draft budget to Council and the public on October 6, 2025.

The Mayor's proposed 2026 Capital and Related Project and Levy (Operating) Budget and 2026 Rates Budgets will be published to the City's Website on October 6, 2025.

Amending the Budget

Amendment Period

October 6, 2025 – November 5, 2025 (30 days)

Budget Amendments

Proposed Amendments to be sent to/discussed with Mayor, CAO and CFO/Treasurer by October 27, 2025.

Any of Council's proposed amendments to be included on the November 4, 2025 Special Council agenda which will be published on October 28, 2025.

Special Council (Budget/Amendment) Meeting

November 4, 2025 - Budget will be presented and Council's proposed amendments (if any) to be discussed.

Each proposed amendment will be considered individually.

Budget Adoption

If no amendments are passed by Council, the budget is **deemed adopted** on November 5, 2025.

There is no motion to approve the budget (as presented or amended).

Veto Period

Veto Period

November 5, 2025 – November 15, 2025 (10 days)

Communicating a Veto

Veto decision would need to specify which amendment(s) are being vetoed.

Veto decision to be circulated to each Member of Council and the City Clerk.

Veto decision then to be published on the [City's Website](#).

Budget Adoption

If amendments are passed by Council and the Mayor does not exercise a veto power, the budget is deemed adopted with each of the amendments on November 16, 2025.



Overriding a Veto

Override Period

November 16, 2025 – December 1, 2025 (15 days)

Council Overrides

Override(s) would be considered at the Regular Council Meeting on November 25, 2025.

Councillors to submit notice of override to City Clerk by November 19, 2025.

Override will be included on the November 25, 2025 Council Agenda which will be published on November 20, 2025.

Budget Adoption

If two-thirds (6) of Council vote in favour of overriding a veto, the budget is deemed adopted with that amendment.

If Council does not vote in favour of an override, the budget is deemed adopted without the amendment on December 2, 2025.

Timeline Overview

September 6, 2025 - Mayoral Direction to CAO and CFO/Treasurer to prepare and provide the draft budget to Council and the public on October 6, 2025

October 6, 2025 – Mayor’s Budget made available to Council and the public on the City’s Website

October 6, 2025 – November 5, 2025 – Amendment Period

November 4, 2025 – Special Council (Budget/Amendment) Meeting

November 5, 2025 - November 15, 2025 – Veto Period

November 16, 2025 – December 1, 2025 – Override Period

Reminders for Amendments:

Councillors are asked to send/discuss their proposed Amendments to/with Mayor, CAO and CFO/Treasurer by October 27, 2025

Proposed amendments will be included on November 4, 2025 Special Council Meeting agenda which will be published on October 30, 2025

2026 Rate Budget

In preparing the **2026 Rate Budget**, certain assumptions and estimates are necessary.

They are based on information available to staff at the time.

Actual results will vary although, as regulated through the Municipal Act, a **balanced budget is required**.



Agenda

- 1 2026 Budget Summary
- 2 City Fundamentals
- 3 Budget Details
- 4 Looking Forward
- 5 Thank You

Agenda

1 2026 Budget Summary

2 City Fundamentals

3 Budget Details

4 Looking Forward

5 Thank You

- Vision, Mission & Corporate Values
- Alignment with the Strategic Plan
- Sustainable & Resilient Infrastructure
- Process
- Budget Drivers
- Budget Highlights
- Rate impacts
- Tax and rate comparisons
- Risks to the budget



Vision, Mission & Corporate Values

Vision Statement:

A healthy and vibrant waterfront community embracing growth for future generations.

Mission Statement:

To provide an exceptional small-town experience in a big way.

Corporate Values

- **Integrity** – We interact with others ethically and honourably
- **Respect** – We treat each other with empathy and understanding
- **Inclusion** – We welcome everyone
- **Responsibility** – We make tomorrow better
- **Collaboration** – We are better together



PORT COLBORNE



Alignment with the Strategic Plan



**Environment
& Climate
Change**



**Welcoming,
Livable &
Healthy
Community**



**Economic
Prosperity**



**Increased
Housing
Options**



**Sustainable
& Resilient
Infrastructure**

PEOPLE  **SIMPLE**  **VALUE**  **CUSTOMER**



PORT COLBORNE

Sustainable & Resilient Infrastructure



Sustainable & Resilient Infrastructure

Goal:

To sustainably renew and improve infrastructure.

Measures:

- All stormwater assets to have a remaining asset life of 20% or greater by 2030. Currently 88% (2023 – 91%)
- All wastewater assets to have a remaining asset life of 20% or greater by 2030. Currently 96% (77.6%)
- All water assets to have a remaining asset life of 20% or greater by 2040. Currently 65% (2023 – 62%)

	Very good, good, fair	Poor	Very poor and unknown	Total
Rate Funded				
Stormwater	316,179,042	72,833,152	51,850,707	440,862,900
Wastewater	277,129,514	55,395,079	14,139,689	346,664,282
Water	257,433,533	8,386,053	154,155,692	419,975,278
Total Rate Funded	850,742,087	136,614,284	246,146,088	1,207,502,459

Investment required in the current system:

Proposed 2026 base funding = \$3.4 million + \$2.4 million in debt payments

In 2026, 1 km of linear infrastructure is estimated to cost \$2.94 million

Required 2026 average annual investment = \$19.64 million = 1.6% of replacement cost

Plus:

- Approx 65% - 70% of all wastewater treated is resulting from inflow and infiltration (I&I) and only 1/3 of the urban area has a designed storm sewer system
- Designed storm systems will prevent I&I from being treated

Sustainable & Resilient Infrastructure

Goal:

To implement capital projects required for the sustainability of the water, wastewater, and storm water rate systems.

Measures:

- Reduce the wastewater to water billed ratio to 1 by 2040.
 - Current = 1.82 from 2.27 in 2022
 - (20% improvement – 3.96% of system rate as very poor down from 22.4% in 2023)
- Reduce the water loss rate to 15% by 2040.
 - Currently 45.4% from 36% in 2022
 - (26% deterioration – 95% increase in pipe breaks year over year)



Approach:

- Our people
- Our infrastructure investments
- Our data analysis and geographic information systems



PORT COLBORNE

Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)



Process

Developed from direction from the Mayor and input from Councillors throughout the year, the following are key dates:

Milestones	Capital & Levy	Rate
Submissions to Finance	July 18, 2025	July 18, 2025
Staff Review	Throughout summer	Throughout summer
Final Review	September 29, 2025	September 29, 2025
Budget Package Distributed to Council and the public	October 6, 2025	October 6, 2025
Council Meeting	November 4, 2025	November 4, 2025

Budget Drivers

Niagara Region

The cost of the Niagara Region to treat the water and wastewater

- 9.05% increase (Niagara Region Budget Committee Presentation August 14, 2025)
- The Niagara Region allocates their variable and fixed costs based on volumes.
- Water and Wastewater Rate Methodology Review (Niagara Region Report CSD 59-2024) identifies the Niagara Region's 2025 Rate budget included funding to review the current rate methodology. This project will begin shortly.
- Mayor and Regional Councillor have requested inspections of all Niagara Region lines

Infrastructure

- The cost to repair, replace and in the case of storm sewers, building infrastructure
- Directing operational resources on rate activities

Budget Highlights

Wastewater
Engineering Design for Sugarloaf
Street/Marina Area and HWY 140 Area



\$1.95M



Water
Watermain Lining Program
(three-year project)



\$6M



\$1M



Storm Sewer

Environmental Assessment & Engineering
Design for Clarke Area and Repair



\$500K



Water

Engineering Design for Lockview Area



* Ontario Structure Inspection Manual



PORT COLBORNE

Rate Impacts



Rate Impacts

For average residential water usage of **142m3**

	2026	2025	Annual Change		Monthly Change \$
			\$	%	
Water	857.85	765.94	91.91	12.00%	7.65
Wastewater	1,345.41	1,257.39	88.02	7.00%	7.34
Water/Wastewater Combined	2,203.26	2,023.33	179.93	<u>8.89%</u>	14.99
Storm Sewer	301.31	273.92	27.39	10.00%	2.28

Mayor Direction

- Reduce water loss
- Reduce inflow and infiltration

Drivers of change:

- Capital infrastructure costs
- Costs associated with operationalizing infrastructure improvements as resources directed to rate
- Treatment costs (Niagara Region)
 - 9.05% increase (Budget Committee of the whole August 14, 2025)

Note: Average residential water usage previously reported illustrated at 188 m3. Updated methodology and available data identifies average residential usage at 142 m3.

Comparison: 2025 Property Taxes

Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)

	2016 Assessed Value	Niagara Region	City	Education	Total	
Average						
City of Port Colborne (Single Detached)	\$203,084	\$1,768	\$2,318	\$311	\$4,397	+ Storm \$273.92
Average Local Area Municipality (LAMs)	\$335,827	\$2,809	\$2,085	\$514	\$5,408	
Median						
City of Port Colborne (Single Detached)	\$181,000	\$1,576	\$2,066	\$277	\$3,919	+ Storm \$273.92
Average Local Area Municipality (LAMs)	\$310,433	\$2,596	\$1,928	\$475	\$4,998	

Driven by assessment

Full-time fire department vs. volunteer; and Focus on capital (20.4% of levy in 2025)

Comparison: 2025 Water and Wastewater Rates

Change from 188 m3 comparator in prior years

Equals 1.4 cent per litre for water
(if allocating no cost to wastewater)

	Avg. Usage	Water	Wastewater	Total
City of Port Colborne	142 m3	\$766	\$1,257	\$2,023
Next Closest LAMs	142 m3	\$608	\$1,132	\$1,740
Average LAMs	142 m3	\$550	\$887	\$1,437
Median LAM	142 m3	\$497	\$860	\$1,357

\$283

\$586

Wastewater differential is driven by inflow and infiltration

Comparison: 2025 Total Cost

Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)

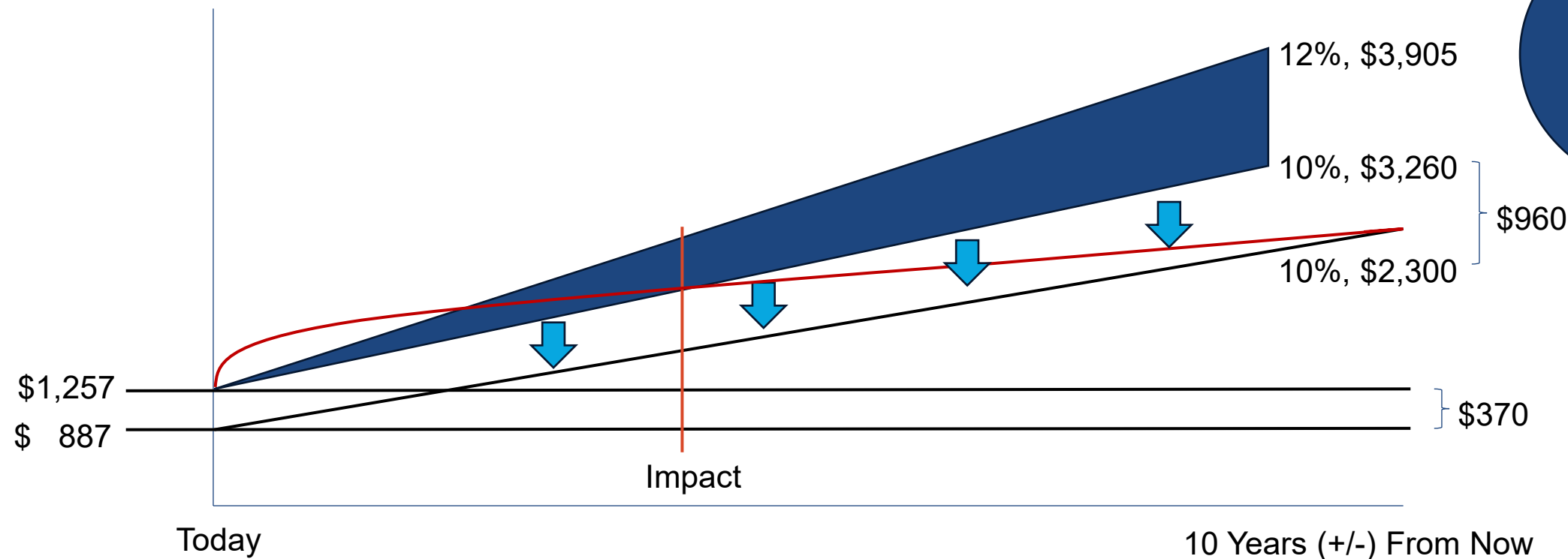
CVA	Port Colborne	Local Area Municipalities	Difference
Property Tax	\$ 4,397	\$ 5,408	\$ (1,011)
Storm Sewer	274	Included in above	274
	\$ 4,671	\$ 5,408	\$ (737)
Water and Wastewater	2,023	1,437	586
Total	\$ 6,694	\$ 6,845	\$ (151)

Net “all-in” average household cost is below Niagara average



Impact of Doing Nothing

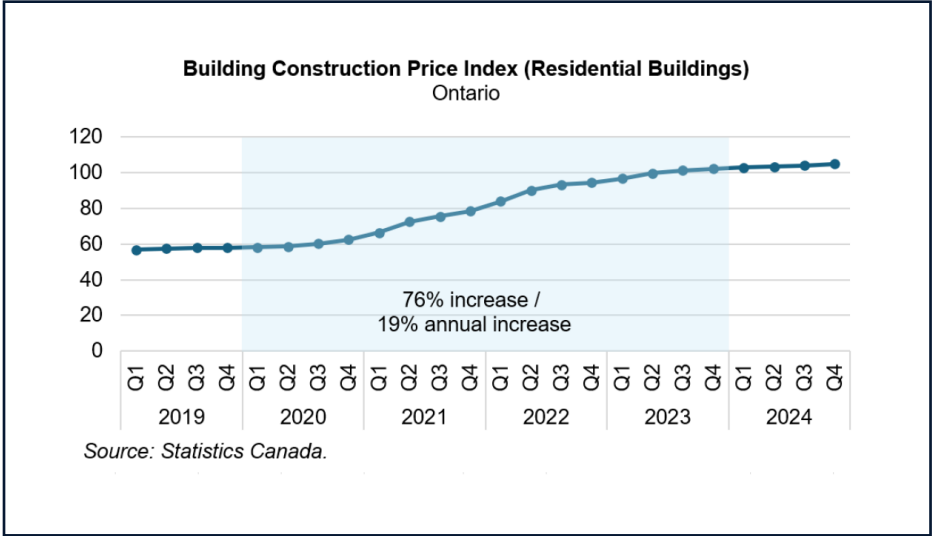
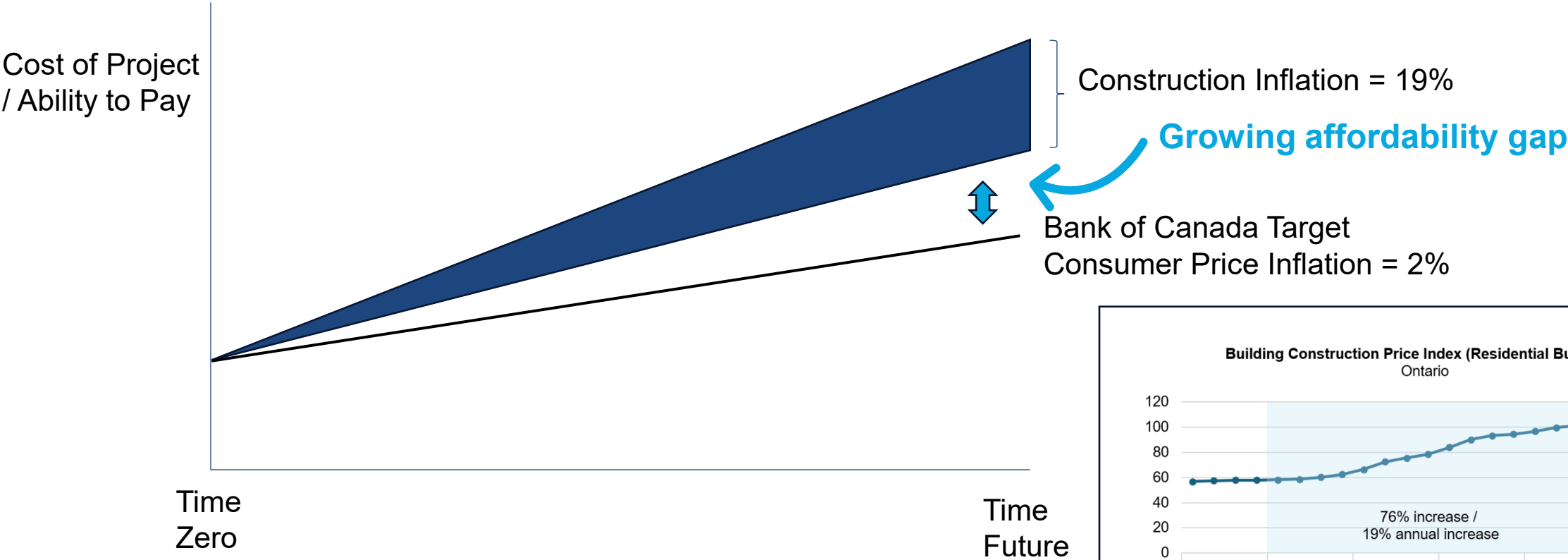
Illustration - Annual Wastewater Payment per Average Residential Property



↓ **Combined effort** – Address the 2/3 of the city without working storm sewers and replace and/or reline wastewater pipes

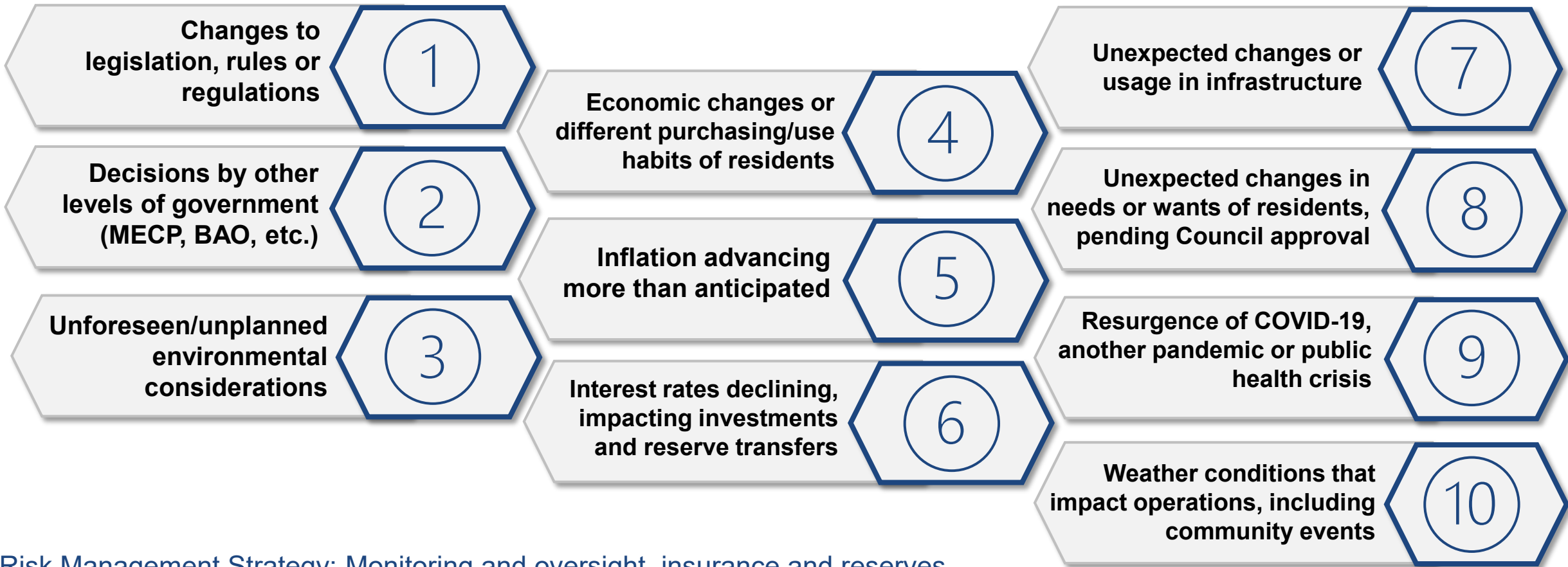
Impact of Doing Nothing

Illustration – Timing of Construction Projections



Risks to the Budget

Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:



Risk Management Strategy: Monitoring and oversight, insurance and reserves

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1 2026 Budget Summary

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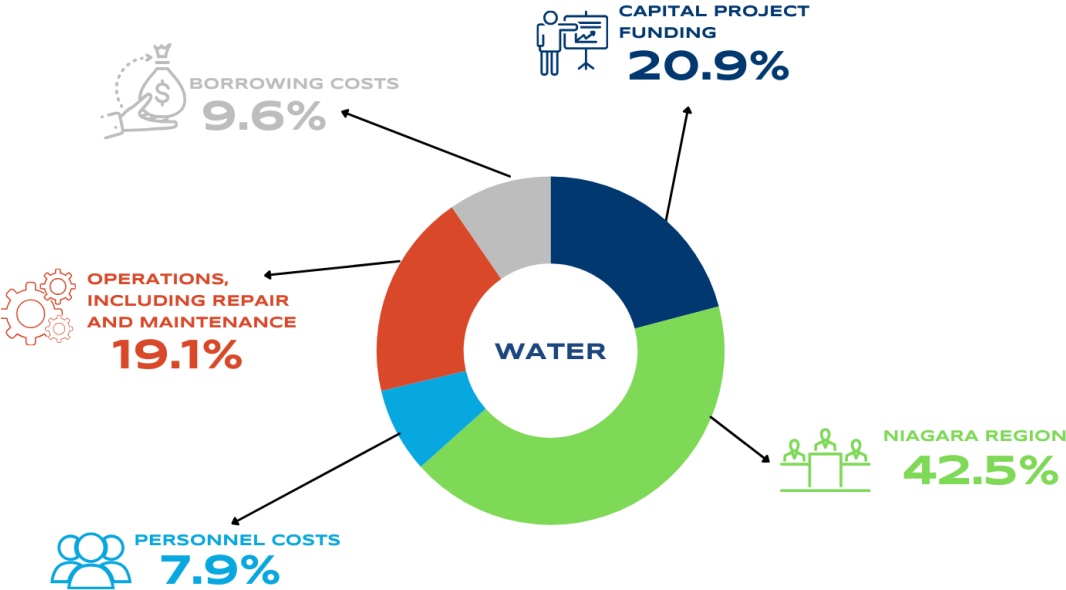
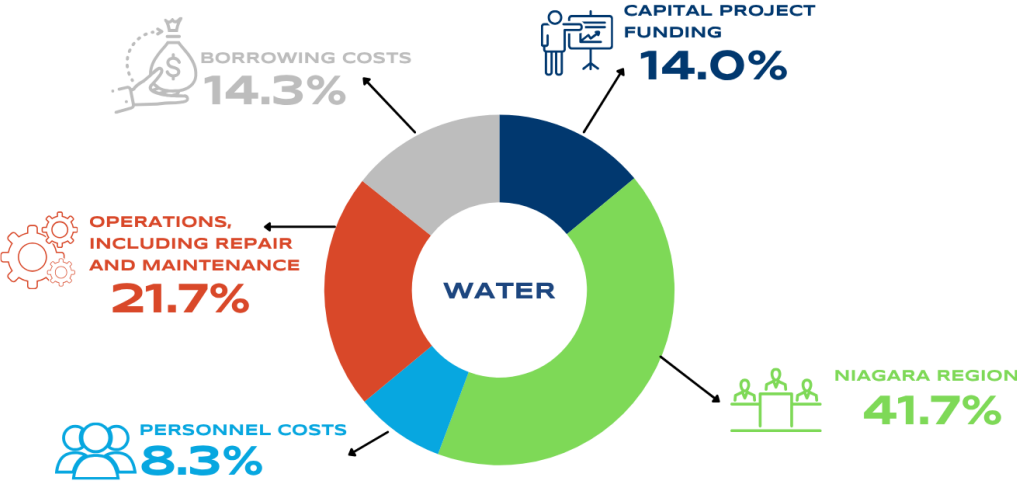
- 
- What rate dollars support ...
 - 2026 Budget and 2025 Forecast
 - Debt Position and Outlook
 - Reserves
 - Water and wastewater volumes
 - Completed projects



What water dollars support ...

2026

2025

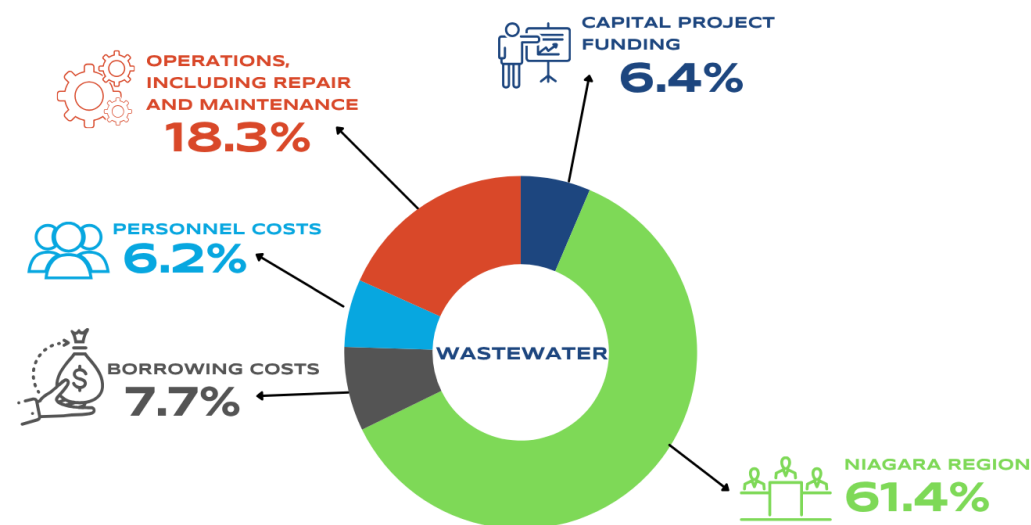


2026 Combined borrowing and capital projects = 28.3% (30.5% - 2025)

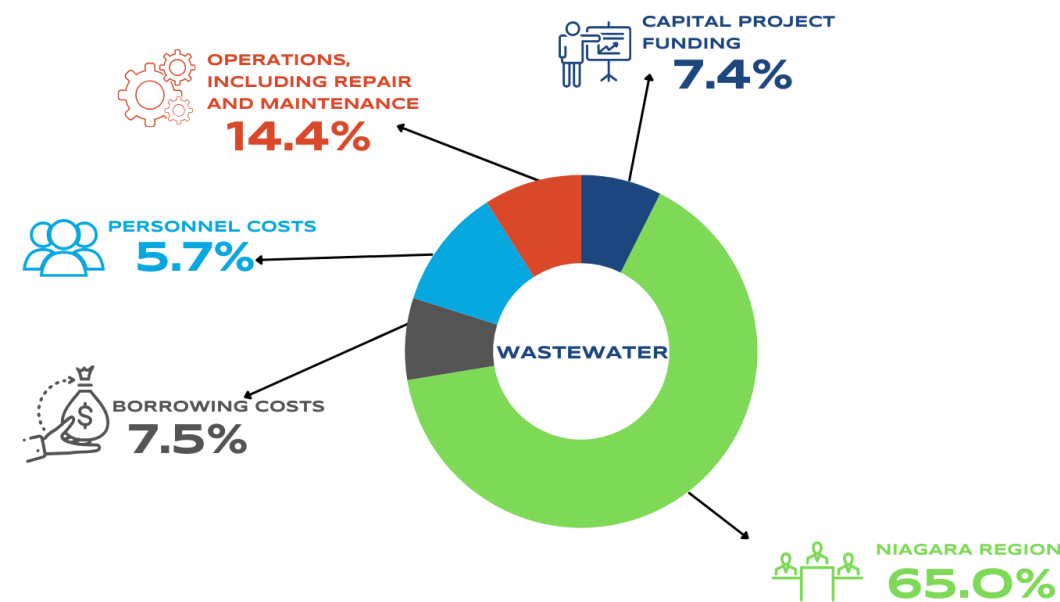


What wastewater dollars support ...

2026



2025

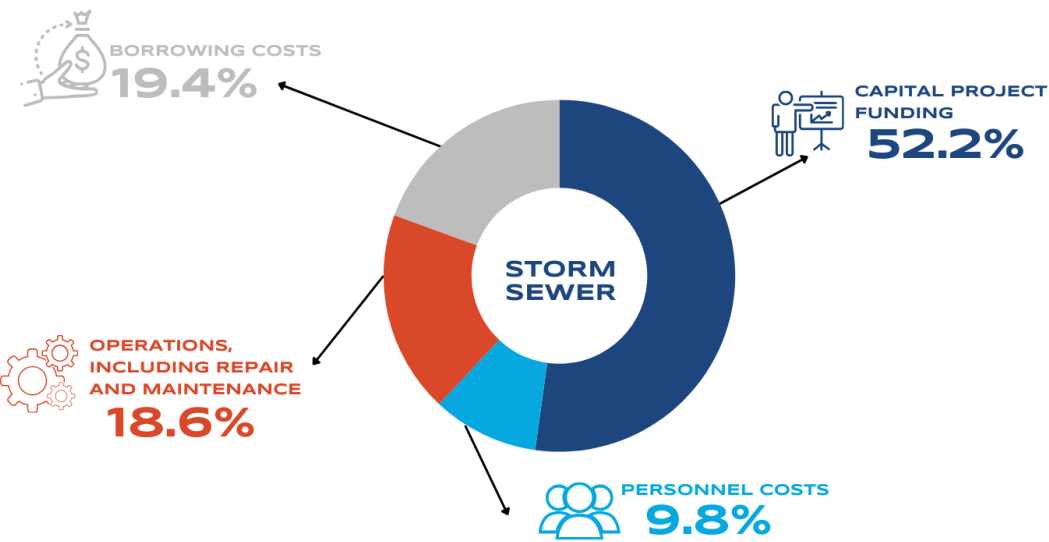
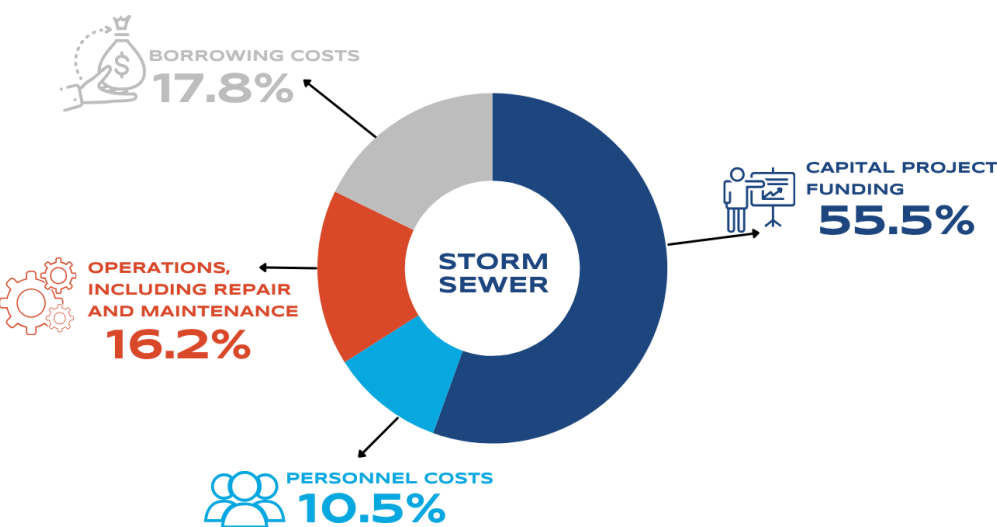


2026 Combined borrowing and capital projects = 14.1% (14.9% - 2025)

What storm water dollars support ...

2026

2025



2026 Combined borrowing and capital projects = 73.3% (71.6% - 2025)



2026 Budget and 2025 Forecast

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%	
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change		
Penalties and other fees	153,816	111,000	192,791	94,200	148,307	60,100	69,400	69,400	68,900	(500)	(0.7%)	
Variable	2,774,850	2,743,067	2,722,662	3,016,000	3,171,357	3,303,393	3,522,400	3,567,400	3,908,900	341,500	9.6%	
Fixed	10,199,398	10,247,000	10,729,296	10,550,900	13,225,783	13,196,120	15,438,700	15,330,700	16,703,800	1,373,100	9.0%	
Total Revenue	13,128,065	13,101,067	13,644,749	13,661,100	16,545,447	16,559,613	19,030,500	18,967,500	20,681,600	1,714,100	9.04%	A
Fixed vs. Variable	79%	79%	80%	78%	81%	80%		81%				
Niagara Region	6,381,607	6,961,745	7,257,787	7,319,079	7,497,041	8,370,179	8,716,560	9,016,560	9,368,300	351,740	3.9%	B
Personnel costs	1,082,704	1,248,700	1,025,813	1,190,900	943,223	983,800	1,343,300	1,343,300	1,575,400	232,100	17.3%	C
Operations	1,612,962	2,088,910	2,066,787	2,423,929	2,808,238	2,801,634	3,731,845	3,166,468	3,974,909	808,441	25.5%	D
Capital	1,602,373	701,597	2,596,700	2,311,700	5,436,700	896,700	3,941,578	3,902,700	2,255,837	(1,646,863)	(42.2%)	
Borrowing costs	895,785	895,785	895,481	895,481	969,077	1,546,000	1,162,300	1,893,900	2,398,600	504,700	26.6%	E
Reserve transfers	1,552,633	1,204,330	(197,819)	(479,989)	(1,108,832)	1,961,300	134,917	(355,428)	1,108,554	1,463,982	(411.9%)	F
Total Expenses	13,128,065	13,101,067	13,644,749	13,661,100	16,545,447	16,559,613	19,030,500	18,967,500	20,681,600	1,714,100	9.04%	
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-	

Aggregate increase to core capital infrastructure funding = \$321,819

2026 Budget and 2025 Forecast

A – 2026 revenue change a function of proposed rate increases.

B – Niagara Region purchases a direct reflection of consumption to date and Niagara Region published budget change. Water purchases are increasing while wastewater purchases have been decreasing.

C – 2026 personal change is a result of the addition of a new project manager and contracted wages.

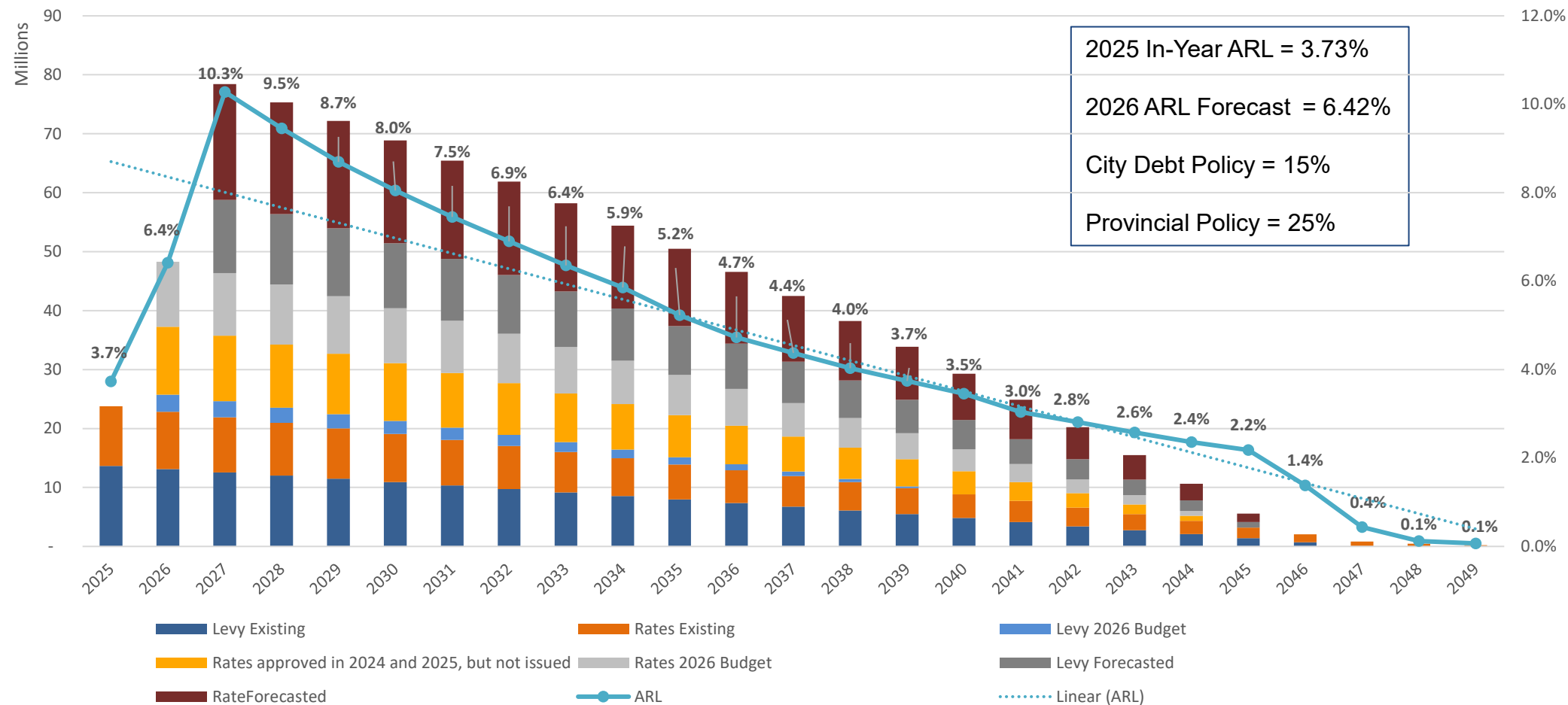
D – 2026 allocation changes a direct result of final step to fully allocating shared service costs within the levy plus focus on rate activities has shifted resources from levy to rate. Allocations including everything from insurance to fleet and facilities to administration.

E – 2026 borrowing costs align with the 2026 Capital and Related Project Budgets. The 2025 forecasted borrowing cost is less than budget as a result of the timing of borrowing.

F – Reserves: See next slide.

Debt Position and Outlook

Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)



New Debt in 2026 is included in the 2026 budget; forecasted debt in 2027 relates to future projects related to East Side Employment Lands, Canal Crossing, Marina District/Sugarloaf and Lockview District subject to separate and future approval by Council.
Forecast treats debt through planned future Municipal Service Corporation as unconsolidated.

Reserves

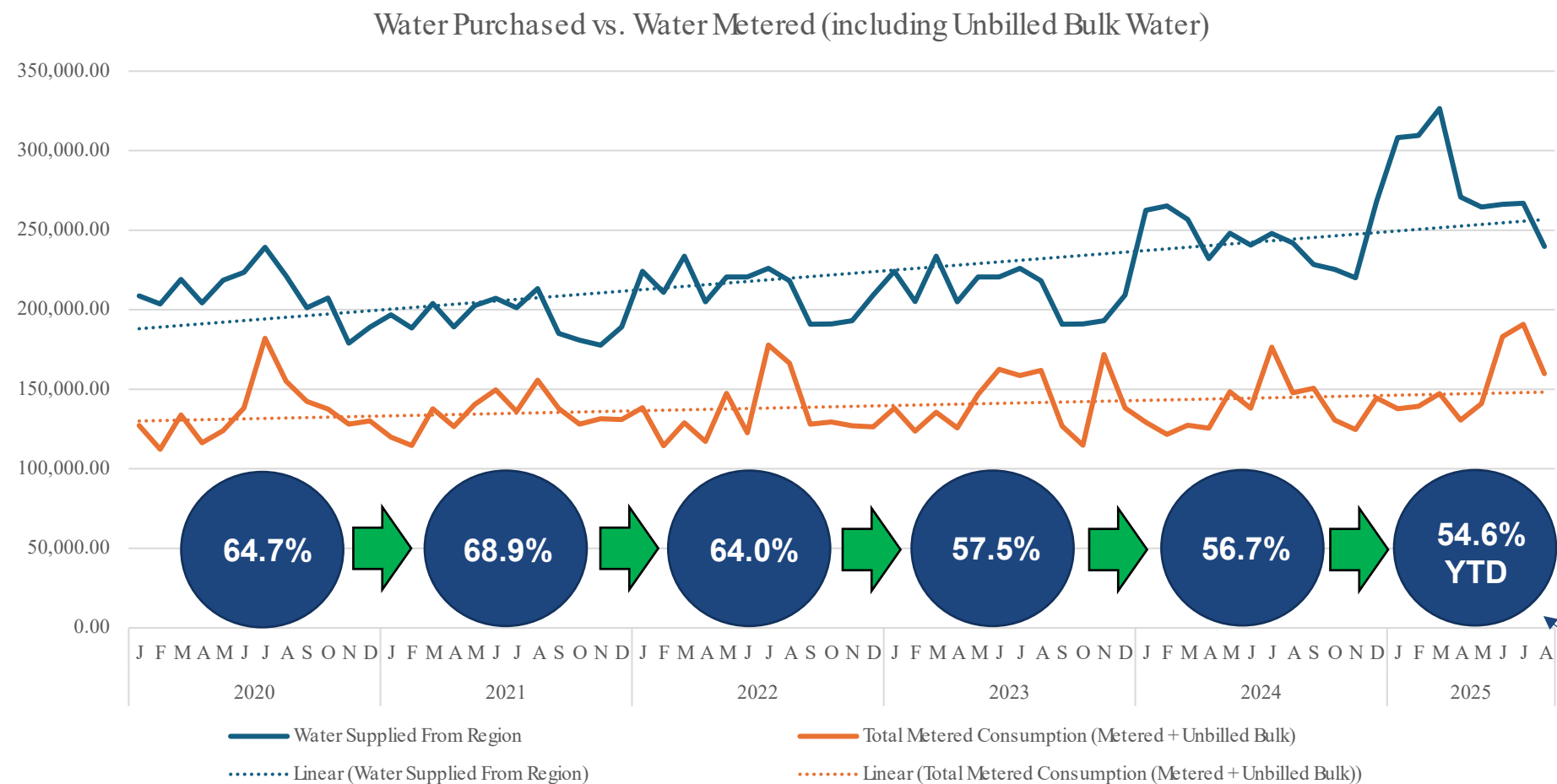
Reserve	2024 YE Balance	2025 Budget	2025 Actual	2025 Forecatsed	2025 YE Forecast	2026 Proposed Budget	2026 Forecasted Balance
Storm Sewer Reserve	213,702	(190,298)		36,615	60,019	337,891	397,910
Wastewater Reserve	2,800,595	(973,237)		668,650	2,496,008	32,163	2,528,171
Water Reserve	746,529	(397,056)		(277,921)	71,552	738,500	810,052
Total Capital Reserve	3,760,826	(1,560,591)	-	427,345	2,627,579	1,108,554	3,736,133

Target Funding Levels *

Storm target reserve funding level = \$3,238,000 = 12.3%
Wastewater target reserve funding level = \$3,950,000 = 64.0%
Water target reserve funding level = \$3,699,300 = 21.9%

* Estimated cost of 1 KM of linear asset (\$2,940,000 in 2025) plus 10% of budget

Water Billed vs. Water Purchased



Actions

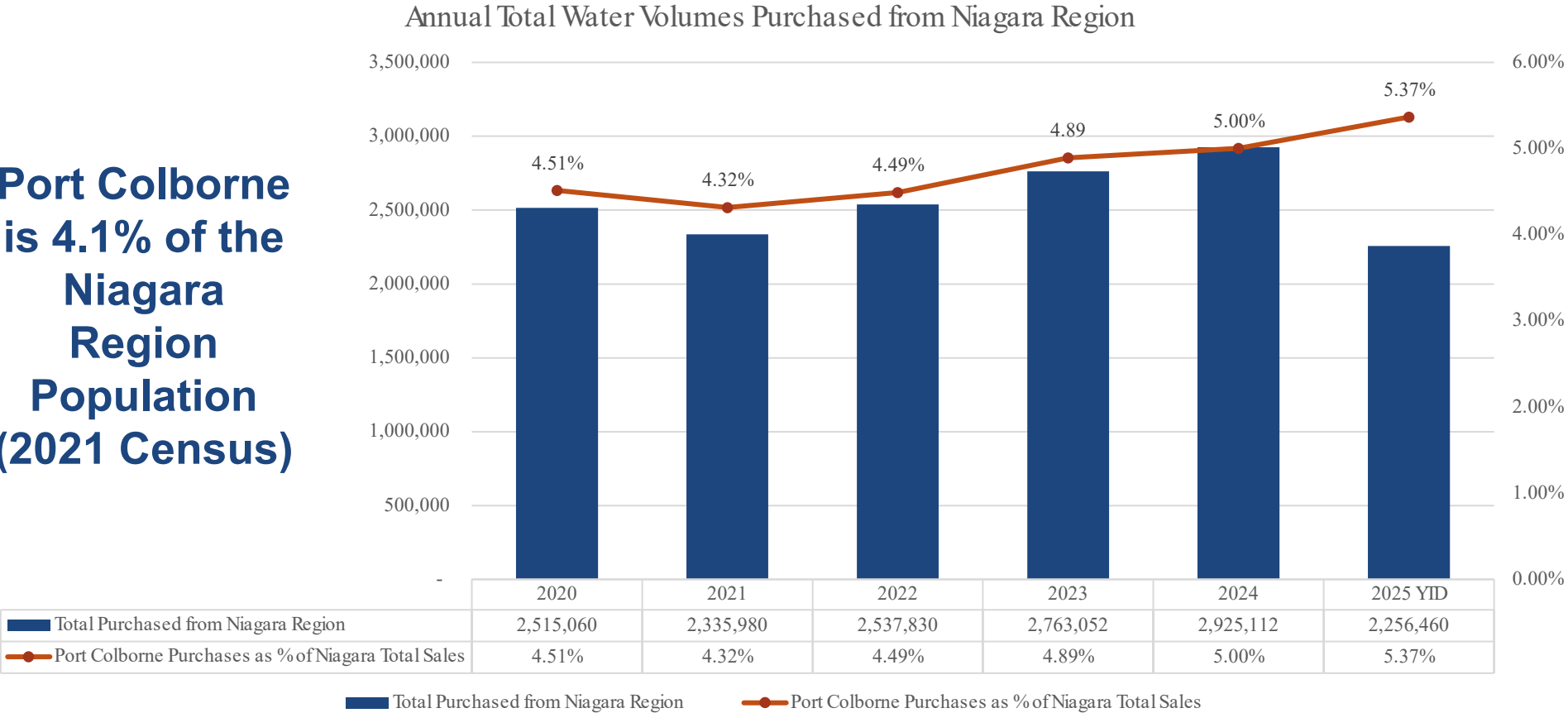
- Reviewing meter account activity
- AI installed on fire hydrants to detect leaks
- Working with industrial, commercial and large multi-residential to test meters
- Property previously identified with bypass resolved in September
- Construction water usage continues to be reviewed

% = Water billed vs. water purchased as a percentage

Positive infrastructure improvements offset by 95% increase in watermain breaks (39 vs. 20 PY)

Water Volumes (m³)

Port Colborne
is 4.1% of the
Niagara
Region
Population
(2021 Census)

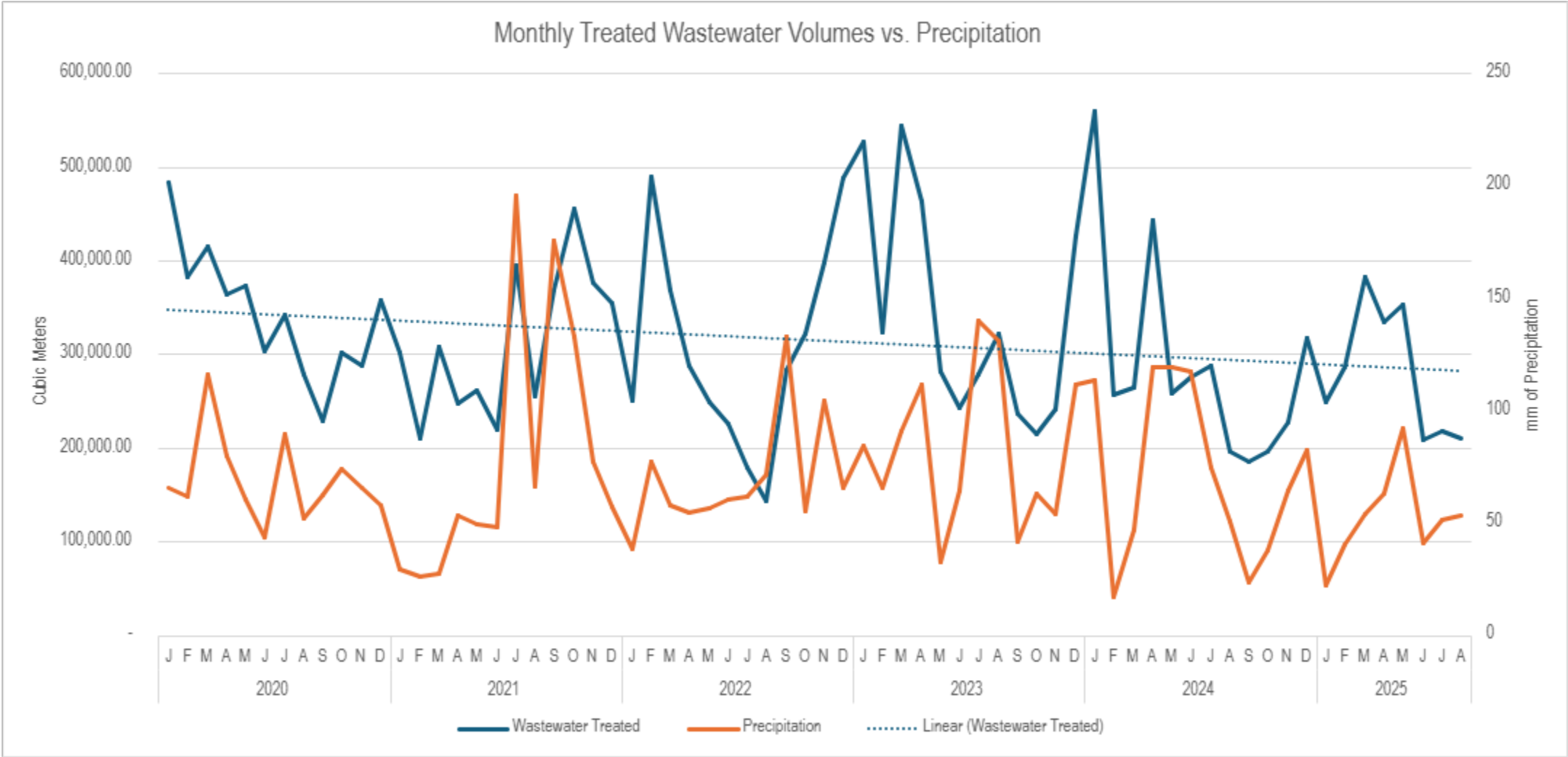


*Updated volume metric methodology

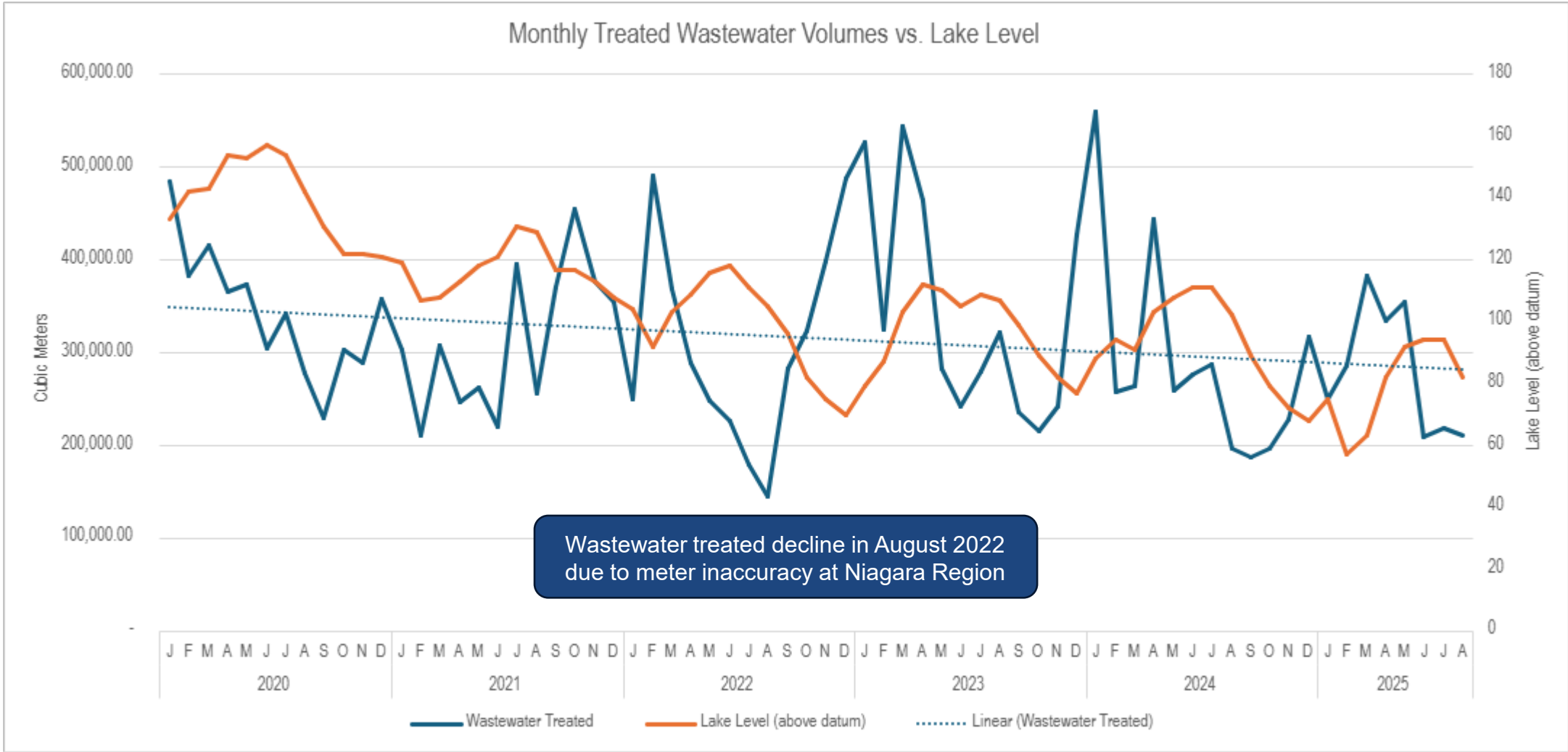


PORT COLBORNE

Wastewater Treated Volumes vs. Precipitation



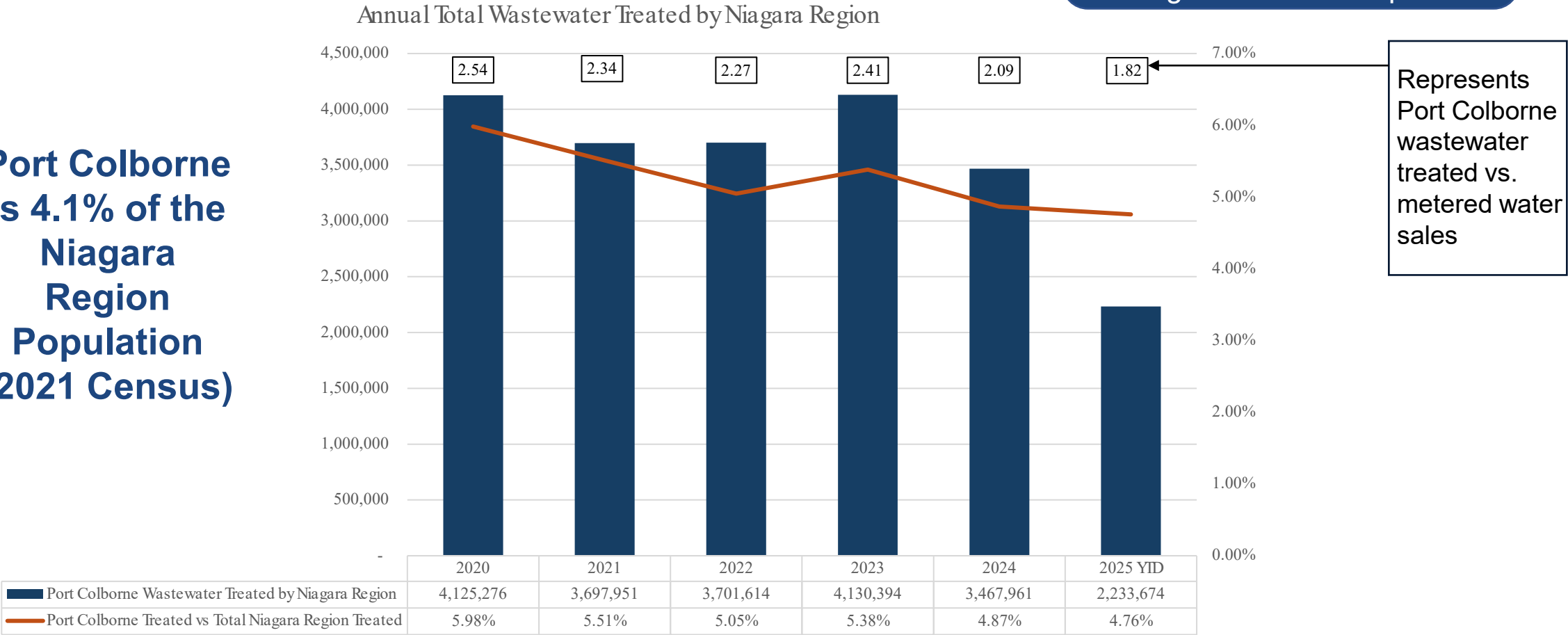
Wastewater Treated Volumes vs. Lake Level



Wastewater Volumes (m³)

In 2025 YTD
1 litre of water metered = 1.82
litres sent to the Niagara
Region wastewater plant

Port Colborne
is 4.1% of the
Niagara
Region
Population
(2021 Census)



Completed Project



PORT COLBORNE



← →
Clarence Street
Water & Storm Replacement

Completed Projects

Slide repeated from 2026 Capital and
Related Project and Levy (Operating)
Budget (2025-164)

Davis Street
Watermain
Replacement



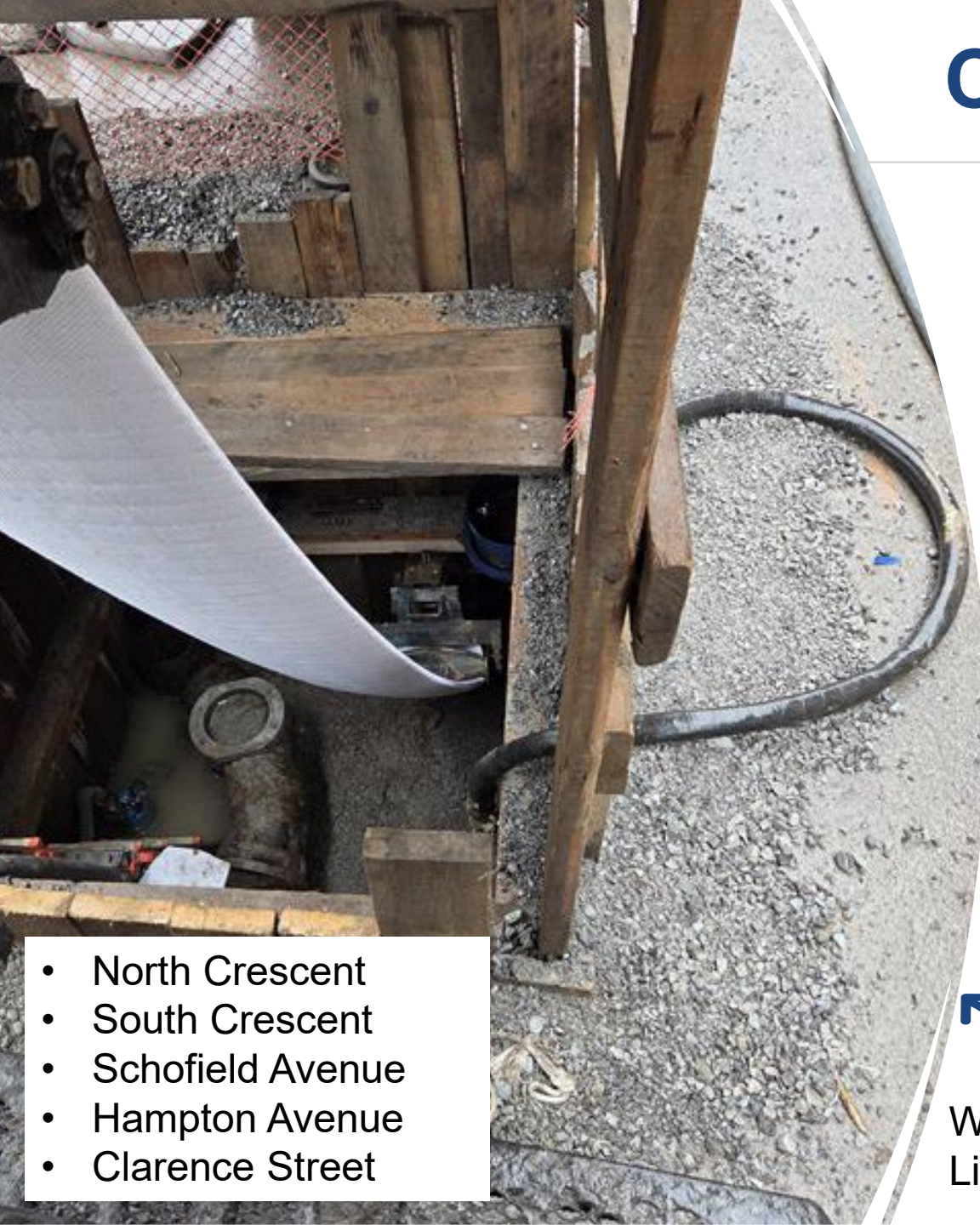
Homewood Avenue
Watermain Replacement



PORT COLBORNE

Completed Project

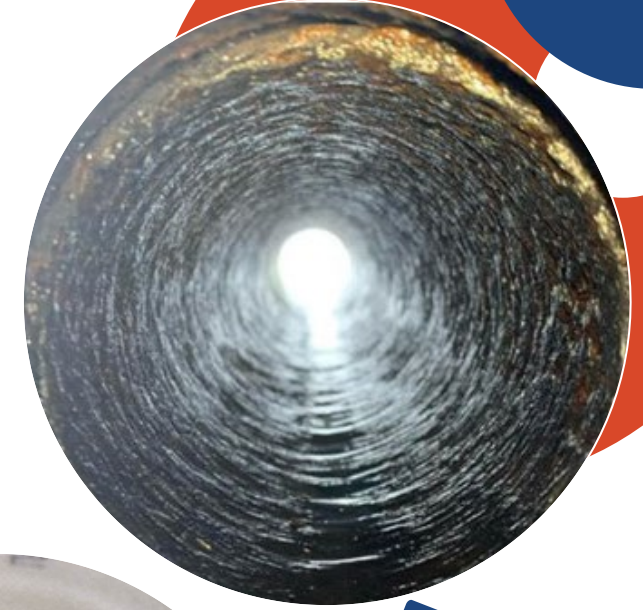
Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)



- North Crescent
- South Crescent
- Schofield Avenue
- Hampton Avenue
- Clarence Street



Existing State



After Cleaning



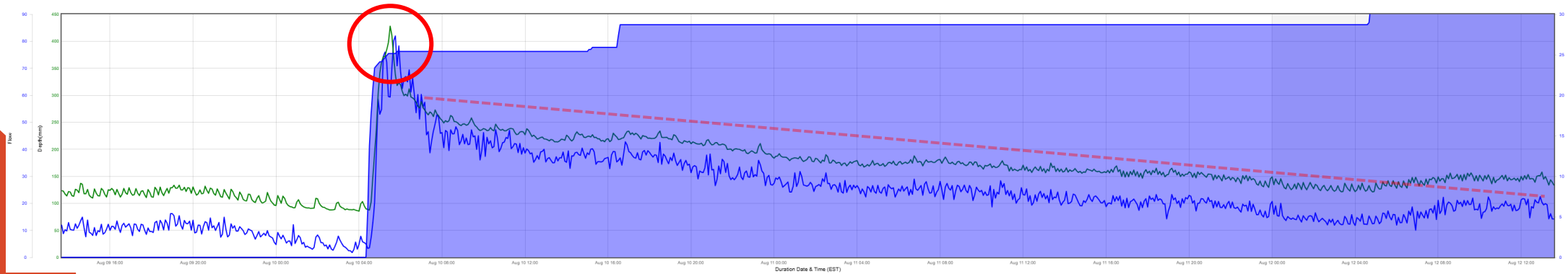
After Lining

Watermain Lining

Completed Projects

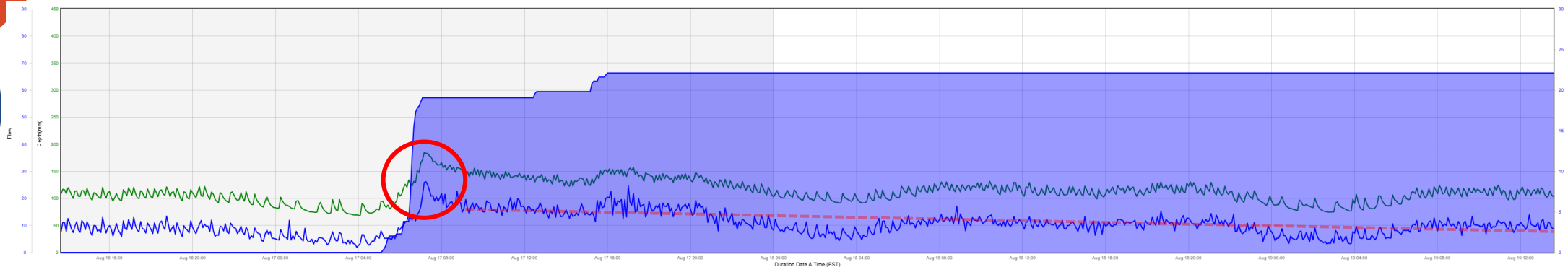
Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)

Wastewater Mainline Lining



↖ Omer Drainage Area 2023
25mm of Rain in 1 Hour = Peak Flow **80L/s**

Omer Drainage Area 2025
19mm of Rain in 1.5 Hours = Peak Flow **26 L/s** ↘



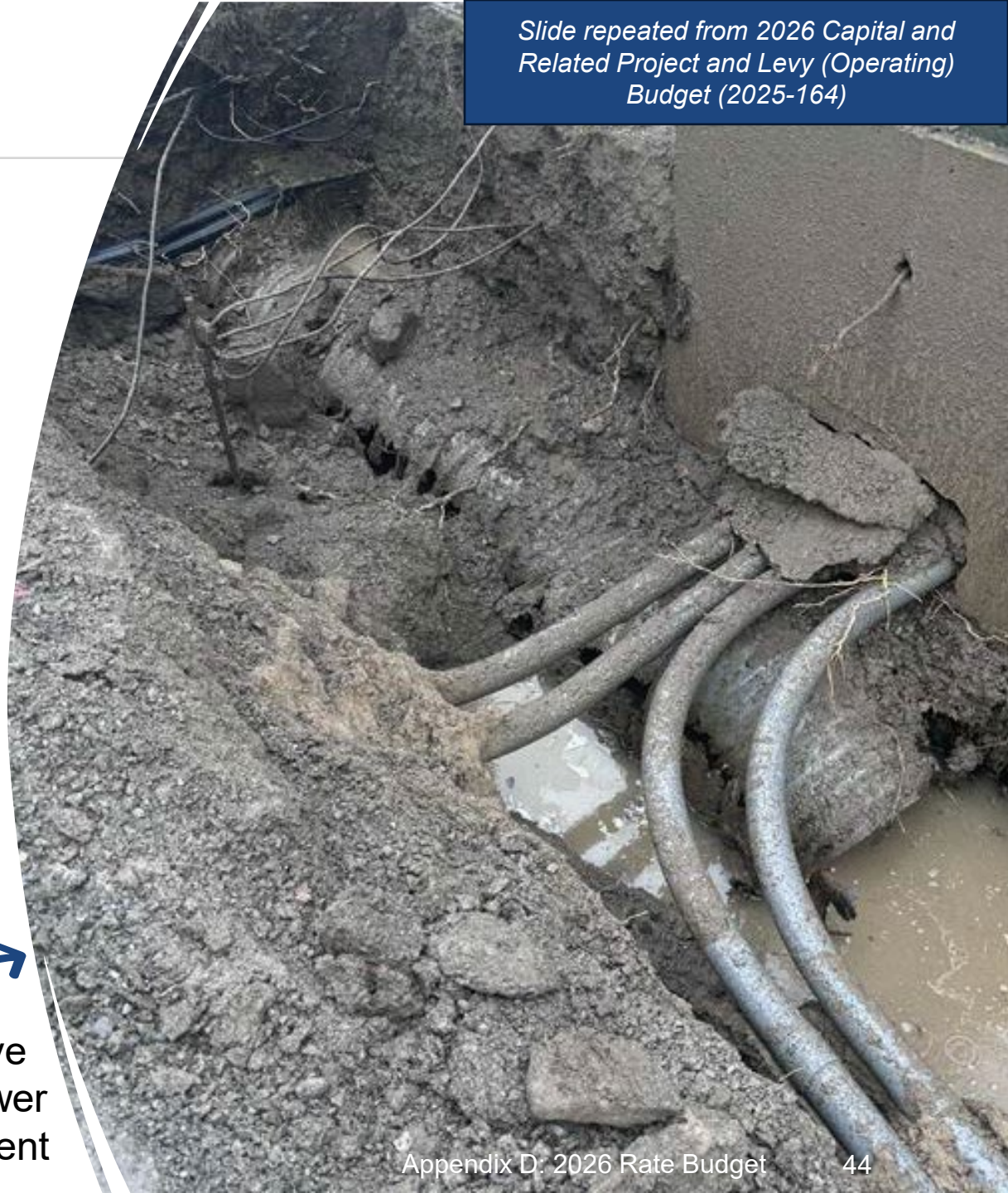
PORT COLBORNE

Completed Projects

Slide repeated from 2026 Capital and
Related Project and Levy (Operating)
Budget (2025-164)



Olga Drive
Storm Sewer
Replacement



Agenda


1 2026 Budget Summary

2 City Fundamentals

3 Budget Details

4 Looking Forward

5 Thank You

- 
- Water
 - Wastewater
 - Storm Sewer



Water

2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	

Penalties and other fees	71,587	97,000	101,315	63,100	115,262	28,700	33,300	33,300	32,800	(500)	(1.5%)
Variable	2,142,479	2,120,000	2,253,659	2,376,000	2,609,797	2,604,993	2,917,200	2,917,200	3,267,300	350,100	12.0%
Fixed	2,547,531	2,540,000	2,776,318	2,743,200	3,420,313	3,305,420	3,833,200	3,833,200	4,293,200	460,000	12.0%
Total Revenue	4,761,596	4,757,000	5,131,292	5,182,300	6,145,371	5,939,113	6,783,700	6,783,700	7,593,300	809,600	11.93%

Fixed vs. Variable	54%	55%	55%	54%	57%	56%	57%	57%	57%
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Niagara Region	2,172,540	2,040,866	2,417,834	2,398,200	2,658,172	2,572,900	3,081,660	2,881,660	3,169,900	288,240	10.0%
Personnel costs	649,478	749,300	615,488	714,540	549,323	589,900	537,320	537,320	630,148	92,828	17.3%
Operations	845,712	935,310	1,085,475	1,003,970	1,276,526	1,149,513	1,587,083	1,294,876	1,644,052	349,176	27.0%
Capital	266,700	266,700	706,700	621,700	1,808,700	568,700	1,462,814	1,445,500	325,900	(1,119,600)	(77.5%)
Borrowing costs	364,629	364,629	364,326	364,326	364,800	364,800	418,700	650,300	1,084,800	434,500	66.8%
Reserve transfers	462,537	400,195	(58,531)	79,564	(512,149)	693,300	(303,877)	(25,956)	738,500	764,456	(2945.2%)
Total Expenses	4,761,596	4,757,000	5,131,292	5,182,300	6,145,371	5,939,113	6,783,700	6,783,700	7,593,300	809,600	11.93%

[illegible]

Proposed Projects:

Water

\$9,905,200

\$7,838,500 excluding
pre-committed projects

- I.1 2026 – 2028 Watermain Lining Program
- I.2 Lockview Area Servicing
- Pre-committed \$2,066,700
- Reserve Transfer \$738,500

Funding

2026 Rates

\$ 915,200

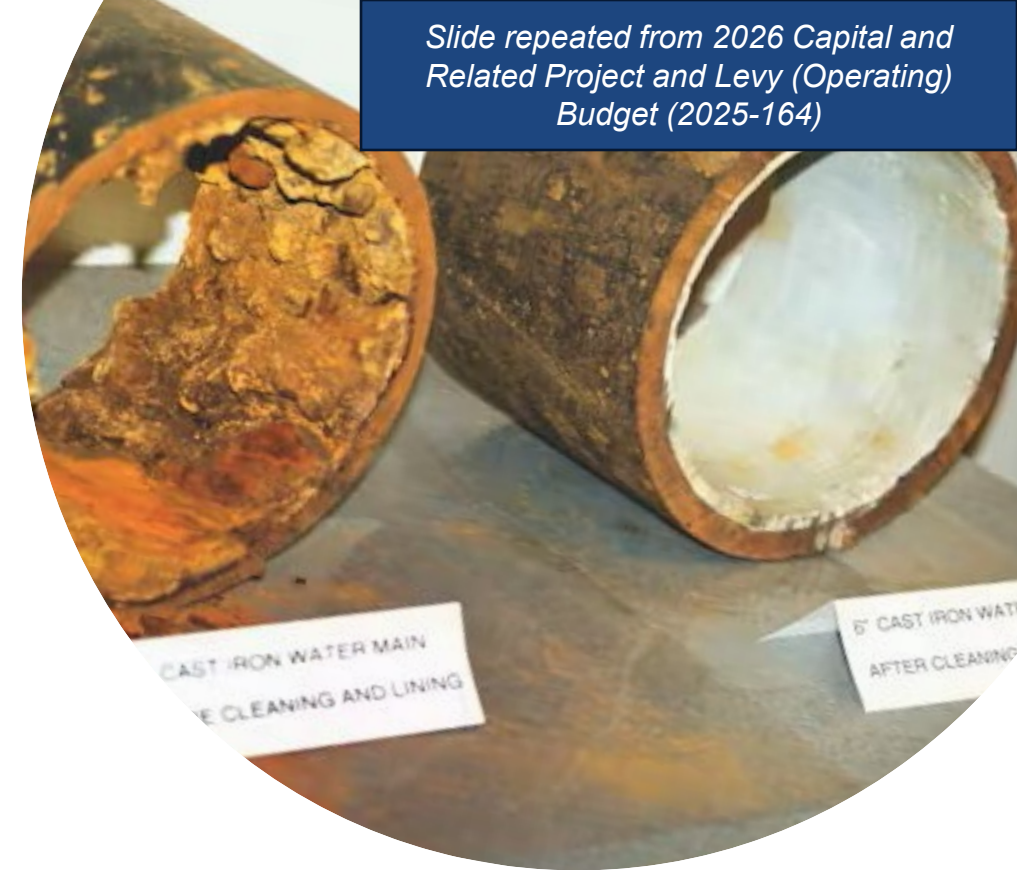
New Debt

\$ 8,740,000

CHIF

\$ 250,000

\$9,905,200



Slide repeated from 2026 Capital and
Related Project and Levy (Operating)
Budget (2025-164)

Wastewater

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	

Penalties and other fees	82,109	14,000	90,586	31,100	31,548	31,400	36,100	36,100	36,100	-	0.0%
Variable	632,371	623,067	469,003	640,000	561,560	698,400	605,200	650,200	641,600	(8,600)	(1.3%)
Fixed	6,345,888	6,300,000	6,574,340	6,370,000	7,895,354	7,955,900	8,889,200	8,756,200	9,422,600	666,400	7.6%
Total Revenue	7,060,368	6,937,067	7,133,929	7,041,100	8,488,462	8,685,700	9,530,500	9,442,500	10,100,300	657,800	6.97%

Fixed vs. Variable	91%	91%	93%	91%	93%	92%	94%	93%	94%		
Niagara Region	4,209,067	4,920,879	4,839,953	4,920,879	4,838,869	5,797,279	5,634,900	6,134,900	6,198,400	63,500	1.0%
Personnel costs	324,739	374,600	307,744	357,270	356,025	356,025	537,320	537,320	630,168	92,848	17.3%
Operations	638,672	903,500	787,912	1,067,997	1,101,303	1,196,396	1,699,386	1,360,354	1,846,732	486,378	35.8%
Capital	1,124,797	324,897	840,000	840,000	2,852,000	302,000	854,018	836,700	610,337	(226,363)	(27.1%)
Borrowing costs	-	-	-	-	73,077	650,000	212,400	712,400	782,500	70,100	9.8%
Reserve transfers	763,093	413,191	358,320	(145,046)	(732,813)	384,000	592,476	(139,174)	32,163	171,337	(123.1%)
Total Expenses	7,060,368	6,937,067	7,133,929	7,041,100	8,488,462	8,685,700	9,530,500	9,442,500	10,100,300	657,800	6.97%

Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-
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Proposed Projects:

Wastewater

\$4,853,200
\$1,950,000 excluding
pre-committed projects

- H.1 Sugarloaf Street and Marina Area Engineering
- H.2 Hwy 140
- Pre-committed \$2,871,037
- Reserve Transfer \$32,163

Funding

2026 Rates	\$ 843,300
New Debt	\$ 2,659,900
CHIF	\$ 975,000
Development Charges	<u>\$ 375,000</u>
	\$4,853,200



Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)

Storm Sewer

	2022	2022	2023	2023	2024	2024	2025	2025	2026	\$	%
	Actual	Budget	Acutal	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Installation service fee	120	-	890	-	1,498					-	
Rate fees	1,305,980	1,407,000	1,378,638	1,437,700	1,910,116	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Total Revenue	1,306,100	1,407,000	1,379,528	1,437,700	1,911,614	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Personnel costs	108,487	124,800	102,581	119,090	37,875	37,875	268,660	268,660	315,084	46,424	17.28%
Operations	128,578	250,100	193,400	351,962	430,409	455,725	445,377	511,238	484,125	(27,113)	(5.30%)
Capital	210,876	110,000	1,050,000	850,000	776,000	26,000	1,624,746	1,620,500	1,319,600	(300,900)	(18.57%)
Borrowing costs	531,156	531,156	531,155	531,155	531,200	531,200	531,200	531,200	531,300	100	0.0%
Reserve transfers	327,003	390,944	(497,608)	(414,507)	136,130	884,000	(153,683)	(190,298)	337,891	528,189	(277.56%)
Total Expenses	1,306,100	1,407,000	1,379,528	1,437,700	1,911,614	1,934,800	2,716,300	2,741,300	2,988,000	246,700	9.00%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	-

Proposed Projects:

Storm Sewer

\$1,506,691

- G.1 Clarke Area Storm Sewer Environmental Assessment and Design
- G.2 Storm Sewer Repair and Rehabilitation
- Centennial Park Wetland
- Reserve Transfer \$337,891

Funding

2026 Rate	\$ 1,457,891
Federal Grant	\$ 48,800
	<hr/>
	\$ 1,506,691



Slide repeated from 2026 Capital and Related Project and Levy (Operating) Budget (2025-164)

Agenda

- 1 2026 Budget Summary
- 2 City Fundamentals
- 3 Budget Details
- 4 Looking Forward
- 5 Thank You

Looking Forward

- Public open house identified a desire to introduce a mechanism to have differentiated wastewater fees for low water users – investigate further (limitation software)
- Continue with water, wastewater and storm projects identified
- Complete wastewater and storm sewer 10-year master plans
- Re-introduce multi-year budgets
- Continue to work towards Key Performance Indicators (KPIs) and related benchmarks, where applicable
- Continue enhancing geographic information systems (GIS) to visualize the asset management program



Agenda

- 1 2026 Budget Summary
- 2 City Fundamentals
- 3 Budget Details
- 4 Billing Change
- 5 Thank You



Thank You