



## City of Hamilton Report for Information

**To:** Chair and Members  
General Issues Committee

**Date:** January 23, 2026

**Report No:** FCS26001

**Subject/Title:** 2026 Proposed Tax Budget

**Ward(s) Affected:** (City Wide)

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### Recommendations

That Report FCS26001, respecting the 2026 Proposed Tax Budget, **BE RECEIVED** for information.

### Key Facts

- Report FCS26001, the 2026 Proposed Tax Budget, provides an overview of the Mayor's Proposed 2026 Tax Budget and outlines the budget process leading into the General Issues Committee (GIC) discussions of the Tax Supported Budget beginning on January 23.

### Financial Considerations

There are no financial considerations associated with the receipt of Report FCS26001.

### Background

#### Budget Process

The 2026 Proposed Tax Budget outlines the financial and staffing resources necessary to support the delivery of all the City's services except for Water, Wastewater and Stormwater services, which are supported through water and wastewater rates (Water Budget 2026). The 2026 Water Budget was submitted separately through Report FCS25050 and adopted on December 20, 2025.

## Analysis

On October 7, 2025, the Mayor, pursuant to Subsection 284.16 of the Municipal Act, 2001 and Section 7 of O. Regulation 530/22, directed the City Manager and City Treasurer under Mayoral Directive MDI 2025-01 to prepare the 2026 Budgets (Water Budget and Tax Budget) for consideration by City Council with the certain directions.

As the Mayor's directive allows for the budget to be presented in two parts and separately (Water Budget and Tax Budget), the legislated timelines outlined below will apply and run based on the dates that they are each presented.

Section 284.16 of the Municipal Act, 2001 and O. Reg. 530/22 set out the process for:

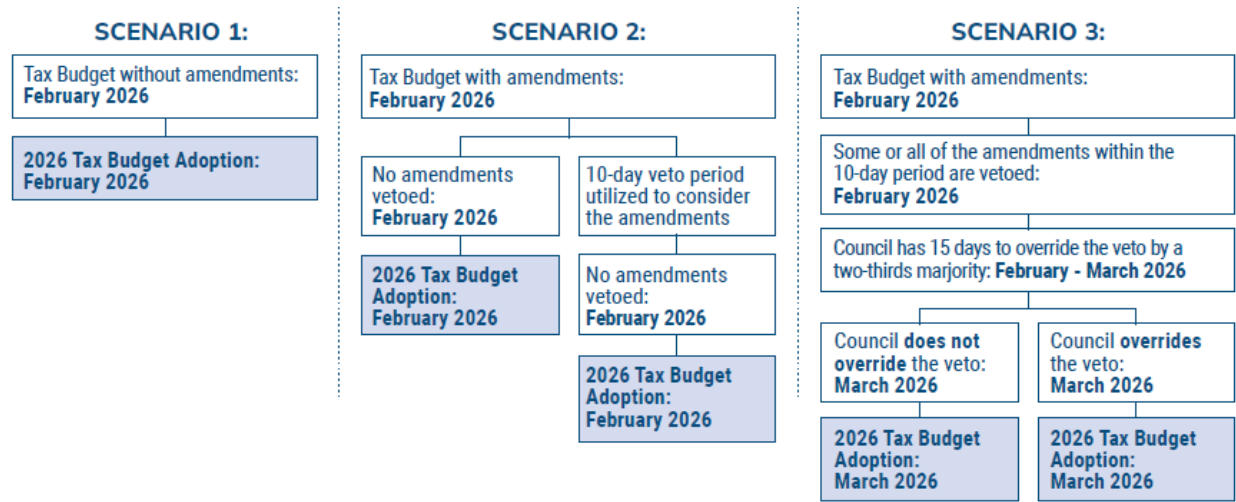
- the preparation of a proposed budget by the Mayor;
- the provision of the budget to each Member of Council for its consideration;
- amendments to the budget by resolution of Council;
- the veto of resolutions respecting amendments to the budget by the Mayor;
- the override of a Mayoral veto by Council; and
- the deemed adoption of the budget.

In particular, the Mayor must prepare and provide a proposed budget to Council for its consideration by February 1 of the budget year. City Council will have 30 days to review the Mayor's Proposed Tax Budget, propose amendments, deliberate, and vote on amendments. Council can approve a shorter amendment period if it chooses to do so.

If no resolution is made by Council, the budget is deemed to be adopted. If a resolution is passed, the Mayor has 10 calendar days following the expiration of the amendment period to veto any budget amendments passed by Council. The Mayor can approve a shorter veto period if they choose to do so. If the Mayor does not veto any amendments, the budget is deemed to be adopted. If the Mayor vetoes any amendments, then within 15 days after the expiry of the veto period, Council may seek to override the veto by a two-thirds majority. If Council does not exercise an override of the Mayor's veto, the proposed budget is deemed adopted.

Figure 1 summarizes the schedule for upcoming budget meetings for the General Issues Committee (GIC) and Council.

**FIGURE 1  
2026 Tax Supported Budget Consideration Timeline**



The 2026 budget process incorporates the following major deliverables:

- A. Tax Budget: The City’s 2026 Tax Budget and 2027-2029 Multi-Year Outlook details the investments required to deliver municipal programs and services and the funding available to the City to support those programs and services.

Included in the City’s 2026 Proposed Tax Budget are the budgets for City Departments and the proposed budget submissions received from external Boards and Agencies.

The 2026 Proposed Tax Budget includes details on service level enhancements, including those defined as either Council Referred Items (budget requests that have been referred to the Mayor for consideration) or Business Cases (investments that have been put forward).

- B. Tax Capital Budget: The City’s multi-year capital budget supports the City’s planned investment in capital infrastructure and assets. The Tax Capital Budget and Financing Plan details the multi-year financing required to better the state of the City’s infrastructure, support growth and economic development and infrastructure investments required to support services in accordance with strategic plans endorsed by Council.

- C. User Fees: User fees are one of the main funding mechanisms for a range of municipal services where the users can be identified and the amount of service provided can be measured. The City's user fees represent direct charges to users of specific municipal services and are an integral part of the financing strategy of the budget.
- D. The 2026 Proposed Tax Budget was prepared in accordance with the Mayoral Directive to Staff and the principles outlined in the 2026 Tax Budget (FCS25036):
- The annual budget reflects and supports the current 2016–2026 Strategic Plan and 2022–2026 Council Priorities.
  - The annual budget is aligned with the financial policies approved by Council.
  - The annual budget is aligned with approved Asset Management Plans.
  - Reserves are maintained per policy in order to repair / replace infrastructure, fund identified priorities and ensure long-term sustainability.
  - Total tax and rate supported debt as a percentage of City own-source revenues does not exceed 60% unless approved by Council.
  - Total development charge supported debt as a percentage of the total development charge eligible costs for the forecast period of the latest Development Charge Background Study does not exceed 25% unless approved by Council.
  - The annual budget leverages user fees adjusted for inflation, or reflective of full cost recovery as permitted under the *Municipal Act, 2001* unless an alternative strategy is approved by Council.

In allocating the Capital Levy, the City of Hamilton employs a hybrid Capital Block Funding Prioritization methodology across municipal programs and services, originally approved through Report FCS02017, that has evolved over the years aligning with the City's Strategic Plan and the Transportation Network Plan. This process ensures stable long-term capital funding for infrastructure program areas and facilitates priority planning outcomes.

For full details of the 2026 Tax Budget, refer to Appendices "A" and "B" to Report FCS26001.

## **Alternatives**

This report is for Information only and does not have alternative options.

## **Relationship to Council Strategic Priorities**

1. Responsiveness & Transparency
  - 1.1. Prioritize customer service and proactive communication

## **Previous Reports Submitted**

There are no previous reports.

## **Consultation**

No consultation to be noted.

## **Appendices and Schedules Attached**

Appendix “A” to Report FCS26001 – 2026 Tax Budget Report

Appendix “B” to Report FCS26001 – 2026 Tax Budget and Financing Plan

Appendix “C” to Report FCS26001 – Amendments to the 2026 Staff Proposed Budget (December 12<sup>th</sup>, 2025)

Appendix “D” to Report FCS26001 – 2026 Boards and Agencies Budget Summary

Appendix “E” to Report FCS26001 – Budget Exclusions Related to Regulation 284-09

Appendix “F” to Report FCS26001 – 2026 - 2027 Reserve Strategy

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