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Report 2025-173

Report Title: 2026 Budget and Discretionary Services Review

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Finance

Reviewed by: All Directors

Approved by: Jennifer Moore, CAO

Council Meeting Date: August 15, 2025

**Report Not Considered by
Standing Committee Because:**

- ☐ Time-sensitive Issue (information received too late for Committee consideration)
- ☐ Urgent Matter (issue arose after this month's Committee meeting)
- ☒ Other

Strategic Plan Priorities: ☐ Innovate for Service Excellence
☐ Ignite Economic Opportunity
☒ Foster a Thriving Community
☐ Propel Sustainable Growth
☐ Champion a Vibrant Future

Information Report

"That County Council receive Report 2025-173 '2026 Budget and Discretionary Services Review' for information."

Purpose

The purpose of this report is to provide Council with relevant information to assist with 2026 budget deliberations. This report contains a review of Northumberland County's discretionary spending.

Background

In 2023 Northumberland County Council approved its first multi-year budget that covered the years 2024 to 2026. The Municipal Act (and our Multi-year Budget Policy) require Council to

review the subsequent years of the budget and re-adopt them each year. Changes can be made to the budget during this process.

A number of things have changed that have an impact on the 2026 budget and Council should consider all of these impacts. Attachment 1 to this report is the 2026 Budget Analysis worksheet that contains a summary of these changes as well as potential actions that can be taken to reduce the levy requirement in 2026.

Council Resolution 2025-06-18-515 approved a levy target of 5% (after growth) for the 2026 budget and directed staff to “arrange a Special County Council meeting specifically for the consideration of the 2026 budget.

If ALL of the potential reductions/savings are adopted by council, the resultant levy increase would be 8.1%. This is 3.1% (or \$2,473,057) above the target levy increase of 5%. A summary of these calculations can be found in the 2026 Budget Summary in Attachment 1 to this report.

This report examines the discretionary programs and services that Northumberland County provides and includes some other information to assist Council in its decision making.

Consultations

N/A

Legislative Authority / Risk Considerations

N/A

Discussion / Options

Northumberland County provides a wide range of programs and services to its residents. Many of these programs and services are mandated through legislation or regulation and include services like Paramedic Services, Long-Term Care, and Community & Social Services. The County also carries out various activities in support of legislative (or regulatory) requirements for services such as roads minimum maintenance standards, waste landfill requirements, asset management planning, emergency planning, health and safety, land use planning, by-law enforcement, and archival activities.

The County also provides programs and services that are discretionary, and these activities can be broken down into the following categories:

- Program Delivery;
- Non-Core Municipal Services;
- Core Municipal Services;
- Shared Services; and
- Municipal Transfers.

PROGRAM DELIVERY

Program Delivery is defined as a service/program that:

1. Is not mandated
2. Is a specific action to meet a defined community or organizational internal need, and
3. Effects positive change or relations for clients, community or staff

The Program Delivery services that are provided by Northumberland County are:

Service Area	2025 Ly (estimate)	% Levy	Comments and potential impacts of eliminating the service
Health and Human Services			
Community Outreach	\$249,100	0.3%	Designed to support the working poor and client expenses such as dental that are not covered by ODSP and Ontario Works (OW). Two staff members included in COP who do work on other programs for mandatory services excluded from levy. Supports the working poor with rental, utility arrears, last month rent, moving costs, household items so would need to find other ways to provide this program within Social Services if cut.
Early ON	\$187,000	0.2%	Supplements Provincial funding for program delivery: Triple P Positive Parenting Program (Rebound Child & Youth), Community Outreach, Parenting Program, Back Pack Program, Prenatal classes, Postpartum supports, special family events.
Treatment Bed Program	\$0 Levy (\$217,000 reserve carryover in 2025)	0.0% (0.27%)	Piloted in 2024 and \$217K was carried forward into 2025. If this program continues in 2026 the funding will likely come from the levy.
Physician Recruitment	\$263,000 (2026 budget estimate)	0.33%	Northumberland County has taken responsibility of organizing physician recruitment initiatives.
Waste Services			
Medical Waste Exemption	\$20,000	0.03%	County currently provides a set number of bag tags to qualifying residents who, as a result of a medical condition, generate excess waste beyond their control. Annually, the County provides

			approximately 5,000 tags to these individuals.
Promotion and Education of Waste Mgmt/Diversion Programs	\$50,000	0.06%	If the County ceased or reduces the amount of P&E it provides for the various waste diversion programs it offers there is a high likelihood that use of the program will diminish and/or there will be increased non-compliance with the protocols for the diversion programs.
Annual Litter Clean-up Challenge	\$5,000	0.006%	Each year, the County collaborates with Member Municipalities to deliver the Mayor's Keep the County Clean Challenge. The County does advertising of the event and provides supplies, and free disposal of litter collected. Member Municipalities register volunteers, distribute the supplies and coordinate the collection of the collected litter. If the County is no longer involved, Member Municipalities would have to promote the event and purchase the supplies directly. If the annual event does not proceed at all, then several tonnes of litter will go uncollected each year from ditches and public spaces.
Corporate Services			
Health Safety Emergency Planning – Wellness Programming	\$3,000	0.004%	Elimination of wellness programs has potential for negative impacts to staff and increase in injuries. The program promotes healthy lifestyles, as an example, to reduce absenteeism.

Forest Programming	\$25,183	0.03%	Includes portable toilets for each of the trailheads. Advertising costs primarily for local radio to advise of closures, seasonal compliance/regulations, information awareness. Special events & outreach. Reduction would result in loss of outreach/awareness of Forest and garbage and washroom services at trailheads.
NCAM – Exhibition Development, Programming and Outreach	\$112,900 <ul style="list-style-type: none"> • 20% 2 FT staff time for exhibitions (38K) • 6% 2 FT staff time for programming (11.4K) • 100% 1 PT staff time for outreach/visitor services (32.5K) • 15K honoraria, special events • 16K communications 	0.14%	Cannot meet Ministry of Heritage Sport Tourism and Culture Industries' minimum standards for community museum thereby jeopardizing CCSF (432K) funding and MAP funding (397K) and making NCAM ineligible for future capital and operations funding. Miss opportunity to build positive relationships with Alderville First Nation and other local Indigenous communities and support timely anti-racist initiatives and education through Ojibwe Language exhibit. Minimal public engagement, awareness, and use of valuable County asset.
NCAM – Collections access & research assistance	\$53,200 28% of 2 FT staff time. Includes 5% service agreement requests.	0.07%	Limits access to public records and historical data relevant for understanding past government actions, policy development, civil and legal research (planning, zoning, legal disputes, property rights etc.), commemorative events and/or tourism initiatives, genealogy, and local history.
Paramedics			
PAD Program	\$12,700	0.02%	Inclusive Communities and Quality Control 15-20K for replacement of perishables, plus staffing hours (Time in monitoring/follow-up of activation/use and the delivery of replacement pads and batteries).

			*50% of the total costs are covered by funding *50% of the total costs are covered by funding
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NON-CORE MUNICIPAL SERVICES

Non-Core Municipal Services are defined as a service that:

1. Is not a core municipal service
2. Is incidental
3. Is not typically provided by municipalities, and
4. The service delivery is not normally expected by the broader community

The Non-Core Municipal services that are provided by Northumberland County are presented in the table below.

Service Area	2025 Lev (estimate)	% Levy	Comments and potential impacts of eliminating the service
Community and Social Services			
Food4All	\$285,150	0.4%	Would not result in immediate reduction but would be realized over several years moving to a block funding, significantly reduced.
Economic Development			
OAFVC	\$819,000	1.03%	<p>In addition to the County's contribution, OAFVC is expected to generate \$521,000 in additional revenues for operations in 2025 to support \$2M+ worth of products, and numerous economic spin-offs.</p> <p>Support for Local Farmers and Businesses: The OAFVC has been instrumental in helping local farmers and businesses grow by providing access to value-added processing facilities. Without it, many small-scale producers might struggle to afford the necessary equipment and facilities on their own.</p> <p>Economic Development: The Centre has played a crucial role in rural economic development, attracting investments and supporting local economies. Its closure</p>

			<p>could slow down economic growth and reduce opportunities for local entrepreneurs.</p> <p>Innovation and Product Development: The OAFVC has supported innovation by allowing individuals to turn ideas or family recipes into marketable products. Eliminating the centre could stifle creativity and reduce the number of new products entering the market.</p> <p>Community Impact: The centre has been a community hub, fostering collaboration and knowledge sharing among local producers. Its absence could weaken community ties and reduce the support network for local agri-food businesses.</p>
BECN Programming	\$83,000	0.1%	<p>County contribution leverages approximately \$350,000 of Provincial and Federal grant monies. BECN launches 100 new business per year and creates 120 jobs annually.</p> <p>Support for Entrepreneurs: The BECN provides essential support, programs, and resources to local entrepreneurs and business owners. Without it, many aspiring and existing entrepreneurs might struggle to access the guidance and tools they need to start and grow their businesses.</p> <p>Economic Development: The centre plays a crucial role in fostering economic growth in Northumberland County by helping businesses expand and create jobs. Its closure could slow down economic development and reduce job creation in the region.</p> <p>Educational Opportunities: The BECN offers valuable training sessions and workshops that help entrepreneurs enhance their skills and knowledge. Eliminating the centre would mean fewer</p>

			<p>opportunities for local business owners to receive this important education.</p> <p>Community Impact: The BECN serves as a hub for collaboration and networking among local businesses. Its absence could weaken community ties and reduce the support network available to entrepreneurs.</p>
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CORE MUNICIPAL SERVICES

Core municipal services are central to operations and meet all (or one) of the following criteria:

- Typically provided by municipalities
- Expectation from broader community for service
- Critical to Strategic Plan
- Critical for meeting service level standards
- Critical to infrastructure sustainability
- Critical for the economic well-being, development and growth for the broader community
- Critical for sourcing revenues with upper levels of government
- Critical to supporting the operations of mandatory services and business continuity
- Critical to organizational governance and strategic planning
- Critical for stakeholder relations and transparency

Within Northumberland some core municipal services are provided by both Northumberland County and by some (or all) of the member municipalities. The following are core municipal services provided **only** by Northumberland within its boundaries:

Service Area	2025 Lev (estimate)	% Levy	Comments and potential impacts of eliminating the service
Transportation			
Surface Treatment	\$400,000	0.5%	Would not be able to provide this service to municipalities if no longer providing for the County. Would need to contract out surface treatment to complete County Roads, which can cost approximately \$7,000 more per km. Annually we complete approximately 20 km for the County and 100 km for member municipalities. It would therefore cost the County approximately \$140K more per year, and combined, Member Municipalities would pay approximately \$700,000 more per year for the same

			number of kilometers of roadway by a contractor.
Waste Services			
Community Recycling Centres	\$180,000	0.2%	The current array of diversion programs at the County's CRCs are vital to enabling the County to meet the goal of its LTWMMP of achieving 75% waste diversion from landfill. If the HHW diversion program is not provided, it is very likely that this material will make its way into our Landfill, or be illegally dumped, causing Environmental impacts. Not offering other diversion programs such as Styrofoam, Bulky Plastics, Drywall, Mattresses, etc, will result in these materials going to landfill and speeding up the rate at which the County's last remaining active landfill reaches capacity. The sooner it is filled the sooner the County will incur higher cost to export its waste elsewhere or capital cost to expand a landfill or construct another waste disposal facility.
Roadside Collection of Food Waste	\$2,186,000	2.7%	The implementation of the Green Bin program was adopted in the LTWMMP and approved by Council in the revision to its Waste Management By-Law and through the execution of a long-term collection contract which includes food waste collection. The County also invested almost \$1 million in the construction of an Organic Waste Transfer Station at the Brighton CRC. Collection of Food Waste is embedded into the current long-term waste collection contract, as such there would likely be financial penalties and a change in other unit rate costs for other waste material collection, if this item were removed from the contract. The County has already implemented this program and has invested over \$700,000 in the distribution of Green Bins. This program is on pace to divert more than 3,000 tonnes of food waste from the landfill each year. This program is conserving landfill capacity and also reducing the County's GHG emissions, by

			having food waste composted versus rotting in a landfill where it will generate methane gas (a GHG that is over 18 times more potent than CO ₂). The County has committed to lowering its GHG emissions by 65% by 2030 (compared to 2005 levels). Diverting food waste from landfill is a significant means of achieving this GHG emission reduction goal.
Roadside Collection of Leaf and Yard Waste	\$410,000	0.5%	In 2015 the County started offering a County-wide collection service for L&Y waste. Prior to 2015, several Member Municipalities offered this service to their urban centers. If this program is cancelled, Member Municipalities will likely have to start offering this service directly to their residents again and bear the cost. The provision of L&Y waste collection was approved by Council through the execution of a long-term collection contract which includes L&Y Waste collection, as such there would likely be financial penalties and a change in other unit rate costs for other waste material collection, if this item were removed from the contract. This program currently diverts approximately 2,200 tonnes of L&Y waste from landfill each year, which represents roughly half of the total tonnage of L&Y waste that is received at our CRCs. The other half is brought in by residents. The residential drop off results in approximately 23,000 trips to the CRCs. If the curbside program were cancelled, it could result in the CRC usage increasing by an additional 20,000 visits per year. This would significantly impact wait times at CRCs.
By-Law Enforcement/Illegal dumping	\$25,000	0.03%	If the County stops enforcing its Waste Management By-law then there is a high probability that illegal dumping will escalate.

Long-Term Waste Management Planning	\$250,000	0.3%	The County has \$1.5 million earmarked to undertake an Environmental Assessment to determine the preferred solution to managing our residual waste when the Brighton Landfill reaches its capacity. Without EA approval, the County will not be able to advance any disposal options which involve developing / expanding a new landfill or alternate disposal technology. In this scenario, when the Brighton Landfill is full, the only option the County will have will be to export our waste to a facility approved to receive it. This will likely significantly increase our overall disposal costs when haulage and tipping fees are taken into consideration.
Facilities			
Radio Communication System – ongoing Maintenance and Operations	\$100,000	0.1%	Monthly maintenance including generators, licensing fees, coordination with Bearcom for issues. If removed from the County budget, would need to be split between the County and 7 Member Municipalities to maintain the County wide system for Fire and Public Works Departments.

The following are core municipal services that are common between Northumberland and some (or all) of the member municipalities:

Service Area	2025 Levy (estimate)	% Levy	Comments and potential impacts of eliminating the service
Transportation			
Pavement Rehabilitation & Maintenance	\$6,420,588	8.0%	Reduction in Capital investments will increase maintenance and repair costs and lead to decrease in Level of Service (LOS). Deterioration of roads will impact movement of goods and services and increase public complaints, liability and the potential for more claims and cost for settlement and increased insurance premiums. Will be out of compliance with approved Asset Management Plans (AMPs).

Bridge Rehabilitation & Maintenance	\$939,237	1.2%	Reduction in Capital investments will increase maintenance and repair costs and lead to decrease in LOS and potential load restrictions and/or closures of bridges, increase public complaints, liability and potential for more claims and cost for settlement and increased insurance premiums. Will be out of compliance with approved AMPs.
Service Expansion	\$813,666	1.0%	No funding means planning and design for expansion projects will not move forward, leading to further congestion/capacity issues (i.e., Campbellford Bridge, County Road 2 EA, turning lanes, etc.).
County GIS Services	\$80,000	0.1%	Broad impact to many County Departments that rely on data, mapping, development of web apps, etc. to deliver service. The GIS serves as the Asset Register for the County's Asset Management Plan, therefore, reduction/elimination of this service directly impacts ability to track and update data required for implementation of Asset Management Plans as per the Legislation.
Fleet Mgmt	\$360,000	0.45%	Would need to contract out all vehicle repairs and maintenance. Would result in higher costs and longer wait times for repairs to be completed.
Traffic Safety Measures	\$300,000	0.38%	No funding will be available to address safety such as radar speed signs, safety/speed studies, intersection improvements, grade crossing improvements, may increase liability if identified safety concerns not addressed.
Gravel Pits	\$12,000	0.02%	Can produce aggregate materials at a price that is at or slightly below the cost from a commercial pit. Benefit in using County pits can be proximity of pits to

			where material is needed. Transportation cost can have a big impact on the overall cost of providing aggregate materials to a construction project.
Facilities			
Capital Work for all County and NCHC Buildings	\$75,000 for Corporate* \$1,084,000 for NCHC	0.09% 1.4%	<p>Capital repairs are necessary to Corporate and NCHC buildings to ensure that they are kept in states of good repair. Keeping up on repairs and maintenance enables the County to allow employees, tenants and public to make use of the buildings without taking on undue risk or liability.</p> <p>The budgeted amount of capital repairs in 2025 to NCHC properties directly aligns with NCHC's Asset Management Plan.</p> <p>*County buildings are funded from the Facilities reserve, but \$50k is transferred to the reserve annually funded from Levy.</p>
Climate Action Planning (GHG Emission Reduction Plan and Climate Adaptation and Resiliency Plan)	\$100,000	0.1%	Council passed a resolution to reduce GHG emissions by 65% by 2030 and 100% by 2050 in January of 2025, and also adopted a GHG Emission Reduction Plan aimed at meeting these emission reduction levels. Without this position almost all GHG emission reduction and climate adaptation works would cease and we would not be able to meet our targets or effectively plan for climate change.
Major Capital Projects	\$106,236	0.1%	Initiate, plan, budget and execute design and construction of complex infrastructure projects requiring specialized disciplines (i.e., GPL/NCAM, Emergency bases, Elgin Pk Redev, Trent River Bridge, 473 Ontario, etc.). If eliminated, would need to contract out project management at a higher cost and would still require some internal staff to manage consultants. The MCP salaries and benefits (total cost of \$629k for 2025) are charged to the projects being implemented, therefore, funding depends on the funding source

			for the project. In 2025, \$106,236 is funded by Levy.
Corporate Services			
NCAM Collections management and Care	\$59,600 <ul style="list-style-type: none"> • 28% of 2 FT staff time • \$6400 supplies and acquisition budget. *If including the summer student (~15K), total would be \$74,600	0.07%	Limits municipalities' ability to meet Municipal Act requirement to preserve and make accessible government records. Under resourcing collections management activities leads to poor ability to leverage information in collection for public benefit. Suspending active collecting activities may result in loss, damage and/or inaccessibility of local history. Unable to meet terms of service agreements with member municipalities – archival collections potentially returned to municipalities.
Health Safety and Emergency Planning	\$1,666,283	2.1%	Inability to meet legislative requirements for health & safety workplace specific hazard identification training and control measures as outlined in 23 different Acts & Regulations. Requirement to create a disaster resilient community & response system as required by legislation and Emergency Management Ontario Includes costs for Fire Dispatch
Economic Development, Planning and Strategic Initiatives			
Strategic Initiatives & Planning	\$860,000	1.1%	Guidance for Growth: These initiatives are crucial for guiding the county's growth, especially with the population expected to exceed 122,000 by 2051. Without strategic planning, managing this growth effectively could become challenging, potentially leading to issues with infrastructure, housing, and services. Economic Development: Strategic initiatives help ignite economic opportunities by fostering a business-

			<p>friendly environment and attracting investments. Their elimination could slow down economic development and reduce job creation in the region.</p> <p>Community Well-being: The planning initiatives aim to foster a thriving community by addressing key areas such as health, transportation, and broadband connectivity. Without these plans, there could be a decline in the quality of life for residents.</p> <p>Sustainability: These initiatives are designed to propel sustainable growth and ensure that development is balanced with environmental preservation. Eliminating them could lead to unsustainable practices that harm the environment.</p> <p>Collaboration and Innovation: The strategic plans promote collaboration among various stakeholders and encourage innovative solutions to community challenges. Their absence could weaken community ties and reduce the effectiveness of local governance.</p>
Investment Attraction & Retention	\$94,000	0.1%	<p>Economic Growth: Investment attraction plays a crucial role in driving economic growth by bringing in investments. Without these efforts, the region might see a slowdown in economic development and job creation.</p> <p>Competitiveness: Investment attraction helps enhance a region's competitiveness by modernizing industries, improving infrastructure, and fostering innovation. Eliminating these efforts could result in a loss of competitive edge compared to other regions actively seeking investments.</p> <p>Job Creation: Investments often lead to the creation of new jobs, particularly in high-skilled sectors. Without investment attraction, there could be fewer job</p>

			<p>opportunities, impacting the local labor market and overall employment rates.</p> <p>Community Development: Investment attraction can lead to improved community services and infrastructure, benefiting residents. Its elimination could slow down community development projects and reduce the quality of life for local populations.</p>
Tourism Supports and Marketing	\$531,000	0.7%	<p>Economic Impact: Tourism is a vital part of Northumberland County's economy. It generates substantial revenue through visitor spending on accommodations, dining, attractions, and other services. Without tourism, many local businesses could face financial difficulties, leading to closures and job losses.</p> <p>Employment: The tourism sector provides numerous jobs in Northumberland County, from hospitality and retail to tour guides and event planning. Eliminating tourism could result in job losses and slowed growth in the sector.</p> <p>Community Development: Tourism drives infrastructure improvements and community development projects. The influx of visitors supports the maintenance and enhancement of local amenities and attractions. Without tourism, funding for these projects could decline.</p>
Legal Services			
POA Court Services	\$0*	0%	<p>Removal of Court Services/Prosecution functions would require termination of transfer MOU with Province and result in the loss of provincial offences fine revenue. Termination provisions of the MOU could not be triggered before the 2026 fiscal year. The County would be</p>

			<p>required to pay all costs related to transfer of services back to the Ministry of the Attorney General. There is a high likelihood the Province could require the County to maintain responsibility for Court administration and prosecutions through legislative action.</p> <p>*Current levy requirement is \$0 in 2025 however, costs are increasing, and revenues are stagnant with fine amounts that have not been increased in several years. There is a risk that levy will be required to support this program in the near future.</p>
Internal Administrative Support Departments			
Office of the CAO	\$442,522	0.6%	Policy Setting/Strategic Planning & Implementation, Overall Mgmt & Direction of County Resources across all Depts
Communications	\$290,766	0.4%	<p>Strategy & Planning, Campaign Mgmt (Marketing & Advertising), Event Mgmt, Media & Monitoring, Speech Writing, Grant Writing, Branding & Creative Services, Internal Communications.</p> <p>Impacts to transparency and accountability in operations, and timeliness and accessibility of information, if no dedicated communications supports.</p>
Legal Services	\$254,118	0.3%	<p>Increased reliance on external legal services for matters currently maintained in-house. Elimination of internal management and instruction of outside legal counsel. Loss of legal input at the front-end of policies and projects. Removal of internal legal review of contracts, by-laws, etc. Increased exposure to legal risk and cost. Requirement to retain outside legal counsel to manage provincial offences prosecutions in compliance with Provincial Court transfer MOU.</p>

Finance, Procurement, and Risk Management	\$724,634	0.9%	<p>Financial support and oversight to all County departments, programs, and services both mandatory and discretionary.</p> <p>Management of the annual budget, annual audit, internal financial controls, financial oversight, procurement, risk management, financial reporting, investments, banking, accounts payable, accounts receivable, internal financial support, and extensive ministry reporting requirements. Many of these activities are mandatory and/or are best practice for effective financial management and need to be carried out in some form or another.</p> <p>Procurement and Risk Management - Higher Risk if no internal oversight, would likely need to utilize legal counsel more frequently at a higher cost.</p>
Information Technology	\$2,002,351	2.5%	<p>IT strategic management (required for technology direction for organization), hardware and software infrastructure (critical for mandatory service delivery), technical analyst services (specialist services for in-house management of infrastructure and services), service desk analyst (device management, connectivity, troubleshooting and support) cybersecurity, digital transformation, records management (required to meet legislative requirements), Managed Services.</p> <p>2025 revenue from Managed Services projected as \$275,000. Reductions in funding risks impact for member municipalities/police services. Would need 1-2 years to properly divest of function, allowing partners to establish new IT support structures.</p>
Human Resources/Payroll & Accessibility	\$768,565	1.0%	<p>Payroll administration for all County departments. Legislative submissions to Employment Insurance, Canada Pension Plan, OMERS, Employment Health Tax,</p>

			<p>Workplace Safety Insurance Board. Benefit plan(s) administration.</p> <p>Coordinates Northumberland Accessibility Advisory Committee and Inter-Municipal Accessibility Committee. Without dedicated support the County would not meet requirements defined through various legislations.</p> <p>Support provided by Human Resources includes, but is not limited to, employee and labour relations support to 5 unionized groups and 1 non-union group. Recruitment, selection, attraction, retention, training and development, mediations, workplace investigations, policy development.</p>
Legislative Services	\$167,337	0.2%	<p>Inability to meet core requirements of governance including compliance with legislation such as the Municipal Act, Municipal Conflict of Interest Act, Municipal Freedom of Information and Protection of Privacy Act, and Personal Health Information Protection Act. Compliance with Council enacted by-laws and policies. Also acts as Commissioner of Oaths.</p>

Note: It is important to understand that the internal support departments provide supports to all County services, programs, and activities including both mandatory and discretionary. While not technically mandatory, these functions are critical and must exist in one form or another.

SHARED SERVICES

Most county departments collaborate in some ways with their counterparts at Member Municipalities. There are also inter-municipal groups in several areas that meet regularly to share information and expertise.

For several years Northumberland County has also offered formal shared services to Member Municipalities to create efficiencies and reduce costs to the taxpayer. The provision of these services is discretionary. Below is a list of the shared services offered and the municipalities that have opted to participate.

Service	Alnwick/ Haldimand	Brighton	Cobourg	Cramahe	Hamilton	Port Hope	Trent Hills
Information Technology	X			X	X	X	X
GIS	X		X	X	X	X	X
Plumbing Inspections	X	X	X	X	X	X	X
Septic Inspections	X	X	X	X	X	X	
Surface Treatment (2024)			X		X	X	X
Procurement					X		X
Archival Services	X	X	X	X			
Radio Communications (Fire and Roads)	X	X	X	X	X	X	X

Notes: - The 'X' denotes that the municipality is a formal participant in the shared service.

In addition to the shared services above, Northumberland County also provides IT Services to the Port Hope Police, and IT/Finance support to the Northumberland OPP Police services board.

DISCRETIONARY EXTERNAL TRANSFERS

Northumberland County funds a number of discretionary transfers to (or on behalf) of Member Municipalities and other organizations. The following is a list of these discretionary transfers:

Organization	Item	Amount	% Levy
Campbellford Memorial Hospital	Capital Funding	\$62,500 annually for 2025 and 2026 (Adjusted from \$250,000 annually)	0.08%
Vendor on behalf of Member Municipalities	Fire Dispatch	\$513,213	0.64%

Town of Cobourg	Court Security	Up to \$275,000 in levy funding annually (plus any ministry money received for CSPT)	0.34%
Port Hope Walk-in Clinic	Medical Care	\$187,500	0.23%
Art Gallery of Northumberland	Budget Support	\$100,000 annually	0.13%

Other Items to Be Considered

Staffing

Attachments 2 and 3 of this report examine Northumberland County's staffing levels and compare those levels to the staffing levels of our comparator group and of our member municipalities. It is important to note that Northumberland's staffing levels rank among the lowest in both groups (relative to population and number of households.) Municipalities in this list provide different services in different regions but this analysis is a good gauge of Northumberland's staffing efficiency - considering the fact that Northumberland provides the majority of the services that are typically provided by an upper-tier municipality.

Capital

Attachment 4 contains the 2026 Capital Budget Summary. This is a listing of the proposed capital spending – not including multi-year construction projects that are currently underway. Delaying (or cancelling) capital projects comes with risks that vary depending on the project. Northumberland County (as well as most municipalities in Ontario) have infrastructure deficits that are highlighted in our asset management plans. Further reduction in capital spending will make the infrastructure deficits worse and will result in decreased service levels.

Financial Impact

The 2026 budgeted levy increase originally adopted during the multi-year budget process was 8.85% (after growth). The main item causing this increase is the full year of debenture payments for the GPL & NCAM redevelopment project. The additional payment required in 2026 is \$3.6M or an increase of 4.5% on the levy.

When adjusted for the change in the 2025 levy and the new estimate of growth the 2026 levy requirement increases to 12.3%

If adjustments are made for all of the changes made during the 2025 budget process and for subsequent changes, the 2026 levy increase is estimated at 18.11%

If Council were to adopt ALL of the potential savings/adjustments as they are presented in Attachment 1 – 2026 Budget Analysis the resulting levy increase would be 8.1%. This is 3.1% (or \$2,473,057) above the target of 5%. It is important that Council consider each of

the possible adjustments/savings because there may be things in the list that they don't wish to eliminate.

Further financial impact will depend on the direction provided by County Council. Amounts included in the 'Discussion / Options' section above are high level estimates of the levy impact of each item. Depending on what steps Council decides to take, further analysis will be required to develop a full costing for any specific action including wind down costs and other one-time expenditures.

Alternatively, Council may choose to allocate funds for further study of some, or all, services by an external consultant to make recommendations for service reductions or efficiencies that would achieve Council's savings objectives.

Member Municipality Impacts

County discretionary programs and services cover a broad range of activities that impact taxpayers and our Member Municipalities in various ways. Impacts to Member Municipalities would depend on the actions taken by Council. For example, the elimination of a shared service (or staff that support a shared service) would have a direct impact on the Member Municipalities that utilize that service.

Conclusion / Outcomes

Staff recommend this report be received for information and Council provide direction on possible adjustments to the 2026 budget.

Attachments

- 1) Report 2025-173 ATTACH 1 '2026 Budget Analysis'
- 2) Report 2025-173 ATTACH 2 'Staffing Overview July 2025'
- 3) Report 2025-173 ATTACH 3 'Staffing Comparator Data July 2025'
- 4) Report 2025-173 ATTACH 4 '2026 Capital Budget Summary'