



City of Pembroke

2026 Budget

January 13, 2026

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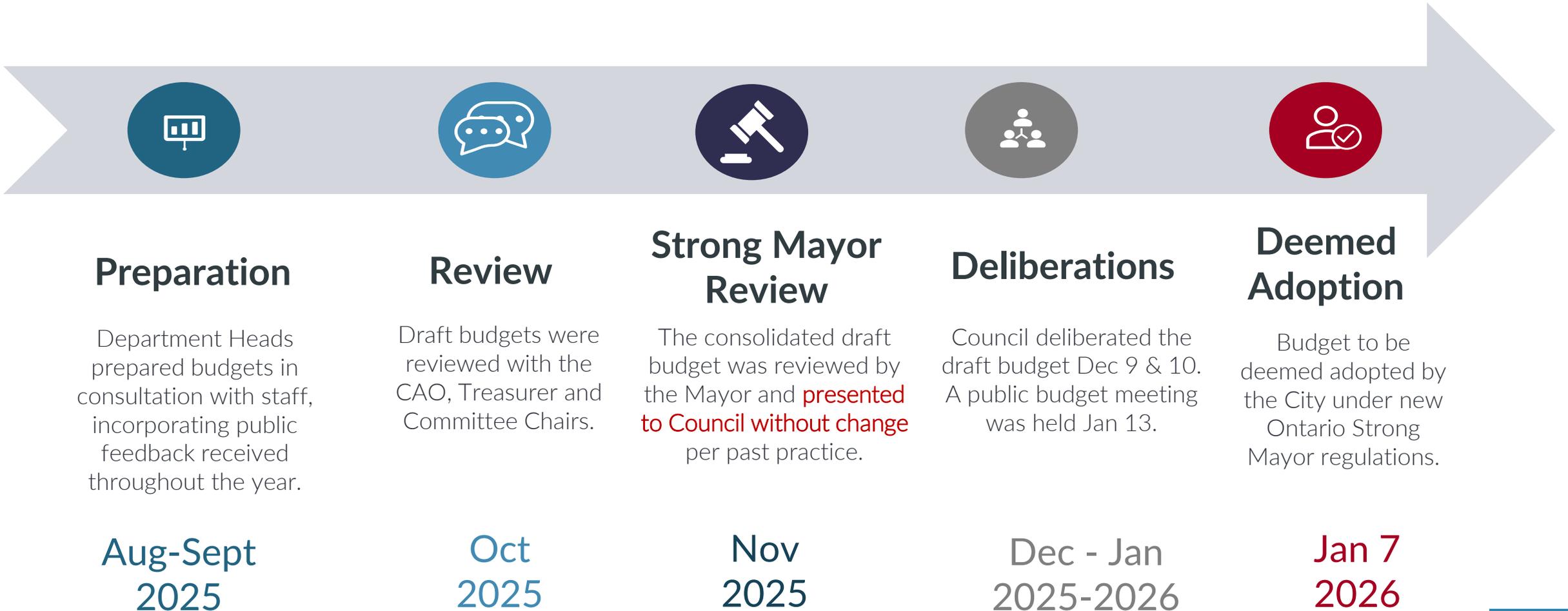


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Budget Co-ordination

2026 Budget Critical Path



City Regulatory Environment

Budget Background



City Regulatory Environment

Municipalities are created by the Province of Ontario and must comply with many different laws and regulations including:

Ontario Municipal Act, 2001



Administration

Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, Municipal Elections Act, 1996, Lottery Licensing Policy Manual, Marriage Act, R.S.O. 1990, Vital Statistics Act, R.S.O. 1990, Employment Standards Act, 2000, S.O. 2000 Debt and Financial Obligation Limits O. Reg. 403/02, Municipal Tax Sale Rules O. Reg. 181/03...



FIRE

Public Education, Prevention, Enforcement, Response, Emergency Management

Fire Protection and Prevention Act, 1997, O.Reg 213/07
Emergency Management and Civil Protection Act, O.Reg 380/04



ROADS

Roads, Sidewalks, Traffic Control, Streetlights, Storm Water

Canadian Environmental Protection Act
Waste Management Act
Highway Traffic Act
Minimum Maintenance Standards
Construction Lien Act



PARKS & RECREATION

Parks, Facilities Programs, Events

Electrical Safety Authority (ESA)
Technical Standards & Safety (TSSA)
Canadian Standards Association
B-52 Mechanical Refrigeration Code
Accessibility for Ontarians Disability Act (AODA)
Ontario Public Health Standards



PLANNING BUILDING BY-LAW

Zoning, Building/Demo Property Standards, Taxi, Noise, Parking, Signs

Ontario Building Code
Planning Act
Development Charges Act
Provincial Policy Statement, 2020

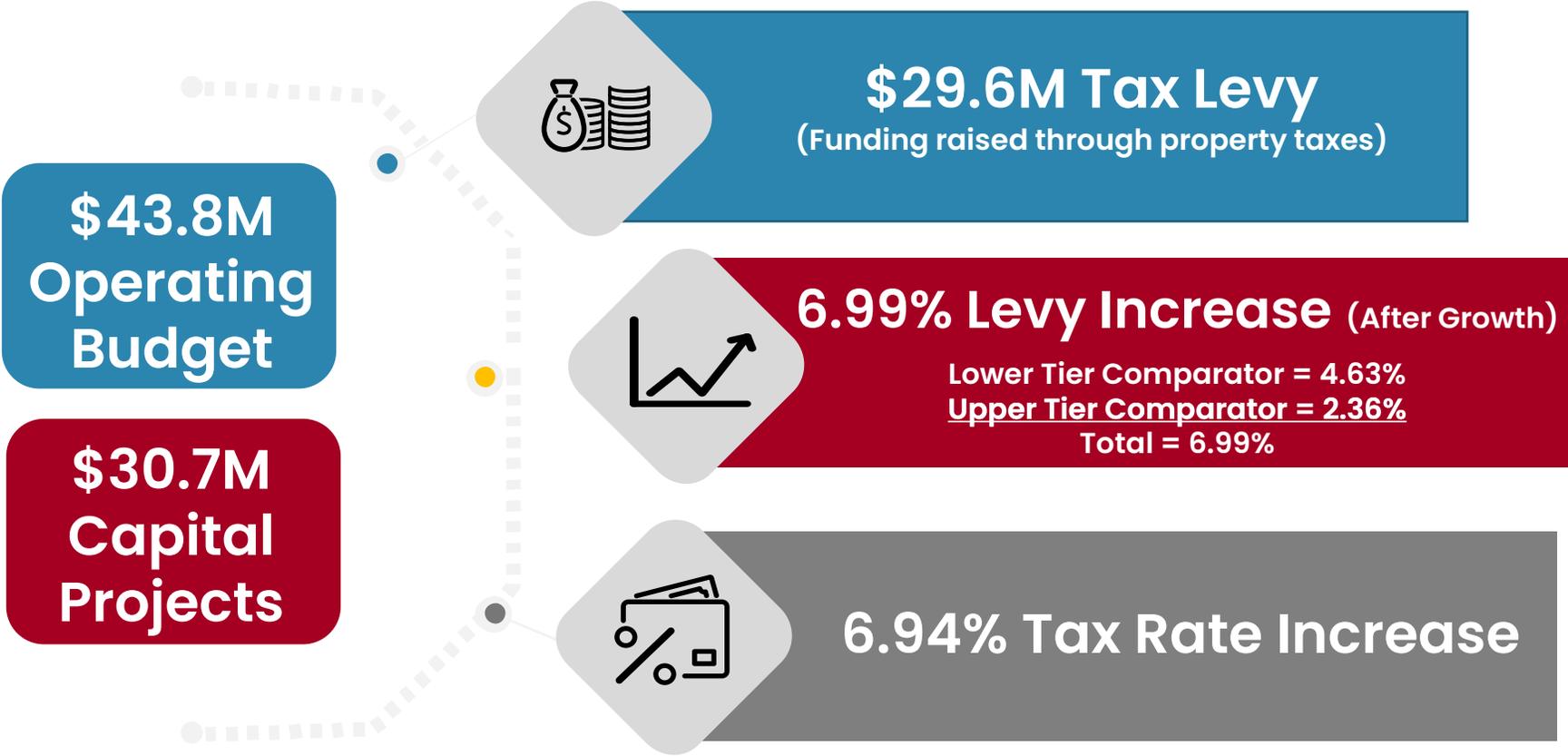
2026 Budget

Overview



Highlights: Property Taxation

The 2026 Budget as approved by Council reflects:



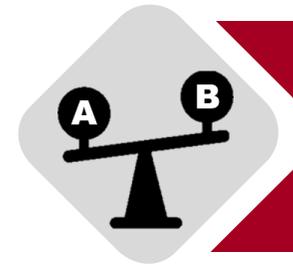
Highlights: Ratios and Rates

The 2026 Budget as approved by Council reflects:



Garbage Fees: \$22.50 Increase

Fees for collection and disposal have increased from \$158.00 to \$180.50



Tax Ratios: No change

Ratios set the tax rates between property classes



OVWRC Fee: 3% Increase

The City is a partner of the Ottawa Valley Waste Recovery Centre. 2026 fees have been increased for inflation.



PBIA: 5.48% Increase

2026 Budget of \$221,609

Water and Sewer Rates

- Under Ontario's Safe Drinking Water Act, the City is required to prepare financial plans for its water systems to ensure sufficient revenue is generated to provide safe drinking water to our community.
- In 2019-20, Watson & Associates Economists Ltd. prepared a financial plan and rate study for the City's water and sewer services based on the projected operating and capital requirements of these services over a 10-year study period from 2020 through 2029 including rate recommendations.
- The agreement reached between the City and the Township of Laurentian Valley requires the City to base water and sanitary sewer rate increases on this study.
- A new rate study is underway and is expected to be completed by spring for the 2026-2035 period. 2026 rate estimates have been made based on the 2019 study.

Highlights: Water

In accordance with the legal requirements of Ontario's *Safe Drinking Water Act*, the 2026 budget for water services reflects:



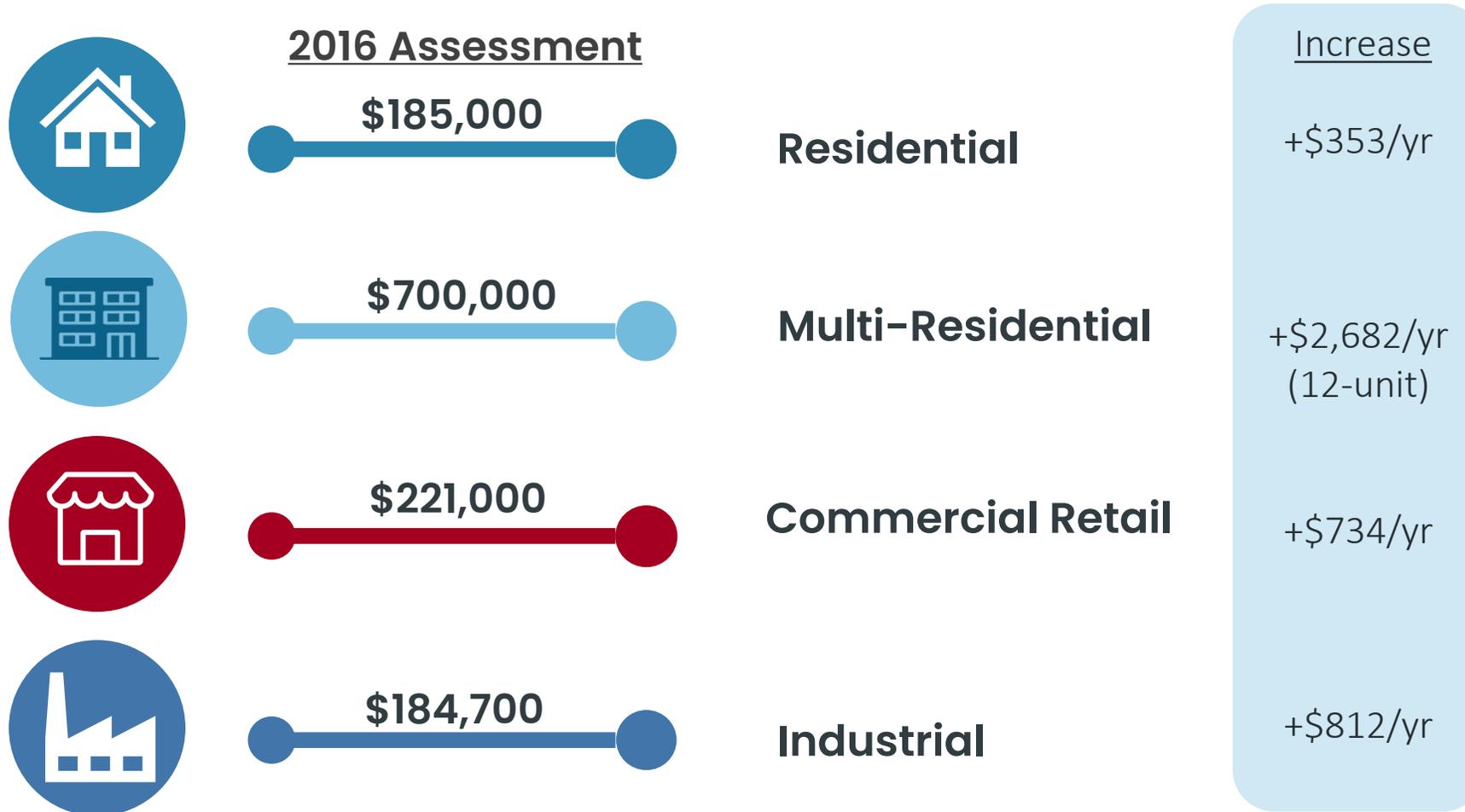
Highlights: Sanitary Sewer

The 2026 budget for sanitary sewer services reflects:



Highlights: Average Impact by Property Class

2026 changes in property taxes, garbage, water and sanitary sewer fees will impact the average properties as follows:

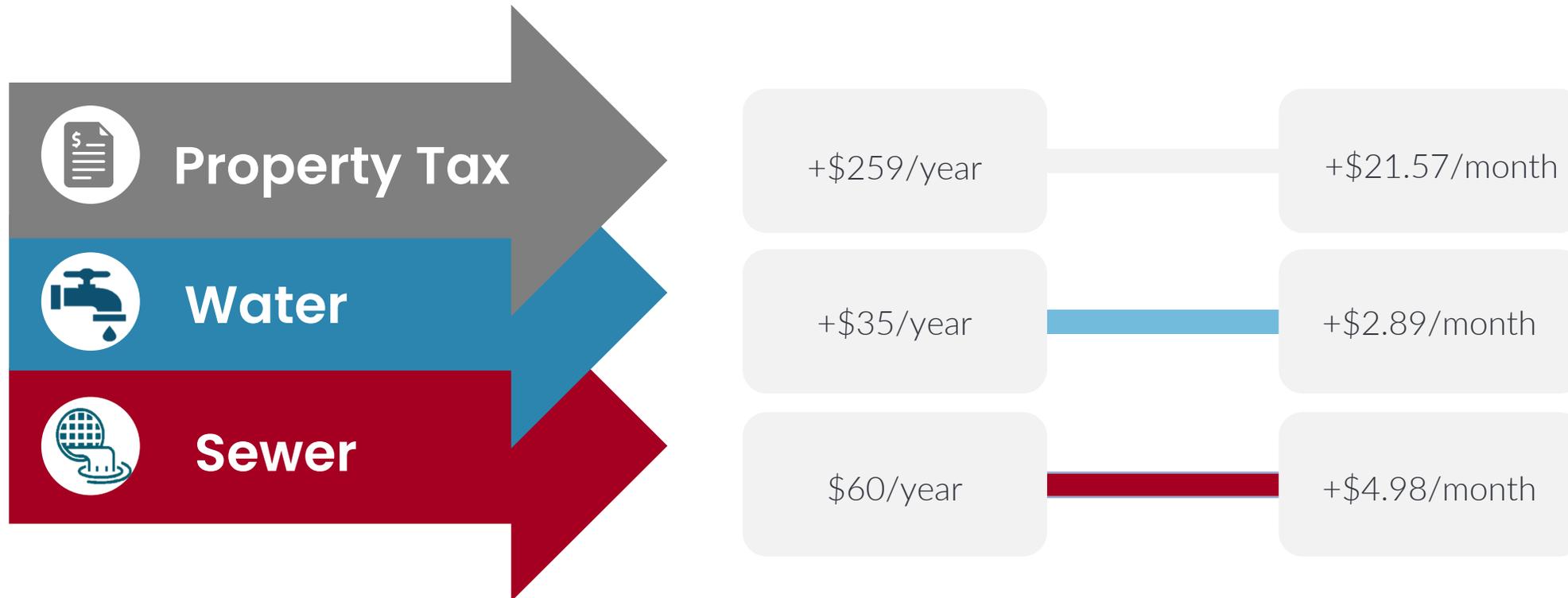


Note! All property taxes charged by the City are based on the property's 2016 assessed value from MPAC. The increased price of homes reflected in today's market will **NOT** be used in the 2026 tax calculations.

2025 vs. 2026 Residential Comparison

Annual and monthly increase for the average residential property

Property taxes, water rates and sewer rates together represent a total increase of \$29.45 per month as compared to 2025 rates.



Affordability and Ontario Tax Policy

Income-based taxation is set by the province, not the City of Pembroke

Property Tax is not an income-based tax. Only the province and federal government have income-based taxation. The Province of Ontario:

Determines the services the City is financially responsible for

For example: local roads, policing, water, sewer, etc.

Sets laws and regulations about how these services need to be managed

For example: Roads must meet Ontario's Minimum Maintenance Standards

Determines how the City can raise funds to pay for these responsibilities

Revenues types are limited to Property Taxes and User Fees

Affordability and the Ontario Trillium Benefit

- **The lack of income-based taxes at the municipal level is corrected through the Ontario Trillium Benefit** which includes the Ontario Energy and Property Tax Credit (OEPTC). This credit compares property taxes paid to income and provides a credit to lower income households.
- The Ontario Trillium Benefit helps low-to-moderate income Ontario residents and is a combined payment of the Ontario energy and property tax credit, the Northern Ontario energy credit, and the Ontario sales tax credit.
- The Ontario energy and property tax credit (OEPTC) is designed to help low- to moderate-income Ontario residents with the sales tax on energy and with property taxes.
- The Ontario senior homeowners' property tax grant (OSHPTG) is intended to help offset property taxes for seniors who own their own home and who have low to moderate incomes.



Ontario Trillium Benefit



Ontario energy and property tax credit (OEPTC)
Ontario senior homeowners' property tax grant (OSHPTG)

**Maximum 2025 OEPTC for
Property Taxes**
Non-Seniors \$998
Seniors \$1,176



**City
By-law
2023-52**

City Property Tax Assistance Program

- This program is eligible to low-income seniors receiving the Guaranteed Income Supplement (GIS) and low-income persons with disabilities receiving benefits under the Ontario Disability Support Program (ODSP)
- Eligible persons can elect to defer property tax increases for their primary residence and related interest until such time as they are no longer eligible to receive government benefits or sell their home.

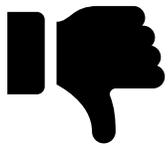
Affordability and the Municipality

Options to manage affordability at the municipal level are limited and can be unpopular

At the City level, options to manage affordability include:



Deferring infrastructure projects. This can result in higher costs overall due to expensive emergency maintenance and local disruption.



Limiting/decreasing services and service levels where possible.

- Options can be limited due to provincial legislation with standards and regulations that must be met.
- Recreation services have the largest cut-back potential as an "optional" service, but recreation services support a healthy, vibrant community
(Example: pool closure and local push-back)



Use Debt and long-term planning to help spread infrastructure costs and cost increases over multiple years to limit large one-time tax increases that might be needed.

- This doesn't reduce the overall costs, it just spreads it out over multiple years

2026 Operating Budget



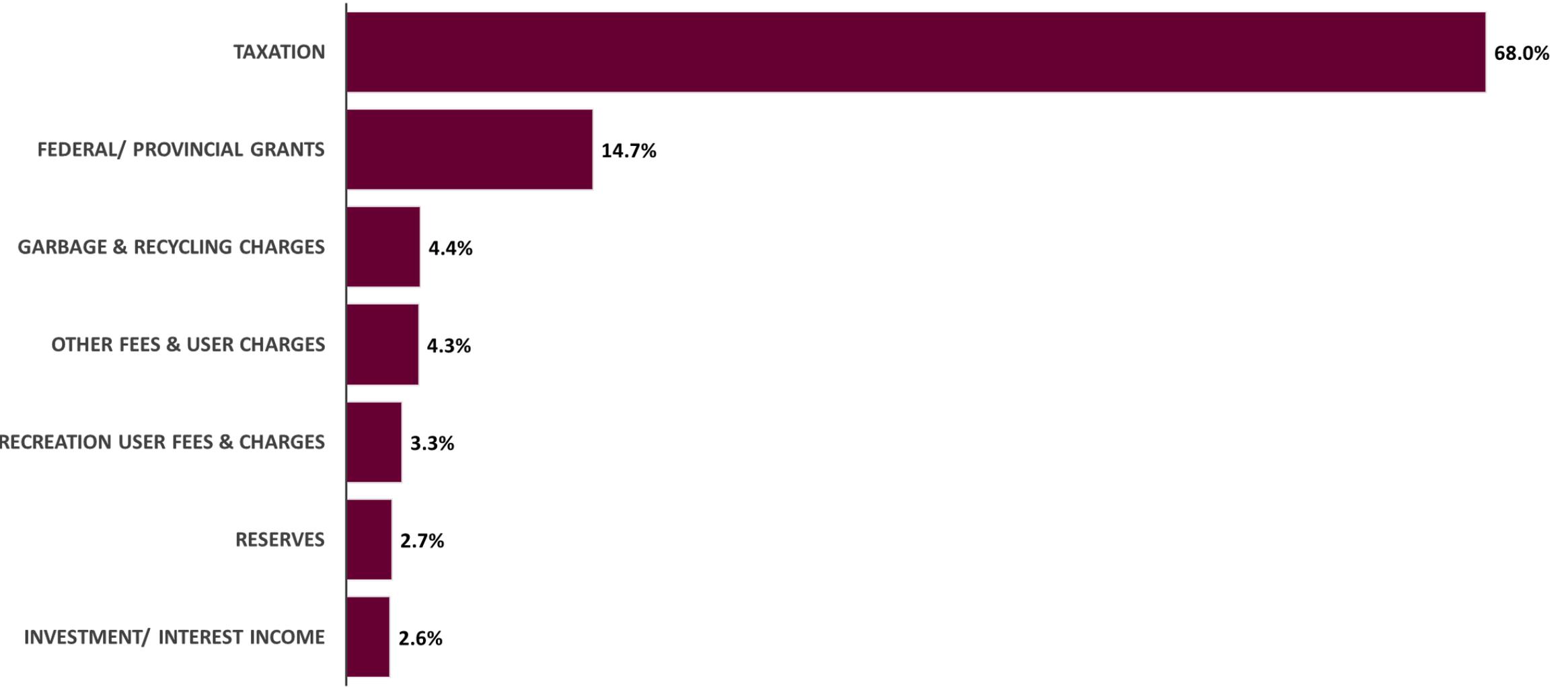
2026 Operating Budget Summary (Page 1 of 2)

DEPARTMENT	2025 BUDGET	2026 BUDGET	2026 REVENUE	2026 EXPENSES
Taxation	(\$27,533,139)	(\$29,685,160)	\$29,746,660	\$61,500
Mayor & Council	329,470	359,340	0	359,340
Financial	(5,192,726)	(4,108,491)	7,177,775	3,069,284
Administration	1,213,771	1,586,266	625,182	2,211,448
Elections	17,442	17,442	45,000	62,442
Human Resources & Purchasing	405,744	403,260	21,310	424,570
City Property	127,271	70,753	264,167	334,920
Fire Service	3,885,601	4,197,820	192,180	4,390,000
O.P.P. Service	4,691,405	4,902,656	578,882	5,481,538
Police Service Board	34,400	33,900	0	33,900
Animal Control	46,675	50,550	20,900	71,450
Building Inspection	123,935	75,994	213,000	288,994
Bylaw Enforcement	268,098	316,264	222,369	538,633
Roads	4,323,865	4,540,056	126,368	4,666,424
Traffic Control	120,100	174,570	0	174,570

2026 Operating Budget Summary (Page 2 of 2)

DEPARTMENT	2025 BUDGET	2026 BUDGET	2026 REVENUE	2026 EXPENSES
Streetlights	283,000	292,438	0	292,438
Garbage & Recycling	0	0	2,242,682	2,242,682
Transit	216,108	349,945	240,730	590,675
Parks & Facilities	2,576,925	2,864,813	762,875	3,627,688
Recreation	578,567	585,205	463,700	1,048,905
Bogie's Bar	0	0	23,000	23,000
Kinsmen Pool	373,630	371,731	204,495	576,226
Aquatic Centre	255,000	255,000	0	255,000
Development Charges	0	0	76,000	76,000
Planning	286,130	387,028	43,500	430,528
Economic Development & Tourism	607,900	669,800	399,030	1,068,830
County Shared Services	4,520,378	5,147,295	3,886	5,151,181
Other Shared Services	475,822	494,781	0	494,781
Capital Financing – Taxation	2,219,785	2,398,911	0	2,398,911
Capital Financing – PSB	38,000	40,000	0	40,000
Capital Financing – Other Grant Funding	4,630,103	3,106,093	0	3,106,093
Storm Sewer	76,740	101,740	80,060	181,800
(SURPLUS)/DEFICIT	0	0	43,773,751	43,773,751

2026 Sources of Revenue



Highlights: Formula-based Grant Revenues

- Grants included in the City’s 2026 budget include:

Item	2025 Budget	2026 Budget	Change
Ontario Municipal Partnership Fund	\$1,698,700	\$1,764,100	+\$65,400
Court Security Grant (unconfirmed)	413,175	412,000	-1,175
Canada Community-Building Fund (CCBF)	940,845	940,845	0
Provincial Gas Tax (Transit) (unconfirmed)	106,000	106,000	0
Ontario Community Infrastructure Fund	1,958,771	2,154,648	+195,877

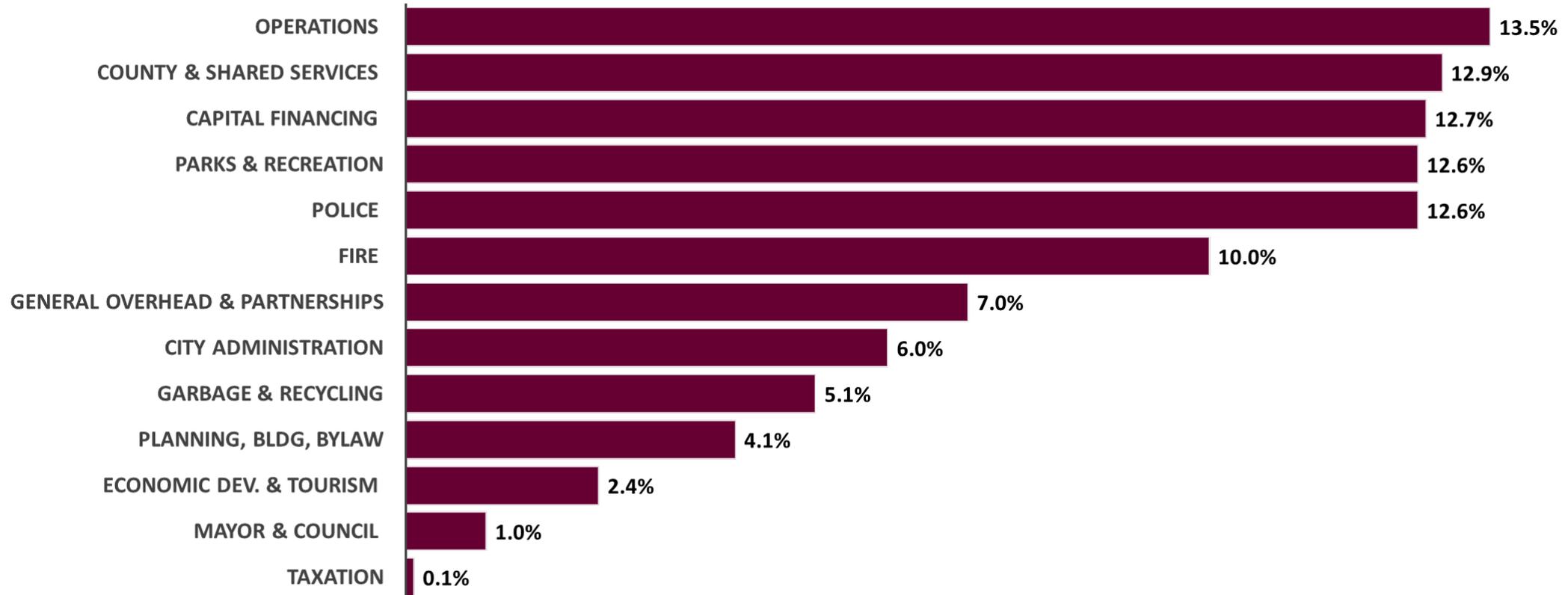
Highlights: Application-based Grants

- The City has applied for several different grants reflected in the 2026 budget as follows:

Item	Grant Status	2026 Budget
Grant: Connecting Links Project: River Road Phase 2	Confirmed	810,000
Grant: Fire Protection Grant Project: Clean Room	Unconfirmed	16,445
Grant: Safe Schools Grant Project: Our Lady of Lourdes Sidewalk	Unconfirmed	125,000
Grant: Municipal Housing Infrastructure Program Health & Safety Water Stream Grant Project: Reservoir	Unconfirmed	5,171,986

Item	Grant Status	2025 Budget
Grant: Federal Green and Inclusive Community Buildings Project: Victoria Hall Upgrades	Unconfirmed	989,924

2026 Operating Expenditures



Highlights: Drivers of Increase

- The primary drivers behind the \$1,917,459 operating budget increase are:

Reason	Description	Increase	Levy %
Shared Services	Outside City control: Land ambulance, homes for the aged, social services, Health Unit, OPP	857,127	3.12%
Capital Levy	Annual 2% levy increase per year to close infrastructure funding gap	548,435	2.00%
City Operations	See next slide for breakdown	511,897	1.87%
Total	All items	1,917,459	6.99%

Highlights: Drivers of Increase (City Operations)

- A breakdown of the 1.87% levy increase related to City operations is as follows:

Reason	Description	+Increase/ - Decrease	Levy %
Interest & Investments	Interest income decreasing due to declining interest rates	225,710	0.82%
2025 Budget Decisions	2025 staffing and transit pilot project (year 2 of 3)	267,382	0.98%
Fire Department	Investment in new dispatch system and community risk assessment report required by provincial legislation	107,500	0.39%
Economic Development	Investments in Community Improvement Plan and Business Retention and Expansion	73,431	0.27%
Planning	Official Plan review under the Ontario Planning Act	68,658	0.25%
Clerk's Office	Administrative support staff added to address workload	58,042	0.21%
Parks	Increased tree removal due to ash borer issues	50,000	0.18%
Levy Stabilization	Reserve funding from the 2024 surplus was used to decrease the 2026 property tax levy by 1%.	-264,795	-1.00%

Highlights: Shared Services

- Overall, the cost of shared services is expected to increase by in 2026, broken down as follows:

Service Provider: Program	2025 Budget	2026 Budget	Change
County: Ontario Works Program	\$373,885	\$435,945	+\$62,060
County: Child Care	62,810	17,642	-45,168
County: Land Ambulance	1,984,679	2,319,979	+335,300
County: Social Housing	703,348	971,154	+267,806
County: Homes for the Aged	1,314,449	1,406,461	+92,012
County: Provincial Offenses	-10,611	-3,886	+6,725
Total County Shared Services	4,428,560	5,147,295	+718,735
Renfrew County & District Health Unit	306,294	321,609	+15,315
OPP (Contract and Building)	4,691,405	4,902,656	+211,251
Other (MPAC, 911, Homelessness)	261,346	173,172	-88,174
Total Decrease \$	9,687,605	10,544,732	857,127

Note: The County of Renfrew has been estimated for 2026 due to differing budget schedules.



2026 Capital Budget

*Buildings & facilities, roads & bridges,
Equipment & Fleet, parks, water and
sewer*



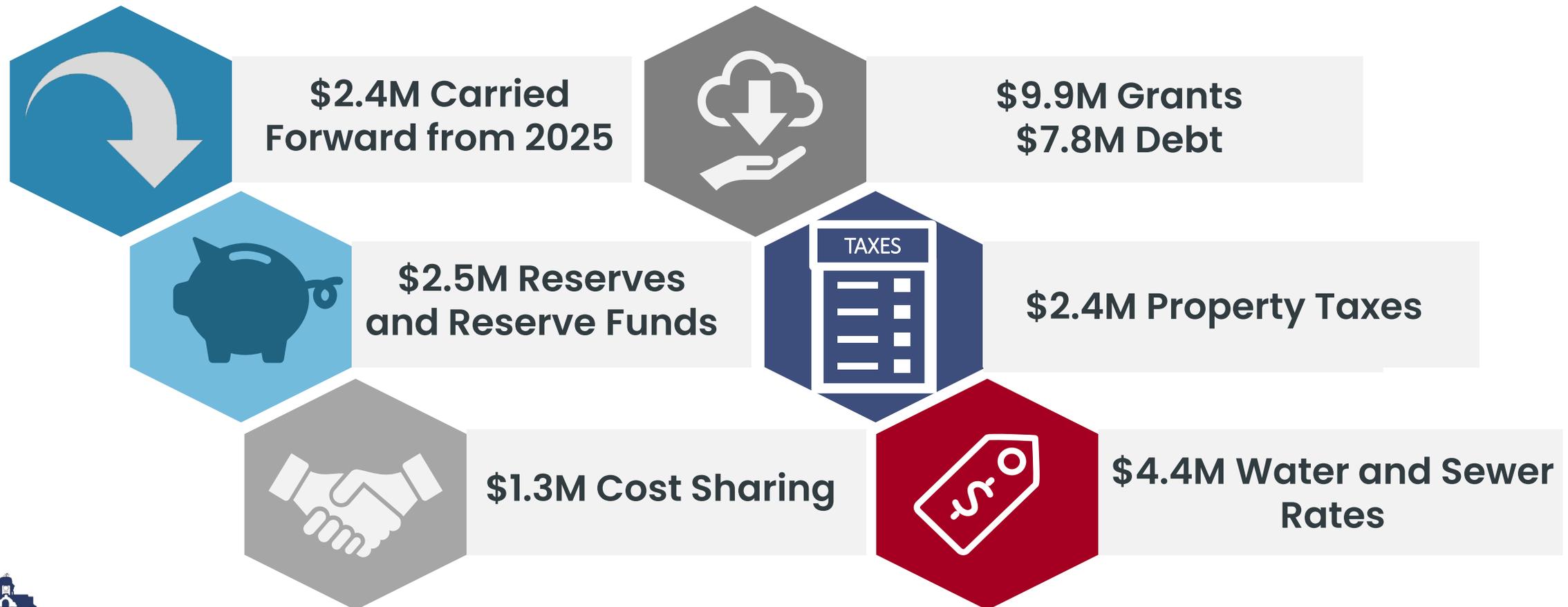
2026 Capital Project Summary

- \$30.7M of capital projects have been included in the 2026 capital budget as follows:



2026 Capital Financing

- Financing for the City's 2026 capital projects is planned as follows:



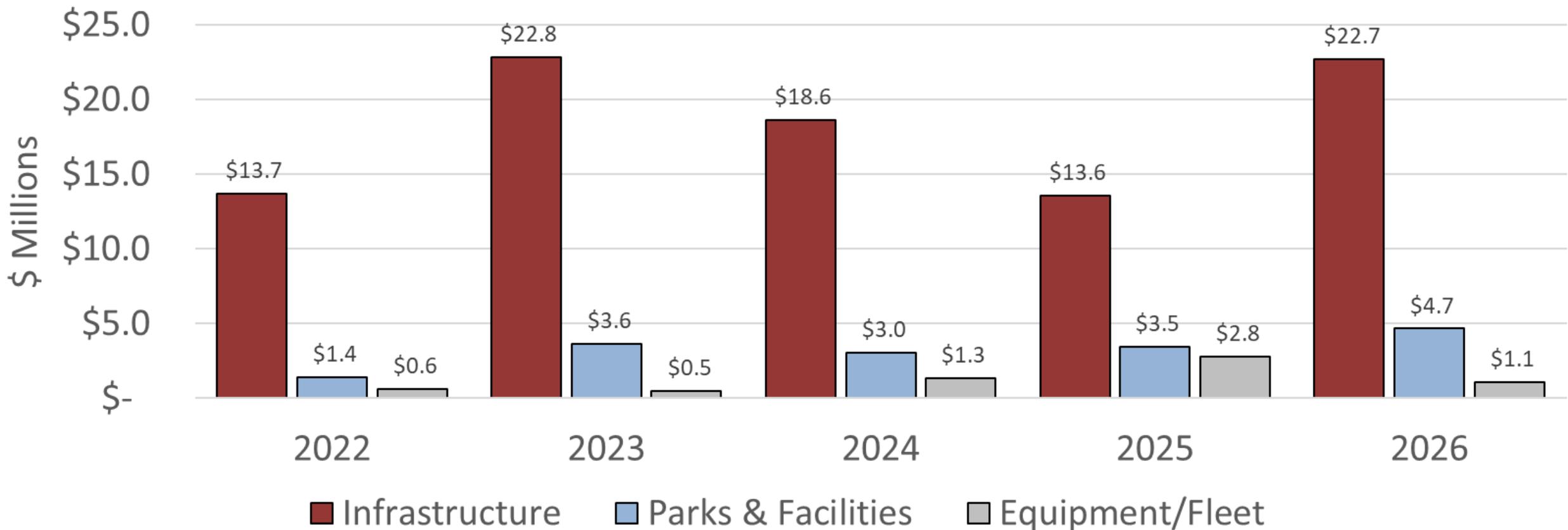
2026 Capital Financing: by Project Type

- A breakdown of financing by project type is as follows:

Project Type	Buildings & Facilities	Roads & Bridges	Equipment & Fleet	Parks	Storm Sewer	Sanitary Sewer	Water	Total
Carry Forward	\$774,233	\$1,002,411	\$63,972	\$109,489	-	\$242,512	\$100,000	\$2,292,617
Water Fund	-	653,002	-	-	-	-	749,392	1,402,394
Sewer Fund	-	1,452,606	-	-	-	1,560,488	-	3,013,094
Reserves	660,000	246,065	964,261	92,610	-	-	508,863	2,471,799
Grants	16,445	4,468,704	-	-	250,000	-	5,171,986	9,907,135
Cost Sharing	1,065,216	-	-	-	-	-	267,810	1,333,026
Debt	1,568,096	4,900,000	-	-	-	-	1,364,862	7,832,958
Unfinanced	-	-	-	-	-	-	-	-
Taxation	428,010	897,000	116,000	827,901	170,000	-	-	2,438,911
Total Financing	\$4,512,000	\$13,619,788	\$1,144,233	\$1,030,000	\$420,000	\$1,803,000	\$8,162,913	\$30,691,934

5-YEAR CAPITAL SPEND

- A 5-year summary of capital spending (excluding carry forward) is as follows (\$ Millions):



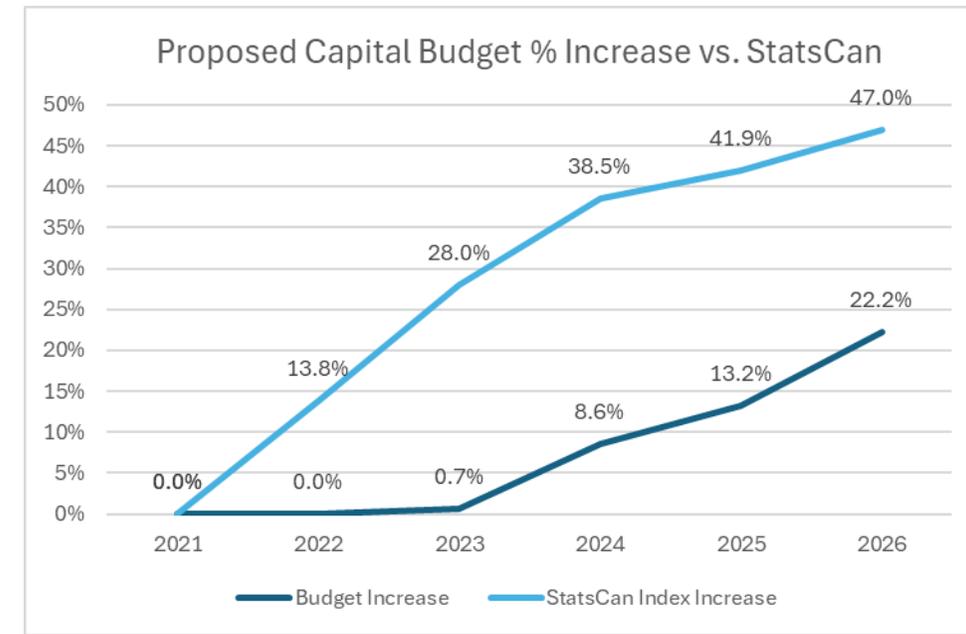
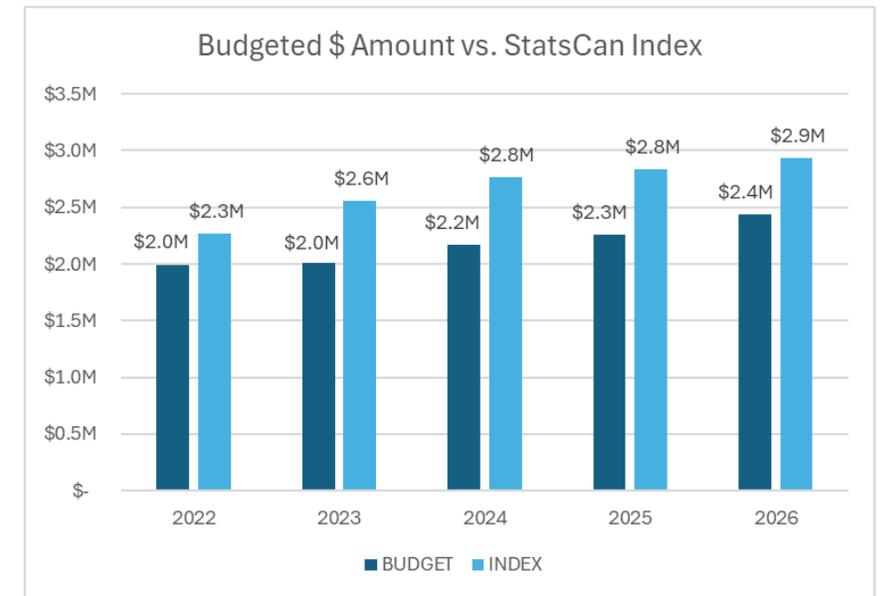
2026 Capital Projects

Capital infrastructure projects planned for 2026 include:

- Recreation facilities: \$800K dehumidification at Kinsmen Pool; \$2M floor/boards replacement at PACC; \$480K transformer relocation at PMC; \$900K reconstruction of Coronation Park river wall and stairs
- Major infrastructure: \$4.4M reconstruction of Isabella Phase 3 (Munroe St to East End, Church from Isabella St to PSW) (roads, water, sewer); \$6.1M Quarry Rd reconstruction and extension (carried forward from 2025)
- \$932K road resurfacing of Angus Campbell Dr (PSE to Alfred St, Alfred St to Matheson Dr, Matheson Dr to Cockburn Cr) , First Ave (Front St to Mary St), Forced Rd (Pembroke St W to Algonquin Trail), International Dr (Southfork entrance to Golfview entrance), Mary St (First Ave to Trafalgar Rd), Townline Rd (Mackay St to Springfield Cres, Bennet St to Springfield Cres, Bennet to CNR Crossing), William St (Nelson to PSE)
- \$170K sidewalk replacements on Alfred St (Catherine St to Fraser St), Chamberlin St (River Rd to Mackay St), Doran St (Isabella St to Mary St), Mackay St (Nelson St to Joseph St), Maple St (Herbert St to Dickson St, Herbert St to Alfred St W), Supple St (Catherine St to Elizabeth St), Welland St W (Moffat St to End), William St (Alfred to Herbert St E)

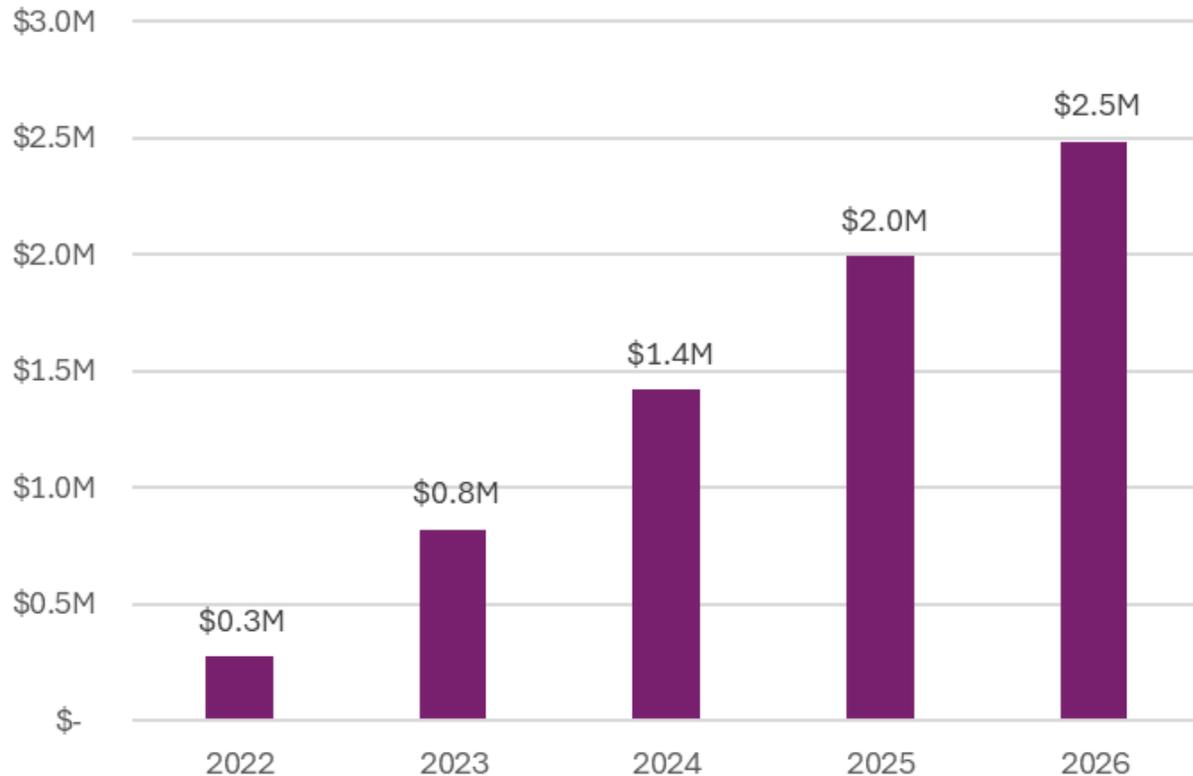
Capital Project Inflation

- The City's contribution to capital projects lags inflation by an estimated \$493,825 (2025 \$574,105).
- Since Q3 2020, the StatsCan Building Construction Index has increased by 47.0% while the City's contribution will have only increased by 22.2%.
- The City's June 2024 non-core asset management plan reveals a significant funding gap to maintain City assets in fair condition over and above existing inflationary pressures.
- Additional capital funding is required to close this gap.



Statistics Canada. [Table 18-10-0289-01 Building construction price indexes, by type of building and division](#). Non-Residential, Division Composite, Ottawa-Gatineau

Cumulative Impact of Gap Over Time



Cumulative Impact of Funding Gap since 2022

- As an annual funding gap, the impact of not fully funding inflation each year becomes significant over time.
- Since 2022, this gap has now reached \$2.5M, which represents sufficient funding to undertake a major road upgrade.
- By not maintaining pace with inflation, City asset renewal falls further behind.
- Increased annual funding to update City infrastructure is required to close this gap.

Upcoming Projects vs. Funding Availability

- A shortage of annual capital funding will continue to push major infrastructure projects until the funding gap is closed. Funding is needed to complete two major projects per year but is only available to support one major project.

Project	Project Year(s)	Total Cost	Water	Sewer	Roads/ Storm
Albert St (Pembroke to First Responder)	2025-2026	\$4,116,416	\$740,955	\$1,728,895	\$1,646,566
Boundary Rd (Almira to Francis)	2027-2029	8,676,500	1,561,770	3,644,130	3,470,600
Centre St (Alfred to Bell)	2028-2030	6,837,750	1,230,795	2,871,855	2,735,100
Frank Nighbor St (Pembroke to Lake)	2027-2028	1,834,134	330,144	770,336	733,654
Isabella St Catchment Area (Phase 3-6)	2026-2029	13,369,038	2,406,427	5,614,996	5,347,615
Moffat St (Pembroke to 406 Moffat)	2026-2029	2,491,800	448,524	1,046,556	996,720
Nelson St (Mackay to Howard)	2026-2028	11,572,400	2,083,032	4,860,408	4,628,960
Prince St (Pembroke to Lake)	2027-2028	1,620,525	291,695	680,621	648,210
Trafalgar Rd (Pembroke to Boundary)	2028-2030	1,200,000	216,000	504,000	480,000
Major Reconstruction Projects Required	N/A	51,718,563	9,309,341	21,721,796	20,687,425
Split over 5 years			1,861,868	4,344,359	4,137,485
Annual Historical Funding (Taxes, CCBF, OCIF)					2,258,000
Annual Gap					1,879,485

Annual Asset Consumption vs. Funding

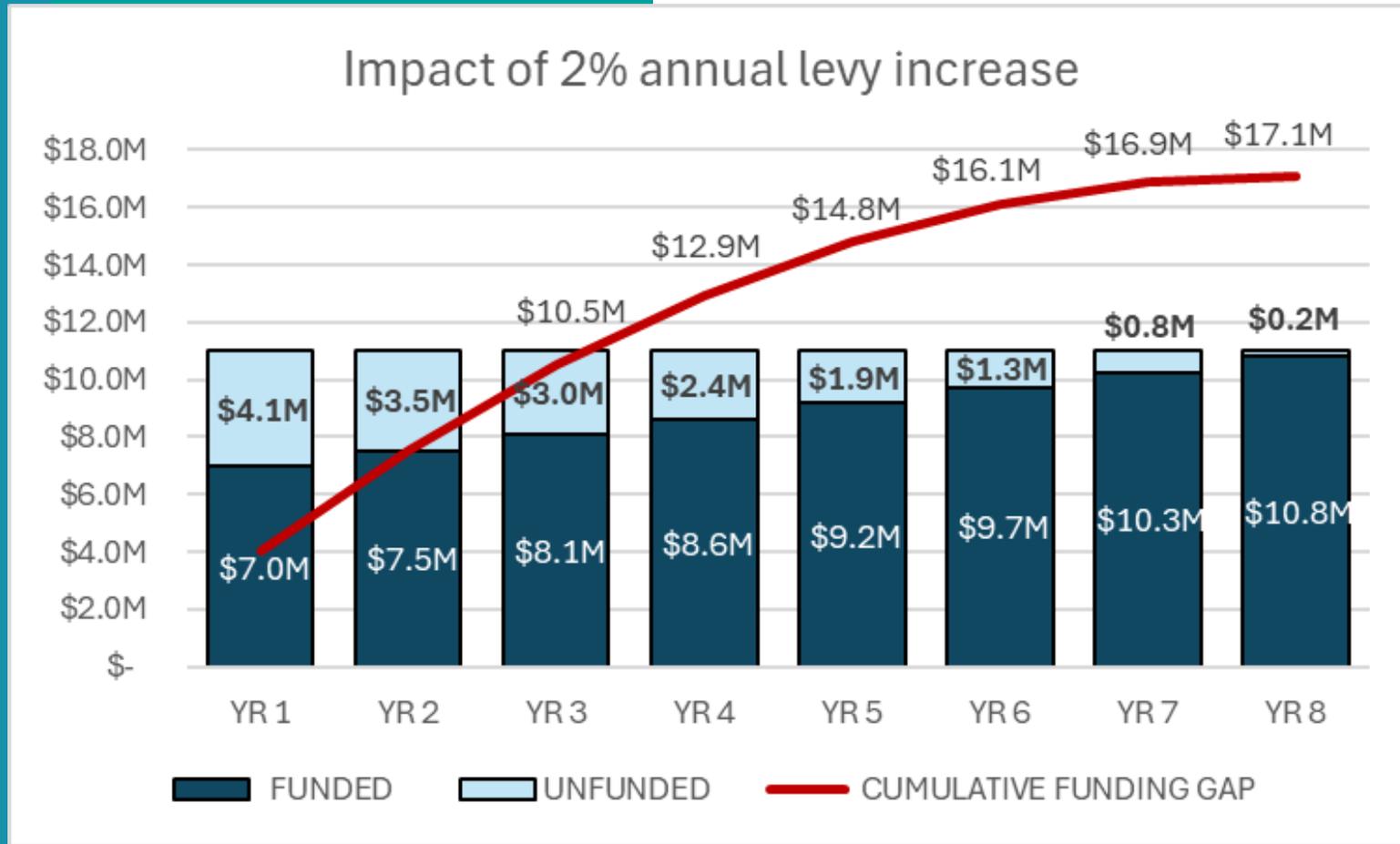
Category	Replacement Cost	Useful Life (Years)	Assets Used per Year
Roads	127,848,175	18-40	4,954,117
Sidewalks	15,417,000	25	616,680
Bridges	34,313,000	50	686,260
Traffic Controls	14,627,406	10-30	527,596
Storm Sewer*	116,470,890	30-99	1,625,373
Facilities	80,276,067	75	1,070,348
Parking Lots	4,548,097	18-40	234,606
Fleet	13,392,558	Various	1,036,389
Parks	5,607,596	15-40	280,380
Total	412,500,789	N/A	11,031,748

- The City owns infrastructure assets (excluding water and sanitary sewer) with an estimated replacement cost of \$412.5M.
- Based on the useful life of these assets, approximately \$11M of these assets are “consumed” or used each year.
- In comparison, the City will contribute \$3.9M in 2026 to fund capital projects and capital reserve contributions. In addition, the City receives \$3.1M from the Federal (CCBF) and Provincial(OCIF) Government.
- With only \$7M in total funding provided, this reveals an annual funding gap of \$4M.

*Replacement costs under review, likely under-estimated

2% Capital Levy Increase

- The 2026 Budget includes an annual 2% levy increase moving forward. This will close the annual funding gap over an 8-year period.
- An additional \$17.1M backlog of overdue capital projects will be generated during this period.
- The city's AMP update will review how this policy will impact future levels of service and asset conditions.



Reserves, Reserve Funds and Debt



Annual Debt Continuity

- The City will make \$1.3M in principal payments in 2026, bringing the total debt outstanding to \$9M by year-end.

Function	Interest Rate	Matures	2022	2023	2024	2025	Balance Dec 31, 2026	2026 Principal
Fire Station	3.70%	2048	\$2,716,471	\$2,611,992	\$2,507,512	\$2,403,032	\$2,403,032	\$104,480
McGee Lift Station	3.70%	2048	1,733,113	1,666,455	1,599,797	1,533,139	1,533,139	66,658
OPP Station	3.44%	2045	3,629,863	3,468,535	3,307,208	3,145,881	3,145,881	161,327
Cecelia St, Lake St, Pembroke St Bridge	3.66%	2042	2,760,863	2,622,819	2,484,776	2,346,733	2,346,733	138,043
Pollution Control Plant	4.74%	2026	1,660,582	1,245,436	830,291	415,146	0	415,145
Miramichi Lodge	4.74%	2026	1,460,226	1,095,170	730,113	365,056	0	365,057
Townline Forcemain	TBD	TBD	-	-	-	-	-	-
Quarry Road Extension (Budget 2025)	TBD	TBD						
PACC Ice Surface & Siding	TBD	TBD						
Quarry Reservoir	TBD	TBD	-	-	-	-	-	-
Total Debt			13,961,118	12,710,408	11,459,697	10,208,987	8,958,276	1,250,711

DC Category	\$ Balance
Fire	+\$9,645
Police	-7,353
Transportation	+41,650
Environmental	+291,101
Recreation & Culture	+91,561
DC Study	+9,855
Total	+\$436,459

2025 Development Charges Reserve Balance

- At the beginning of 2025, the City had \$436,459 in the Development Charges (DC) Reserve Fund broken down into various categories of city services.

Development Charges: 2025 Annual Report

- 2025 activity in the Development Charges Reserve Fund is as follows:

2025 Development Charges Breakdown by Category

Activity	Fire	Police	Transportation	Environmental	Recreation & Culture	Development Charge Study	Total
Opening Balance Jan. 1 2025	\$9,645.07	(\$7,352.60)	\$41,649.51	\$291,101.16	\$91,560.90	9,855.22	\$436,459.27
2025 Development Fees	4,681.86	4,717.16	7,506.25	14,306.38	9,576.26	5,423.09	46,211.00
2025 Accumulated Interest	1,504.99	1,516.33	2,412.89	4,598.80	3,078.29	1,743.26	14,854.56
2025 Capital Financing	0.00	0.00	(16,947.00)	0.00	(54,543.36)	(17,182.17)	(88,672.53)
Closing Balance Dec 31, 2025	\$15,831.92	(\$1,119.11)	\$34,621.65	\$310,006.34	\$49,672.09	(\$160.60)	\$408,852.30

2025 Capital Financing Breakdown

Activity	Fire	Police	Transportation	Environmental	Recreation & Culture	Development Charge Study	Total
Parks Mower					(37,092)		(37,092)
Parks UTV					(17,452)		(17,452)
DC Background Study						(17,182)	(17,182)
Roads Single Axle Truck			(16,947)				(16,947)

Development Charges: 2026 Fund Usage

- Based on the 2021 background study, DC funds are planned to be used for the following projects in 2026.
- A new background study has been commissioned in 2025 for completion in 2026.

Activity	Fire	Police	Transportation	Environmental	Recreation & Culture	Development Change Study	Total
Parks Tractor					(38,000)		(38,000)
DC Study						(32,818)	(32,818)
Water Tower/Reservoir				(82,255)			(82,255)
Grand Total	0	0	0	(82,255)	(38,000)	(32,818)	(153,073)
Forecasted 2025 Balance (excluding 2025 revenues)	\$15,831.92	(\$1,119.11)	\$34,621.65	\$227,751.34	\$11,672.09	(\$32,978.43)	\$255,779.47

Development Charges: Allocations

- As per the *More Homes Built Faster Act*, beginning in 2023, a municipality shall spend or allocate at least 60% of the monies that are in a reserve fund at the beginning of the year for the following services: water; wastewater; and roads.
- The commitments/allocations below exceed current available funding.

Pre-commitment (2026+)	Transportation	Environmental
Roads Single Axle Truck	(270,000)	
Nelson Street Phase 3	(77,892)	
Supples Landing LS		(1,000,000)
Water Studies		(373,249)
Water Tower		(754,405)

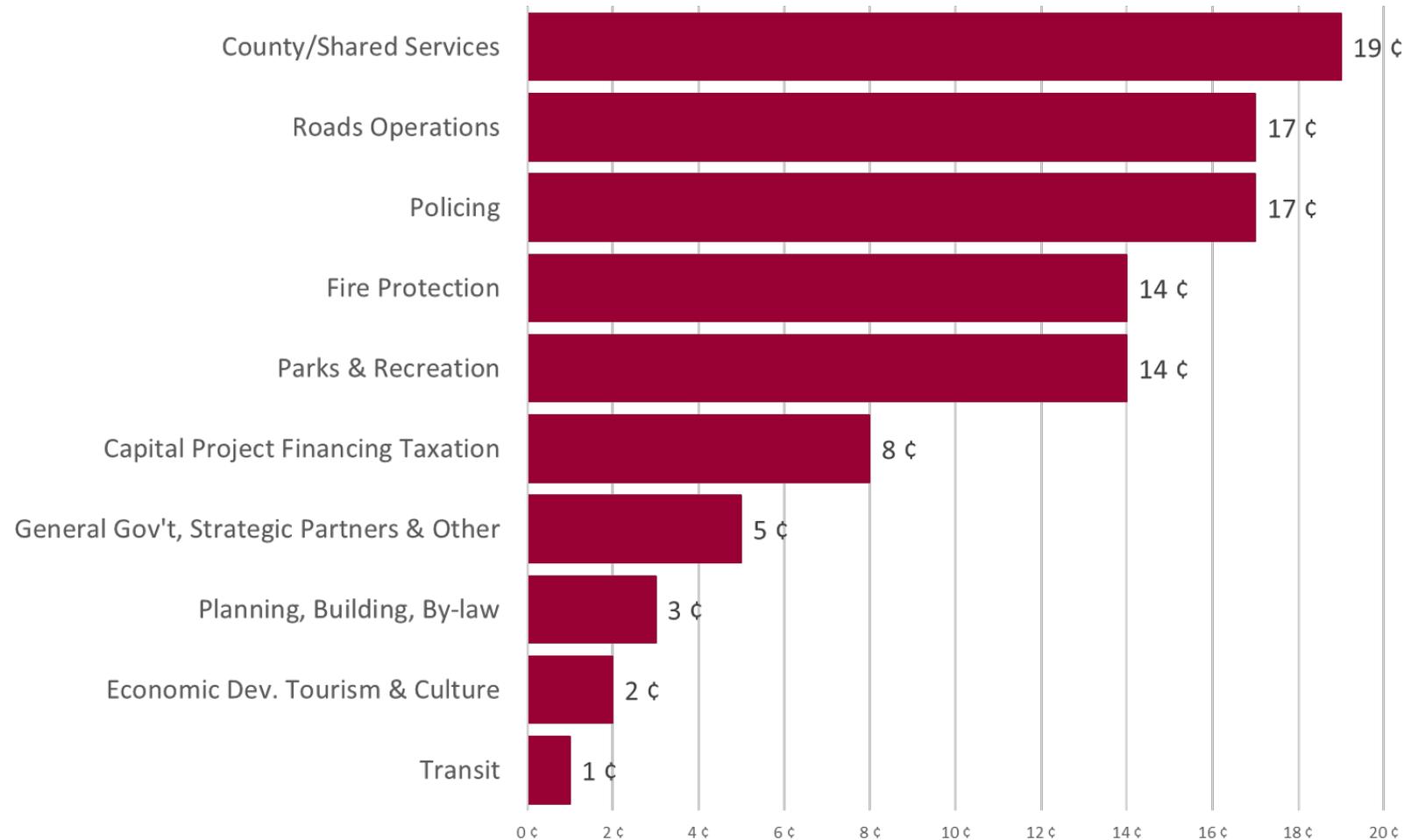
2026 Tax, Water and Sewer Bill Comparison

Property Class	Residential	Multi Residential (12 unit building)	Commercial (Retail)	Industrial
Average Assessment Change	0%	0%	0%	0%
Median CVA for Class	\$185,000	\$700,000	\$221,000	\$184,700
Municipal Taxes	\$3,613	\$26,518	\$8,546	\$9,487
*Education Taxes	283	1,071	1,945	1,625
Total Taxes	\$3,896	\$27,589	\$10,490	\$11,112
Garbage Collection/Disposal Fee	181	2,166	-	-
OVWRC Fee	67	201	134	134
Total	4,143	29,956	10,624	11,246
Net Tax \$ Difference	\$259	\$1,996	\$558	\$619
Taxes, Garbage, OVWRC	4,143	29,956	10,624	11,246
Water Fees	643	4,616	1,142	1,252
Sewer Fees	1,025	7,472	1,001	1,105
Total Combined	\$5,811	\$42,043	\$12,767	\$13,602
Combined Difference	\$353	\$2,682	\$734	\$812
Tax Rate Change (City Portion)	6.94%	6.94%	6.94%	6.94%
Net Water & Sewer Increase	6.01%	6.01%	8.90%	8.90%
Combined Change	6.47%	6.81%	6.10%	6.35%

*Reflects 2026 education rate, unchanged from the 2025 rate

Where do my City tax dollars go?

Breaking down the budget by service categories, every \$1 of City taxes is estimated to go towards the following services:





Engagement Survey 2026 Budget Feedback

- Level of satisfaction for value received:
 - 42% dissatisfied; 37% neutral; 20% satisfied.
- Preferred approach regarding levels of service vs. tax rates/fees:
 - 40% reduce services to keep taxes/fees from increasing; 27% maintain services increasing rates only as needed; 15% increase services even if it means rate increases.
- Road repairs was identified as the highest 2026 budget priority.

Note: The full survey report is available as part of the Special Meeting of Council following this Public Budget Meeting

Budget Priorities: Next Steps



Backlog of projects & priorities that require funding to maintain current services and service levels with demand exceeding available funding.

Weaknesses



Legislative requirements mandated by the province and limited control over shared service costs.

Challenges



The City has invested in an Engagement Platform to better inform and dialogue with the public to on infrastructure needs

Strengths



This feedback will help inform the City's Asset Management Plan to be updated in 2026 as to ensure long-term sustainability.

Opportunities

Questions and Feedback

Angela Lochtie, CPA,
CMA/PFA, Treasurer



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ANNEX A

2026 Waste Management Rates

2026 Waste Disposal Fee

- With the producer-pay model for residential recycling now in place, the City’s waste disposal fee has increased to reflect the increasing cost of garbage collection under contract with Miller Waste Systems.
- As directed by Council, the proposed 2026 rate increase to \$225.50/unit will be phased-in over the next three years to ensure affordability.
- This represents the first rate increase for waste disposal in many years.

Current By-Law 2025-16

Rate Type	2025 Fee	2026 Fee
Waste Disposal Fee	\$158.00/unit	\$180.50/unit

2026 OVWRC Fee: Residential/Multi-Residential

- The Ottawa Valley Waste Recovery Centre (OVWRC) rates are set to increase by 3% in 2026 to keep pace with inflation.

Current By-Law 2025-15: Residential / Multi-Residential

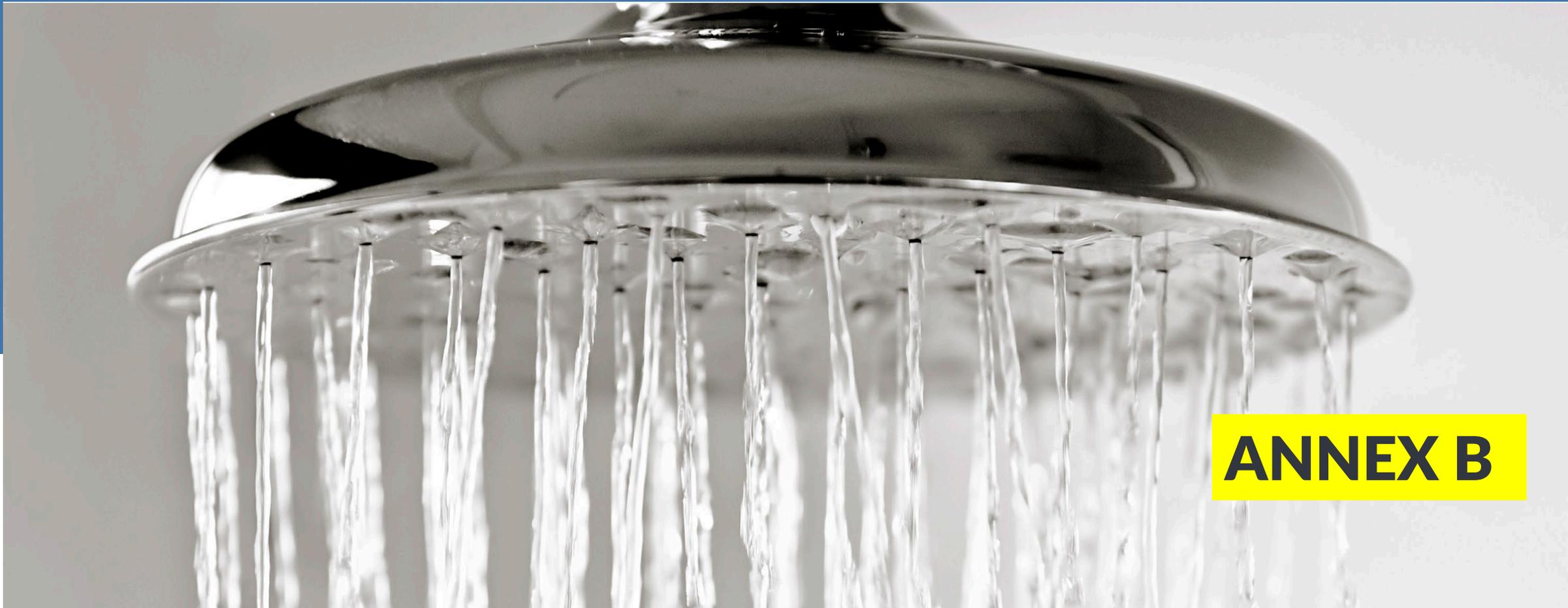
Assessment Range From	Assessment Range To	2025 Fee	2026 Fee
\$0	\$299,999	\$65.00	\$66.95
300,000	599,999	130.00	133.90
600,000	999,999	195.00	200.85
1,000,000	1,999,999	260.00	267.80
2,000,000	Maximum	325.00	334.75

2026 OVWRC Fee: Commercial/Industrial

For commercial, industrial and institutional customers, OVWRC rates will also increase by 3% as follows:

Current By-Law 2025-15: Commercial / Industrial / Institutional

Assessment Range From	Assessment Range To	2025 Fee	2026 Fee
\$0	\$299,999	\$130.00	\$133.90
300,000	599,999	260.00	267.80
600,000	999,999	390.00	401.70
1,000,000	1,999,999	520.00	535.60
2,000,000	Maximum	650.00	669.50



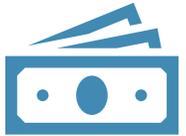
ANNEX B

2026 Water and Sanitary Sewer Rates

Water and Sewer Rates

- Under Ontario’s Safe Drinking Water Act, the City is required to prepare financial plans for its water systems to ensure sufficient revenue is generated to provide safe drinking water to our community.
- While the City’s new water/waste-water rate study has not yet been completed, the City budget has been completed using the following assumptions:

Rate Type	2025 Rate Increase	2026 Proposed Rate Increase
Water Service: Flat Rate	5.7%	5.7%
Water Service: Metered Rate	9.8%	9.8%
Sewer Service: Flat Rate	5.2%	6.2%
Sewer Service: Metered Rate	6.9%	7.9%

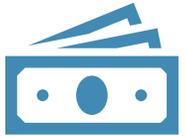


2026 Estimated Water Rates

- The 2026 water rates have been estimated as follows:

Water Service – Flat	2025 Annual	2026 Annual	Change
Single Unit	\$608.56	\$643.25	5.7%
Second Unit	486.36	514.08	5.7%
Each Additional Unit	327.20	345.86	5.7%
Swimming Pool	233.52	246.84	5.7%

Water Service – Metered	2025 Annual	2026 Annual	Change
First 136 cubic meters per quarter	\$2.18168	\$2.39548	9.8%
137 to 1364 cubic meters per quarter	1.73895	1.90937	9.8%
Over 1364 cubic meters per quarter	1.36856	1.50268	9.8%

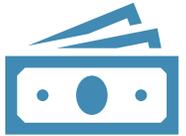


2026 Sanitary Sewer Rates

- The 2026 sewer rates have been estimated as follows:

Sewer Service – Flat	2025 Annual	2026 Annual	Change
Single Unit	\$964.72	\$1,024.52	6.2%
Second Unit	758.40	805.44	6.2%
Each Additional Unit	531.24	564.18	6.2%

Sewer Service – Metered	2025 Annual	2026 Annual	Change
First 136 cubic meters per quarter	\$4.08516	\$4.40789	7.9%
137 to 1364 cubic meters per quarter	3.22220	3.47675	7.9%
Over 1364 cubic meters per quarter	2.54824	2.74955	7.9%



2026 Sewer and Combined rates

- Under this scenario, the average residential taxpayer can expect to pay \$7.87 more per month for water and sewer in 2026.

Combined Water & Sewer Flat Rates	2025 Annual	2026 Annual	Change
Single Unit	\$1,573.28	\$1,667.77	6.0%
Second Unit	1,244.76	1,319.52	6.0%
Each additional unit	858.44	910.04	6.0%

Metered Rate Customers

- The proposed impact to the average metered properties are summarized below.
- The average monthly increase would be as follows:
 - Multi-residential (8-unit): \$38.90 per month
 - Commercial (Retail): \$14.60 per month
 - Industrial (Small): \$17.86 per month

Metered Customers	2025 Annual	2026 Annual	% Change	\$ Change
Multi-Residential (8-unit)	\$7,969	\$8,448	6.0%	479
Commercial (Retail)	1,967	2,143	8.9%	175
Industrial (Small)	2,456	2,671	8.7%	214



ANNEX C

Reserve and Reserve Fund Forecast as of January 8, 2025



2026 Reserve Forecast (1 of 3)

- The City's overall reserve balance is expected to decrease by \$0.6M in 2026, from an estimated \$11.4M at the end of 2025 to \$10.8M at the end of 2026.

Reserves	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
Building Inspection	12,132	8,000	-	20,132
Benefit Admin. Contingency	486,433	-	50,000	436,433
Working Funds	452,166	-	-	452,166
Levy Stabilization	264,795	-	264,795	-
Fiddle Park Field Reserve	5,681	-	-	5,681
Physician Recruitment	25,000	-	15,000	10,000
Police	-	-	-	-
OPP Station	101,888	15,000	-	116,888
Waste Management	2,253,930	351,265	331,417	2,273,778
Election	-	15,000	-	15,000
Animal Control	55,180	-	-	55,180
Equipment and Vehicles	(2,847)	486,009	412,000	71,162

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2026 Reserve Forecast (2 of 3)

Reserves	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
Fire Equipment	118,808	298,000	95,000	321,808
Winter Control	155,105	-	-	155,105
Sidewalk (Underserviced Areas)	-	20,000	-	20,000
Aquatic Centre	1,838,573	255,000	660,000	1,433,573
Recreation Facility Reserve	344,365	80,413	-	424,778
Transit	219,889	-	142,730	77,159
Emergency & Disaster Recovery	615,315	-	-	615,315
Bi-Centennial	75,000	75,000	30,000	120,000
Library Capital	117,485	-	-	117,485
Library Contingency	314,514	-	-	314,514
Library Bequest	43,410	-	-	43,410
Library Multicultural Festival	(127)	-	-	(127)

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2026 Reserve Forecast (3 of 3)

Reserves	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
Cannabis Funding	28,700	-	-	28,700
Community Improvement Plan	159,792	-	50,000	109,792
Water Meters	596,093	127,678	166,000	557,771
Water Tower	1,155,624	-	-	1,155,624
Waterworks Capital	126,933	-	-	126,933
Pollution Control Capital	1,742,599	-	66,221	1,676,378
Storm Sewer	2,389	-	3,839	(1,450)
Hoffman Lane	75,000	-	-	75,000
TOTAL	11,383,827	1,731,365	2,287,002	10,828,190

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2026 Reserve Fund Forecast (1 of 2)

- The City's overall reserve fund balance (excl. TLV joint funds) is expected to decrease by \$0.6M in 2026, from an estimated \$5.6M at the end of 2025 to \$5.0M at the end of 2026.

Reserve Funds	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
Algonquin Pavillion	2,514	-	-	2,514
Parks Development	79,457	6,000	-	85,457
Industrial Land Sales	66,507	-	-	66,507
McCool Park Lot Levy	96,108	-	-	96,108
Disability Fund	546,272	-	63,330	482,942
General Capital	1,120,231	-	237,610	882,621
Modernization Funding	431,378	-	100,000	331,378
Dedicated Gas Tax – Transit	175,031	106,000	246,733	34,298
Federal Gas Tax	141,744	940,846	917,000	165,590
Parking Authority	81,489	36,928	69,500	48,917
Storm Sewer Industrial Park	25,742	10,000	-	35,742
Water Filtration Plant	1,091,174	-	-	1,091,174
Pollution Control Plant	890,389	-	-	890,389

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2026 Reserve Fund Forecast (2 of 2)

Reserve Funds	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
Heritage Murals	2,474	-	-	2,474
In-Lieu Parking	60,475	-	-	60,475
CP Track	2,603	-	-	2,603
PBIA	25,568	-	-	25,568
Aquatic Centre Donations	-	-	-	-
MAT Tax Capital	125,073	91,939	75,000	142,012
Rotary Park	4,439	-	-	4,439
New Development	231,501	-	-	231,501
Development Charges	415,329	70,000	159,550	325,779
TOTAL RESERVE FUNDS	5,615,498	1,261,713	1,868,723	5,008,488
Reserve and Reserve Funds	16,999,325	2,891,813	3,862,908	16,028,230

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2026 Reserve Fund Forecast (JOINT W/ TLV)

- The City's Water/Wastewater Agreement with TLV requires the City to set up separate reserve funds. Funded by our joint rate, they are to be used solely for the purpose raised and only transferred to other funds/purposes upon mutual consent.

Reserve Funds (W/WW Agreement With TLV)	Balance Dec 31, 2025	Transfers TO	Transfers FROM	Balance Dec 31, 2026
W/WW Fleet/Equipment Reserve	(46,290)	215,780	196,028	(26,538)
Water Filtration Plant	277,143	230,000	-	507,143
Pollution Control Plant	6,985	100,000	71,065	35,920
Waterworks Capital	108,110	-	62,608	45,502
Sanitary Sewer Capital	1,815,975	-	-	1,815,975
Water Tower	643,507	200,000	198,000	645,507
Joint Development Charges	-	10,000	-	10,000
TOTAL JOINT RESERVE FUNDS	2,805,431	755,780	527,701	3,033,510