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The Regional Municipality of Durham Report

To: Special Committee of the Whole
From: Commissioner of Finance/Treasurer and the Chief Administrative Officer
Report: #2025-COW-28
Date: June 18, 2025

Subject:

2026 Regional Property Tax Supported Business Plans and Budget Guideline (see Report #2025-COW-29 for the Durham Regional Police Service Property Tax Supported Budget Guideline)

Recommendations:

That the Committee of the Whole recommends to Regional Council that:

- A) The following detailed direction and guideline for the 2026 Property Tax Supported Business Plans and Budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation be approved:
 - i. The 2026 Property Tax Supported Business Plans and Budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation not exceed \$704.734 million, an increase of 6.44 per cent compared to the 2025 approved budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation, which translates to an overall property tax impact of 3.48 per cent for 2026 on the Regional portion of the property tax bill after assessment growth;
- B) The following detailed direction and guideline for the 2026 Business Plans and Budget for each Conservation Authority be approved:
 - i. The 2026 Business Plans and Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, compared to the 2025 approved budget, which translates to an overall property tax impact of 0.02 per cent for 2026 on the Regional portion of the property tax bill; and
- C) Copies of this report be forwarded to Durham Region Transit Commission, Conservation Authorities, Durham Regional Local Housing Corporation, and other Outside Agencies to guide the development of detailed 2026 Business Plans and Budget.

Report:**1. Overview**

- 1.1 This report provides an overview of the current economic and base budget factors impacting the Region's portion of the 2026 Property Tax Supported Business Plans and Budget as well as the Regional priorities and initiatives for both 2026 and the four-year forecast period (2027 to 2030). This report also identifies pressures and risks facing the Region that need to be considered in establishing the 2026 Regional Business Plans and Budget guidelines including provincial funding impacts on the 2026 budget; approved 10-year financial plans for transit, paramedic services and housing and homelessness support programs; and approved or anticipated legislative and regulatory changes impacting the Region's programs and services.
- 1.2 In accordance with Council's update to the Business Plans and Budget process adopted in 2024 ([Report #2024-A-10](#)), the property tax guideline report is being presented for Council's consideration in June, three months earlier than the historic presentation in September. This advanced timing is critical to facilitate approval of the Region's 2026 Business Plans and Budgets in December. With the earlier presentation of this report, additional assumptions around potential senior government funding and budget pressures have had to be included in this report and will be refined and updated as additional information becomes available. In order to meet the December timing for the 2026 budget, it is critical that a guideline be approved in June.
- 1.3 This report also outlines the public engagement strategy and timelines for the 2026 Business Plans and Budget.
- 1.4 A companion report on the June 18, 2025 Special Committee of the Whole agenda (Report #2025-COW-29) provides an overview and details on the various base budget factors and priorities identified by the Durham Regional Police Service Board impacting the 2026 Durham Regional Police Service Business Plans and Budget and provides a 2026 property tax guideline for the Durham Regional Police Service Board.

2. Purpose and Use of the Recommended Guideline

- 2.1 The overall 2026 property tax guideline provides a capped property tax rate impact for the 2026 Regional Property Tax Supported Business Plans and Budget. This guideline is an overall impact which is then allocated across all departments, Durham Region Transit (DRT), 9-1-1 Emergency Service System, Durham OneNet Inc., and Durham Regional Local Housing Corporation (DRLHC). Durham Regional Police Service (see Report #2025-COW-29) and the Conservation Authorities (separate recommendation above) have additional identified property tax guidelines for Council's consideration.

- 2.2 The establishment of specific property tax guidelines at this time provides direction and assists staff with finalizing the 2026 budget submission for presentation to Regional Council in December 2025. Timing of the guideline approval is critical for achieving approval of the 2026 Business Plans and Budget before the end of December.
- 2.3 The recommended guideline was developed in consultation with the CAO and was informed by forecasts provided by Departments including a detailed review of 2026 to 2030 operating pressures and 2026 to 2035 capital priorities, debt capacity, and available reserve and reserve funds. This guideline contemplates property tax payer impacts, changes in the local and broader economic, political and social environments and associated risks and uncertainties facing the Region in the delivery of its programs and services including the potential impacts of tariffs.
- 2.4 Regional staff will continue to review priorities and pressures with a goal of delivering the annual Property Tax Supported Business Plans and Budget within the guideline. However, the Region is faced with a constantly changing external environment that continues to affect the Region's budget and service delivery. In particular, unknown impacts of recent provincial legislation require further review.

3. 2026 Property Tax Guideline Overview

- 3.1 Through this report, staff are seeking Regional Council approval for the following 2026 property tax guidelines:
- The 2026 Property Tax Supported Business Plans and Budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation is recommended not to exceed \$704.734 million, an increase of 6.44 per cent compared to the 2025 approved budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation, which translates to an overall property tax impact of 3.48 per cent for 2026 on the Regional portion of the property tax bill after assessment growth; and
 - The 2026 Business Plans and Budget for each Conservation Authority is recommended not to exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, compared to the 2025 approved budget, which translates to an overall property tax impact of 0.02 per cent for 2026 on the Regional portion of the property tax bill.
- 3.2 Through companion Report #2025-COW-29, staff are seeking Regional Council approval for the 2026 property tax guideline for the Durham Regional Police Service Board.

- 3.3 The combined impact of the Region (excluding the Durham Regional Police Service Board guideline) and Conservation Authorities is a Regional property tax guideline impact of 3.50 per cent for 2026 on the Regional portion of the property tax bill after assessment growth. This translates to a monthly budgetary increase of approximately \$10 for an average residential home in Durham Region with an estimated 2026 current value assessment of \$483,100.
- 3.4 Based on current 2025 assessment growth and through discussions with the Municipal Property Assessment Corporation (MPAC), net weighted assessment growth is estimated at approximately 1.25 per cent (excluding net assessment growth in Seaton). Net weighted assessment growth in the Region has slowed considerably with 2024 net weighted assessment growth (excluding Seaton) reaching only 1.83 per cent compared to average net weighted assessment growth (excluding Seaton) of 1.95 per cent between 2019 and 2023. The current projection for the 2025 net weighted assessment growth (excluding Seaton) is aligned with the level of net weighted assessment growth (excluding Seaton) realized in 2014 and 2015 of 1.13% and 1.15% respectively. As of the end of May 2025, net weighted assessment growth (excluding Seaton) is low at 0.61 per cent. The current 2025 net weighted assessment growth estimate for 2026 taxation is only a preliminary estimate and should be used with caution as the actual assessment growth could vary either higher or lower than this estimate.
- 3.5 To achieve this guideline, the strategic use of use of reserves and reserve funds, development charges, funds provided under the Canada Community-Building Fund (formally the Federal Gas Tax Fund), and Provincial Gas Tax Funds will be required to fund one-time operating and capital investments as well as phasing-in incremental ongoing operating and capital pressures. As staff continue to develop the 2026 Business Plans and Budget submissions, all additional opportunities to sustainably use the Region's reserves and reserve funds and alternative revenue sources will be pursued.
- 3.6 It is worth noting that the Region is in a period of significant investment in major projects for which the Region has been accumulating funding over the last number of years. As a result of these significant capital projects, the Region is also entering into a period of significant increases in the usage of debt to partially or fully fund a number of these major projects resulting in debt repayment impacts over the forecast period. There are also components of Bill 17 that require commitments from Development Charge Reserve Funds that will need to be reviewed.
- 3.7 To achieve the recommended guideline, Regional departments, boards, commissions and outside agencies will continue to review their operating and capital business plans and budgets for efficiencies, prioritizing and pursuing the necessary adjustments to balance competing priorities, capital requirements and operating pressures.

4. Projected 2026 Base Pressures and Non-Discretionary Items

- 4.1 Preliminary 2026 budget analysis indicates several base pressures and non-discretionary items that are required to continue to deliver the Region's existing programs and services including:
- The annualization of 2025 budget decisions and adjustments for one-time items included in the 2025 budget;
 - Contractual and inflationary increases;
 - Economic increases (salary/benefit contracts);
 - Debt servicing costs for debenture financing approved through the 2025 Business Plans and Budget as well as additional debenture financing approved by Regional Council through the 2025 – 2034 Housing and Homelessness Service and Financing Strategy; and
 - Items that have received in-year approval by Regional Council during 2025.
- 4.2 Base pressures for 2026 are currently estimated at \$35.896 million. CPI data released on May 20, 2025, indicated that inflation fell to 1.7 per cent in April on a year-over-year basis, this is down from 2.3 per cent in March on a year-over-year basis. The slow down in CPI growth in April was driven by lower fuel pricing, mainly due to the elimination of the consumer carbon tax, but also due partly to lower crude pricing from OPEC's supply increases. Excluding energy, the CPI rose 2.9 per year over year in April, after a 2.5 per cent year-over-year increase in March. Tariffs are still anticipated to affect CPI with a price level increase, with the effect dependant on the ultimate scale, breadth, timing and duration of US tariffs.
- 4.3 Various economic and political factors including tariffs, supply shortages, and inflation continue to place additional pressure on the Region's budget and increase financial risks. An [April 2025 report by Oxford Economics](#), released by the Association of the Municipalities of Ontario (AMO), estimates that Ontario municipalities are estimated to face fiscal impacts (including both revenues and expenditures) of approximately \$1.8 billion over 2025 and 2026 as a result of tariffs.
- 4.4 Potential provincial changes to the Development Charge Act, coupled with the current slow rate of development could have significant impacts on the Region's 2026 Capital Budget and Nine-Year Forecast. The Region continues to provide input to the provincial government on these potential changes ([Report #2025-COW-26](#)), emphasizing the importance of maintaining municipal autonomy, protecting critical infrastructure and ensuring that growth continues to pay for growth. Staff will continue to closely monitor provincial legislative changes, incorporating any changes into the 2026 Capital Budget and Nine-Year Forecast.
- 4.5 Staff continue to review these base budget pressures as well as explore all opportunities for efficiencies and line-by-line savings to help mitigate these impacts and to achieve the recommended 2026 property tax guideline.

5. Strategic Investment in Core Service Areas – Region of Durham Paramedic Services, Durham Region Transit and Housing and Homelessness Supports

- 5.1 As part of the 2023 business planning and budget process, Council approved the 2023 – 2032 Region of Durham Paramedic Services Service and Financing Strategy ([Report #2023-COW-7](#)) and the Durham Region Transit's Service and Financing Strategy (2023 – 2032) ([Report #2023-F-5](#)) to Committee and Council in February 2023.
- 5.2 In March 2025, Council approved the 2025 – 2034 Housing and Homelessness Service and Financing Strategy ([Report #2025-COW-14](#)) which included a 10-year financial forecast to advance the following critical priorities:
- Protect and improve existing housing stock;
 - Redevelop mixed-income communities within the Durham Regional Local Housing Corporation through non-market, affordable and market rent units;
 - Facilitate development of new affordable rental housing through strategic partnerships;
 - Support affordability in private rental stock by increasing funding available for rent supplements and portable housing benefits; and
 - Develop supportive and transitional housing.
- 5.3 Staff are currently working on a review and update of the 2023 – 2032 Region of Durham Paramedic Services Service and Financing Strategy which is planned to be presented in advance of the 2026 Business Plans and Budget. Due to significant uncertainty on external funding, an update to the Durham Region Transit's Service and Financing Strategy (2023 – 2032) is planned for early 2026 to help inform the 2027 and future Business Plans and Budgets.
- 5.4 These 10-year strategies outlined increased annual investment in these critical front line core service areas to address current and forecast growth, modernization and service pressures. Staff will look to prioritize increased investments in these service areas to the extent possible under the recommended 2026 budget guideline.

6. Alignment with Durham Region's 2025 – 2035 Strategic Plan and 2026 Strategic Investment Pressures

- 6.1 The Region's strong, sound financial planning approach continues to be recognized by credit rating agencies as being effective in ensuring the Region remains well-positioned to manage increasing demand for programs, services and infrastructure as the population continues to grow. A key component of this financial planning approach is the alignment of Durham Region's Strategic Plan and the annual business planning and budget process, ensuring that priorities identified by Council and the community in the Strategic Plan are informing the investments made through the annual Business Plans and Budget.

- 6.2 In January 2025 Council endorsed Durham Region's 2025 – 2035 Strategic Plan ([Report #2025-COW-2](#)) including the following five strategic directions and three foundations:

Strategic Directions

- Connected and Vibrant Communities
- Environmental Sustainability and Climate Action
- Healthy People, Caring Communities
- Resilient Local Economies
- Strong Relationships

Foundations

- People
- Processes
- Technology

- 6.3 To advance the strategic directions and foundations, a 2025 – 2028 Action Plan has been developed that shares the focus areas for each of the strategic directions and supporting foundations for the next four years, highlights the key actions and desired results and provides a link to the community indicators.

- 6.4 The Region's 2026 Business Plans and Budget documents will outline the key strategic priorities and planned actions being advanced under each of the Strategic Plan's five strategic directions and three foundations. In addition, key targets for 2026 will be included that demonstrate progress on the Region's strategic priorities.

- 6.5 Following sound business planning and budget practices, departments have identified the following potential strategic investments for 2026 that are aligned with and support the Region's 2026 – 2035 Strategic Plan and the 2025 – 2028 Action Plan. It is important to note that some of these initiatives have received provincial or federal funding:

- Phasing-in the net costs for Seaton Village, the Region's new long-term care home.
- Continuing the implementation of Service Durham, modernizing customer service delivery and seamless customer experience.
- Advancing the Region's Cyber Risk Management Program.
- Increasing investments in critical IT infrastructure to ensure ongoing network performance, required maintenance and upgrades are completed, timely replacement of IT infrastructure and increasing software licensing costs are provided for. Reliable and current IT systems are critical for the efficient delivery of the Region's programs and services.
- Implementing the Region's Diversity, Equity and Inclusion Strategy.

- Ongoing implementation of the action items identified in the Region's Equity Audit to ensure that employment practices within the organization are equitable and safe and do not cause harm or exclude groups of employees.
- Developing sustainable funding for the Region's Community Safety and Well-Being Plan.
- Building on the incremental \$3.0 million investment in the Region's road rehabilitation program in 2025, a phased approach to increasing funding for the rehabilitation of the Region's core infrastructure is required to continue to address the infrastructure gap identified in the Region's 2025 Asset Management Plan ([Report #2025-COW-25](#)) and meet the Region's service targets.
- Investing in Regional infrastructure to support projected growth and provincial housing targets.
- Ongoing phased implementation of the recommendations resulting from the 2024 assessment of the resources and organizational structure of the Works Department to address the servicing and services to the projected housing growth over the forecast period.
- Investing in Durham OneNet Inc. to deliver improved broadband connectivity for residents, businesses and Regional facilities and traffic infrastructure across Durham.
- Launching the new Townline (former Grandview) early learning and child care site through community partnership.
- Investing in public health to further support initiatives that address health inequities across the Region and population growth.
- Advancing the feasibility work for a low carbon district energy project in the Courtice Transit Oriented Community area in collaboration with the Municipality of Clarington and expand exploration of district energy opportunities in other transit-oriented development areas across Durham Region, in partnership with area municipalities.
- Advancing the Region's Light Duty Fleet Electrification Strategy with the replacement of a number of vehicles with electric and hybrid electric vehicles and the continued installation of electrification infrastructure.
- Completion of Greenhouse Gas Reduction Pathway Feasibility Studies for all regional facilities and commencing work on amalgamating the individual studies and determining a prioritization and funding model.
- Advancing deep energy retrofit projects of Regional facilities informed by the Greenhouse Gas Reduction Pathway Feasibility Studies.
- Expanding community engagement, communications and government relations support.

- Continuing to progress the approved Lakeshore East GO Extension to Bowmanville including station design to capitalize on the economic and community building benefits associated with rapid transit investment.

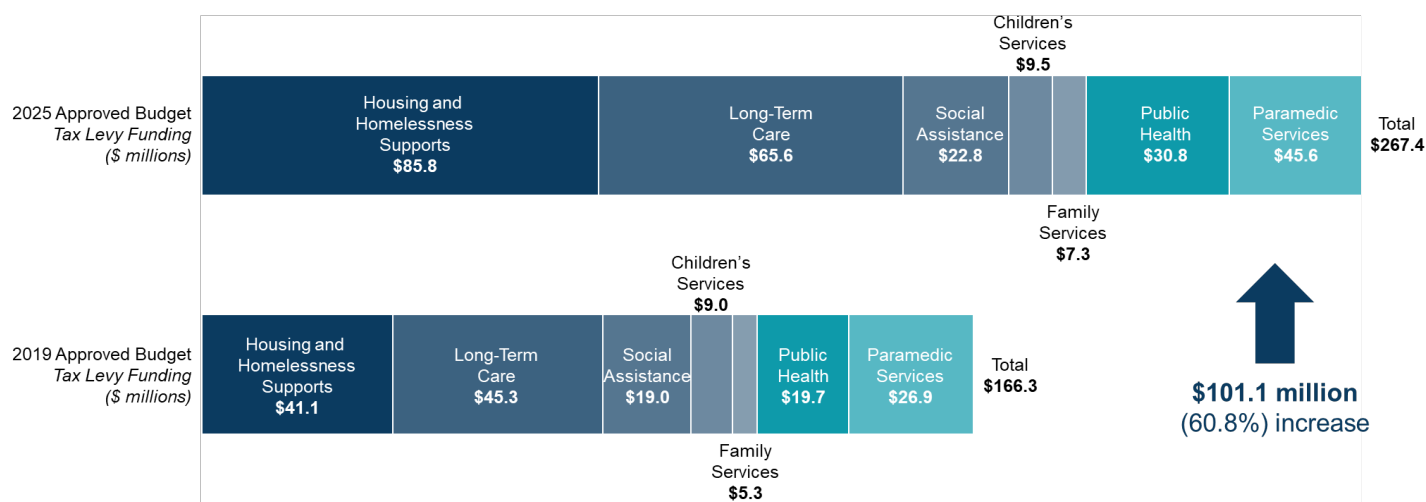
6.6 Many of these initiatives are multi-year initiatives and will also have impacts on the 2027 budget and beyond. Given the base budget pressures (identified in Section 4) and the strategic investment in core service areas (identified in Section 5), not all of the identified strategic investments can be accommodated within the recommended 2026 guideline. Prioritization and refinement of these strategic initiatives including the use of reserves, reserve funds and debenture financing is required to achieve the guideline recommended in this report.

7. Provincial/Federal Funding Impacts

7.1 One of the challenges facing regional and single tier municipalities across the Province is the increasing costs of social services and public health programs. In 2025, 27.2 per cent of the Region's budget is projected to be funded from provincial sources and 2.7 per cent from federal sources. As outlined in the approved 2025 Regional Property Tax Supported Business Plans and Budget, regional tax levy funding of social services and public health programs is estimated at approximately \$267.4 million or approximately 27.1 per cent of the overall regional property tax levy.

7.2 The following graph illustrates that Regional funding of social services and public health program has increased by \$101.1 million (60.8 per cent) between the 2019 approved budget and the 2025 approved budget. This can be attributed to a number of reasons but is indicative of the increasing reliance on the property tax base which is expected to continue in 2026.

Regional Funding of Social Services and Public Health Programs



7.3 In recognition of this, staff with the support of Regional Council continue to support AMO's call for a Social and Economic Prosperity Review and the Federation of Canadian Municipalities' (FCM's) call for a new framework for raising municipal revenue.

- 7.4 In addition, the Region recently completed AMO's Health Survey and provided ten year forecasted infrastructure investments in support of their various ongoing provincial advocacy efforts.
- 7.5 The Region also continues to work with other affected municipal partners to advocate for fair taxation for nuclear generating facilities.
- 7.6 With the advancement of the guideline report, the Region is awaiting confirmation of 2025 provincial and federal government funding for a number of Regional program areas and forecasts for 2026. For the 2026 Business Plans and Budget, staff will incorporate funding confirmations where available and make informed provisions where funding has yet to be confirmed. The following is a summary of the known and estimated impacts to the 2026 budget resulting from adjustments in senior government funding and changes in funding formulas:
- Public Health – In March 2025, the Province confirmed the 2025 provincial funding for mandatory programs of \$31,543,600, \$312,400 (1.0 per cent) higher than the 2024 funding and aligned with the 2025 budget. The Province also confirmed the 2025 provincial funding for the Ontario Seniors Dental Care program of \$2,084,100, identical to the 2024 funding and aligned with the 2025 budget. The 2026 provincial funding for both mandatory programs and the Ontario Seniors Dental Care program have yet to be confirmed, the Province has committed to a projected 1.0 per cent increase in the mandatory program funding. The 1.0 per cent increase in Public Health funding does not keep pace with the base inflationary and contractual pressures impacting Public Health which are currently projected at 10.2 per cent. As a result, the portion of the Public Health budget funded from property taxes will have to increase to maintain service levels and to continue to meet the needs of our growing community.
 - Child Care – The Canada Wide Early Learning and Child Care (CWELCC) program, launched in 2022, is jointly funded by the federal and provincial governments. From 2022 to 2024, the existing “core” funding system remained in place to support non-CWELCC programs and services. As of January 2025, the Ministry of Education transitioned CWELCC to a cost-based funding model and restructured core funding into a new “Local Priorities” fund. Key changes resulting from this transition include:
 - Reduced municipal flexibility, as most municipal contributions are now enveloped within CWELCC funding;
 - Funding for existing child care is now based on benchmarking, with “legacy” top-ups applied; and
 - New child care centres are capped at a basic funding level, limiting financial support for expansion.

These changes were received following the approval of the Region's 2025 budget and will be incorporated into the Region's 2026 budget.

- Social Assistance – The Province has indicated that they will be working with municipalities on a new funding approach for 2026 and beyond. Staff are waiting for further details from the Province.
- Homelessness Supports – In 2025, the Region is projecting to receive \$6.24 million in federal funding under the Reaching Home Program and \$157,500 in federal funding under the Veterans Homelessness Program. For 2026, the federal government has indicated that the Region's allocation under these programs is projected to decrease slightly to \$6.11 million under the Reaching Home Program (a decrease of \$123,270 from 2025) and \$164,525 under the Veterans Homelessness Program (an increase of \$7,025 from 2025). In 2025 the Region is projected to receive \$18.68 million in provincial funding under the Homelessness Prevention Program. The Region is awaiting confirmation on projected funding under this program for the 2026/2027 provincial fiscal year. There also appears to be changes forthcoming for the federal support for refugee programs.

7.7 With both the federal and provincial government recent elections and new mandates, there is considerable uncertainty for funding and prioritization. Regional staff continue to advocate for sustained provincial funding and will work with the provincial and federal government to understand any further financial impacts on the 2026 Business Plans and Budget and beyond.

8. 2027 – 2030 Forecast Highlights

8.1 Many of the 2026 strategic investment pressures are multi-year initiatives and will continue throughout the 2027 to 2030 forecast period.

8.2 Based on current modeling, the Region anticipates similar pressures for 2027 to 2030 resulting from:

- providing services to a growing community;
- significant social service-related pressures in the community;
- phasing-in the net operating costs for Seaton Village, the Region's new long-term care home;
- implementation of the Region's service and financing strategies for transit, paramedic services and housing and homelessness support programs;
- policing pressures;
- increasing debt obligations for infrastructure growth and state of good repair; and
- potential provincial and federal policy changes which could have significant impacts on municipalities.

- 8.3 It is acknowledged that the pressure on taxpayers is also a primary concern. Staff will continue to explore alternative funding strategies including advocating for and leveraging provincial and federal funding, use of reserves, reserves funds and debenture financing as well as identifying efficiencies to reduce future property tax impacts.

9. Public Engagement Strategy for the 2026 Business Plans and Budget

- 9.1 Transparency and education are key components of building successful public engagement with residents, businesses and stakeholders on the Region's business plans and budgets.
- 9.2 The Region remains focused on modernizing our public engagement initiatives by evaluating different standards, compiling best practices, measuring outcomes and incorporating expertise from experts.
- 9.3 For the 2026 business planning and budget process, the Region will continue to explore additional opportunities to engage with diverse groups of residents and businesses in new and different ways to encourage their feedback including:
- Sharing information on engagement opportunities through various community and stakeholder events, targeted promotion on Spotify, additional CurbEx signs across the Region and promotion through the Region's Facebook, Instagram and LinkedIn accounts;
 - Updating the Region's Business Plans and Budget online presence, informed by data and lessons learned, to allow residents to ask questions and provide comments online in a convenient and intuitive manner;
 - Hosting a Virtual Town Hall in the fall where residents have an opportunity to provide input and feedback on key priorities, ask questions about the Region's Business Plans and Budget, and learn more about the Region's programs and services. Staff are exploring opportunities to engage with a broader demographic through this event;
 - Profiling a new video which highlights the details of the Region's Budget and the value these investments have for residents and businesses;
 - Updating the Budget Infographic to provide a visual summary of the service metrics and investments included in the approved budget; and
 - Providing ongoing social media engagement throughout the annual business planning and budget process to support a wider understanding of the process and seek engagement throughout the process to inform budget development.

10. Strategies for Budget Reductions

10.1 To achieve the recommended Regional guideline of 3.48 per cent a number of strategies will need to be explored and utilized to identify budget savings while providing for the Region's base budget pressures and investments in critical front line programs and services supported through the Region's ten-year service and financing strategies for Durham Region Transit, Durham Region Paramedic Services and housing and homelessness support programs and the 2025 – 2035 Durham Region Strategic Plan and associated 2025 – 2028 Action Plan. These strategies include:

- Refining budget estimates and priorities;
- Completing line-by-line reviews to identify opportunities to reduce base budgets based on historical spending levels, including looking at opportunities to incorporate increased sustainable gapping savings in the budget;
- Advancing critical capital expenditures in 2025 where in-year surplus is available;
- Utilizing increased investments returns to advance strategic priorities;
- Exploring and maximizing alternative funding strategies including the strategic use of reserves and reserve funds, development charges, funds provided under the Canada Community-Building Fund (formally the Federal Gas Tax Fund), and Provincial Gas Tax funds for one-time operating and capital investments as well as phasing-in incremental ongoing operating and capital pressures;
- Working with the provincial and federal government to understand 2026 funding impacts;
- Monitoring the Region's weighted 2025 net assessment growth; and
- Carefully reviewing and prioritizing 2026 staffing requests, budget pressures and priorities and looking for efficiencies and opportunities to minimize the 2026 budget impact.

11. 2026 Business Planning and Budget Schedule

11.1 Aligned with Council's direction provided through [Report #2024-A-10](#) and pending approval of the 2026 property tax supported budget guideline in June, the target date for Regional Council approval of the 2026 Business Plans and Budget is December 17, 2025. This is contingent upon having an approved budget guideline early in the process.

11.2 The key dates for the 2026 Regional Business Plans and Budget timetable are outlined below and are further detailed in Attachment #1:

- Water and Sanitary Sewer User Rates
 - Committee of the Whole – December 11, 2025
 - Regional Council – December 17, 2025
- Water Supply and Sanitary Sewerage Business Plans and Budgets
 - Committee of the Whole – December 11, 2025
 - Regional Council – December 17, 2025
- Property Tax Supported Business Plans and Budget
 - Committee of the Whole – December 11, 2025
 - Regional Council – December 17, 2025
- Property Tax Strategy
 - Committee of the Whole – December 11, 2025
 - Regional Council – December 17, 2025

12. Conclusion

- 12.1 The following are the recommended 2026 property tax guideline impacts for Regional departments, Durham Region Transit Commission, Durham Regional Local Housing Corporation, and Conservation Authorities:
- The 2026 Property Tax Business Plans and Budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation not exceed \$704.734 million, an increase of 6.44 per cent compared to the 2025 approved budget for Regional Departments, Durham Region Transit Commission, and Durham Regional Local Housing Corporation, which translates to an overall property tax impact of 3.48 per cent for 2026 on the Regional portion of the property tax bill after assessment growth; and
 - The 2026 Business Plans and Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, compared to the 2025 approved budget, which translates to an overall property tax impact of 0.02 per cent for 2026 on the Regional portion of the property tax bill.
- 12.2 Through companion Report #2025-COW-29, staff are seeking Regional Council approval for the 2026 property tax guideline for the Durham Regional Police Service Board.

- 12.3 The combined impact of the Region (excluding the Durham Regional Police Service Board guideline) and Conservation Authorities is a Regional property tax guideline impact of 3.50 per cent for 2026 on the Regional portion of the property tax bill after assessment growth. This translates to a monthly budgetary increase of approximately \$10 for an average residential home in Durham Region with an estimated 2026 current value assessment of \$483,100.
- 12.4 Regional departments, boards, commissions and outside agencies will continue to review their operating and capital business plans and budgets looking for efficiencies, prioritizing and making the necessary adjustments to balance competing priorities, capital requirements, and operating pressures to achieve Regional Council's approved property tax guideline. It is important to note that work is still needed to achieve the recommended property tax guideline and, as such, not all requests identified in this report may be able to be accommodated within the 2026 Business Plans and Budget and may require consideration in future years.
- 12.5 The detailed 2026 Property Tax Supported Business Plans and Budget and Water Supply and Sanitary Sewerage Business Plans and Budget are scheduled to be presented at a Special Committee of the Whole meeting on December 11, 2025, and Regional Council on December 17, 2025.

13. Attachments

- 13.1 Attachment #1: Preliminary Timetable for the 2026 Regional Business Plans and Budget

Respectfully submitted,

Original Signed By
Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By
Elaine C. Baxter-Trahair
Chief Administrative Officer

PRELIMINARY TIMETABLE FOR THE 2026 REGIONAL BUSINESS PLANS AND BUDGETS

A) 2026 PROPERTY TAX GUIDELINE

Item	Description	Standing Committee	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Durham Regional Police Service Business Plans and Budget Guideline 	Special Committee of the Whole – June 18, 2025	June 25, 2025
2.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Regional Business Plans and Property Tax Supported Budget Guideline 	Special Committee of the Whole – June 18, 2025	June 25, 2025

B) SUPPORTING BUSINESS PLANNING REPORTS

Item	Description	Standing Committee(s)	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> 2025 Asset Management Plan 	Committee of the Whole – June 11, 2025	June 25, 2025
2.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Water and Sanitary Sewer User Rates 	Special Committee of the Whole – December 11, 2025	December 17, 2025
3.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Strategic Property Tax Study 	Special Committee of the Whole – December 11, 2025	December 17, 2025
4.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Property Tax Rates 		December 17, 2025

PRELIMINARY TIMETABLE FOR THE 2026 REGIONAL BUSINESS PLANS AND BUDGETS

C) 2026 DETAILED BUSINESS PLANS AND BUDGETS

Item	Description	Standing Committee(s)	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Detailed Water and Sanitary Sewer Business Plans and Budgets 	Special Committee of the Whole – December 11, 2025	December 17, 2025
2.	Review and Approval of the: <ul style="list-style-type: none"> 2026 9-1-1 Emergency Service System Business Plans and Budget 	9-1-1 Management Board – November 25, 2025 (tentative)	
3.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Durham OneNet Inc. Business Plans and Budget 	Durham OneNet Inc. Board – November 2025 (tentative)	
4.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Durham Regional Local Housing Corporation (DRLHC) Business Plans and Budget 	DRLHC Board – November 26, 2025 (tentative)	
5.	Review and Approval of the: <ul style="list-style-type: none"> 2026 Departmental Business Plans and Budgets 2026 Durham Region Transit Business Plans and Budget 2026 Durham Regional Police Service Business Plans and Budget 2026 Conservation Authorities Business Plans and Budgets 2026 9-1-1 Emergency Service System Business Plans and Budget 2026 Durham OneNet Inc. Business Plans and Budget 2026 Durham Regional Local Housing Corporation (DRLHC) Business Plans and Budget 	Special Committee of the Whole – December 11, 2025	December 17, 2025