

## Special Committee of the Whole (Budget) Report

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**DATE:** Wednesday, February 4, 2026

**WARD(S):** ALL

**TITLE:** PROPOSED 2026 BUDGET AND 2027 TO 2030 CAPITAL PLAN

**FROM:**

Steven Del Duca, Mayor

**ACTION:** DECISION

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**Purpose**

To present the proposed 2026 Budget and 2027 to 2030 Capital Plan, tax-levy requirements, water and wastewater rates, and stormwater charges that allow the City to provide services and infrastructure to Vaughan households and businesses.

**Report Highlights**

- The objective of the 2026 Budget and 2027 to 2030 Capital Plan is to balance investing in the community and maintain financial sustainability, while moderating tax and utility rate increases.
- The proposed 2026 tax supported gross operating budget is \$434.4 million.
- The proposed property tax increase for the 2026 Budget is 0.0 percent.
- The proposed total 2026 water, wastewater, and stormwater operating budget is \$217.8 million.
- The combined 2026 rate increase for water and wastewater is \$0.1777 per cubic meter, or 3.3 percent over the 2025 combined rate.
- The average stormwater charge increase is 9.5 percent.
- The 2026 Budget for the City of Vaughan includes the addition of 11.0 net new full-time equivalents (FTEs).
- The proposed 2026 capital budget is \$290.5 million, and the 2027 to 2030 Capital Plan is forecasted at \$1,087.9 million.

## **Recommendations**

1. That the consolidated City of Vaughan's proposed 2026 Budget and 2027-2030 Capital Plan, provided as Attachment 1, be considered by Council; and
2. That the User Fees/Service Charges provided as Attachment 2 to this report be adopted and the necessary by-law be enacted.

## **Background**

The proposed 2026 Budget and 2027-2030 Capital Plan were developed with commitments to investing in community safety, enabling development of more affordable housing and reducing traffic congestion to get people and goods moving in Vaughan. The budget and capital plans also factored in the impacts of a slowdown in the housing market, trade disputes, tariffs, inflation and interest rates, all of which impact the local economy. The City's administration, Council and I, as Mayor, recognize these challenges and continue to implement measures to support our residents and businesses during this challenging time. The 2026 Budget and 2027 to 2030 Capital Plan maintain Council-mandated service levels while providing relief for taxpayers in an environment of economic uncertainty.

### **The City's Budget and Capital Plan was developed over the past several months.**

The timeline for budget development and approval was as follows:

- Mayor Updates and Strategic Direction: January-December 2025
- Strategic Business Planning: January-April 2025
- Budget Kick-Off: May 2025
- City-Wide Budget Development: June-July 2025
- Departmental Budget Submissions: July 2025
- Budget Consolidation and Playback: August 2025
- Budget Reviews and Prioritization: September-October 2025
- Budget Book Development and Completion: October-December 2025
- Mayor tables the 2026 Budget: January 2026
- Public Budget reviews and Budget Adoption: February 2026

## **Previous Reports/Authority**

[Proposed 2025 Budget and 2026 Financial Plan](#), Item 1, Report No. 43 of the Special Committee of the Whole (Budget), December 17, 2024

[City of Vaughan Long-Range Fiscal Plan](#), Item 2, Report No. 45 of the Committee of the Whole (Working Session), December 13, 2022

## Analysis and Options

The proposed 2026 Budget and 2027 to 2030 Capital Plan prioritizes delivery on the City's mission of Citizens First Through Service Excellence. These priorities are:

- Protecting our safe and secure community,
- Making Vaughan more affordable for residents and businesses,
- Reducing traffic congestion to get people and goods moving by improving the reliability and safety of Vaughan's road network and infrastructure,
- Managing growth,
- Investing in infrastructure,
- Supporting economic development, and
- Providing service excellence.

A primary objective in developing the 2026 Budget was to deliver on these priorities while providing support and financial relief to the taxpayers of Vaughan. Fiscal strategies were developed to manage the ongoing impact of high inflation and interest rates, a slower housing market and economic uncertainty due to trade disputes and the introduction of new tariffs. The 2026 Budget supports financial sustainability by ensuring residents continue to receive programs and services with **no increase to property taxation rates in 2026** and acceptable levels of water utility rates. The proposed 2026 Budget and 2027 to 2030 Capital Plan reflects the City's on-going efforts to deliver cost effective programs and services to residents and businesses.

- o The proposed property tax supported operating budget for 2026 includes \$434.4 million in gross expenditures, \$174.1 million in non-tax revenues, and 11.0 net new FTEs.
- o Total incremental increase of \$3.8 million in net expenditures.
- o Assessment growth forecast for 2026 is 1.5 percent, or \$3.8 million in additional tax revenue to the City to primarily address growth-related cost pressures.
- o Proposed tax increase of 0.0 percent.
- The proposed water, wastewater and stormwater rate supported operating budget for 2026 includes \$217.8 million in revenues, \$193.7 million in expenditures, and no new FTEs:
  - o The combined 2026 rate increase for water and wastewater is \$0.1777 per cubic meter, or 3.3 percent over the 2025 combined water and wastewater rate.
  - o The stormwater average charge increase is 9.5 percent.
  - o Total forecasted 2026 contributions to the water, wastewater, and stormwater reserves of \$24.1 million.
- The proposed 2026 capital budget is \$290.5 million, and the 2027 to 2030 Capital Plan is forecasted at \$1,087.9 million.

## **Public Engagement**

The City of Vaughan encourages residents to be informed and involved in the City's budget and invites and encourages residents and local businesses to help shape Vaughan's promising future and build on its success.

A comprehensive multi-channel public communication plan has been developed with support from Communications, Marketing and Engagement department to help ensure Vaughan residents have opportunities to provide feedback and learn about the budget. The communication plan for the 2026 budget meetings includes a mix of print and online ads, digital signage, and both paid and organic social media content, among other campaigns, to ensure all residents can be informed and involved in their preferred format.

If residents want to be involved in the budget process, they can:

- attend public meetings at City Hall or watch online at [vaughan.ca/LiveCouncil](https://vaughan.ca/LiveCouncil) on February 4, 2026 at 7p.m., and February 24, 2026, at 7p.m.
- have their say at a budget meeting by [speaking to Council](#)
- fill out the budget feedback form at [vaughan.ca/budget](https://vaughan.ca/budget)
- join the conversation on social media using **#VaughanBudget2026**
- leave a voicemail on the Budget Hotline at **905-832-8610**
- email questions and comments to [budgeting@vaughan.ca](mailto:budgeting@vaughan.ca)

In addition to informing citizens about Vaughan's 2026 Budget and 2027 to 2030 Capital Plan, the City also shares information related to York Region's budget, through the [vaughan.ca/budget](https://vaughan.ca/budget) webpages. Relevant links to York Region budget information are also incorporated into City of Vaughan budget communication products.

## **Continuous improvements to enhance budget book usability**

The City of Vaughan is proud to receive the 2025 Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the 17<sup>th</sup> consecutive year. Each year staff strive to present clear and easy-to-understand content and enhance the transparency and usability of the budget book. The 2026 budget book continues the inclusion of a financial plan for capital budgets. It also builds on the key performance indicators (KPIs) and other changes introduced in prior years that are considered best practice by the GFOA, as well as mandatory requirements for the Distinguished Budget Presentation Award. The 2026 budget book continues to build on the award-winning format for ease of navigation and transparency.

The proposed 2026 Budget and 2027 to 2030 Capital Plan as presented and detailed in the attached budget book, outlines the recommended operating allocations to deliver the City's programs and services in 2026, including additional resource requests. The budget book also provides information on major transformational city-building initiatives that are underway, proposed new capital projects, and forecasts for the City's reserves. Investments in the Service Excellence Strategic Priorities proposed in the 2026 Budget

and 2027 to 2030 Capital Plan align with Council-prioritized service levels with no increase to the tax rate.

**Financial Impact**

**The proposed property tax increase for the 2026 budget is 0.0 percent.**

The proposed 2026 tax-supported operating budget requirement is \$255.0 million which includes revenue from assessment growth of \$3.8 million, representing a net tax levy increase of \$0 million, or 0 percent from the 2025 operating budget.

The proposed 2026 tax-supported operating budget is summarized in Table 1 and Table 2 below:

**Table 1: Proposed 2026 Tax-Supported Operating Budget**

(\$M)	2026 Proposed Budget
Gross Operating	434.4
Less: Non-Tax Revenue	174.1
<b>Net Operating</b>	<b>260.4</b>
Payment In Lieu of Taxes	2.3
Supplemental Tax	3.0
<b>Net Levy</b>	<b>255.0</b>
Incremental Levy Requirement	3.8
Revenue from Assessment Growth	3.8
Revenue from Incremental Tax Rate	0.0
<b>Incremental Tax Rate</b>	<b>0.00%</b>

Note: Some numbers may not add up due to rounding

**Table 2: Summary of Gross Operating Expenditures by Portfolio/Office**  
 2026 Budget by Portfolio (for Budget Report)

(\$M)	2026 Proposed Budget
Public Works	70.7
Planning and Infrastructure Development	57.2
Community Services <sup>1</sup>	150.7
Corporate Services & CFO	37.2
Strategic Initiatives	27.1
Vaughan Public Libraries	26.8
Other Offices <sup>2</sup>	22.7
Financial & Non-Program Items <sup>3</sup>	41.9
<b>Total Tax Supported Gross Expenditures</b>	<b>434.4</b>
<b>Water, Wastewater and Stormwater</b>	<b>217.8</b>
<b>Total Tax and Rate Supported Gross Expenditures</b>	<b>652.3</b>

1. Includes Vaughan Fire and Rescue Services

2. Other Offices include City Council, Office of the City Manager, Internal Audit, Office of the Chief Human Resources Officer, Office of the City Solicitor, and Office of the Integrity Commissioner

3. Includes Reserves and Debt

Note: Some numbers may not add up due to rounding

### **Water, Wastewater, and Stormwater Operating Budgets**

Safe and reliable drinking water distribution, effective wastewater collection, and efficient stormwater management are cornerstones of a sustainable and healthy community. To achieve this, continued operating and infrastructure investments are critical to ensure the City’s water, wastewater and stormwater systems remain financially sustainable now and into the future. The 2026 budgeted rates will generate net total reserve contributions of \$24.1 million to fund water, wastewater, and stormwater-related programs and services.

The combined City of Vaughan 2026 rate increase for water and wastewater is \$0.1777 per cubic meter, or 3.3 percent, over the 2025 rates, driven by the combined approved 3.3 percent increase for wholesale water purchases and wastewater treatment from York Region. The combined rate increase will permit lifecycle contributions to the water and wastewater reserves in the amount of \$18.1 million.

Based on the proposed rate increase for water and wastewater, the impact to the ratepayer that consumes 240 cubic meters per year will be \$42.65 annually or \$3.55 per month.

The 2026 stormwater charge will increase by an average of 9.5 percent over the 2025 charge, with an expected contribution of \$6.1 million to the reserve. The impact to a detached home will be an annual increase of \$3.05. The stormwater reserve is experiencing significant pressure and is anticipated to be in a negative position within the next three years. Increases in charges must continue in future years to build stormwater reserves to meet future infrastructure funding needs. The City is undergoing a Stormwater Rate Study to determine future stormwater charge requirements.

**The proposed 2026 Budget includes capital investments of \$290.5 million and forecast investments of \$1,087.9 million for the 2027 to 2030 plan**

The proposed 2026 capital projects reflect investments that support Council priorities, which include transportation and mobility, city building, community safety and well-being, and service excellence and accountability priorities. These investments look to ensure that the necessary assets are in place to support a vibrant, sustainable community, while maintaining existing infrastructure in a good state of repair.

The 2026 budget includes investments of \$60.8 million for 56 new capital projects and \$229.7 million investment in 163 existing capital projects. Table 3 highlights the alignment of capital investments to Council priorities and the City’s commitment to service excellence.

**Table 3: Capital Budget and Plan Alignment to Council Priorities**

<b>(\$M)</b>	<b>2026 Proposed Budget</b>	<b>2027-2030 Plan</b>	<b>2026-2030 Number of Projects</b>
Transportation and Mobility	126.0	377.9	60
City Building	107.1	552.7	110
Environmental Sustainability	18.6	73.0	34
Active, Engaged and Inclusive Communities	12.6	12.4	16
Community Safety and Well-being *	6.0	38.1	29
Economic Prosperity and Job Creation	0.2	0.2	2
Service Excellence and Accountability	20.0	33.6	62
<b>Total New Capital Budget Asks</b>	<b>290.5</b>	<b>1,087.9</b>	<b>313</b>

Note: numbers may not add up due to rounding

\* York Regional Police services are included in the York Region budget

**Operational Impact**

The proposed 2026 Budget and 2027 to 2030 Capital Plan has an operational impact on the City’s near-term and long-range fiscal ability to provide the services and assets needed to shape Vaughan as a growing City. The budget and plan are developed

through engagements with all City departments throughout the budget timeline. Consultation efforts help to identify the impact of base budget and growth-related pressures on the City's financial position, establish objectives and projected results of key performance indicators, and outline the roadmap for Vaughan's operating, infrastructure growth and renewal activities.

### **Broader Regional Impacts/Considerations**

The residential and business tax bills include levies from the City of Vaughan, the Regional Municipality of York, and the Province of Ontario. The proposed tax levy presented in the 2026 budget book represents the City's share of the property tax bill. For every dollar of property tax, \$0.27 funds City services, including Vaughan Fire and Rescue Service and Vaughan Public Libraries.

The water and wastewater rate budgets include wholesale water and wastewater program purchases from York Region for 2026, representing 76 percent of the City's combined water and wastewater costs.

### **Conclusion**

The proposed 2026 Budget and 2027 to 2030 Capital Plan delivers on the City's mission of citizens first through service excellence and balances the needs of keeping Vaughan safe and affordable, reducing traffic congestion, and supporting economic development, while respecting citizens' hard-earned tax dollars.

### **Attachments**

1. Proposed 2026 Budget and 2027 to 2030 Capital Plan:
  - a. Volume 1 – Budget Overview
  - b. Volume 2 – Department Budgets
  - c. Appendices
  
2. Proposed User Fees and Service Charges

Attachment 1 and the associated items have been posted online and a hard copy of each attachment is on file in the Office of the City Clerk. They can be found by clicking on this [link](#).



Steven Del Duca  
Mayor