

**C1**

**Communication**

**SP C (Budget) - February 4, 2026**

**Item No. 1**

# **Proposed 2026 Budget and 2027-2030 Capital Financial Plan**

Special Committee of the Whole (Budget)  
February 4, 2026



- TRANSPORTATION AND MOBILITY 
- CITY BUILDING 
- ENVIRONMENTAL SUSTAINABILITY 
- ACTIVE, ENGAGED AND INCLUSIVE COMMUNITIES 
- COMMUNITY SAFETY AND WELL-BEING 
- ECONOMIC PROSPERITY AND JOB CREATION 
- SERVICE EXCELLENCE AND ACCOUNTABILITY 

**2022 - 2026 TERM OF COUNCIL**

**STRATEGIC PLAN**

**CITIZENS FIRST THROUGH SERVICE EXCELLENCE**

# Mayoral Direction – 2026 Budget

Delivering a **safe,**  
**secure** and  
**affordable**  
community for you



Recognizes the current economic environment of continued uncertainty.



Respects taxpayers – **0%** tax rate increase



No impact on Council-mandated service levels



Continues to support Council priorities such as reducing traffic



Manages growth and renews critical infrastructure



Prudent and sustainable fiscal management

# Strategic Planning and Budget Process



Mayor Strategic Direction, Updates and Decisions

Public Engagement on Budget Process

# 2026 Budget Context

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- Upward pressure on capital project costs and cost of borrowing
- Housing market slow down impacting development charge collections



## Trade Disputes and Tariffs

- Increased costs for residents and businesses
- Risk of economic slowdown, delayed housing starts and investment decisions



## Continued High Inflation and Interest Rates

- Consumer Price Index easing but costs remain high (2.4% in December 2025)
- Bank of Canada interest rates remained at 2.25% in January 2026



## Changing Federal / Provincial Legislation

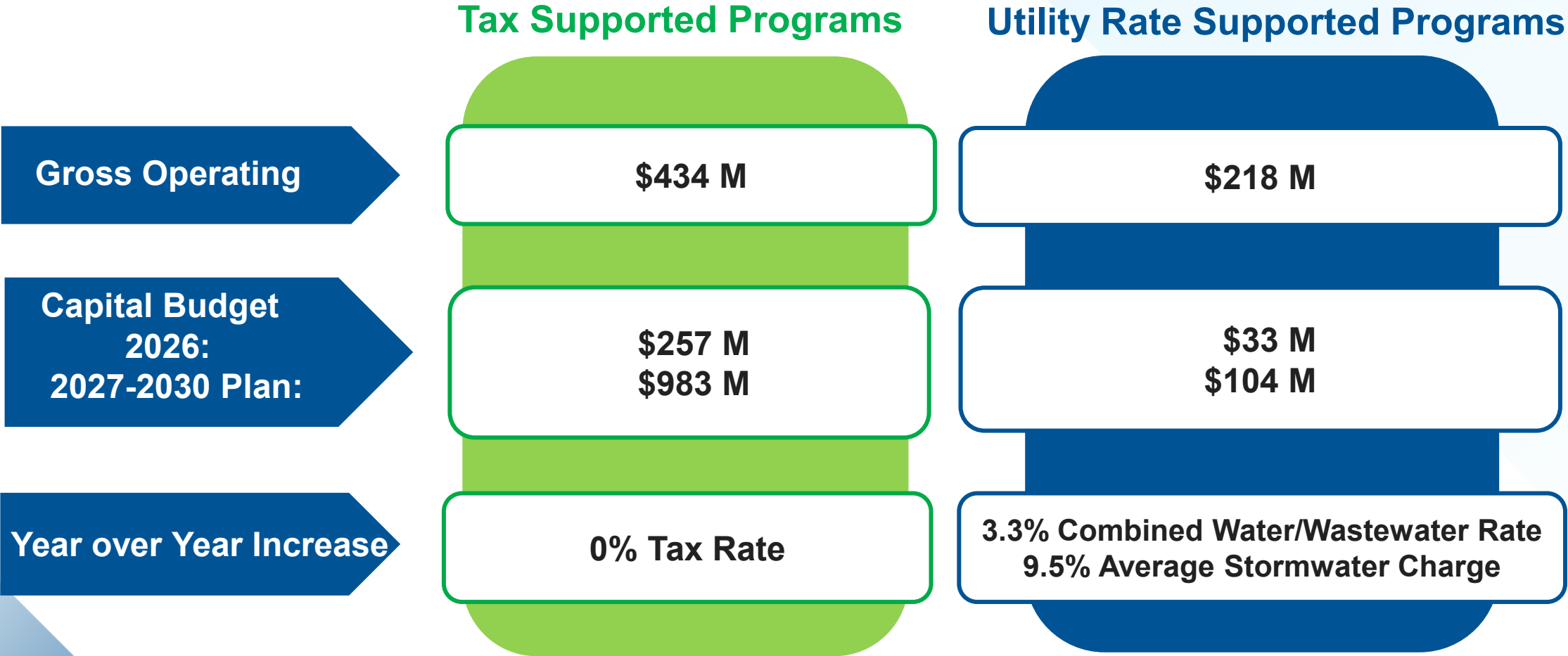
- Reduced development charge collections due to slower housing market
- Infrastructure funding models may shift toward less reliance on municipal development charges



## Pro-Active City Initiatives to Incent Desired Development

- Residential: Development Charges discounts and deferrals (November 2024)
- Non-Residential: Community Improvement Plans underway to support complete communities
- Development Charge Background Study, Rates, By-laws being updated

# 2026 Budget Summary

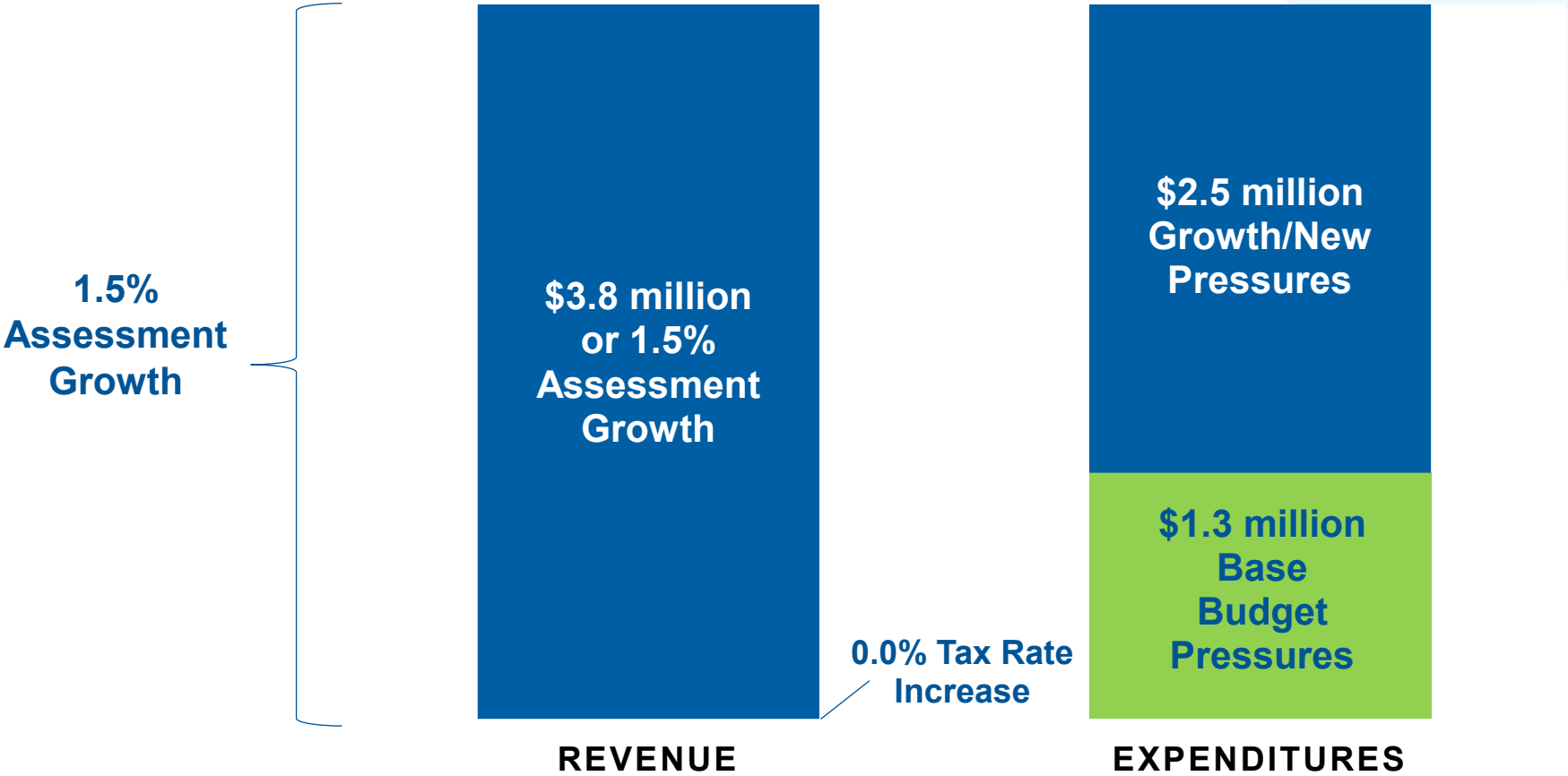


# 2026 Tax Supported Operating Budget

(\$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

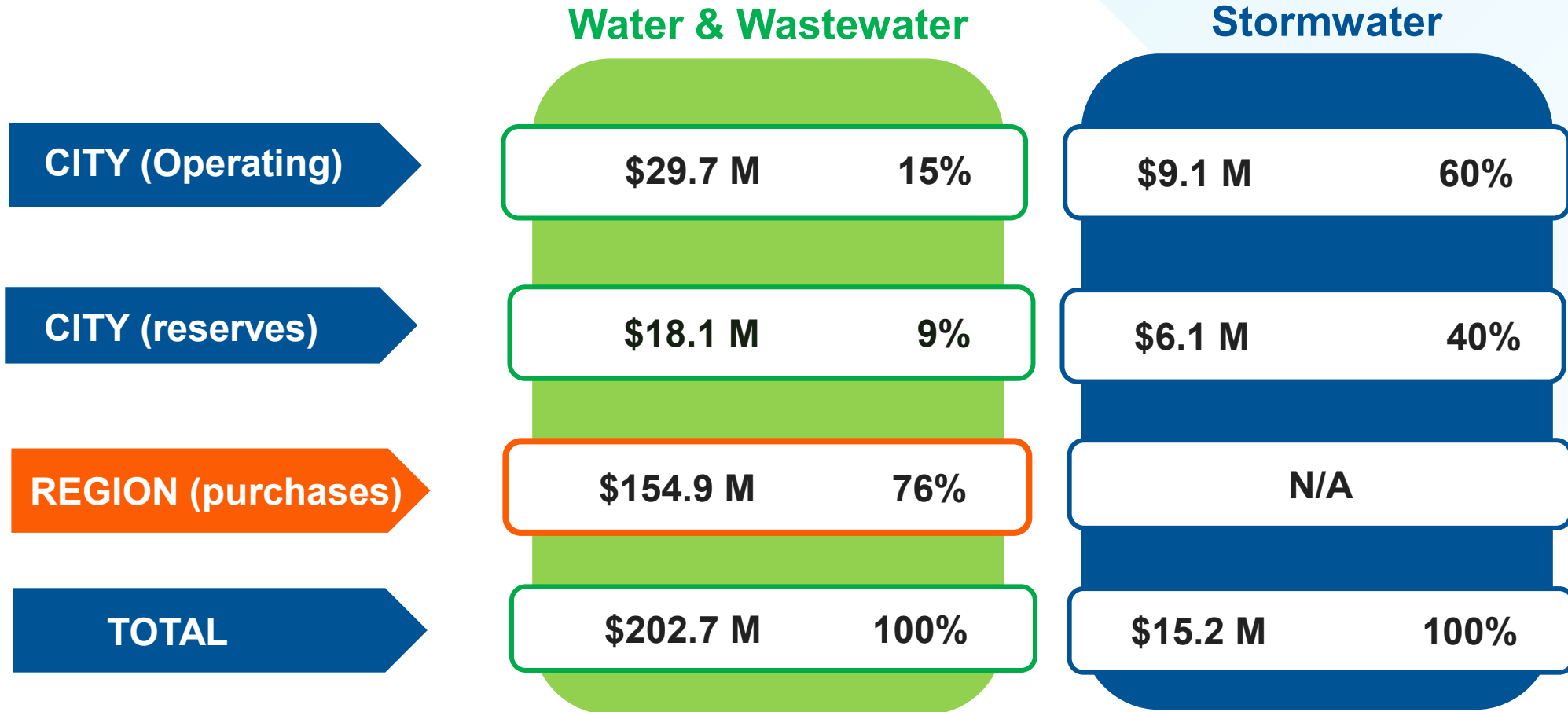
# 2026 Tax Levy Analysis



# 2026 Water/Wastewater/Stormwater Operating Budget

(\$M)	2026 Proposed Budget
<b>Revenue</b>	
Water/Wastewater Revenues	201.3
Water/Wastewater Purchases	154.9
Gross Margin (A)	46.3
Other Revenues (B)	16.5
Less: Expenditures (C)	38.8
Less: Reserve Contribution (D)	24.1
<b>Net Operating Budget (A+B-C-D)</b>	<b>0.0</b>
<b>Water/Wastewater Rate Increase</b>	<b>3.3%</b>
<b>Stormwater Charge Increase</b>	<b>9.5%</b>

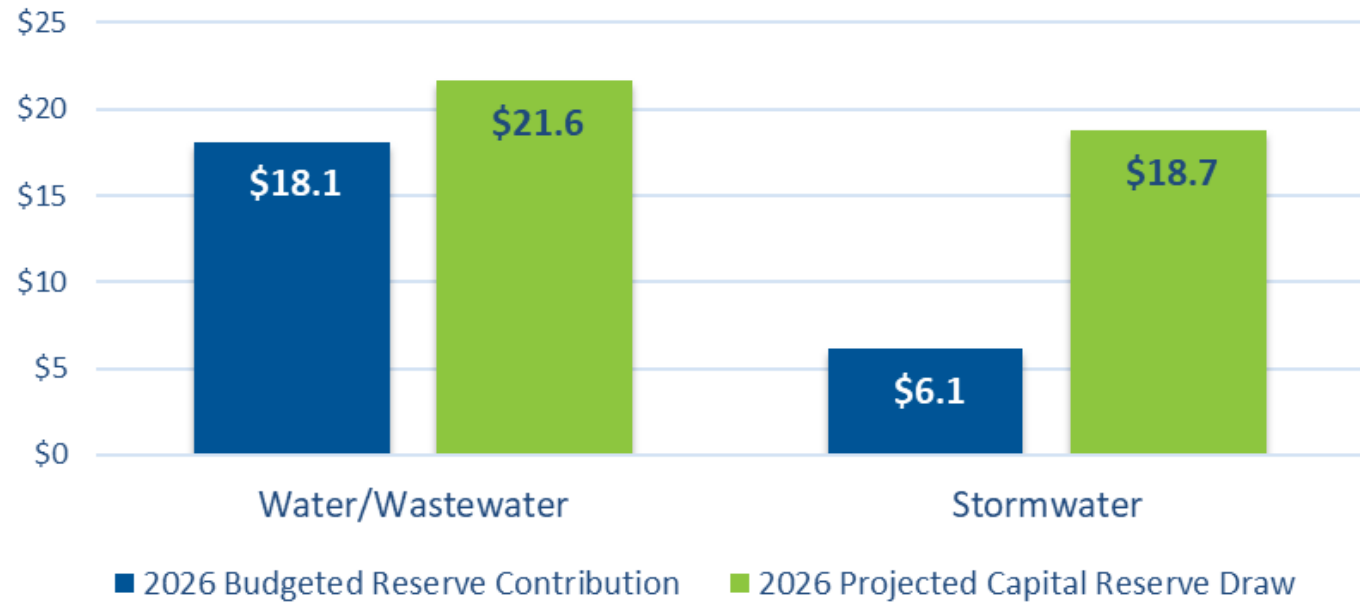
# 2026 Water/Wastewater/Stormwater Expenditures



# 2026 Water/Wastewater/ Stormwater Reserve Analysis



(\$M) Reserve contribution vs. Projected Annual Capital Reserve Draw



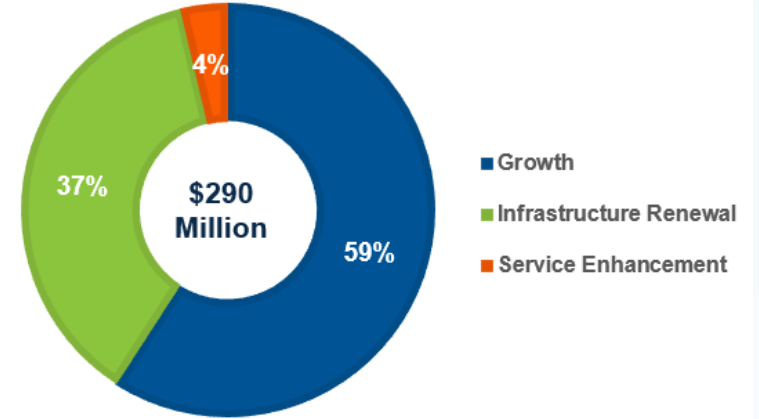
\* Includes 20-year average annual capital re-investment requirement per the 2024 AMP update, inflated to 2026 dollars and historical average annual capital draws for non-AMP projects.

# Capital Project Investments



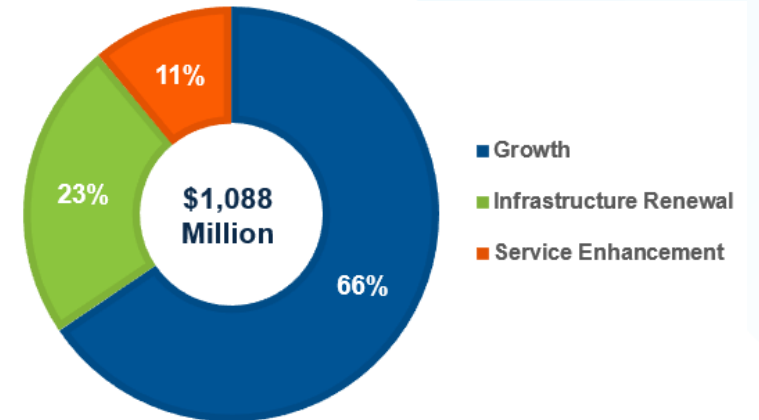
## 2026 Capital Budget

- Growth, \$171.7 M
- Infrastructure Renewal, \$108.2 M
- Service Enhancement, \$10.7 M

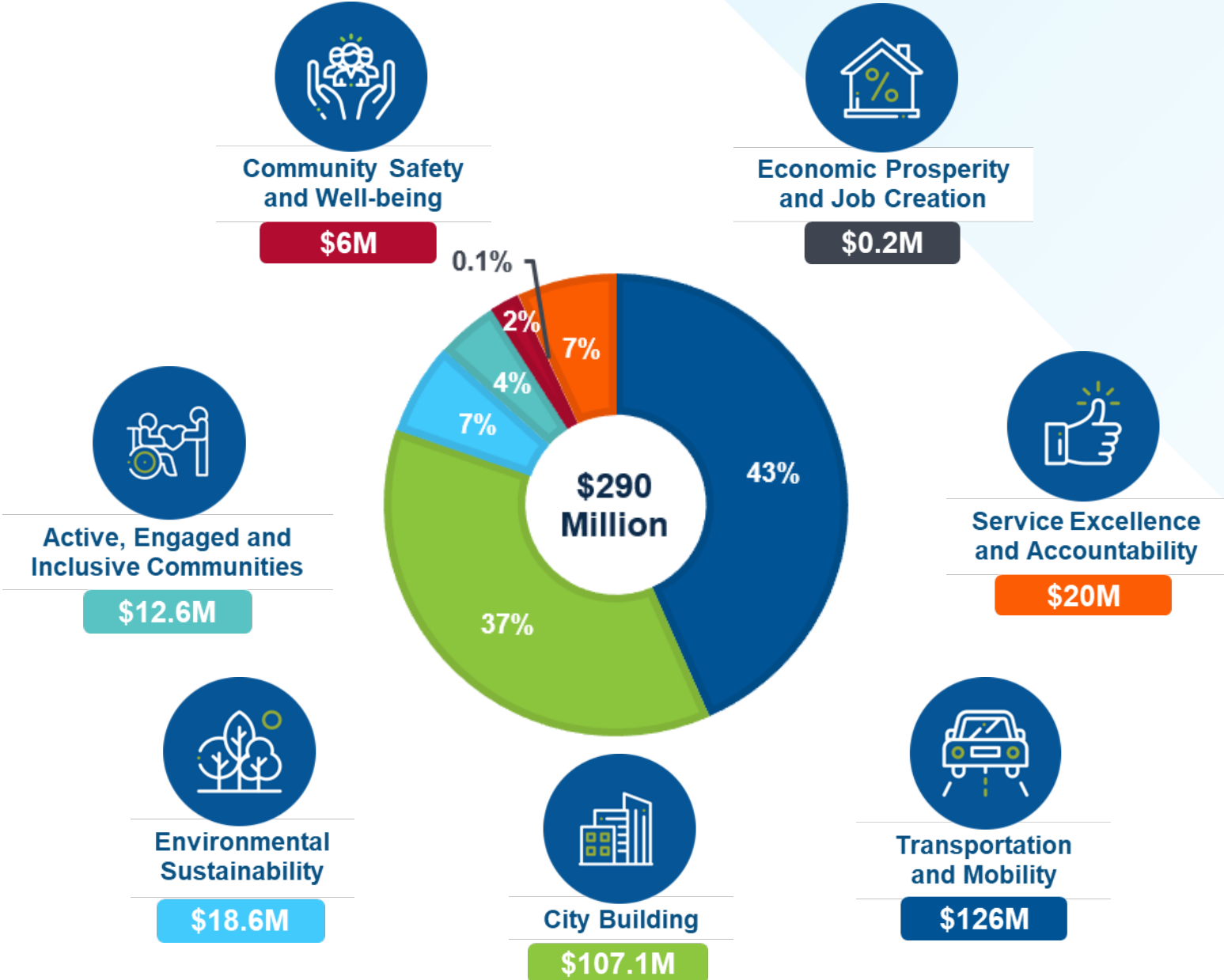


## 2027-2030 Capital Plan

- Growth, \$712.8 M
- Infrastructure Renewal, \$255.0 M
- Service Enhancement, \$120.1 M



# 2026 Capital Budget by Term of Council Strategic Priorities



# 2026 Capital Budget & 2027-2030 Plan

## Term of Council Strategic Priorities

\$M	2026 Proposed Budget	2027-2030 Planned	2026-2030 # of Projects
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>

\* Community Safety and Well-being does not include York Regional Police Services, which is included in the York Region budget

# Where do Taxes Go? Understanding the Tax Bill

## Average Residential Tax Bill

York Region  
**53%**

Local School Boards  
**20%**

City of Vaughan  
**27%**



## Commercial Tax Bill

Local School Boards  
**53%**

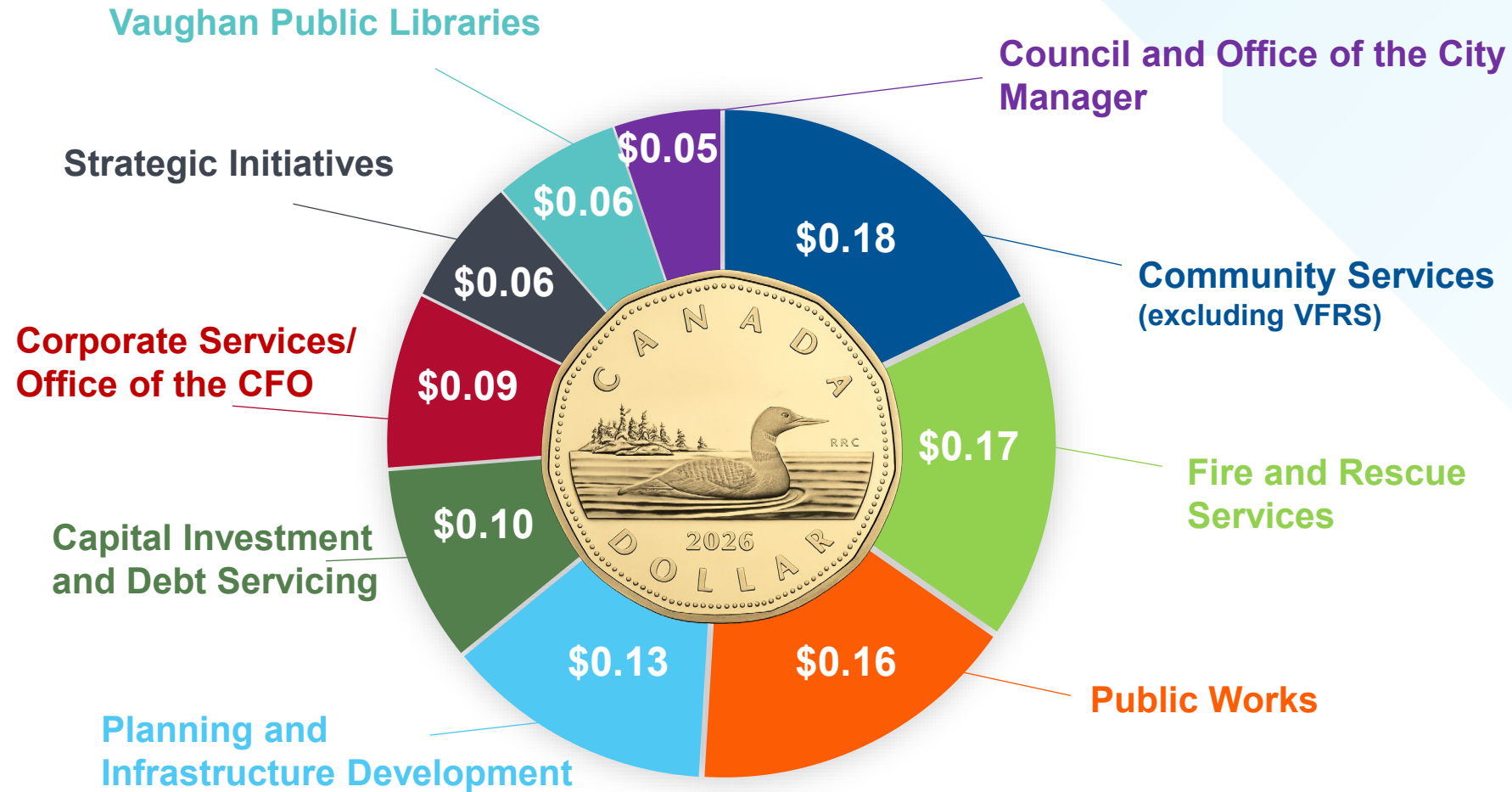
York Region  
**31%**

City of Vaughan  
**16%**



# What Do Taxes and Non-Tax Revenues Fund?

## City Expenditures by Service



# York Region and Other Municipal Comparators - 2026 Tax Rate Increases

as of January 29, 2026



**York Region**

**Other Surrounding Municipalities**

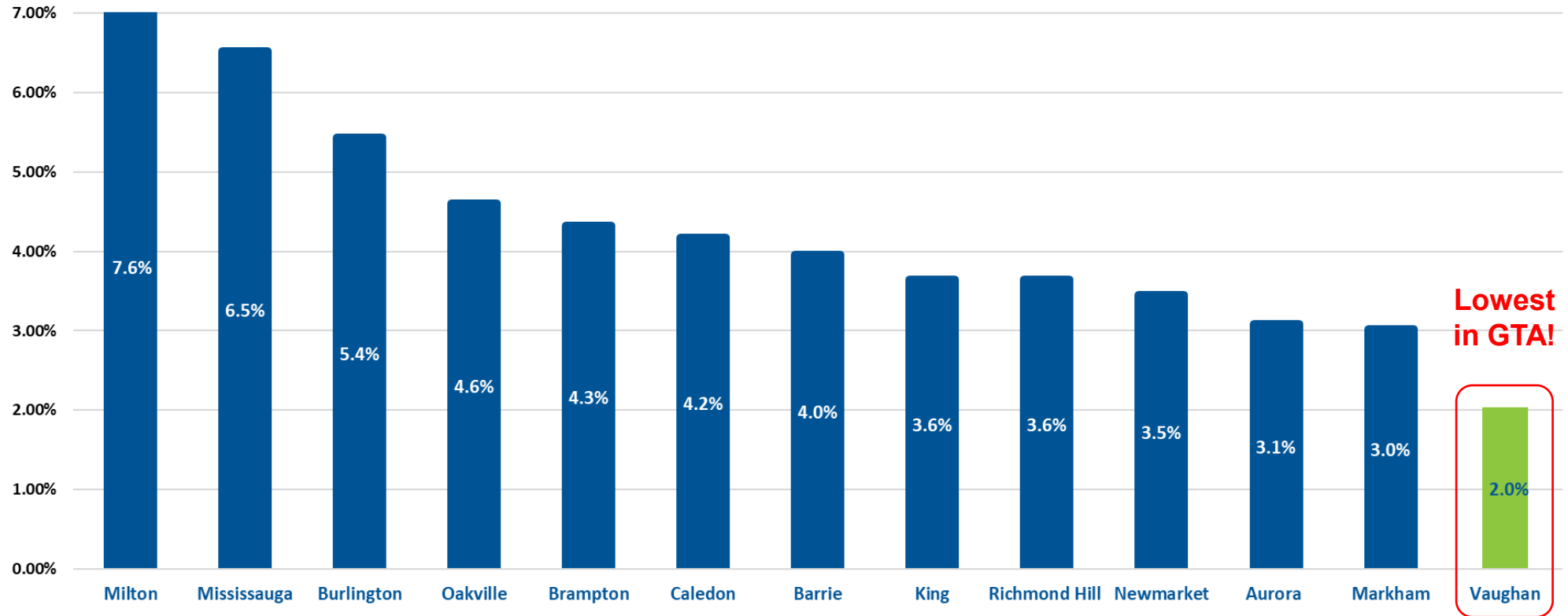
	2026 Tax Increase
<b>Vaughan*</b>	<b>0.00%</b>
York Region	4.28%
Markham	3.90%
East Gwillimbury	3.85%
Georgina	3.50%
Whitchurch-Stouffville	3.50%
King	3.49%
Richmond Hill	3.46%
Newmarket	2.99%
Aurora	2.20%
<hr/>	
Peel Region	3.36%
Brampton*	1.50%
Mississauga	1.61%
Toronto*	2.20%

\*Municipalities that have not adopted their budget as of January 29, 2026

# Property Tax Rate Increase - **Lowest** in GTA

Vaughan's Municipal Property Tax increases is the lowest compared to other Ontario municipalities.

### Municipal Property Tax Increases: Five Year Average (2022-2026)

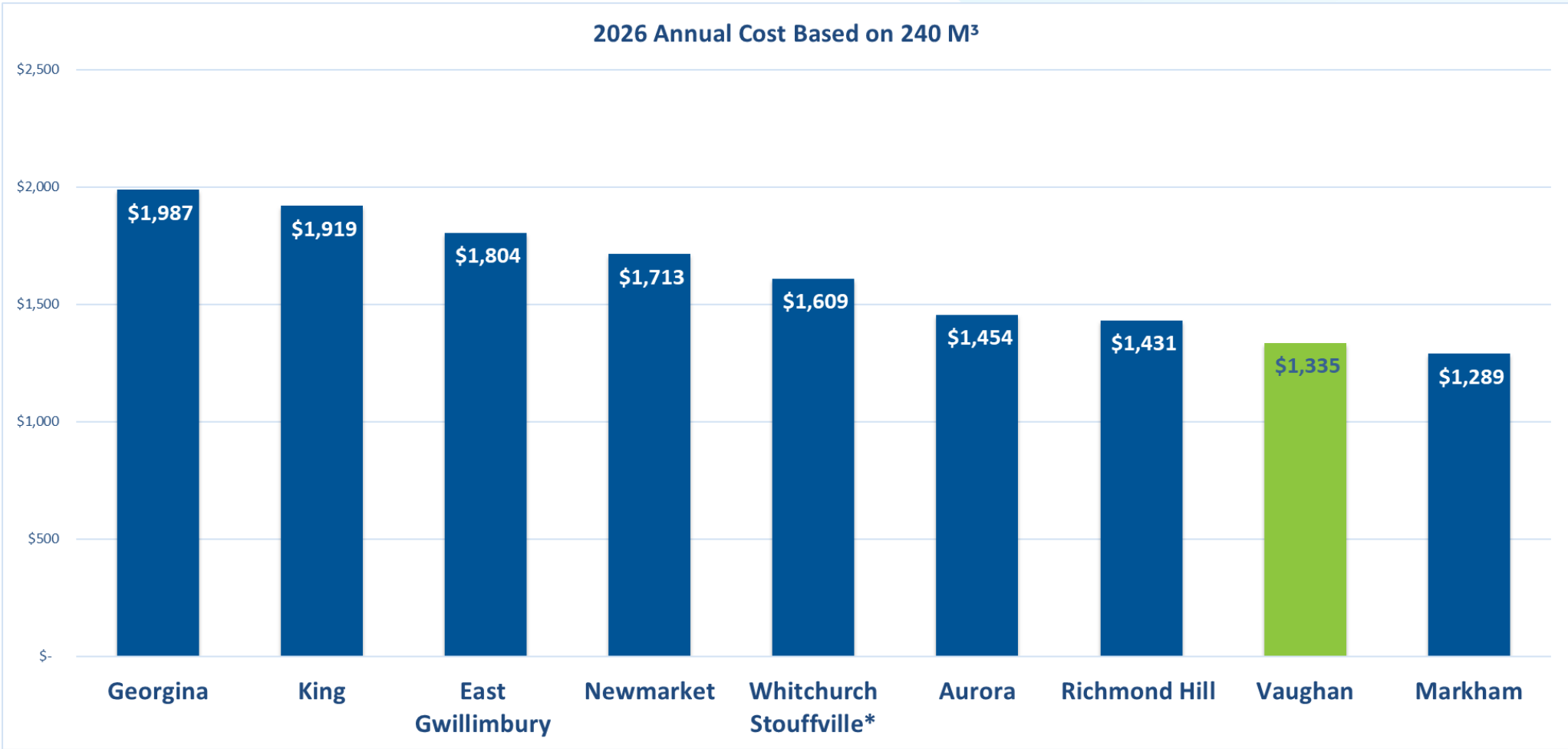


as of 1/9/2026

- *Vaughan Proposed 2026 tax rate increase of 0.0%*
- *Note: Mississauga and Brampton have not adopted their budget yet.*

# 2026 Water and Wastewater Rates Municipal Comparators

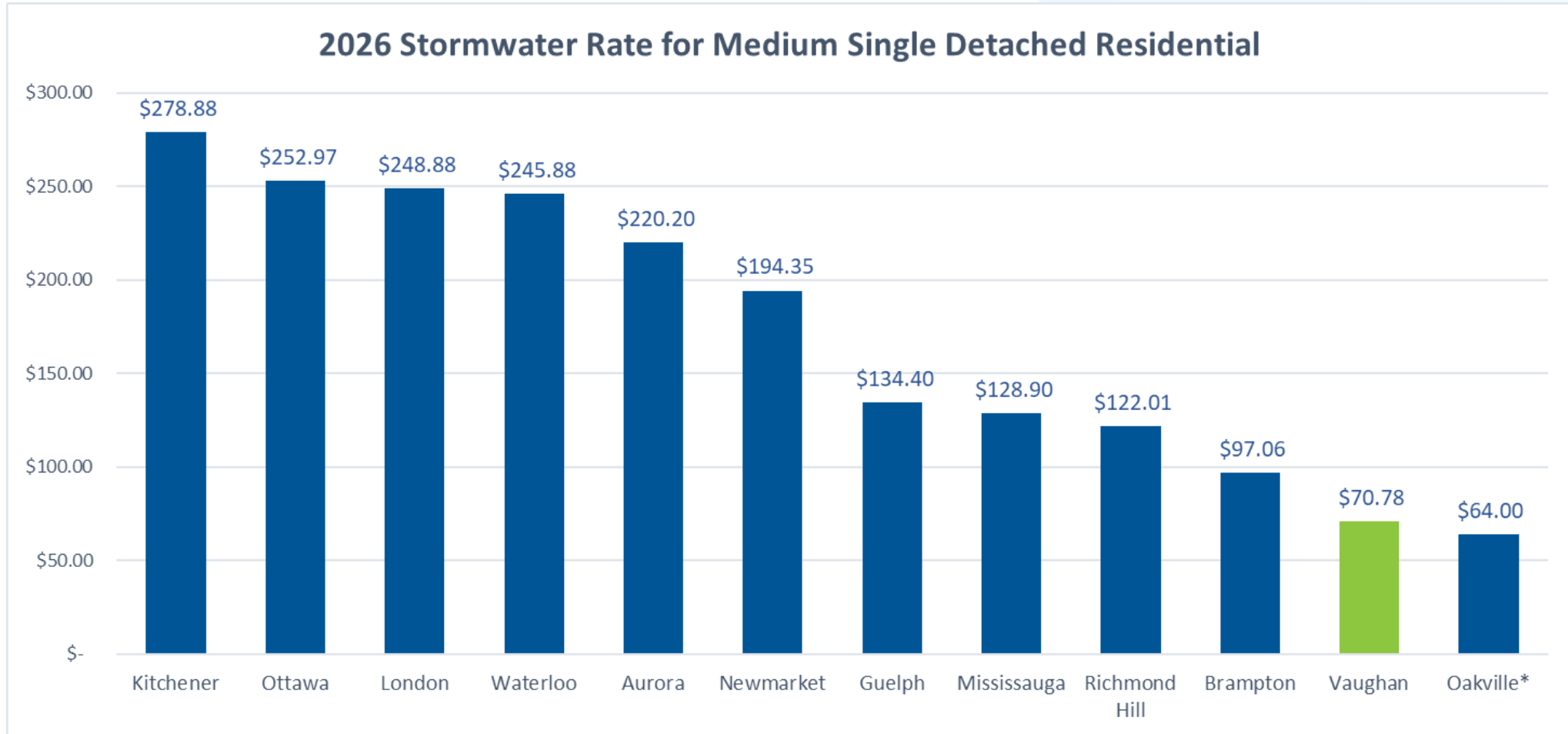
Vaughan's annual water and wastewater charge is among the lowest compared to other York Region municipalities.



\*Whitchurch-Stouffville's dollar rates were estimated by applying the published percentage increase to the previous year's rates, as actual dollar amounts are not yet publicly available.

# 2026 Stormwater Charge Municipal Comparators (Residential)

Vaughan's annual stormwater charge is among the lowest compared to other Ontario municipalities.



\*Oakville is introducing their stormwater fee in 2026 with a phased-in approach, with residential rates at 50% and ICI rates at 25% of the full fee for the first year.

# Next Steps

## Public Meeting Dates

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**February 4, 2026**

**Special  
Committee of  
the Whole  
(Budget)**

**February 24, 2026**

**Special Council  
(Budget)**

**Public deputations are encouraged at budget meetings on February 4 and 24**



# Thank you!

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[vaughan.ca](http://vaughan.ca)