Elizabeth Roy
Mayor
T 905.430.4300 x2203
mayor@whitby.ca

November 7, 2025

RE: Mayor's Proposed Budget

To: Members of Council, Town of Whitby Clerk, residents, and other stakeholders,

The Municipal Act requires the Mayor of Whitby, as head of Council, to prepare a proposed budget on or before February 1 of each year and to:

- provide the proposed budget to each member of Council and to the Town Clerk; and,
- make the proposed budget available to the public

This memo builds on the draft 2026 Budget (prepared by staff) published on the Town's website (ConnectWhitby.ca/Budget) on October 27, 2025, and fulfills the Municipal Act requirement. Before I start, I would like to declare an interest in a portion of the 2026 budget, in accordance with the Municipal Conflict of Interest Act ("**MCIA**"): A family member is currently working in the Community Services Administration Division and so in accordance with the MCIA, I am declaring my interest and have excluded from my Proposed Budget the expenditures and revenues related to the Community Services Administration Division's 2026 Salary, Wages, and Benefits. Since the budget for the Community Services Administration Division must be addressed in some manner, the Commissioner of Financial Services/Treasurer has advised me that staff will:

- draft an amendment to my Proposed Budget relating to the Community Services Administration Division's 2026 Salary, Wages and Benefits;
- place this amendment on the November 27th Special Council Meeting agenda for Council's consideration; and,
- for comparison purposes, remove the expenditures and revenues related to the Community Services Administration Division in the 2025 budget to avoid confusion on the Proposed Budget and its projected impact on property taxes.

The Integrity Commissioner has endorsed my approach to facilitating the Town's budget process while respecting my obligation to not participate in matters where I have a declared interest.

Draft Budget Prepared by Staff

On October 27, 2025, Staff prepared a draft 2026 Budget that outlined budget pressures, including previous Council decisions (such as annualization of the cost of 20 new fire fighters hired in 2025 for a new fire hall to be built in West Whitby and costs related to the Whitby Sports Complex that is currently under construction, negotiated wage settlements, a new waste pickup service for qualifying condominium and town houses, and a three-year phase-out of Elexicon revenues), inflationary pressures, citizen engagement, the need to keep the Town's aging infrastructure in a state of good repair, and implementation of Community Strategic Plan action items. There is no new staffing included in the 2026 draft Budget and staff have identified over $6 million of budget mitigation measures (including alternate revenue sources (e.g. non-property tax revenues) and $2.5 million in expenditure reductions (some of which have service level impacts) to help offset 2026 budget pressures.

The draft 2026 Budget, prepared by Staff, includes a 2026 Budget increase of 3.99 per cent, which was the 2026 target established in the multi-year budget adopted by Council. The Municipal Act requires multi-year budgets to be re-adopted each year after Council's review and changes (as required).

Mayor's Proposed Budget

I have had the opportunity to engage with many Whitby residents over the past few months at a series of Coffee with Mayor Roy events in the summer, and a series of Talk Budget with Mayor Roy events this fall. Residents are sharing that they are happy with the quality of Town services but concerned about affordability as the cost of living rises. As a result of this feedback, I am proposing a 2026 Budget increase of 3.49 per cent (the "**2026 Proposed Budget**") -- down from the 3.99 per cent in the draft budget. This incorporates a net reduction of $0.7 million:

	2026 Draft Budget (Prepared by Staff Oct 27)	Reductions	2026 Proposed Budget (Nov 7)
Net Budget Increase	$5.5 million	($0.7 million)	$4.8 million
	3.99%	(0.50%)	3.49%
Increase to Residential Property Tax Bill for Town Services*	$91	($11)	$80

*Based on the average residential assessment value of $503,000 for a Whitby home, as determined by the Municipal Property Assessment Corporation, ("**MPAC**").

Details of the draft Budget, prepared by staff are available in the draft Budget Book at connectwhitby.ca/Budget

Proposed Budget Changes to Draft Budget

The proposed budget increase of 3.49 per cent requires changes to the draft Budget, prepared by Staff, totaling $0.7 million. Details of the changes are as follows:

Item	Impact on Draft Budget ($ millions)	Description
Reduction to Growth Reserve Fund	($0.50)	The draft Budget includes a $0.5 million increase to the Town's Growth Reserve Fund ("**GRF**") to pay for the Town's share of growth-related projects not covered by development charges. While the GRF could temporarily up-front a shortfall of development charge revenues in the short-term, staff are also recommending a deferral of growth-related capital projects so the

		$0.5 million can be removed until development activity recovers.
Reduction in Summer Student Costs	($0.18)	The Town employed nearly 150 summer students in 2025. As I communicated in my September 23rd Open Letter, lower or a zero per cent tax rate increase does not mean status quo for services. The draft Budget increase of 3.99 per cent already incorporates efficiencies/budget reductions and alternate revenue increases to keep taxes low. To reduce the budget further, 12 summer student positions and a corresponding $0.18 million will be removed from the budget. Summer student positions in the following departments will be removed from the proposed 2026 Budget: Transportation Engineering, By-law Enforcement, Records Management, Human Resources, Heritage Planning (2), Construction Engineering (2), Financial Services (2), Communications (2)
Reduction in Council Education Budget	($0.02)	All staff departments participated in a budget reduction exercise. Further, grants that the Town provides to the Whitby Public Library, Station Gallery, and the Groveside Cemetery Board have been reduced in the draft Budget. I believe that Council should also participate in the reductions. However, compared to the Town, the Council budget is relatively small. Nonetheless, I am recommending a reduction of the Council Education budget of $43,240 by half (i.e. a $21,620 reduction) to support a reduction from 3.99 per cent to 3.49 per cent
Increase Lease Revenue	($0.16)	Staff are currently negotiating lease agreements for Town-owned properties. The leases are estimated to generate $160,000 of lease revenue (e.g. non-tax revenue) annually to help offset other budget pressures. Although the agreements are still subject to Council approval later this year/early 2026, I am proposing to include this in the 2026 budget to help reduce the shortfall.
Revised Operating Grants provided to the Whitby Public Library, Station Gallery, and Groveside Cemetery	$0.15	The Draft Budget included a $326,260 (or 5%) reduction to the Whitby Public Library's ("**WPL**") base operating grant. Through discussions with the WPL Board Chair, the grant reduction will now be $187,260 (or 3%) to accommodate WPL's contractual obligations. With the revised

		WPL grant reduction, the Town’s 2026 support of WPL via an operating grant will be $6,337,936. I have had similar discussions with Station Gallery and Groveside Cemetery representatives and have applied the same 3% grant reduction (from 5% in the Draft Budget) resulting in Proposed 2026 grants of $555,629 and $52,338, respectively.
Crossing Guards (2) at Dryden and Brookwood	$0.03	I propose that the funding for 2 crossing guards be included in the budget as a tentative expenditure for the intersection of Dryden Blvd and Brookwood subject to staff evaluation and a council decision.
Removal of Community Services Administration Division	$0	As noted in the introduction section, I have declared an interest, in accordance with the MCIA, and this adjustment excludes the $0.923 Community Services Administration Division’s salary, wages, and benefit costs and offsetting property tax revenues from the Proposed Budget
Net Decrease to Draft Budget	**($0.68)**	

The Municipal Accommodation Tax (“MAT”) is a fee, implemented in mid-2024, that is collected from visitors staying overnight at hotels and motels in Whitby. The Town has utilized the MAT to offset expenditures related to tourism that used to be paid for from the property tax base. The Draft Budget notes only an incremental $0.1 million of MAT revenues is offsetting incremental expenditures. However, the Proposed 2026 Budget actually includes $0.3 million of MAT funding for the following expenditures:

Municipal Accommodation Tax Funded Items	Draw from MAT Reserve
Tourism Maps	$7,000
Viewing Parties	$12,000
Town of Whitby Events	$65,000
Tourism Ambassadors	$17,000
Holiday Lights	$67,500
Public Art	$100,000
Waterfront Visitor Centre Enhancements	$10,000
Community Placemaking Initiatives	$37,500
Total	**$316,000**

The net impact of the changes results in a balanced budget with a 3.49 per cent budget increase. Incorporating the changes to the 2026 draft budget, outlined above, the financial summaries for revenues and expenditures related to the 2026 proposed budget have been re-stated as follows:

- Total 2026 **Revenues[1] of $196.7** million comprised of:

($millions)	
$143.1	Property Taxes
$ 29.1	User Fees
$ 16.6	Reserve Transfers
$ 7.7	Other Revenues
$ 0.2	Provincial/Federal Support
$196.7	

- Total 2026 **Expenditures[1] of $196.7** million comprised of:

($millions)	
$ 108.2	Salaries, Wages and Benefits
$ 7.7	Building Related Costs & Utilities
$ 2.9	Vehicle, Equipment, & Fuel
$ 11.9	Purchased Services & Supplies
$ 10.9	Administrative Costs
$ 7.6	Grants
$ 1.5	Debt Charges
$ 43.0	Transfer to Asset Maintenance & Growth Programs
$ 3.0	Other Transfers to Reserve & Internal Transfers
$196.7	

[1]Pursuant to the interest declared by the Mayor, in accordance with the MCIA, $0.923M of tax revenue and $0.923M of expenditures related to Community Services Administration Division has been excluded from the Mayor's Proposed Budget.

2026 Proposed Budget – Impact to the Average Whitby Homeowner

As shown in the graphic below, the average Whitby homeowner (with a home assessed at $503,000 by MPAC), currently (in 2025) pays $6,700 per year in property taxes. Property taxes are paid to the Town – however, the Town retains only 34 per cent for Town services and remits the balance to the Region of Durham (55 per cent) and School Boards (11 per cent):

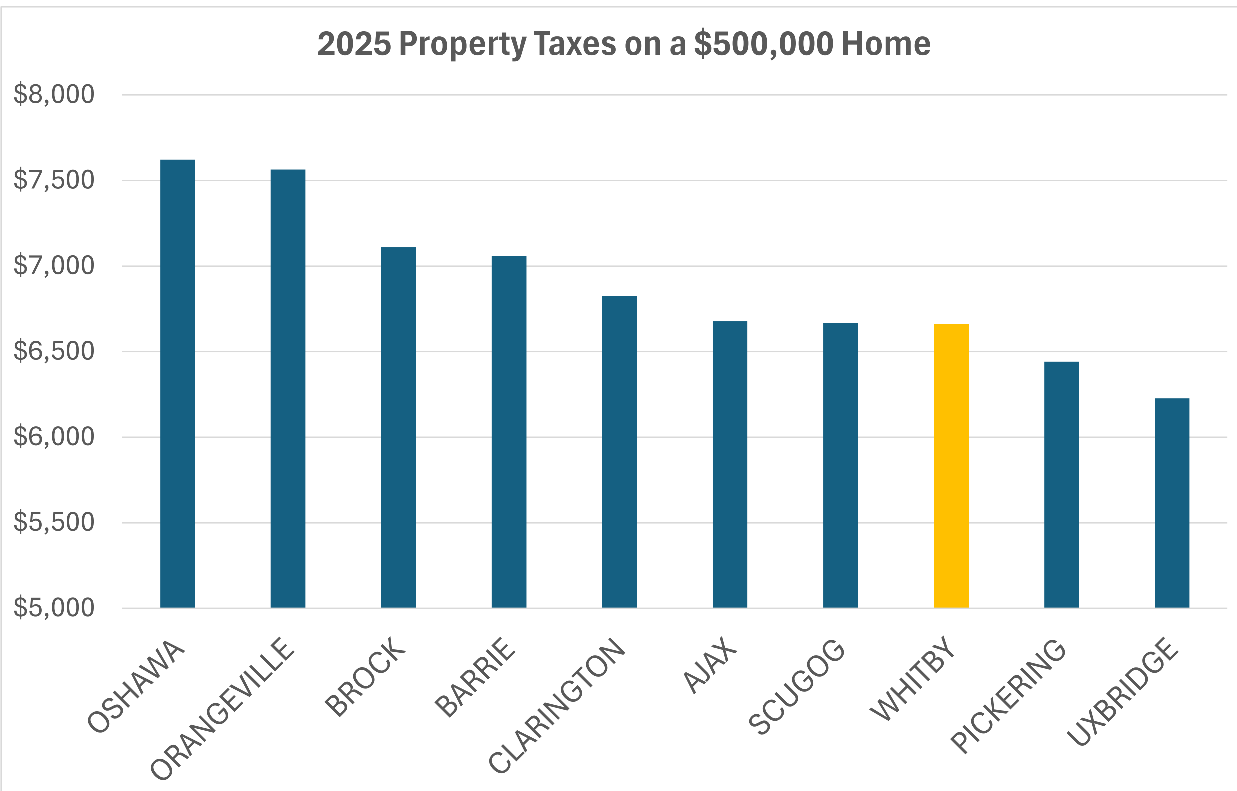
Education: 11% of Property Tax Bill		**Town:** 34% of Property Tax Bill		**Region:** 55% of Property Tax Bill		**Total 2025 Tax Bill***
$769	+	$2,276	+	$3,655	=	$6,700

My proposed budget for 2026 will result in an **$80 increase** for Town services (e.g. **from the $2,276**, shown for 2025 above, **to $2,356**). The $80 per year increase represents a **1.2 per cent increase** on the total 2025 property tax bill of $6,700 for a Whitby home with an average current value assessment of $503,000 (as determined by MPAC as of 2016, the last province-wide re-assessment).

Media coverage suggesting Whitby has the highest residential tax rate

Some media coverage has incorrectly indicated that the Town of Whitby has the highest property tax rates in the GTA. Reporters often provide an apples-to-oranges comparison between various municipalities, such as comparing property taxes for a $750,000 home in Whitby to property taxes for a $500,000 home in another municipality. The chart below compares 2025 property taxes for a few GTA municipalities and provides an apples-to-apples comparison, outlining property taxes by municipality, for a house valued at $500,000 in each municipality.

Property Taxes on a Home assessed at $500,000 (includes lower tier, upper tier and education taxes):



As shown in the above chart, Whitby does not have the highest property taxes in the GTA when the same value home is used to calculate property taxes. Additional factors that make it difficult to compare municipal taxes only are:

1) Differences in services that are provided by municipalities. For example, in Durham Region, Whitby and Oshawa provide garbage collection services directly while other Durham municipalities have garbage collection provided by the Region of Durham. Accordingly, the budgets for Whitby and Oshawa are impacted by wage increases and the consumer price index for staff, services, materials and equipment required to services in their respective communities;

2) Some revenues sources are not available to all municipalities. For example, the City of Toronto has access to revenue tools like the Toronto Land Transfer Tax, while Pickering and Ajax both benefit from casino revenues.

Requests to Balance the Operating Budget through Reserves

Some taxpayers have suggested using reserves to balance the budget instead of raising taxes. However, most reserves are allocated for future infrastructure projects. Using these funds would delay necessary repairs and growth-supporting infrastructure. Additionally, legislative restrictions prevent using some reserves for ongoing operations, which should be tax-funded. Finally, reserves are finite, and relying on them to fund on-going operations or a new program/service could lead to larger tax increases in the future (i.e. deferred tax increase + budget pressures in the future year) or program cuts once the reserve is fully depleted. For example:

- if the Town has $200,000 in a reserve and implements a new program in the 2026 budget that costs $100,000 per year; and
- if the Town used this reserve to fund the new program in the 2026 budget instead of increasing property taxes;
- In 2028, the reserve will be fully depleted, and the Town will need to:
    - Increase taxes by $100,000 in 2028 + incorporate the budget pressures (e.g. new programs, inflation) in 2028; OR
    - Cut the new program in 2028 because the funding (i.e. the reserve) is fully depleted and the Town is still not willing to increase property taxes to sustain this new program.

Next Steps in the Budget Process

The Town's 2026 Budget schedule is as follows:

1) Council Budget Education Session

- **When**: Monday, November 17, 5:30 p.m.
- **Where**: Attend the meeting in-person in Whitby Council Chambers or tune in to the livestream at **whitby.ca/CouncilCalendar**
- **What:** Mayor Roy and staff will provide Council with an overview of the proposed 2026 Budget

2) Budget Public Meeting

- **When**: Tuesday, November 18, 7 p.m.
- **Where**: Attend the meeting in-person at Whitby Council Chambers or tune in to the livestream at **whitby.ca/CouncilCalendar**
- **What:** Residents will have the opportunity to learn about and to provide feedback on the proposed 2026 Budget. Residents interested in speaking at the Budget Public Meeting are requested to submit a Delegation Request Form to register with the Town Clerk by 8 a.m. on the day of the meeting (Tuesday, November 18). **Note:** The Budget Public Meeting is being hosted by Mayor Roy and is not a meeting of Council.

3) Special Council Meeting (for Council amendments to the Mayor's Proposed Budget)

- **When**: Thursday, November 27, 7 p.m.
- **Where**: Attend the meeting in-person at Whitby Council Chambers or tune in to the livestream at **whitby.ca/CouncilCalendar**
- **What:** At this meeting amendments to the proposed 2026 Budget submitted in advance by Council members with a confirmed mover and seconder will be considered. If there

are no amendments submitted to the Town Clerk by November 24 at 4:30 p.m., the proposed 2026 Budget is deemed adopted and the November 27 meeting will be cancelled. Residents interested in speaking at the Special Council Meeting virtually or in-person are required to register with the Town Clerk by 8 a.m. on the day of the meeting (Thursday, November 27). Delegation forms are available at **whitby.ca/Delegation**.

4) Council Meeting (for Council override of Mayor's Veto of Council Budget amendments)

- **When**: Monday, December 15, 7 p.m.
- **Where**: Attend the meeting in-person in Whitby Council Chambers or tune in to the livestream at **whitby.ca/CouncilCalendar**
- **What:** At this meeting, any motions submitted in advance from Council Members to override the Mayor's veto (if any) of Council amendments to the proposed 2026 Budget will be considered. Override motions must be submitted to the Town Clerk by December 10 at 4:30 p.m. and such motions require a two-thirds (2/3) vote of Council in favour of the override to pass. If there are no Mayor vetoes by December 1st or no motions to override submitted to the Town Clerk by December 10 at 4:30 p.m., the proposed 2026 Budget is deemed adopted and the December 15 meeting will be cancelled. Residents interested in speaking at the special Council meeting virtually or in-person are required to register with the Town Clerk by 8 a.m. on the day of the meeting (Monday, December 15). Delegation Forms are available at **whitby.ca/Delegation**.

Thank you to everyone who has taken the time to share feedback on the 2026 Budget.

We're working hard to carefully balance investing in the services and infrastructure that residents rely on every day, while minimize the financial burden on taxpayers. Together, we're ensuring Whitby stays vibrant, inclusive, and sustainable for generations to come.

Sincerely,

Elizabeth Roy

Elizabeth Roy
Mayor

Town of Whitby
Office of the Mayor
575 Rossland Road East
Whitby, ON L1N 2M8
whitby.ca