

Précis: NOTLRA Commentary on Town of Niagara-on-the-Lake 2026

Budget

The Niagara-on-the-Lake Residents Association (NOTLRA) commentary on the Town's 2026 Base Budget finds that while the draft budget (released October 29, 2025; final to be approved December 3) proposes a modest property tax increase of approximately 1.8%, it achieves this through extensive use of financial reserves. Meanwhile, operating expenses are set to rise by about 7%. NOTLRA argues this continues a trend of expense growth exceeding inflation and revenue underestimation (by roughly 25% in 2023–24), creating unsustainable surpluses and allowing temporary tax relief before the 2026 municipal election.

The Association supports the low levy increase given local affordability pressures and falling home values but criticizes the reliance on 'creative accounting' and warns of politically motivated manipulation. It also highlights the erosion of transparency following the Province's imposition of Strong Mayor Powers, which concentrate budget authority in a small 'Budget Office' (Lord Mayor, Deputy Lord Mayor, and senior staff) and reduce council and public input.

NOTLRA flags the slowed growth of capital funding despite aging infrastructure, calls for maintaining full cost recovery from developers, and supports higher building permit fees. However, it urges further increases in planning application fees, removing caps set for 'competitiveness,' arguing that underpriced fees violate the Planning Act and unfairly burden taxpayers. It also urges inclusion of utility and airport earnings ('equity pickups') and proactive pursuit of new federal and provincial funding opportunities such as the Build Communities Strong Fund.

Key recommendations include:

- Broaden the composition of the Budget Office to include councillors chosen for relevant expertise and establish a resident financial advisory committee.
- Use current-year forecasts alongside prior-year comparatives in the Base Budget.
- Adopt zero-based budgeting and business process reengineering to contain costs.
- Accurately budget for all revenue sources, including subsidiary and intergovernmental earnings.
- Cap tax levy increases at or below inflation and average peer-municipality levels.
- Present the budget on cash, accrual, and reserve bases for transparency.
- Better integrate HR planning with the financial budget.
- Ensure budgets are insulated from election-year political pressures.
- Maintain consistent growth in capital transfers to address infrastructure needs.
- Adjust planning and building fees toward full cost recovery and study departmental efficiency.
- Treat intergovernmental affairs as a revenue center and maximize grants from senior

governments.

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