2026 Proposed Budget

2026 Operating and Capital Budgets

2027-2035 Capital Forecast

Capital Budget Financial Summary

The City's 2026 capital budget is $105.7 million with a 10-year capital program (2026-2035) of $1.2 billion.

As presented in previous years, the capital program categorizes projects into the following four areas:

- **New / Enhanced projects** – increases to current service levels beyond what the city currently provides, not as a result of growth
- **Infrastructure Renewal projects** – repair, refurbishment or replacement of an existing asset to extend its useful life in accordance with the asset management plan
- **Growth projects** – capital required to service growth within the city
- **Green projects** – projects which support the city's climate goals

The following table provides a summary for each asset category over the 10 year forecast. During this timeframe, infrastructure renewal represents the largest type at 81.5% followed by growth-related projects at 10.7%, new / enhanced projects of 3.5% and green projects of 4.2%.

10-year capital budget by asset category

Project Type	New/ Enhanced	Infrastructure Renewal	Growth	Green	Total
Facilities and Buildings	$ 2,319	$ 136,108	$ 13,708	$ 23,141	$ 175,275
Information Technology	$ 5,125	$ 61,530	$ -	$ -	$ 66,655
Parks and Open Space	$ 1,850	$ 101,540	$ 10,526	$ -	$ 113,916
Roadways	$ 30,666	$ 495,225	$ 90,484	$ 2,465	$ 618,840
Stormwater Management	$ -	$ 48,551	$ 6,724	$ -	$ 55,275
Studies	$ 690	$ -	$ -	$ -	$ 690
Vehicles and Equipment	$ 635	$ 119,758	$ 5,104	$ 24,458	$ 149,955
Total	**$ 41,285**	**$ 962,713**	**$ 126,546**	**$ 50,064**	**$ 1,180,607**

Numbers are in $ Thousands and may not add due to rounding

Funding the Capital Program

The capital program is funded from a variety of sources. Tax supported funding (cash and debt funding provided by the operating budget) continues to be the largest component accounting for two thirds (69.6%) of the overall funding envelope. The program continues to rely on the cash flow from development charge revenue to fund growth projects (8.0%), the Canada Community Building Fund and provincial gas taxes (7.1%), vehicle depreciation reserve funds (8.4%), park dedication reserve fund (1.4%) and other recreation facility renewal reserve funds for recreation assets. Each year $2.1 million from the hydro reserve fund is transferred to fund infrastructure renewal projects. As well, anticipated funding from the Investing in Canada Infrastructure Program (ICIP) has been included into the 10-year capital program.

Non-tax Supported Capital Funding:

Development Charges and Park Dedication

The city updated its Development Charges (DC) background study and related by-law in May 2024. A new parkland dedication by-law was approved in July 2023. Strategic initiative 4.1.f states: “New infrastructure needed to support growth is paid for by new development”.

The 2026 capital budget and forecast includes development charge funding of approximately 8.0%. The growth-related capital infrastructure included in the DC Background Study formed the basis of projects included in the 2026 capital budget and forecast.

Spending of development charges is based on the City’s policy that expenditures in any year do not exceed the uncommitted balance in the reserve fund at the end of the preceding year. Staff will continue to closely monitor these revenue sources as fluctuations can significantly impact the funding of the city’s growth-related capital program.

Canada Community Building Fund

The Canada Community Building Fund (formerly known as the Federal Gas Tax program) was introduced in 2005 and provides approximately $6.1 million of funding annually for infrastructure renewal.

Of the total money received, 75% is used to fund Road projects while the remaining 25% supports Transit renewal needs such as the conventional bus replacement program.

Provincial Gas Tax

The Provincial Gas Tax program was introduced in 2004 and provides funding for transit capital and operating expenditures.

Of the approximately $2.38 million of funding received annually, the city uses $955,000 to support transit operating expenditures with the balance used to support the transit capital program.

Investing in Canada Infrastructure Program

The Investing in Canada Infrastructure Program (ICIP) is a national cost-shared infrastructure funding program between the federal government, provinces and territories, and municipalities and other recipients.

This program will see up to $30 billion in combined federal, provincial, municipal and other partner funding directed into four funding streams:

- Public Transit
- Community, Culture and Recreation
- Green
- Rural and Northern

Funding has been reflected in the 10-year capital program based on current and anticipated applications to the Public Transit stream.

CAPITAL FORECAST SUMMARY

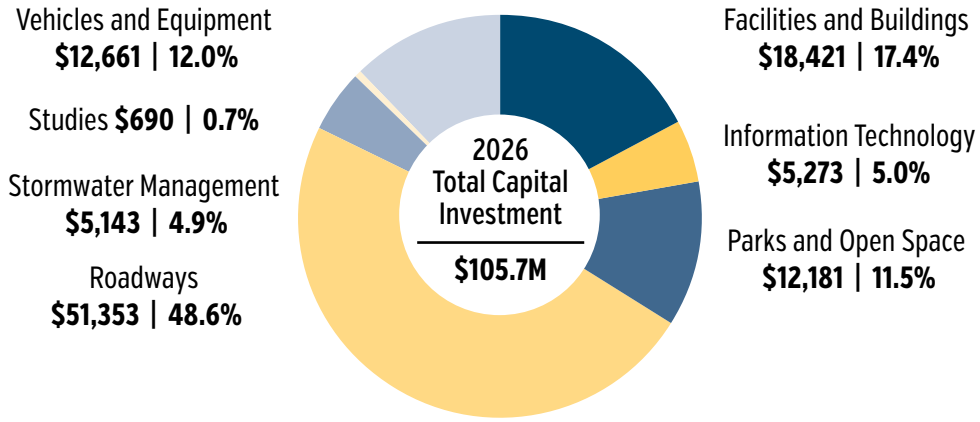
This information shows the total capital budget and forecast summary over 10 years.

ASSET CATEGORY	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
Facilities and Buildings	$18,421	$16,657	$15,266	$16,654	$16,543	$16,929	$18,065	$18,406	$18,355	$19,980	$175,275
Information Technology	$5,273	$5,738	$5,981	$6,216	$6,432	$6,621	$7,012	$7,403	$7,794	$8,185	$66,655
Parks and Open Space	$12,181	$10,135	$10,358	$10,544	$10,675	$11,340	$11,312	$11,885	$12,457	$13,029	$113,916
Roadways	$51,353	$45,681	$51,338	$52,191	$62,118	$57,549	$79,333	$66,245	$65,400	$87,632	$618,840
Stormwater Management	$5,143	$6,054	$5,224	$5,802	$5,191	$5,486	$5,311	$5,432	$5,693	$5,939	$55,275
Studies	$690	$-	$-	$-	$-	$-	$-	$-	$-	$-	$690
Vehicles and Equipment	$12,661	$11,353	$11,964	$15,546	$12,656	$14,292	$17,872	$12,554	$19,676	$21,382	$149,955
Total	**$105,722**	**$95,618**	**$100,131**	**$106,953**	**$113,615**	**$112,217**	**$138,904**	**$121,925**	**$129,374**	**$156,147**	**$1,180,607**

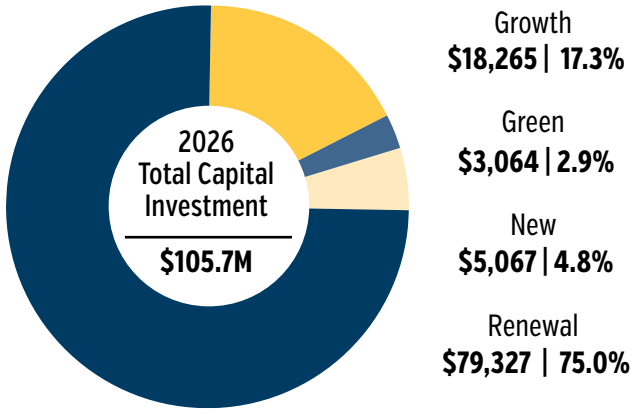
* Numbers may not add due to rounding

EXPENDITURE TYPE	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
New / Enhanced	$5,067	$2,629	$587	$4,492	$2,350	$742	$17,892	$6,213	$667	$650	$41,285
Infrastructure Renewal	$79,327	$79,228	$81,869	$89,046	$95,778	$98,378	$102,742	$97,202	$121,953	$117,191	$962,713
Growth	$18,265	$11,461	$13,408	$11,130	$12,404	$8,250	$8,153	$8,518	$2,985	$31,971	$126,546
Green	$3,064	$2,301	$4,268	$2,286	$3,084	$4,847	$10,118	$9,993	$3,769	$6,335	$50,064
Total	**$105,722**	**$95,618**	**$100,131**	**$106,953**	**$113,615**	**$112,217**	**$138,904**	**$121,925**	**$129,374**	**$156,147**	**$1,180,607**

ASSET CATEGORY



EXPENDITURE TYPE



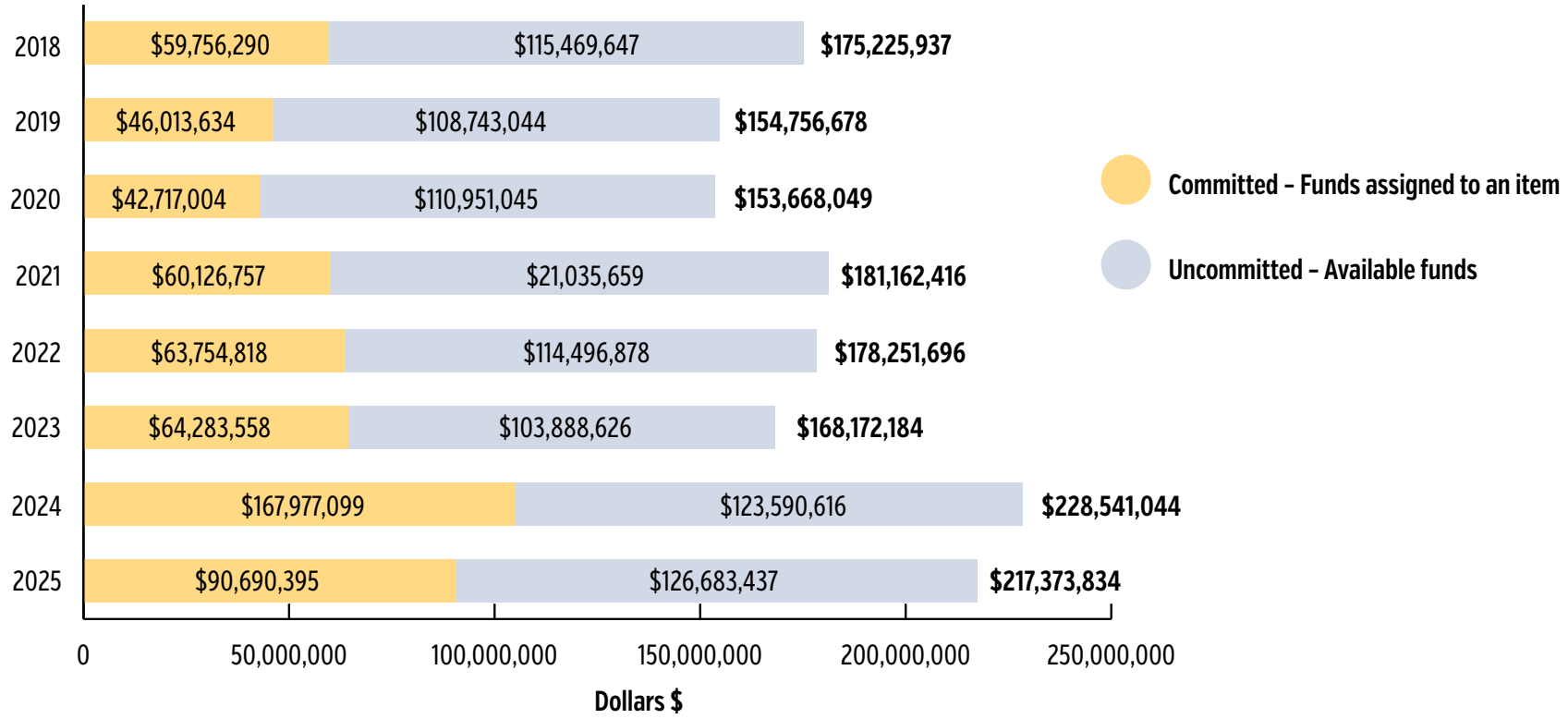
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RESERVES AND RESERVE FUNDS



Reserve funds help ensure the City can manage emergencies and unexpected costs (e.g. major floods, economic downturns) without disrupting core services. The following chart shows the history of reserve fund balances for the past eight years.

RESERVE FUND BALANCES AS OF JUNE 30, 2025



Note: Numbers may not add due to rounding.

RESERVES AND RESERVE FUNDS

Reserve funds help ensure the City can manage emergencies and unexpected costs (e.g. major floods, economic downturns) without disrupting core services.

CAPITAL RELATED RESERVE AND RESERVE FUNDS	BALANCE	UNCOMMITTED BALANCE
Development Related Reserve and Reserve Funds	68,182,202	31,259,217
Vehicle and Equipment Reserve Funds	3,854,373	3,354,373
Transit Related Reserve Funds	4,515,584	4,515,584
Other Capital Reserve Funds	41,823,173	14,944,987
Total Capital Related Reserve and Reserve Funds	**118,375,332**	**54,074,161**

OPERATING RELATED RESERVE AND RESERVE FUNDS	BALANCE	UNCOMMITTED BALANCE
Stabilization Reserve and Reserve Funds	29,420,909	22,923,645
Corporate Reserve Funds	16,346,443	12,999,162
Corporate Reserves	5,274,961	58,556
Total Operating Related Reserve and Reserve Funds	**51,042,313**	**35,981,363**

LOCAL BOARDS AND PROGRAM SPECIFIC RESERVE AND RESERVE FUNDS	BALANCE	UNCOMMITTED BALANCE
Program Specific Reserve Funds	38,860,637	27,567,488
Local Boards Reserve Funds	9,094,694	9,059,569
Program Specific Reserves	857	857
Total Local Boards and Program Specific Reserve and Reserve Funds	**47,956,188**	**36,627,914**

TOTAL RESERVE FUNDS	**$200,506,419**	**$119,203,033**
TOTAL RESERVES	**$16,867,415**	**$7,480,404**
TOTAL RESERVE FUNDS AND RESERVES	**$217,373,834**	**$126,683,437**

Value as of June 30, 2025

Numbers may not add due to rounding

CITY OF BURLINGTON'S DEBT POLICY

The Province of Ontario legislates a municipal debt limit of no greater than 25% of revenues. Consistent with the City of Burlington's Long-Term Financial Plan, the City's debt policy limits the total debt charges and liabilities to 12.5% of revenues (half of the Provincial limit).

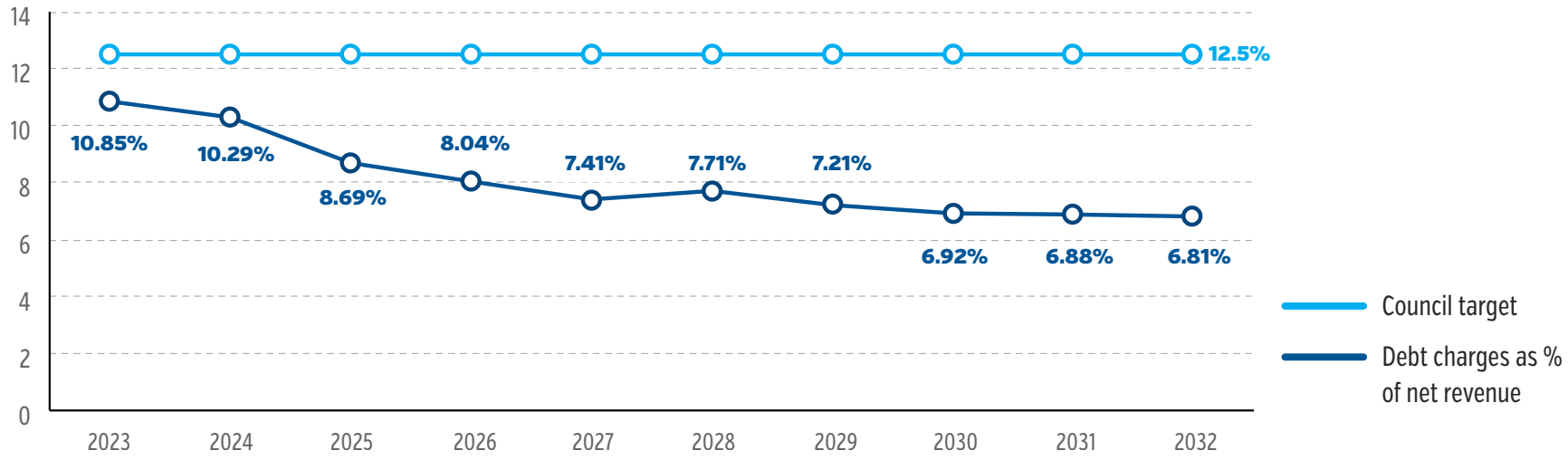
As of June 30, 2025, the City's total debt charges as a percentage of own source revenue is estimated to be 8.69%, which is below the Council approved policy of 12.5%, and below the provincial limit of 25%. The City's debt policy includes a provision to temporarily exceed the limit to a maximum of 15% for a maximum period of three years for major capital projects. The city's current and forecasted estimate of debt limit remains within the provisions of the policy.

The City has an estimated $115 million in total principal debt outstanding. Taking into consideration principal debt repayments of $14.9 million and $45.2 million in debt which has been approved and not issued, total City principal debt outstanding and remaining to be issued at year end 2025 is $145.3 million.

An effective debt policy is an important part of having a responsible financial plan. By controlling debt levels, it allows the City to make the necessary spending choices. It is also designed to keep our city financially stable and sustainable, while allowing the flexibility to borrow money in the future as unexpected capital needs arise.

Staying within the provisions of the city's debt policy ensures Burlington's commitment to the long-term principle of responsible debt management.

DEBT CHARGES AS A PERCENT OF NET REVENUES




CITY OF
Burlington