

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Subject: 2027 Annual Budget Update

Date: April 21, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, this report providing an overview of the 2027 Annual Budget Update **BE RECEIVED** for information.

Linkage to the Corporate Strategic Plan

Council's 2023-2027 Strategic Plan for the City of London identifies 'Well-Run City' as a strategic area of focus. The City of London's Multi-Year Budget (MYB) process is specifically listed as a strategy under this strategic area of focus: 'Develop and monitor the Multi-Year Budget to align financial resources with Council's Strategic Plan.' The implementation of a MYB signifies that the City is looking beyond a short-term focus when planning its finances. This results in improved accountability and transparency over spending changes and helps the City maintain positive operating results, stable debt levels, and strong liquidity, reflected in the continued affirmation of the City's Aaa credit rating (49 consecutive years).

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

2024-2027 Multi-Year Budget: <https://london.ca/government/property-taxes-finance/municipal-budget/multi-year-budget>

2026 Annual Budget Update: <https://london.ca/government/property-taxes-finance/municipal-budget/annual-budget-update>

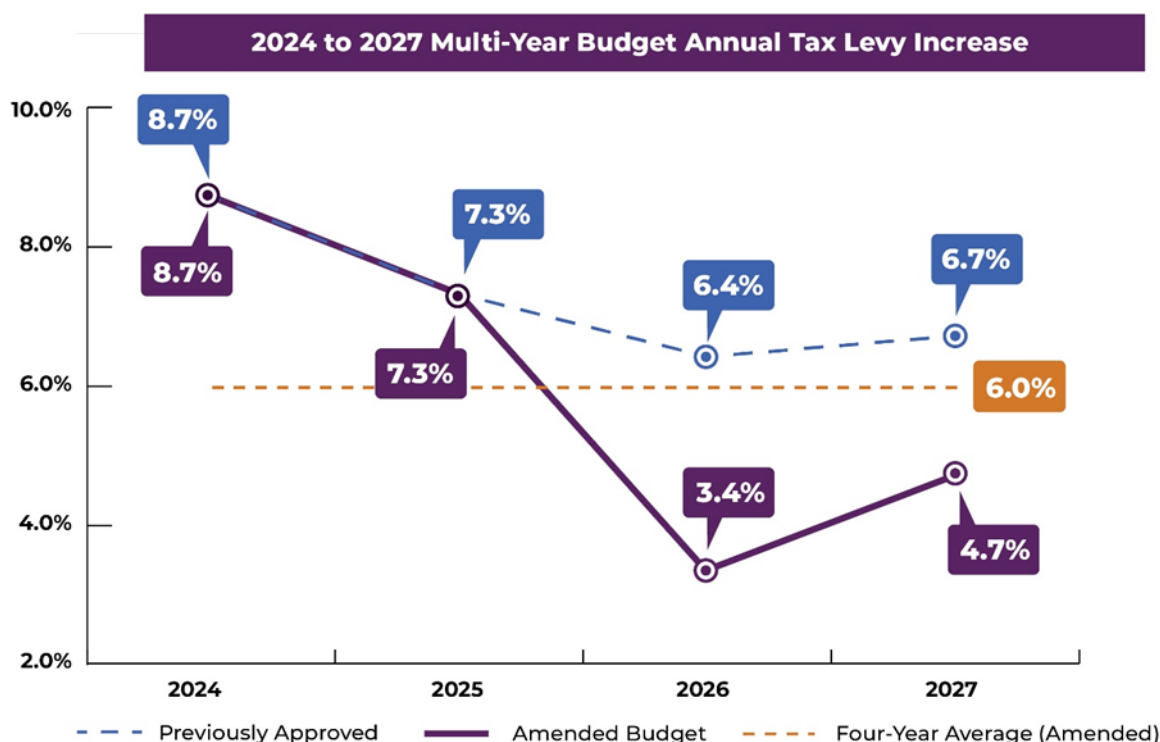
1.2 Strong Mayor Legislation – Impact on the Budget Process

The "Strong Mayor" legislation introduced by the Province of Ontario in 2022 and extended to London in 2023 continues to apply to the 2027 Annual Budget Update process. Please refer to **Appendix A** for a summary of the "Strong Mayor" impact on the municipal budget process.

1.3 Budget Recap After Completion of 2026 Annual Budget Update

At the outset of the 2027 Annual Budget Update process, the anticipated tax levy increase for 2027 is 4.7% as outlined in Figure 1:

Figure 1: 2024-2027 Tax Levy Increases after 2026 Annual Budget Update



2.0 Discussion and Considerations

2.1 2027 Annual Budget Update Process

Consistent with the Council-approved [Multi-Year Budget Policy](#), any 2027 budget matters will be supported by a business case and should be limited to the following:

- New or Changed Regulation – A new or changed legislation or regulation with a financial impact to the municipality;
- New Council Direction – A new Council direction that has transpired after the approval of the Multi-Year Budget; or
- Cost or Revenue Driver – A budget adjustment required as a result of unanticipated changes since the approval of the Multi-Year Budget.

Civic Administration continues to implement the service review program that has successfully achieved incremental annual budgetary savings of \$66 million since 2016. Any identified opportunities for budget right-sizing will be consolidated in a business case in the 2027 Budget Update, consistent with previous budget processes.

For any matters that Council wishes to receive business cases for in the 2027 Budget Update, direction should be provided through the appropriate standing committee to direct Civic Administration to prepare the associated business case. This direction should be provided by July at the latest to allow sufficient time for preparation of the business case. As noted above, any business cases for the 2027 Budget Update should be limited to time-sensitive adjustments to the 2027 budgetary plan previously endorsed through the 2024-2027 Multi-Year Budget. Longer-term strategic investments should be considered through the development of the 2027-2031 Strategic Plan and subsequent 2028-2031 Multi-Year Budget (see section 2.4).

2.2 Proposed Timelines and Key Dates for the 2027 Annual Budget Update

The municipal election to be held on October 26, 2026 will impact the usual timing of the Annual Budget Update process that is generally initiated in autumn and concluded in December in non-election years. With the inaugural council meeting scheduled for November 17, 2026, it becomes problematic to fulfill the statutory “Strong Mayor” budget timelines (Appendix A) prior to the holidays in December. As a result, the 2027 Budget Update will be released, and the budget process initiated, in January 2027.

The following table outlines preliminary key dates in the process, noting that these dates are subject to the finalization of the 2027 Committee and Council Calendar:

What	When
Release of the Mayor's Proposed 2027 Budget Update	January 19 th
Budget Release Presentation by Civic Administration and Mayor at Budget Committee	January 20 th
Public Engagement Period (budget information sessions, opportunity for Councillor ward meetings as requested, etc.)	January 21 st to February 7 th
Public Participation Meeting at Budget Committee	February 8 th
Budget Committee Deliberations	February 11 th & February 12 th (if needed)
Special Council Meeting for Approval of Budget Committee Amendments to the Mayor's Proposed Budget	February 18 th
Mayor to Provide Intentions with Respect to Mayoral Veto of Council Amendments	February 24 th
Council Approval of Overrides of Mayoral Vetoes (if required) *	March 11 th

* NOTE: In the event of mayoral veto(es), a special Budget Committee meeting would need to be convened to consider potential council overrides of the veto(es), the outcome of which would formally be approved at the March 11th Council meeting.

Budget development timelines for the 2027 Budget Update are expected to be consistent with previous years – with draft budget submissions due in mid-to-late August – so that a draft budget is ready to review with the Mayor of the new Council term in November. Specific timelines and requirements will be outlined to civic service areas and agencies, boards and commissions in the internal budget guidelines to be released in late May.

2.3 Public Engagement Approach

Civic Administration cannot launch the formal public engagement program until the 2027 Budget Update is released and the various budget decision points are public. The formal public engagement plan for the 2027 Budget Update is anticipated to include:

- Public participation meeting;
- Online survey on budget business case preferences using the Get Involved platform;
- Virtual and in-person information sessions;
- Support for Councillor ward meetings/townhalls (as requested);
- Attendance at community group events (as requested);
- Attendance at advisory committee meetings (as requested);
- Digital and print advertising in local media;
- Extensive use of social media;
- Continued use of Property Tax Breakdown Calculator tool;
- Budget materials available online and at all library branches;
- Availability of the Budget team by phone and e-mail.

Consistent with Civic Administration's continuous improvement lens on public engagement for the budget, opportunities to enhance existing channels while also engaging with groups who have historically not participated in the municipal budget process will be considered.

2.4 Looking Ahead: 2028-2031 Multi-Year Budget

The 2027 Budget Update will be followed almost immediately by the 2028-2031 Multi-Year Budget process. After inauguration, the new Council will be actively working on development of the 2027-2031 Strategic Plan. This process establishes the strategic direction for the term of Council and is an important input into the 2028-2031 Multi-Year Budget process. The Strategic Plan is expected to be completed by April 2027 and

development of the 2028-2031 Multi-Year Budget will commence immediately thereafter. It is anticipated that the 2028-2031 Multi-Year Budget will be released in late 2027 or early 2028. As this will be the first Multi-Year Budget process initiated under the Strong Mayor legislation (noting that this legislation came into effect when 2024-2027 Multi-Year Budget development was already well underway), Civic Administration will be reviewing the process to ensure ample opportunity for public engagement within the time limitations imposed by the legislation. Specifics will be finalized in the months ahead and further details provided in a future report.

Conclusion

This report outlines the process and anticipated timelines for the 2027 budget process, as well as the anticipated public engagement approach. The high-level timelines for the subsequent 2028-2031 Multi-Year Budget are also discussed, which will be further refined and elaborated on in a future report to committee.

Submitted by: **Kyle Murray, CPA, CA**
Director, Financial Planning & Business Support

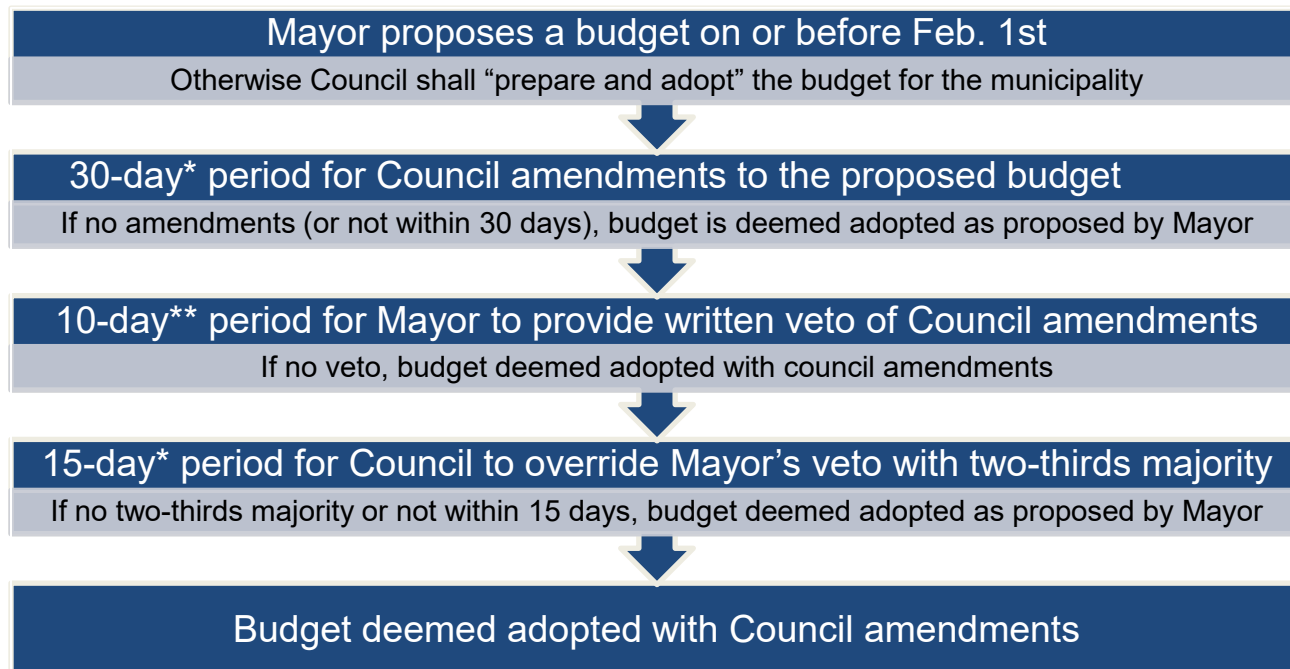
Recommended by: **Anna Lisa Barbon, CPA, CGA**
Deputy City Manager, Finance Supports

APPENDIX A: Strong Mayor’s Budget Process

O. Reg. 530/22 outlines prescriptive timelines and requirements for the passing of a budget. Under O. Reg. 530/22, the proposed budget must be prepared, presented to council and made public by the Mayor before February 1st each year. O. Reg. 530/22 further outlines the following timelines for the budget process:

- Within 30 days after receiving the proposed budget from the head of council, the council may pass a resolution making an amendment to the proposed budget (noting that the council may pass a resolution to shorten the 30-day period);
- If a council does not pass a resolution to amend the budget within the prescribed time period, the proposed budget shall be deemed to be adopted by the municipality;
- Within 10 days after the expiry of the time period for council to pass a resolution to amend the proposed budget, the head of council may veto a resolution passed by council (noting that the head of council may, in writing, shorten the 10-day period);
- If the head of council does not veto a resolution to amend the budget, the proposed budget shall be deemed to be adopted by the municipality with the council amendment;
- Within 15 days after the expiry of the time period for the head of council to veto a resolution to amend the budget, council may override the head of council’s veto if two-thirds of the members of council vote to override the veto (noting that the council may pass a resolution to shorten the 15-day period);
- If council overrides the veto, the veto does not apply and the proposed budget is deemed to be adopted by the municipality with the council amendment.

This process can be summarized in the following graphic:



* Council may pass resolution to shorten this time period

** Mayor may provide written document to shorten this time period.