

OPERATING REVENUE

FEES AND CHARGES

Staff have recently undertaken a review of fees and charges culminating in the amendments in Report F19-2025. The following analysis was performed in the development of these By-laws:

- Review of Current Legislation – to ensure that all departments understand and agree on the implications of recent legislation
- Municipal Fees and Best Practices Design Comparisons – to provide a financial context for fee adjustments (market comparisons of Township's fees and charges)
- Recommended Fee and Charge Refinements – recommended refinements to improve fee structure.
- Fees and charges have generally been increased by a 3% inflationary amount where reasonable and are often rounded to the nearest whole number.
- Other charges have increased or been added where a specific need has been identified or is in line with best practice.

INVESTMENT AND OTHER REVENUE

Interest rates have declined several times in 2024 / 2025, from a high of 5% in early 2024 to the current overnight of 2.25% (as of December 2025). It is anticipated that rates will stabilize in 2026.

In 2024, the budget for investment income was \$475,000. Staff reduced the budget for investment income by \$100,000 to \$375,000 in 2025. While interest rates have declined significantly, through more active management with the new Senior Financial Analyst position, the Township has increased its available cash balances and investment returns on surplus cash. It is estimated that the 2025 investment income will exceed budget and Staff feel comfortable that the 2026 budget could be increased by an additional \$75,000 with minimal risk.

Best practice suggests that investment income remain relatively static and surplus investment income be transferred to reserves. The current interest rate environment is more stable than previous years and this approach could be considered in future years to avoid impacting the tax base with interest rate changes.

2025 SURPLUS / DEFICIT

In report F16-2025, staff reported a tax supported operating deficit of \$426,738. This was driven by higher than budgeted salaries and wages in fire and RCS as

well as labour and equipment cost allocation deficits. These deficits were offset by higher than expected interest revenue in 2025.

WINTER CONTROL

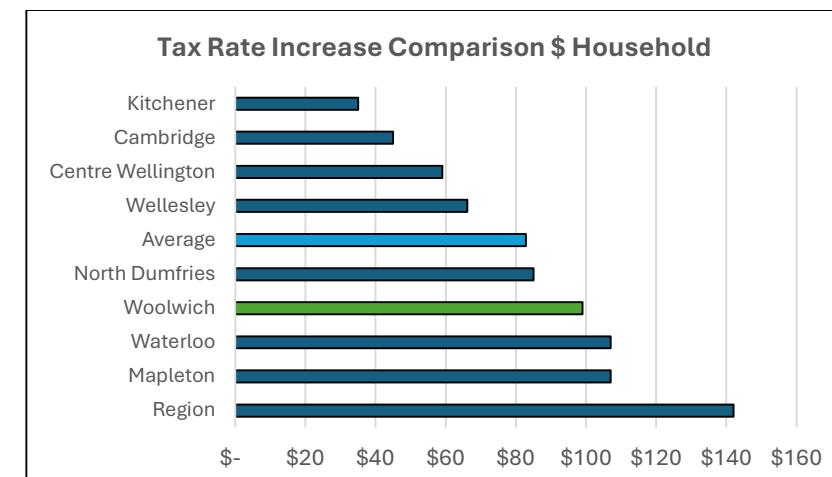
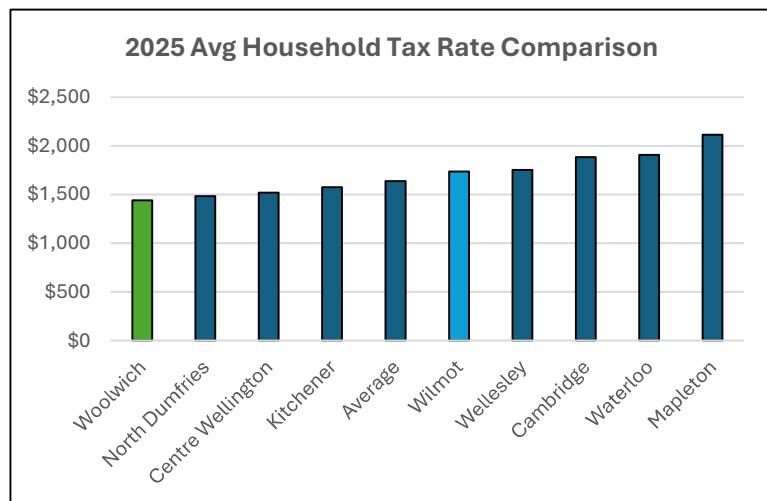
The most recent Q3 2025 financial report shows significant deficits in winter control with an expected 2025 deficit of \$900,000 with no winter control reserve to draw from. Staff performed a historical analysis and determined that this area has been chronically under budgeted for several years. The extreme weather experienced in 2025 amplified this situation and resulted in large deficits. The 2026 budget addresses these issues with a \$100,000 increase in the winter control budget as well as a \$200,000 contribution to the winter control reserve. More details on these initiatives can be found in the **Department Summary – Financial Services and Infrastructure Services Section**.



TAX RATE COMPARISON

While it can be difficult to compare tax rates due to different factors present in municipalities, the Township's tax rate remains low compared to its peers. The table below shows the residential tax rate comparison based on the average assessment value.

Below is a 2025 proposed tax rate increase comparison using publicly available information per household.



Woolwich's household increase is slightly larger than the average but well below the impact in Waterloo which had a lower % tax rate increase. This stresses the importance of using total tax impacts rather than relying solely on percentage increases. It should also be noted that even with the 2026 increase the Township tax rate will remain well below its peers in the average tax cost per household.

Note: Wilmot's tax increase is not known at the time of publication.