

Community Led Budget Task Force – Final Report Summary

1. Purpose and Context

- The Community Led Budget Task Force was created under the Mayor’s 2026 budget directives to provide community-based recommendations for the 2026 Operating and Capital Budgets.
- It reviewed services, operating and capital budgets, the Asset Management Plan (AMP), reserves, and town-owned assets over five meetings.
- It worked against a backdrop of serious financial concerns:
 - Historic failure to issue debentures for approved projects → ~\$11.6M–\$14M in “unfinanced capital”.
 - Low discretionary reserves versus peer municipalities.
 - A lifecycle funding gap of ~\$7.3M annually on a \$508M asset base.
 - Heavy reliance on tax increases to solve problems.
- Local tax increases over the current council term total 19.89% (2023–2025), plus a new 1% infrastructure levy and a stormwater fee, prompting strong resident concern about affordability.

The Task Force was guided by four principles:

1. **Pay-as-We-Benefit** – today’s taxes should benefit today’s residents.
2. **Long-Term Funding Sustainability** – use multi-source funding; use debentures for long-life assets.
3. **Equitable Community Spending** – prioritize services with broad community benefit.
4. **Municipal Responsibilities** – avoid using local taxes for services that are provincial/upper-tier responsibilities.

The report contains 42 recommendations, grouped into:

- **A. Benefits for 2026 Budgets** (short-term actions)
- **B. Financial Priorities for Next Term of Council** (structural and long-term changes)

2. Key Recommendations for the 2026 Budgets

2.1 Overall Tax and Budget Direction

- Support the Mayor’s directive: **cap the 2026 Town levy increase at 5%**, including any increase to the infrastructure levy.

2.2 Police and Library

- **Police Services**

- The police budget is the single largest driver of tax increases; Cobourg households pay far more than nearby OPP-served municipalities like Brighton and Quinte West.
- Recommendations:
 - Limit the 2026 police budget increase to **max 4%**, honoring the Mayor's directive.
 - Keep the Business Unit Reserve draw at least at 2025 levels.
 - Treat Business Unit revenues as public funds that should offset tax pressure in the Town's operating budget.

- **Public Library**

- Tax support for the library has grown 33.6% since 2020 despite declining usage metrics (visits, circulation, programs).
- Recommendations:
 - Cap 2026 library increases at **max 3%**.
 - Adjust hours based on demand: more evenings/weekends, fewer low-usage weekday times.
 - Expand evening/weekend children's and youth programs.
 - Aggressively market and maximize meeting room rentals.

2.3 User Fees and Charges

- User fees are below best-practice levels (16.9% of the 2025 budget vs. a 20–25% target).
- Recommendations:
 - Multi-year increases in **Parks & Recreation, Concert Hall, Planning, and Engineering review** fees to reach full cost recovery, with protection for local non-profits.
 - Charge **non-residents roughly double** the rates paid by Cobourg residents for Parks & Recreation and Concert Hall.
 - Annually adjust fees with CPI.

2.4 Equitable Spending and Service Models

- **Northam Industrial Park Reserve**

- Instead of eliminating its use, maintain a minimum balance equal to three years of lifecycle costs; anything above that should support the operating budget (minimum at current \$1.2M draw level).

- **Public Works / Outsourcing**

- Explore outsourcing certain core infrastructure maintenance (e.g., winter maintenance) where it is more efficient and cost-effective.

- **Centennial Pool**

- Close the underused Centennial Pool (>\$140K annual cost) and repurpose the land for broader community benefit, keeping it in public ownership.

- **Planning Application Reviews**

- Make outsourced planning reviews the default to improve turnaround; fully charge costs back to applicants.

2.5 Staffing and Operating Controls

- **Staff Vacancy Factor**

- Historic staffing underspend (8–18% below budget) indicates systemic vacancy savings.
- Introduce a **5% staff vacancy factor** in the 2026 operating budget and adjust annually, including for Police and Library.

- **Capital Levy**

- Capital items funded directly from the tax levy have exploded (from ~\$170K in 2022 to ~\$660K in 2025), indicating over-reliance on today's taxpayers for capital.
- Cap the annual capital levy at **1% of the tax rate** (~\$327K for 2026).

2.6 Asset Management and Capital Program

- The current AMP assumes higher service levels and generates an unaffordable \$7.3M annual funding gap.
- Recommendations:
 - Revise the 10-year lifecycle forecast to:
 - Use **“Fair”** condition targets for core assets.
 - Keep non-core assets at **current** service levels rather than upgrades.
 - Increase asset sharing between divisions.
 - Update funding analysis accordingly.
 - Re-evaluate 140+ open capital projects; close those not needed and cap the **2026 capital budget at a much lower level**.
 - Close the **New Police Station** capital project accounts (no commitment, no funding, high risk of future unfinanced capital).
- **Special Interest Projects**
 - Require at least **75% external funding** from special interest groups, with a two-year deadline for their share to materialize, or the project is closed.
 - Immediately close the 2023 Skateboard Park and Pickleball Court projects and return Town funds to source.
- **Debt Policy & Unfinanced Capital**
 - Add a **10% annual debt repayment limit** (of operating budget) to the Long-Term Debt Policy (vs. the provincial 25% ARL ceiling).
 - Stop the historic practice that created unfinanced capital; handle the current ~\$11.6M balance as it has been historically (not with tax hikes or asset sales; if anything, with future surpluses).

2.7 Improved Reporting

- Expand annual financial reporting to include capital status, reserve status, 10-year capital forecast and funding outlook, three-year operating and staffing forecasts, mid-year results, Northam results, and investment portfolio reports.
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3. Longer-Term Priorities for Next Council Term

These are bigger structural changes expected to take several years and likely require public mandate:

1. **Policing Model** – Actively explore lower-cost alternatives: joint service with Port Hope, regional West Northumberland force, or contracting OPP.
2. **Transit** – Ridership and service hours are down ~50%, but net costs are up 36%. Review models like Innisfil's ride-share-based system; consider a smaller fixed route plus ridesharing.
3. **Asset Sales and Legacy Fund**
 - Consider selling: Lakefront Utilities, Memorial Arena, Jack Heenan Arena, and surplus lands (excluding environmentally protected areas).
 - Collect the ~\$6M note receivable from Lakefront Utilities first.
 - Put all sale proceeds into a **principal-protected fund**, using only interest for lifecycle capital—not for plugging historic mistakes or paying for unfinanced capital.
4. **Facility Operations**
 - Outsource management/operations of:
 - Cobourg Community Centre (including arenas)
 - Marina
 - Venture13
 - Concert Hall
 - Goal: maximize usage and revenue, while keeping preferential access/pricing for local non-profits.
5. **Municipal Realignment with the County**
 - Cobourg pays ~25% of County taxes but only has 1.2% of land area; perceived value is poor.
 - Future Mayor should ask the Province to explore municipal realignment to reduce inequitable tax burden on Cobourg residents.
6. **Trailer Park & Beachfront**
 - Move the trailer park/campground elsewhere and repurpose the beachfront lands for broader public use.
 - Build a serious non-resident revenue strategy for the beach: higher non-resident parking rates and potentially wristband or access fees, while protecting easy access and current pass rates for residents.
 - Expand parking in the downtown/beach area.

7. **Shared Administration**

- Centralize HR, IT, finance, procurement, communications, and facility management for Town, Police, and Library to eliminate redundancy.

8. **Budget Governance**

- Create a **Budget Committee** with Council members plus at least two citizen members for ongoing oversight and public accountability.

9. **Staff Complement**

- Cap full-time staff (Town + Police + Library) at the current level; reassess vacancies before rehiring and use LEAN to find efficiencies.

10. **Future Tax Increases**

- Beyond 2026, cap tax increases at **CPI + 1%**, including the infrastructure levy.

11. **Communications**

- Any changes arising from these recommendations must be backed by a comprehensive communications and FAQ effort so residents understand what's changing and why.

Bottom line

The Task Force's 42 recommendations all point in the same direction:

- **Slow down tax growth,**
- **Stop patching structural problems with rate hikes,**
- **Push costs onto users and non-residents where appropriate,**
- **Use assets and reserves strategically,**
- **Clean up decades-old financial bad habits, and**
- **Demand better reporting, governance, and public involvement** so the Town can stay financially sustainable without hammering residents year after year.