



Subject: Strong Mayor Powers and 2026 Budget Update

Report Number: FIN 25-046

Department: Finance Department

Submitted by: Renato Pullia, Director of Finance / Treasurer

Meeting Type: Council Meeting

Meeting Date: Monday, December 8, 2025

RECOMMENDATION

- A. THAT report FIN-25-046 titled “Strong Mayor Powers and 2026 Budget Update” be received as information; and
- B. THAT in order to fulfil its role pursuant to section 224 of the Municipal Act, 2001 and to exercise its authority to: (1) make amendments to the Mayor’s proposed budget, and/or (2) potentially override the Mayor’s veto of any Council amendments, Council requests from the Town Clerk the 2026 draft budget by December 15, 2025, pursuant to R.R.O. 1990, Regulation 823, Section 3 (2) of the Municipal Freedom of Information and Protection of Privacy Act.

BACKGROUND

At its meeting of June 16, 2025, Council received report FIN-25-020, outlining that as of May 1, 2025, the Town of Tillsonburg had been granted Strong Mayor Powers (SMPs) through changes to O. Reg. 580/22, under the Municipal Act, 2001.

The report outlined that under SMPs, the Mayor’s budget would be tabled to each member of Council, the Clerk and the public on January 2, 2026, being the date the agenda would be published for the January 7, 2026, budget meeting. January 2, 2026, would also be the date that the 30-day review period for Council to propose amendments would begin.

The report also outlined that if the Mayor is prohibited by the Municipal Conflict of Interest Act from using the power and exercising the duty under section 284.16(2) regarding the preparation of the budget, Council may pass a resolution to amend the budget and the Mayor may not veto the resolution.

Since the date of that report, staff have received additional information, through a legal opinion shared by another municipality, on a process of how Council could request the budget information prior to the January 2, 2026, date, without commencing the 30-day review period. Additionally, the Mayor has declared a conflict of interest on the BIA financial aspect of the budget.

Thus, this report is to provide Council with information on how Council could receive the budget information prior to the January 2, 2026, date, without commencing the 30-day review period, and the process of dealing with the BIA financials as part of the budget process.

DISCUSSION

Council Request of the Budget

As in prior years, the intent was to provide Council with the budget binder in mid-December to allow time for review prior to the budget meeting of January 7, 2026. However, staff have come across information that in doing so could trigger the 30-day amendment window when Council is provided the budget binder.

Sections 284.16 (2) and (3) under Part VI.1 of the Municipal Act titled Special Powers and Duties of the Head of Council, refer to “*in accordance with the regulations*” when dealing with the ‘proposed budget’ or how ‘Council may adopt or amend the budget’. The regulations are Ontario Regulation 530/22 (O. Reg. 530/22), allowing for the budget to be presented to Council (per (7(1)(b)) and to the public (per (7(1)(c)) together OR at different times. Per O. Reg. 530/22 Sec 7(3), the 30-day clock starts when the budget is ‘provided’ to Council, per clause (1)(b), and not necessarily together with the public:

The Municipal Act, 2001 - PART VI.1 SPECIAL POWERS AND DUTIES OF THE HEAD OF COUNCIL:

Proposed budget

(2) The head of council shall, in accordance with the regulations, prepare a proposed budget for the municipality and provide the proposed budget to the council for the council’s consideration. 2022, c. 18, Sched. 2, s. 1.

Council may adopt or amend budget

(3) After receiving the proposed budget, council may, in accordance with the regulations, pass a resolution making an amendment to the proposed budget. 2022, c. 18, Sched. 2, s. 1.

O. Reg. 530/22:

Annual budget

7. (1) The head of council shall, on or before February 1 of each year,

(a) prepare a proposed budget for the municipality that includes the estimates of sums required under subsection 289 (1) or 290 (1) of the Act, as the case may be;

(b) provide the proposed budget to each member of council and to the clerk; and

(c) make the proposed budget available to the public.

(2) If the head of council does not propose a budget to council by February 1 in accordance with subsection (1), the council shall prepare and adopt the budget for the municipality.

(3) Subject to subsection (4), within 30 days after receiving the proposed budget from the head of council in accordance with clause (1) (b), the council may pass a resolution making an amendment to the proposed budget.

(4) A council may in a year pass a resolution to shorten the 30-day period referred to in subsection (3) for the year.

A legal opinion of Aird & Berlis LLP, shared publicly by the Town of Cobourg¹, noted that “in order to fulfil its role pursuant to Section 224 of the Municipal Act, 2001 and to exercise its authority to: (1) make amendments to the Mayor’s proposed budget; and/or (2) potentially override the Mayor’s veto of any Council amendments, Council may reasonably require access to the draft budget prepared by staff in response to the Mayor’s directive.”

In their opinion, for Council to receive the budget prior to it being ‘provided’ to Council, it would have to request it under Reg. 823, Section 3(2) of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).

Section 3(2) of Reg. 823: General under MFIPPA provides the following:

3. (2) Every head shall ensure that only those individuals who need a record for the performance of their duties shall have access to it.

This provision has been interpreted as providing Council members with the ability to access records without a formal MFIPPA request where the records are needed for the performance of their duties.²

Should Council wish, the recommendation provided in this report allows Council to receive the 2026 budget binder prior to the January 2, 2026, published date.

Process for Budget Amendment to Include BIA Financials

Mayor Gilvesy has declared a conflict of interest under Sec. 3 of the Municipal Conflict of Interest Act (“MCIA”) with respect to the BIA financials and related 2026 budget items, which include the BIA levy, the BIA’s MOU, and BIA funding requests for capital and façade improvement program (FIP).

Specifically in regards to a Strong Mayor’s Powers with respect to the preparation of a proposed budget for the municipality, Sec. 8 of O. Reg. 530/22 provides:

Budget process — conflict of interest

8. If, under section 5.3 of the *Municipal Conflict of Interest Act*, the head of council is prohibited from using the power and exercising the duty under subsection 284.16 (2) of the Act to prepare the proposed budget for the municipality with respect to a matter,

¹ Town of Cobourg, <https://pub-cobourg.escribemeetings.com/filestream.ashx?DocumentId=56282>

² Information and Privacy Commissioner of Ontario, “Working with the Municipal Freedom of Information and Protection of Privacy Act: A Councillor’s Guide” (November 2001) p. 2. [Online Link](#)

- a) council may pass a resolution to amend the proposed budget with respect to the matter; and
- b) the head of council may not veto the resolution.

Thus, as Section 8 of O. Reg. 530/22 prohibits a strong mayor from exercising his/her powers respecting the budget with respect to “a matter” in which he/she has a pecuniary interest, the 2026 budget that will be provided to Council will exclude the BIA budget requests. During the 30-day review period, Council may pass a resolution to amend the budget to add any of the BIA budget items.

CONSULTATION

CAO, Acting Clerk, Mayor Gilvesy

FINANCIAL IMPACT/FUNDING SOURCE

N/A

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – N/A

Strategic Direction – N/A

Priority Project – N/A

ATTACHMENTS

Appendix A – N/A