

Chatham Kent Property Tax Fiscal Reform and Household Affordability Strategy

Draft 2 for the 2026 mayoral campaign

October 8, 2026

Prepared for the 2026 Chatham-Kent mayoral campaign

For subsequent municipal legal financial and adversarial review

This paper recommends a Council-led programme to reduce the growth of tax-supported funding requirements through verified operating improvements, financially sustainable development and dependable revenue. It preserves essential service capacity and infrastructure obligations. It does not promise a tax freeze or a reduction in every household bill.

Status: Research-based second draft, revised from the supplied October 8, 2026 Draft 1. Not final or audited. This proposal has not been reviewed or endorsed by Chatham-Kent administration, its external auditor, legal counsel, organized labour or the Province. Financial illustrations are decision tools, not forecasts or approved savings.

Research cut-off: October 8, 2026. Figures retain their source year and accounting basis. Public source retrieval took place across the October 8–9 UTC boundary. Documents dated after the policy date are not used as evidence of adopted decisions.

Contents

1 Executive recommendation	3
2 The Chatham Kent fiscal challenge	4
3 Verified financial baseline	5
4 Legal powers and constraints	11
5 Operating expenditure reform	13
6 Tax base growth strategy	17
7 Procurement and infrastructure reform	20
8 Municipal revenue opportunities	24
9 Household affordability strategy	26
10 Financial scenarios and sensitivity analysis	29
11 Risks counterarguments and unintended consequences	34
12 First 90 day plan	36
13 Three to five year implementation framework	37
14 Proposed Council direction	39
15 Evidence gaps and consolidated review conclusion	40
16 Source references with working links	43
Appendix A Ten priority questions for the subsequent hostile audit	47

1 Executive recommendation

The campaign principle is “We cannot tax our way to prosperity.” The practical recommendation is to reduce the long-term growth of municipal funding requirements while maintaining the services and infrastructure that support households and investment. Council should authorize a measured fiscal and operational review, require evidence before recognizing benefits and use annual budgets to distribute those benefits transparently.

Adopt a proposed initial recurring efficiency objective of approximately \$2.2 million annually at full implementation over 18–24 months, subject to validation. This is a levy-equivalent scale target drawn from the campaign reference, not an assertion that 1% of operating expenditure equals \$2.2 million. The approved review must establish its eligible operating expenditure denominator, implementation costs, service standards and timetable. If the evidence cannot support the target, administration should report the shortfall rather than relabel reserve reductions or maintenance deferrals as efficiencies.

Review the existing Assessment Growth Policy before changing it. Retain additional net growth benefits for service, lifecycle and liquidity requirements until Treasury demonstrates a sustainable minimum funding path. Test 0%, 25% and 50% allocations to existing-taxpayer relief; 25% is a possible initial share only after the safeguards are met, and 50% is a conditional ceiling for consideration, not the recommended default. Section 10 retains the original 50% scenario solely as a hypothetical comparison. Any share requires an annual budget decision and cannot bind future Councils.

Maintain separate tax-supported and water/wastewater financial plans. Provide targeted, lawful household assistance, clearer payment options and review of avoidable administrative charges. General property-tax relief must not be achieved by increasing unrelated utility charges or reducing drinking-water safety investment.

Do not assign future dividends to the proposed Land Bank, MIIF or Maple City Power. Investigate each through a separate business case and consolidated risk assessment. Existing revenue already supports existing budgets. A new corporation does not create new fiscal capacity merely by moving assets or staff outside the municipal organization.

The immediate decision is to authorize investigation and reporting, with a capped review budget, rather than authorize cuts or enterprises. The first budget should include only implementable savings and legally available revenue. Projects requiring bargaining, procurement, consultation or regulatory approval must follow those processes.

The current evidence supports a structural reform programme, but it does not establish that CK can reduce its levy in absolute dollars while retaining every current service. It also does not establish a sustainable five-year tax trajectory. Infrastructure requirements, collective agreements, senior-government funding and development timing could exceed the programme's benefits.

Decisions recommended for Draft 2

1. Establish a Treasury-controlled register of fiscal improvements and approve common accounting definitions.
2. Review operating costs and non-frontline vacancies without indiscriminate layoffs or a blanket hiring freeze.
3. Develop project-level fiscal tests for assessment growth and amend the existing allocation policy if warranted.

4. Integrate procurement, maintenance, debt and reserve decisions into the asset and long-term financial plans.
5. Prepare targeted affordability options and a public dashboard alongside the next budget.
6. Seek a documented provincial reconciliation of CK's OCIF formula calculation, cap and funding treatment.

2 The Chatham Kent fiscal challenge

CK's challenge is the relationship between a large service territory, existing infrastructure obligations and the capacity of its taxable base to finance those obligations. Spending control matters, but the analysis must also ask whether current budgets provide adequate renewal funding and whether new assets increase future obligations faster than new revenue.

The July 13, 2026 consolidated asset report, linked on the municipal website as the June 2026 report, estimates \$13.33 billion in replacement value and a \$266.323 million annual funding gap across tax-supported and PUC assets. Its ten-year gap is \$2.66323 billion. These are planning estimates rather than an immediate unpaid invoice or audited debt. The report's earlier reference to approximately \$2.4 billion and its later detailed total should be reconciled. The water estimate expressly depends on development-charge assumptions that may not be achievable. [5, pp. 2-4]

This makes the claim that efficiency alone can solve CK's finances untenable. A \$2.2 million annual improvement would be useful, but it is small beside the reported infrastructure gap. Council must decide which assets and service levels it can maintain, how quickly to improve funding and whether grants, consolidation or disposal can change the required investment. These decisions have household costs: vehicle damage, water interruptions, emergency repairs and reduced access can exceed apparent tax savings.

A fiscal review should therefore assess three separate outcomes: lower spending to deliver the same service; lower spending because Council deliberately changes a service; and a change in funding source while the service and its costs remain. All can alter the levy, but only the first is an operating efficiency. A grant-funded service remains an expenditure; a reduced capital transfer can leave an unfunded obligation; selling a property produces a one-time receipt and may also end recurring maintenance costs.

Tax outcomes that must be distinguished

Outcome	Meaning	What it does not establish
Smaller annual levy increase	Levy grows more slowly than its comparison budget	A flat levy, lower rate or smaller bill
Constant levy	Aggregate municipal tax requirement is unchanged	Unchanged bills across properties and classes
Lower municipal tax rate	Less tax per assessed dollar for a specified class and service area	A lower bill if assessment or other charges rise
Lower household tax bill	That property's combined liability falls	A lower levy or benefit to every household
More taxable assessment	Additional assessable property or changes to the roll	Net-positive growth revenue after public costs
Lower total expenditure	Spending falls on a stated accounting basis	Unchanged service quality or sustainable asset funding
Lower cost with maintained quality	Comparable service delivered with fewer net resources	A benefit before transition costs and performance are tested

For a simple uniform tax base, the rate equals levy divided by weighted taxable assessment. If assessment grows 2% with an unchanged levy, the rate falls by $1 - 1/1.02 = 1.96\%$. Actual CK taxation requires class ratios, area rating and property-specific assessments. Growth also adds expenditure. The illustration is arithmetic, not a forecast.

A market-price increase alone does not automatically increase municipal revenue. The Assessment Act establishes the assessment system, and MPAC says 2026 taxes continue to use fully phased-in January 1, 2016 values while construction and property changes can still alter assessments. Council's levy and tax-policy decisions determine how the required revenue is distributed. [12, 13]

3 Verified financial baseline

Evidence standard and limits

The latest audited statements retrieved are for December 31, 2025, with an auditor's report dated September 14, 2026. They provide the current audited baseline, replacing reliance on 2024 alone. Budget presentation figures, tax-policy schedules and audited consolidated statements have different scopes and must not be merged into a single expenditure total. [4]

The 2026 approved operating and capital books are identified by CK's public budget resources and OpenBook. A complete readable copy of the approved books and an exhaustive register of subsequent amendments were not recovered in this research. Accordingly, this draft does not invent 2026 gross expenditure, own-source revenue, capital authorization totals or total staff complement. The April 2026 tax-policy schedule supplies a more precise levy reference, but Finance must reconcile it to the adopted and amended budget before it becomes a binding model input. [1, 6, 33]

This limitation remains material in Draft 2. The paper can recommend investigation and illustrate fiscal mechanics; it cannot certify current uncommitted balances, vacancies, amendments or savings. Treasury must

supply a dated budget-system export and signed reconciliation to Council decisions and the levy/rate bylaws. The attached Draft 1 was used as the revision input; the campaign working script is retained only as a historical reference from Draft 1, not newly authenticated evidence.

Verification of the campaign reference

Draft 1 used the working video script as a campaign starting reference. It is not independent evidence, and this revision relies on the public documents for its quantitative claims. Its principal figures were checked against CK's budget release, presentation and later tax-policy material. [2, 3, 34]

Claim	Verification	Treatment in this paper
4.63% final 2026 budget increase	CK's release and April tax report support it	Budget change measure, not total levy growth or every household's change
8.77% earlier forecast	CK's release supports the earlier forecast	Historical comparator; not the final submitted 4.92% proposal
\$9.056307 million in efficiencies	November 5 presentation reports this at 4.14 percentage points	Already reflected in the 2026 update process; not new programme savings
Approximately \$2.2 million for 1%	$\$9,056,307 \div 4.14 = \$2,187,513.77$ per percentage point	Approximate historical levy-equivalent scale, not 1% of operating spending
\$172 on \$176,194 assessment	CK release gives this illustration	Preserve its date and assumptions; do not treat as a universal 2026 bill
OCIF gap equals 2% of levy	Not supported as an arithmetic equivalence	CK's budget impact attribution requires a funding bridge

The forecast, proposal and adopted figures are separate stages. In the November presentation, \$9.056307 million of reductions and \$631,271 of cost additions accompany a 4.92% proposal. Subtracting 4.14 points from 8.77% alone gives 4.63%, but that arithmetic does not describe every intervening decision. The adopted release should not be used to imply all reductions were lasting productivity gains. [2, 3]

CK identifies insurance changes, reduced reserve transfers, additional Riverview Gardens funding and restructuring among the reductions. This is a mixed collection of cost changes and funding changes. Their recurring character, implementation and service effects require a line-by-line bridge. None is counted again in the proposed \$2.2 million objective. [2]

Reconciliation of historical budget reductions

The November 5 presentation labels \$9,056,307 as efficiencies, but provides an aggregate rather than an auditable item ledger. Its \$631,271 additions and 0.29 percentage-point measure are separate. Using the rounded 4.14 points implies a \$218.751377 million denominator; this is \$1.194181 million above April's restated 2025 levy. Rounded presentation percentages and differing budget bases prevent treating that implied denominator as a certified account balance. The sequence $8.77 - 4.14 + 0.29 = 4.92$ reproduces the presented percentages, not the final adopted dollar bridge. The subsequent 4.63% outcome requires the final deliberation decisions and their net effects. [2; 3, slides 9, 11–12; calculation]

The following is a classification protocol, not a fabricated allocation of the \$9.056307 million. The public budget release identifies the first four categories; it does not supply sufficient amounts to apportion the total

here. The other categories are tests Treasury must apply to the underlying ledger. Do not assume an unidentified category necessarily occurred.

Historical item or test	Correct classification and evidence	Treatment under this strategy
Insurance changes identified in release	Premium/coverage/deductible bridge, claims exposure, term and retained risk; recurring only to the extent net cost falls sustainably	Already included historical benefit; no new credit
Reduced reserve contributions identified in release	Funding allocation reduction; show affected reserve and remaining lifecycle obligation	Not an operating efficiency; no new credit
Additional Riverview Gardens funding identified in release	Outside funding/recovery change; confirm agreement, restrictions, duration and local contribution displaced	Not expenditure productivity; existing baseline revenue
Restructuring identified in release	Position/account bridge, replacement costs, implementation costs, workload and actual continuing effect	Historical net recurring portion only after verification; exclude from new inventory
Any deferred work or capital timing item	Rescheduled obligation, condition risk, catch-up cost and funding date	Timing change, not permanent recurring saving
Any one-time release or accounting transfer	Cash release, expired appropriation, internal allocation or reserve draw with offset	Record once outside recurring total
Any service-level reduction	Council decision, reduced output/coverage and household consequence	Service change, not unchanged-quality efficiency

Treasury's required bridge is: original 2026 forecast requirement + approved additions – every approved reduction ± final deliberation adjustments = adopted 2026 budget requirement, then ± subsequent amendments = current amended requirement. Attach item ID, decision/date, account, gross/net amount, funding source, recurrence, transition cost, service change and actual implementation. The sum must reconcile to \$9,056,307 at the presentation stage without forcing later decisions into that total.

Create a locked historical register before accepting new proposals. Link every new initiative to its baseline account and predecessor initiative. A contract saving or vacancy already reflected in the 2026 budget is not available again. Only a further independently evidenced improvement beyond the amended baseline may count; record it under a new ID with an explicit bridge. No part of the \$9.056307 million is assumed to finance the new \$2.2 million target.

The 2026 levy and assessment reference

The April 27, 2026 Appendix A starts from a restated 2025 levy of \$217,557,196. It adds \$10,074,071 for the 4.63% budget change, \$75,610 for new area-rating requests and \$3,193,392 of assessment growth, reaching \$230,900,269. Total levy growth is \$13,343,073, or approximately 6.13%. The assessment-growth revenue is already included; it cannot be presented as new revenue available to this strategy. [6, Appendix A]

April schedule bridge	Dollars	Percent of restated 2025 levy
Restated 2025 reference	\$217,557,196	Base
Approved budget-change component	+\$10,074,071	4.6300%
New area-rate requests	+\$75,610	0.0348%
Subtotal before growth	\$227,706,877	4.6648% increase
Assessment-growth component	+\$3,193,392	1.4678%
2026 scheduled municipal levy	\$230,900,269	6.1322% total increase

Source: [6, Appendix A]; percentages independently calculated on \$217,557,196 and rounded. The schedule rounds its before-growth change to 4.67% and total change to 6.13%. The aggregate assessment redistribution and landfill-ratio columns net to zero, although they shift burdens between classes. These percentages do not describe changes in an individual assessment, class rate or household bill. The 4.63% figure is the approved budget-change component; the 6.13% includes additional levy collected through growth and area-rating requests. Neither is an audited 2026 actual result.

The seven displayed class levies independently sum to \$230,900,269. This supports the April schedule reference, but does not establish that no later amendment changed the levy or that final billed/collected taxes equal it. The municipal rate schedules independently identify rates and service areas; calculating the aggregate billed levy requires the matching assessment roll, subclasses, exemptions, PIL treatment and area charges. Treasury must reconcile all publicly linked budget books, April recommendations, adopted tax-policy/rate bylaws, any corrections and all subsequent budget amendments. Those complete exports and decision schedules were not recovered; the figure is therefore a dated working baseline, not a certified October balance. [1, 6, 7, 33]

This also corrects the target denominator. One percent of \$230,900,269 is \$2,309,002.69. The historical \$2.187514 million implied by the presentation is approximately 0.947% of this later levy reference. An approximately \$2.2 million objective remains a reasonable scale for investigation, but its name should be a recurring efficiency objective rather than a precisely measured 1% operating cut.

The tax report's narrative gives weighted assessment growth of 1.46%, whereas Table 7 prints totals of \$11,677,782,661 and \$11,863,362,677, implying 1.59%. Several displayed class rows also require reconciliation to the totals. The published residential schedule, general class ratios and area-rate schedules are usable references, but the aggregate growth percentage should not be certified until Finance explains the differing populations and timing. [6, pp. 2, 5-6; 7]

2026 class levy in tax-policy Appendix A	Municipal levy dollars
Residential	\$146,908,329
Farm	\$21,978,163
Commercial	\$38,373,956
Industrial	\$9,224,164
Multi-residential	\$9,095,462
Pipeline	\$4,888,663
Landfill	\$431,532
Published total	\$230,900,269

Source: [6, Appendix A]. The displayed class amounts sum to \$230,900,269. Education taxes are not municipal discretionary revenue. The Appendix's education-change column does not establish that total education taxes are zero.

Audited consolidated financial position

Measure	2025 actual	2024 comparator
Property taxation revenue	\$222.039 million	\$208.108 million
User charges	\$105.007 million	\$93.560 million
Federal transfers	\$15.916 million	\$13.862 million
Provincial transfers	\$164.409 million	\$163.744 million
Investment income	\$20.942 million	\$16.342 million
Total revenue before separately reported Entegrus income	\$532.153 million	\$506.219 million
Consolidated expenses	\$465.010 million	\$438.115 million
Salaries and benefits	\$199.958 million	\$180.696 million
OMERS employer contributions	\$13.527 million	\$12.036 million
Net long-term liabilities	\$14.620 million	\$20.300 million
Cash	\$198.019 million	\$133.226 million
Investments	\$239.543 million	\$231.503 million
Reserves within accumulated surplus	\$292.863 million	\$330.611 million
Parking reserve fund within accumulated surplus	\$0.285 million	\$0.276 million

Measure	2025 actual	2024 comparator
Deferred revenue	\$54.840 million	\$48.918 million
Accrued employee benefits	\$54.648 million	\$51.357 million

Source: [4, statements and notes 6–10, 14; segment schedule]. Figures are rounded. Pension contributions are included within compensation accounting and must not be added again as a separate total municipal expense.

The audited 2025 tax note supplies a further reconciliation that Draft 1 did not show:

2025 actual tax-account bridge	Dollars
Taxes for own purposes	\$219,323,202
Payments in lieu	+\$3,670,369
Supplementary taxes	+\$3,511,517
Rebates and write-offs	–\$4,466,209
Audited property taxation revenue	\$222,038,879

Source: [4, note 15(b), printed p. 24]. The bridge adds exactly. Own-purpose taxes exceed April's restated 2025 levy reference by \$1,766,006; the net remaining adjustments are \$2,715,677, producing the \$4,481,683 total difference. The cause of the \$1,766,006 scope/restatement difference remains unresolved and requires Treasury's class/account mapping; it must not be attributed to a particular adjustment without evidence. Comparing the 2026 scheduled levy directly with 2025 audited total taxation mixes accounting bases. Note 15(a) separately reports \$26,253,689 of 2025 school-board taxation and equal requisitions: a zero net municipal revenue line does not mean households paid no education tax. [4, p. 24; 6, Appendix A]

For analytical scale only, subtracting government transfers from the reported \$532.153 million total leaves \$351.828 million of non-transfer revenue before the separate Entegrus line. This is not the provincial Annual Repayment Limit revenue denominator, and it includes volatile or one-time items. It is not a verified recurring own-source operating base. The audited general-government expense of \$12.461 million is also net of allocations; it is not the gross cost of administration or evidence of available administrative savings. [4]

The cash-flow statement reports \$77.544 million in cash acquisitions of tangible capital assets and \$151.713 million generated from operating transactions. Capital additions, capital cash flow and capital authorizations are different measures. Accumulated surplus of \$1.459 billion includes capital assets and other balances; it is not spendable cash. Reserves, investments and cash must be reconciled by restrictions, commitments and liquidity needs before Council changes their use. [4; 14]

Transfers fees and utility funding

Ontario's published 2026 OMPF allocation for CK is \$23,235,700. OMPF is an operating funding reference, whereas OCIF is infrastructure funding with eligible-use conditions. Both are existing funding; neither is new revenue under this proposal. The complete 2026 grant inventory remains to be obtained, including agreement terms, matching obligations, expiry dates and funding recognition. [9, 10]

The September 14, 2026 DC Treasurer's Statement reports \$3,480,619 collected in 2025, \$189,221 interest and a \$7,377,205 year-end balance including deferred instalments. These funds are committed to growth-related purposes and are not free operating revenue. The report identifies separate 2022 municipal-service and 2024 water/wastewater studies, with a municipal update intended for 2027. [11]

For a typical 5/8–3/4 inch urban meter, the published January 2026 rates are \$30.44 monthly fixed water, \$32.19 fixed wastewater, \$1.88 per cubic metre of first-step water and \$1.92 per cubic metre of first-step wastewater. At an assumed 15 cubic metres per month, the combined illustration is \$119.63 monthly or \$1,435.56 yearly, before other applicable charges. Rural fixed water is \$31.44, making that illustration \$12 more yearly. Consumption is an assumption, not an observed CK household average. [8]

Baseline inputs still required

Finance should reconcile total and eligible tax-supported operating expenditure; annual capital and lifecycle appropriations; actual and budgeted own-source revenue; all 2026 amendments; 2027 forecasts; staffing by funded FTE, vacancies and funding source; compensation, overtime and bargaining commitments; restricted and unrestricted reserve commitments; debt repayments, guarantees and leases; and assessed value by class, tax ratio and service area.

Historic approved budget changes available in CK's summary are 5.53% for 2024, 4.99% for 2025 and 4.63% for 2026. These are not a consistent total-levy series inclusive of growth. The next evidence package must assemble at least five years of adopted levy, growth revenue, assessment losses and service changes on a comparable basis. The old multiyear average is superseded by annual updates and must not be used as a current five-year forecast. [1]

4 Legal powers and constraints

Authority and approval routes

The following matrix identifies the principal statutory anchors. It is a direction for legal review, not a representation that every possible programme design is authorized. Council resolutions, budget appropriations, bylaws, contracts and agency-specific authority must be checked before execution.

Measure	Principal legal anchor	Required route
Annual and multiyear budgets	Municipal Act ss. 290–291; Part VI.1; O. Reg. 530/22	Statutory mayoral proposal and Council process [15, 16]
Rates ratios and area rating	Municipal Act ss. 307–308, 312, 326	Tax-policy and rate bylaws [6, 7, 15]
Procurement controls	Municipal Act s. 270; CK Bylaw 19-2026	Administrative compliance; Council amendment where required [17]
Fees and service charges	Municipal Act Part XII; relevant service statutes	Cost/authority review and applicable fee bylaw [14]
Targeted tax relief	Municipal Act ss. 319, 357, 365	Eligible relief only; bylaw/application procedures [15, 25, 26]
Growth capital charges	Development Charges Act; O. Reg. 82/98	Background study, consultation and DC bylaw [11, 20]
Municipal corporations	Municipal Act s. 203; O. Reg. 599/06	Business case, consultation, asset-transfer policy [21]
Investment and borrowing	Municipal Act Part XIII; O. Regs. 438/97, 403/02	Treasury certification, policy and lawful instruments [22–24]
Asset planning	O. Reg. 588/17	Council service choices and required public plans [5, 27]
Vacant residential tax	Municipal Act Part IX.1	Separate lawful bylaw and administration [28]

CK's published mayoral-powers guidance describes special budget and organizational powers, including Council amendment, mayoral veto and override processes. The mayor can lead and request the review within applicable authority, but cannot promise that every Council vote, bargaining outcome or regulated-agency decision will follow. The Clerk and Legal Services should confirm current delegations and the applicable budget timetable. [16]

The current regulation was amended by O. Reg. 189/26, effective June 22, 2026. For the post-election 2027 budget, formal mayoral proposal must occur in 2027 and by February 1. Council ordinarily has 30 days to amend, the mayor 10 days after that period to veto, and Council 15 days after the veto period to override by a two-thirds vote; each period may be shortened by the authorized decision-maker. Section 12 applies these rules to the first 90 days. Administrative preparation and engagement in 2026 remain possible; they are not formal adoption of the incoming year's mayoral proposal. [16; 35, s. 1; O. Reg. 530/22, s. 7]

Written mayoral directions must follow the Act/regulation's recording requirements. Budget powers do not waive collective agreements, procurement rules, agency governance or land-disposal requirements. Existing mayoral delegations, election-transition restrictions and procedural bylaws must be checked by the Clerk before a direction or expenditure. In-year amendments have a distinct statutory process and should not be described as a general unilateral power to implement unfinished proposals. [15, Part VI.1; 16, ss. 2–3, 9]

Use the CAO as operational sponsor and the Treasurer as financial certifier. Department heads develop proposals; Legal Services evaluates authority and contracts; HR manages labour implications; Procurement manages purchasing. Council determines funded service levels. Police governance, library governance and PUC

decisions must respect their statutory roles. An external financial-statement audit does not itself constitute a value-for-money audit or validate a campaign's efficiency claims.

Collective agreements, employment law, pension requirements and safe staffing standards constrain reorganizations. Draft 2 proposes no unilateral change to negotiated wages, benefits, seniority, hours or contracting-out provisions. Obtain a labour impact assessment before any workforce-dependent business case is approved. Include bargaining or contractual change as an implementation dependency rather than assuming it has occurred.

Vacancy and speculation taxes

Ontario states that authority to impose a vacant-home tax was extended to all single- and upper-tier municipalities effective March 27, 2024. It is therefore inaccurate to say CK necessarily lacks all vacancy-tax authority. The authority concerns eligible vacant residential units and a specific statutory framework; it is not a general tax on every idle industrial site, vacant parcel or speculative purchase. [28]

Recommend a separate feasibility report, with no revenue in this strategy's base case. Require estimates of taxable vacancies, declaration costs, exemptions, enforcement, appeals and behaviour changes. A successful programme should reduce vacancy, which can reduce revenue. Propose exemptions consistent with the provincial framework for death, care, legitimate renovation and other appropriate circumstances. Do not propose a 1–3% rate without distributional analysis and a costed administration plan.

CK's April tax-policy report recommended removal of commercial/industrial vacant and excess-land discounts. This is separate from a vacant-home tax. The published final rate table still shows some commercial vacant-land rates below full commercial rates; Legal and Finance should reconcile the recommendation, adopted ratios and published schedule before describing the discount change as implemented or counting resulting revenue. [6, 7]

A broad municipal speculation, land-transfer or land-value tax should not be assumed lawful under CK's existing powers. Toronto's separate legislation is not a transferable authority. Identify any provincial legislation or regulation required before a proposal proceeds. Statutory cost-recovery fees must not be used as a disguised tax on investment.

5 Operating expenditure reform

A review designed to find actual improvements

Authorize a twelve-month rolling review with the first decision package in 90 days. Administration should divide expenditure into controllable operating costs, legally/contractually committed costs, externally funded programmes and rate-supported services. The size of a category is not evidence of waste. A review should establish workload, service standards and the counterfactual cost of delivering the same output before recommending change.

The proposed \$2.2 million objective is potentially achievable only if specific business cases support it. The prior budget reductions do not establish that another equivalent amount exists. Statutory duties, prior efficiencies and relatively small controllable pools may make it difficult. Test the objective over 18–24 months, not as a guaranteed first-year levy reduction. Administration should report whether a smaller amount, longer period or different service decision is justified.

A 1% test based on eligible expenditure uses $S = 0.01 \times E$, where E excludes utilities, pass-through transfers, restricted grants, internal transfers, principal repayments and capital acquisitions. E has not been reconciled for 2026. If E were below \$220 million, \$2.2 million would be more than 1% of that expenditure base. This draft does not insert an assumed E to make the target appear easier.

The exact \$2.2 million objective is approximately 0.9528% of the April levy, while the earlier \$2.187514 million scale is approximately 0.9474%. Neither validates a 1% operating saving. A true \$2.2 million saving at exactly 1% requires $E = \$220$ million. Treasury must define and publish E using the amended annual budget, not the consolidated \$465.010 million expense total: eligible tax-supported controllable operating accounts, external recoveries and internal allocations reconciled once, with statutory/contract commitments separately identified. Restricted grant costs should enter a levy-benefit denominator only to the extent a net local saving can lawfully be retained. Amortization, capital appropriations, reserve transfers and debt principal cannot be mixed with cash operating costs. Essential services can participate in safe process improvements; their necessary capacity is not a presumed saving pool. [4; 6; proposal/calculation]

Eighteen-to-twenty-four-month delivery and verification framework

Stage and timing	Departmental work and required evidence	Approval and recognition gate
Baseline, months 0–3	Treasury/HR reconcile accounts, funded FTE, vacancy allowances, prior reductions, costs and service measures; departments name owners	CAO approves review process within delegation; Council authorizes new review spending; no target booked
Candidate cases, months 3–6	Finance/Corporate Services: administration, insurance, professional services; IT: licences; Public Works: fleet/facilities; all departments: renewals and scheduling	Costed same-service alternatives, capital and recurring costs, labour/legal review and risk record
Pilots and decisions, months 6–12	Service owners test workload, coverage, uptime, delays, overtime and user impact; Procurement uses lawful competition	Correct decision-maker authorizes each proposal; required bargaining/contract changes completed before implementation
Implementation, months 12–18	Departments record payroll/contract/utility outturn, transition cost, recurring support and displaced expense	Treasurer verifies net annual run-rate and budget change; distinguish implemented estimate from realized result
Persistence review, months 18–24	Independent financial reviewer samples baseline, historic exclusions, cost offsets, service evidence and recurrence	Report supported amount, shortfall and retained renewal funding publicly; Council chooses budget allocation

Independence means a verifier who did not originate the claimed benefit; significant or disputed claims should receive proportionate external review approved and procured by the proper authority. The municipal financial-statement auditor may be engaged only under an appropriate mandate and independence safeguards, not assumed to endorse this paper. The review's own consulting and staff costs are costs of the programme. Track gross opportunities, rejected cases, transition spending, annual net benefits and peak cash need separately. A funded project can fail its business case; stop or redesign it where contractual duties permit.

Staffing vacancies and management

Review management layers and supervisory spans against complexity, geographic coverage, delegated authority and operational risk. A wide span is not always efficient: specialized services and dispersed crews may need supervision. Conversely, unnecessary approvals and duplicate reporting can consume time even where staffing is modest. Map decisions and handoffs before changing titles or reporting lines.

Introduce a documented business case before replacing a non-frontline vacancy. Within a proposed 20-business-day review period, HR and the service owner should document workload, statutory duties, grant conditions, alternatives, overtime effects and recruitment risks. Permit urgent exceptions through the CAO and applicable delegation. Police, fire, paramedics, water operations, essential public works and other critical positions are excluded from any blanket pause.

Count an abolished funded position only when the budget actually changes and the work can be delivered safely. An already vacant position may have an existing vacancy allowance; counting its gross salary would overstate the benefit. Require a net calculation of payroll, benefits, recruitment and supervision less replacement overtime, contracting, training and service effects.

HR must distinguish: an occupied funded position; a vacant funded position with funds remaining; a vacancy already budgeted as a saving; a grant/rate-funded position; and an unfunded authorized complement position. Eliminating the last two does not necessarily reduce the levy. Test management structure by reporting lines, approvals, spans, workload, geography and escalation risk, not job titles or a preset manager-to-worker ratio. A 20-business-day administrative review is an objective subject to labour requirements, not authority to suspend contractual posting deadlines.

The retrieved CUPE 12.1 agreement runs 2024–2027. Article 5.05 constrains contracting out where it directly causes bargaining-unit layoffs; Articles 8–9 govern seniority, vacancies and posting, including Article 9.04(f) written union notice when a vacancy will not be filled; Article 11 governs overtime and call-out costs; Article 5.06 addresses technological-change notice and discussion of retraining/options. Review these clauses against the exact proposal rather than presume attrition avoids them. CUPE's local identifies separate library and public-health units (12.2 and 12.3). The archived municipal bargaining-unit list also identifies ONA, UNIFOR and separate fire, police and utility arrangements, but is not a certified current roster. HR must supply every current agreement, side letter, arbitration award and employer/unit mapping before savings are approved. [36, arts. 5, 8, 9, 11; 37]

A statutory service matrix must accompany review decisions: fire prevention/public education and needs-based protection under the Fire Protection and Prevention Act; licensed safe drinking-water operations and statutory care duties; ambulance obligations; policing through the police service board; library-board functions; and applicable long-term-care staffing/resident-care requirements. Departmental counsel and regulated service owners must identify the actual current statutes, regulations, funded service standards and staffing qualifications for each case. This paper establishes no generic minimum staffing ratio or authority to override these obligations. [15; 49]

Voluntary early-retirement or attrition proposals require legal, actuarial and operational review. Do not assume OMERS permits a new incentive or that an incentive has no employer cost. Calculate severance or incentive payments, pension implications, benefit commitments, recruitment and knowledge transfer. Approve only where there is a credible payback and workforce plan. Attrition can remove expertise unevenly and create a more expensive contract dependency.

Review areas and evidence tests

Area	Review method	Main risk or disqualifying cost
Consulting and professional services	Inventory scope, renewal, deliverables and repeat commissions; compare internal capacity	Replacing needed specialists or assurance with unqualified staff
Fleet	Log utilization, maintenance, idle time, emergency availability and pooled-use options	Travel delays, inadequate reserve vehicles, unsuitable lease terms
Insurance and risk	Review claims, premiums, deductibles, limits and loss prevention	Premium saving offset by uninsured exposure or larger retained losses
Software and IT	Reconcile licence ownership, active users, renewals and interoperability	Migration costs, cyber risk, accessibility failures or loss of support
Facilities and utilities	Meter usage, occupancy, maintenance and consolidation alternatives	Retrofit cost, lost accessibility or deferred building renewal
Procurement	Aggregate common purchases and plan renewals within lawful competition	Supplier concentration, reduced competition or hidden change orders
Overtime and scheduling	Analyze causes, coverage, vacancies, call-out and seasonal demand	Fatigue, emergency response deterioration or replacement hiring
Shared services	Test joint contracts, equipment or specialist capacity	Governance cost, travel and loss of local response

Consulting reductions should focus on overlapping scope, unused reports and unjustified renewals. Compare the full cost of retaining specialists against hiring internally, including supervision and periods without work. Public accountability should identify scope and price without exposing litigation strategy, confidential bids or personal information.

Fleet reviews should compare ownership, leasing and pooling across useful life, downtime, maintenance, residual value and required availability. The new provincial procurement direction affects eligible passenger-vehicle acquisitions; a cheaper-looking imported option cannot simply be assumed available. Emergency and specialty vehicles require distinct treatment. [18]

Software consolidation should begin with licence and renewal data rather than a large replacement system. Build migration, integration, data retention, cybersecurity and accessibility into the business case. Shared services should be piloted where risks can be controlled and contracts establish service levels, exit rights and responsibility for failures.

Assign a practical evidence file to each review. Consultants: contract scope, invoices, deliverables, repeat commissions, hourly/internal capacity comparison and expiry rights. Software: licensed seats versus active users, renewal/termination dates, data export, required integrations and security review. Fleet: asset ID, kilometres/hours, seasonal and emergency availability, downtime, maintenance and replacement lifecycle. Facilities: floor space, occupancy, metered energy, lease rights, accessibility and renewal needs. Contracts: spend, volume, supplier performance, option valuation and change orders. Overtime: cause codes, vacancy coverage, call-out minima and scheduling constraints. Aggregated staffing and spending data may be

published; personal information and negotiating positions remain protected. No large expenditure category is treated as evidence that savings exist.

Savings recognition

For each initiative, calculate annual net recurring savings as comparable baseline cost minus post-change cost minus recurring implementation/support cost. Record one-time implementation cost separately and show cash payback. A saving is eligible for the next budget only when authority, contracts, delivery arrangements and reasonable evidence are in place. Actual performance then determines the verified amount.

Separate avoided future cost from reduced current expenditure. If a tender comes below a reliable estimate, report a capital budget benefit for that project; do not count it as recurring operating savings. If spending falls because a service is reduced, publish it as a service decision. Reduced reserve contributions, timing delays, internal reallocations and one-time asset proceeds do not enter the recurring efficiency total.

Use the Treasurer's register to remove overlap among vacancy, overtime, consulting and procurement claims. If procurement lowers a facilities contract, the same saving must not also appear under facilities. A grant-funded saving reduces the levy only to the extent CK retains the benefit rather than returning funding or losing reimbursement.

6 Tax base growth strategy

Fiscal testing before public investment

Prioritize projects with credible private demand, available capacity and measurable municipal benefits. Serviced land may unlock development, but speculative servicing can consume reserves and require debt without generating tax revenue. Business cases should establish ownership, zoning, environmental condition, utility capacity, a realistic occupation timeline and the consequences of delay.

For each project or coherent growth cohort, calculate annual incremental municipal taxes and unrestricted recurring revenue at applicable class and area rates. Deduct incremental operating costs, grant/incentive commitments, expected assessment losses, debt service and annual provision for asset renewal. Keep water/wastewater revenues, expenses and growth capital financing in separate ledgers. Do not deduct the same renewal cost both as an annual reserve provision and as full capital cost in the same annual calculation.

Also prepare a discounted cash-flow appraisal over the asset planning horizon. In this separate appraisal, use actual capital timing, renewals, operating costs and residual values rather than annual reserve transfers. The annual budget test establishes near-term levy effects; the lifecycle appraisal establishes whether the investment is fiscally sound over time. Both are required.

Growth category	Credible opportunity	Costs and evidence required
Serviced industrial land	Occupied sites with realistic business demand and taxable improvements	Upfront servicing, financing, road loading, fire coverage, utility demand and unused-capacity risk
Commercial and industrial expansion	Higher-value use of existing serviced locations	Class-specific assessment, incentives, traffic, emergency response and assessment appeals
New housing	Infill and appropriately serviced expansion	Roads, waste, recreation, emergency services, asset renewal and DC exemptions/shortfalls
Brownfields	Reuse where remediation and infrastructure permit viable development	Contamination, cleanup liability, demolition, grants, delayed occupancy and incentive duration
Vacant-property reuse	Occupation of existing buildings with available capacity	Compliance, building work, change in use, service demand and whether taxes actually increase
Approval improvements	Faster complete-file review and coordinated decisions	Staffing, systems, statutory timelines and quality; permits alone are not tax revenue

Occupied infill may use existing roads and capacity more efficiently, but cannot be presumed costless. Some neighbourhoods need drainage, fire access or treatment capacity upgrades. Commercial vacancy reuse may produce little immediate new assessment if the building was already fully taxed. Its benefit may instead be reduced blight or better long-term economic activity; report those benefits without inventing immediate levy revenue.

Stage industrial servicing investment against independently assessed demand, commitments and downside exposure. Avoid site-specific subsidies unless Legal identifies a lawful mechanism. Compare phasing against full build-out and require a stop/go decision before each major tranche. Developments with negative near-term cash flow can still serve a public objective, but Council must approve the subsidy or financing knowingly.

Pressure-test the existing assessment growth rule

CK's October 16, 2023 policy first applies available growth funds equal to 1% of taxes to the following year's operating budget, then approved growth business cases, with 100% of the remaining balance permanently allocated to the Capital Infrastructure Reserve Fund. Unfunded prior growth cases have priority; forecasts assume growth is fully allocated to operating and actual allocation is reported after the roll is finalized. This already moderates operating tax pressure and protects renewal. A new share is not an additional benefit if it merely renames this existing allocation. [19, ss. 3.1.1–3.2.1, pp. 1–2]

Treasury must prepare an annual bridge from the existing policy to each proposed alternative, showing the operating allocation already embedded, prior unfunded growth cases, current service costs and reserve contribution displaced. Preserve committed allocations in the baseline, including the \$3.193392 million assessment-growth amount already in the April levy schedule. Future benefits must be additional to that baseline. Define for year t :

$N(t)$ = additional recurring municipal tax yield at comparison rates – incremental tax-supported service costs – incentives/refunds/expected non-collection – growth financing and lifecycle requirements – amounts already credited or committed in the comparison budget.

$P(t) = a \times \max[0, N(t)]$, where a is the annually authorized existing-taxpayer relief share; test $a = 0, 0.25$ and 0.50 . Remaining positive N supports renewal and resilience. Negative N is a funding pressure and must carry forward into cohort accounting rather than disappear. Keep rate-supported services separate, and do not deduct the same lifecycle funding twice.

Relief share	Allocation of a verified \$1 million net benefit	Main implication
0%	\$0 relief; \$1 million renewal/resilience	Greatest capacity to address unfunded assets and liquidity; no additional growth-specific relief beyond existing budget choices
25%	\$250,000 relief; \$750,000 renewal/resilience	Intermediate option only if service, renewal and cash safeguards are met
50%	\$500,000 relief; \$500,000 renewal/resilience	Largest immediate reduction in modeled original-base pressure; largest foregone renewal contribution

These unit amounts are policy arithmetic, not CK growth estimates. A net benefit after growth lifecycle costs can still be needed for the municipality's existing asset backlog. The 2026 report's tax-funded annual gaps total \$205.250 million; PUC water/wastewater gaps total \$61.073 million. Together they produce \$266.323 million. These are planning estimates, not a mandate to raise those sums immediately, but they make an unconditional 50% distribution indefensible. [5, Table 1, p. 3; calculation]

Recommend no automatic new relief allocation until Council has adopted a credible minimum asset-renewal funding path and Treasury has demonstrated that statutory services, existing and future growth obligations, restricted funds, debt service and seasonal liquidity remain funded. This does not imply withholding every efficiency benefit indefinitely; it makes allocation an explicit affordability-versus-renewal decision in each budget. If safeguards are satisfied, consider 25% initially with a public annual review. Consider up to 50% only where the forecast preserves that path under slower occupancy, assessment appeals, lower grants and higher lifecycle costs. If it does not, retain some or all verified benefits. Do not designate an unsupported universal reserve-minimum dollar amount.

The report should compare five-year infrastructure-reserve balances, funded renewal against the adopted minimum, unfunded prior growth cases, cash minima, debt/interest and additional future asset obligations for all three shares. Missing CK cost/cohort data prevent a dollar forecast here; Section 10 supplies consistent hypothetical comparisons. Capital spending schedules also need monthly cash-flow stress tests: a recurring accrual benefit is not necessarily cash available before payroll or construction invoices fall due.

Council must approve any policy amendment and annual budget allocation through the statutory process. The rule is a budgeting convention, not a statutory entitlement, personal rebate or prohibition on successor decisions. Recalculate class ratios and area rates after the levy and roll are known; avoid subtracting growth yield and then taking the same rate-dilution benefit again. No relief is assigned to permit counts, developer expressions of interest or unrealized assessment.

7 Procurement and infrastructure reform

Current procurement framework

CK Bylaw 19-2026, passed February 23, 2026, repeals Bylaw 205-2023. It contains threshold, anti-avoidance, conflict, competition and renewal provisions. It uses the total multiyear contract amount, net of HST, for its threshold calculation and prohibits splitting purchases. For budgeted goods/services above \$100,000, it generally uses tender/RFP procedures with approval levels reaching Council above \$1 million; exceptions and construction requirements must be checked separately. [17, Parts IV–VIII]

The 2026–2027 CFTA municipal thresholds are indexed rather than the original agreement's \$100,000/\$250,000 values. Relevant published domestic references are \$139,000 for goods/services and \$347,400 for construction. CETA's published 2026–2027 sub-federal thresholds are \$368,000 for goods/services and \$9.2 million for construction, subject to entity and procurement coverage. Local bylaw thresholds may require competition below trade thresholds. Procurement must assess all applicable agreements, exclusions and valuation rules. [18, 29, 30]

Ontario's 2026 Municipal Buy Ontario Procurement Directive adds requirements for eligible fleet and capital infrastructure procurement. For municipalities, general/fleet provisions took effect April 13 and capital-infrastructure provisions May 15, 2026; prescribed boards and corporations have their own applicability dates. Require Legal and Procurement to reconcile domestic supply-chain evaluation requirements with covered trade obligations before publishing each solicitation. Do not infer that the directive permits a CK-only purchasing preference. [18]

Procurement improvements proposed

Prepare a forward contract calendar covering renewal notices, termination rights, price indexation, purchasing authority and operational dependencies. Start with the largest controllable contracts and subscriptions. Require supplier-performance records before exercising options. CK's renewal provision has conditions and a \$250,000 limit; agreements above the delegated authority should follow the required approval process. [17, Part XII]

Under Bylaw 19-2026, s. 152, an option renewal needs satisfactory performance, a best-interest assessment, available approved funds, an amount not above \$250,000, no other requirement for Council approval and an option clearly presented in the original Council report. Sections 153–154 separately address amendments and price/scope changes. Do not treat a renewal as an exemption from trade obligations or extend scope to avoid competition. Confirm expiry dates at least six months ahead where feasible, give the service owner and Procurement a decision date, and compare lawful retendering with the original option's total lifecycle cost. [17, pp. 32–33]

The procurement dashboard should report final comparable cost, not just an award against an inflated estimate. Record competitive/noncompetitive method, authority, conflicts, evaluation record, directive/trade analysis, renewal rationale, change orders and outturn. Savings from a capital tender are one-time project benefits; only ongoing equivalent operating purchases can support a recurring claim. The public policy index and signed current bylaw must be reconciled where a website still links an earlier version. [17, ss. 34–35, 152–154; 18, documentation/reporting provisions; 29–30]

Use aggregated specifications for genuinely common needs and permit appropriately sized lots where that maintains competition and supplier resilience. A very large contract may reduce bidders, create lock-in or leave CK exposed when a supplier fails. Market engagement should clarify capacity without giving any supplier

privileged information. Publish evaluation criteria in advance and assess cost, quality, maintenance, energy, availability and risk consistently.

Record award amounts, noncompetitive reasons, amendments, change orders and final outturn. A low winning price is not proof of savings if scope was omitted and later restored. Benchmark comparable quantities and quality, remove market-price changes from claimed management savings and test whether the pre-tender estimate was credible. Require declarations of conflicts and a record of how recusals or mitigation were handled.

Protect commercially confidential information and bid integrity while publishing enough for scrutiny. Council should monitor policy and results; political direction to favour a named vendor undermines fairness and can increase litigation costs. Do not impose apprenticeship or local-employment conditions casually through this paper. Those require a separate procurement and labour review under CK WORKS.

Lifecycle capital decisions

Integrate project prioritization with current asset condition, criticality and service consequences. Separate safety/compliance work, preservation, capacity required for committed growth and discretionary new assets. Give each project an identified funding source, maintenance plan, procurement strategy, contingency rationale and risk owner before approval.

Preventive maintenance can reduce whole-life costs when applied to the right asset at the right condition. Engineering should compare timing alternatives using discounted costs, deterioration and failure risk. This draft assigns no generic savings percentage. Maintenance on an asset scheduled for imminent replacement may be wasteful, while delaying rehabilitation can cause a step increase in future reconstruction cost. Treat those differences as project evidence.

The 2026 asset report should anchor this review, with its tax-supported gaps distinguished from PUC gaps. O. Reg. 588/17 requires proposed service levels, lifecycle and funding analysis, public availability and annual progress review. Use the required programme rather than establish a disconnected campaign audit. [5, 27]

Do not label cancelled or delayed work a permanent financial saving. Record the remaining obligation, revised service risk and future cost. For a closure or disposal, include decommissioning, environmental duties, relocation and lost revenue, then recognize only the net operating cost actually removed. Do not reverse signed construction contracts without assessing contractual exposure and replacement costs.

Municipal asset stewardship for acquisition disposal transfer and repurposing

Before a significant property transaction or change of purpose, require a public-value and opportunity-cost assessment proportionate to its value, irreversibility and service importance. This is an added governance proposal, not a finding that a particular transaction was unlawful. Cover acquisitions, below-market conveyances, long leases, transfers to related entities, repurposing and demolition. Existing Bylaw 92-2020 governs disposition; Bylaw 228-2021 amended s. 4(a) to require housing/planning review and retention of land suitable for affordable housing. The original bylaw also permits Council to waive s. 4 requirements. Legal must identify the applicable provision, any waiver, later amendment and notice/appraisal process in each actual transaction. The existence of these provisions does not itself establish compliance or breach. [38, ss. 4-9; 39, s. 1]

The assessment should identify original funding and restrictions, carrying and renewal costs, environmental/abatement risks, independent market value and redevelopment potential, credible alternative municipal sites/uses, service benefits, housing units/affordability, tax exemptions, financing, transaction costs

and the cost of losing future options. Compare retain, lease, joint-use, repurpose and dispose on a consistent lifecycle basis. Acquisition cost is historical expenditure; today's foregone alternative value is a separate opportunity cost. Do not count the same land value as a cash loss and a second recurring expense.

For a below-market transfer, disclose the supported public purpose, recipient identity, subsidy measured against defensible alternative value, operational capacity, funding, timetable and enforceable community obligations. Seek measurable outputs, reporting, permitted-use duration, consent rights, defaults/cure, reversion mechanics, title priority and enforcement responsibility. A covenant is not a proven outcome. Protect legitimate negotiations, appraisals, personal information and solicitor-client privilege under applicable law; publish the decision, public rationale and a nonconfidential summary when possible. Closed-session authority under Municipal Act s. 239 does not erase the need for the proper decision and public record. Municipal capital-facility assistance or tax exemption requires its own authority/design under s. 110 and O. Reg. 603/06; evaluate s. 106 and other limits rather than infer legality from a charitable label. [15, ss. 106, 110, 239, 270; 48]

Case study of 110 Sandys Street

The primary October 7, 2024 acquisition report recommends purchase of the 3.02-acre former long-term-care site from Jarlette Health Services for \$1,699,000 plus closing costs. Its financing proposal capitalizes acquisition and net renovation costs for a future long-term debenture, with debt charges from the existing affordable-housing base budget. The report recommends design/feasibility and grant investigation; a recommendation is not proof of the final closing or borrowing. The April 28, 2025 options report describes approximately 46 supportive-housing units and further design/costing. The municipal R26-169 procurement in early 2026 sought architectural work for conversion to supportive housing. [40, recommendations/financial implications; 41, p. 5; 42, bid description/dates]

The later conditional \$1 transfer is reported, not fully authenticated by the primary transaction instruments recovered here. An August 12 account of the August 10 Council decision identifies The Quiring Holding Foundation, a surplus declaration and transfer after municipal acquisition closes; \$1,759,357.40 purchase funding from the Housing New Construction Reserve; an addiction-treatment/recovery purpose covenant, municipal consent to mortgage/transfer, a no-cost transfer-back right if the purpose ends within an agreed period, and recipient responsibility for property/operating costs. It also reports cancellation of the architect procurement and a future capital-facility tax-exemption bylaw. These are secondary descriptions of approvals, not proof that title transferred, the covenant was registered or the exemption became effective. [43]

The original proposed debenture funding and the later reported reserve funding are different stages and must be reconciled to the approved account ledger. Neither the \$1 sale price nor the original purchase cost alone measures net public value. Recovery services could offer substantial community benefit; no quantified police, ambulance or health-cost saving is recognized without evidence. A change from supportive housing also has an opportunity cost: establish how the unmet housing objective will be delivered and funded elsewhere. Compare retaining/renovating for municipal housing, leasing with enforceable outcomes, joint recovery/housing use where feasible, and other credible municipal uses, not imaginary highest-value alternatives.

Obtain the October 2024 decision and agreement, April 2025 direction, June/August 2026 reports and certified minutes, closing statement, reserve authorization, independent valuation, due diligence, executed transfer/capital-facility agreements and current parcel register. Confirm purchaser/recipient legal names, agreed purpose duration, default/cure, reversion trigger and enforceability, liability on return, encumbrance priority, development permissions, recipient funding and annual benefit reporting. The primary acquisition/options reports were located through indexed official records, but complete eSCRIBE downloads

were blocked; the August transfer instruments were not retrieved. These limits preclude a legal or value-for-money conclusion in Draft 2. The transaction is not described as illegal, fraudulent or inherently wasteful.

Case study of former St Ursula School at 426 Lacroix Street

The municipality's primary purchase announcement states a \$1,699,999 price for more than 4.4 acres, funded entirely through the Affordable Housing Reserve using CMHC Housing Accelerator Fund resources. It describes affordable/attainable housing and mixed-use options, planned school demolition and estimated \$5,000 annual maintenance before redevelopment. At announcement, school-board approval was still a condition. The May 2026 Strategic Housing Action Plan's appendix targets 100+ affordable/attainable and/or supportive units at 426 Lacroix in its partnership phase; it is a planning target, not an approved buildable yield. [44, purchase/funding paragraphs; 45, PDF p. 186, Phase 3]

The primary procurement record shows T26-219 for full abatement and demolition, published May 14, 2026, with award recorded July 8. R26-271, published July 20 with award recorded September 15, seeks design of a new one-storey four-bay fire station at 426 Lacroix. These records establish procurement stages, not completed demolition, construction authorization or final project cost. The actual proposal is demolition and new construction on part of the site, not conversion of the existing St. Ursula building into a fire hall. [46, bid descriptions/status/dates]

Council's July consideration of the relocation is reported in contemporaneous local coverage, but the certified decision, full siting report, funded capital authorization and final land-allocation drawings were not retrieved. The share reserved for fire use, access/parking/stormwater, remaining housing capacity, approved zoning and final construction status therefore remain unverified. Do not state that the earlier 100+ target survives unchanged. Obtain the fire response-time analysis, site criteria, alternatives including the recommended service vicinity and other feasible parcels, costs and reason for selecting this location. Compare total public value of co-location with a housing-only site and a fire station elsewhere. [47; 46]

CMHC's HAF guidance permits action-plan work, affordable housing, housing-related infrastructure and community infrastructure supporting housing. Its Round 2 pre-application reference guide expressly lists fire halls in the last category (section 8, p. 7). That evidence prevents treating fire use as inherently ineligible. It does not establish that any fire-station use at this site automatically satisfies CK's agreement. The executed CK contribution agreement, approved action plan, milestones, permitted uses, allocation rules, reporting and any CMHC amendments/consents are the controlling evidence still required. Treasury should trace purchase/demolition costs, allocate land and shared servicing fairly, and obtain a written federal eligibility determination if needed. Identify any reimbursement or replacement-housing obligation before approving a changed funding purpose; do not presume either a breach or unconditional eligibility. [50, section 8, pp. 6-7; 44]

Prepare a before-and-after housing capacity test using the actual parcel plan, not simple acreage ratios: fire access and setbacks, housing density, servicing, accessibility, parking and planning constraints determine yield. Publish the net housing units and affordability foregone or preserved, alternative-site cost, fire-service benefit and capital/operating funding. No savings, assessed-value gain or grant-funded fire subsidy enters this strategy until these records support it.

8 Municipal revenue opportunities

Revenue quality before tax relief

A new revenue dollar reduces levy pressure only if it is additional to the baseline, legally available for that use and net of its costs. Review dependence on rates, markets and counterparties. Cash received, accounting income and recurring spendable revenue are distinct. Existing revenue cannot be credited again to the proposed strategy.

Revenue category	Recurrence and restrictions	Proposed budget treatment
Existing enterprise dividends	Depend on distributable earnings, shareholder rights and business capital needs	Retain prudent existing baseline; recognize only justified incremental cash benefit
Investment income	Sensitive to rates, principal balances and reserve restrictions	Use conservative Treasury forecast; credit restricted earnings to the proper funds
OCIF and infrastructure grants	Recurring allocation programmes but restricted eligible capital uses	Offset eligible capital financing only; assess continued availability
OMPF and operating agreements	Funding terms and future allocations vary	Keep existing allocation in baseline; evaluate confirmed changes separately
DC and permit cost recovery	Statutory uses and cost limits; construction timing uncertain	Match eligible costs; no unrestricted operating windfall
Leases sponsorship and partnerships	Contract duration, maintenance and public access matter	Recognize net contracted benefit; identify expiry and renewal exposure
Asset sales	One-time proceeds; possible recurring cost reduction	Finance one-time needs; test recurring cost removal separately
New municipal corporations	Unproven profitability, approval and capital needs	Zero prospective dividends until independently justified

The 2025 cash-flow statement reports \$4,146,420 in dividends received from Entegrus. That is existing cash revenue. The separately reported \$8,180,557 “income from Entegrus” on the operations statement should not be substituted for cash dividends; Finance should reconcile the operations line, modified-equity movements and cash flow. No additional Entegrus dividend is assumed here. [4, statement of operations, cash flows and note 5]

Investment review should prioritize liquidity and permitted instruments rather than chase yield to fund a permanent tax cut. Spending down reserves also reduces future investment income. CK’s Investment Policy and August 10, 2026 reserve policy require attention to statutory restrictions and fund attribution. Require a conservative rate sensitivity and maturity schedule before increasing the income budget. [23, 24]

Grants can lower the local cost of an eligible project, but matching funds, design changes, operating obligations, reporting and reimbursement delays may offset part of that benefit. Do not build an unnecessary project merely to obtain a grant. Classify each agreement as restricted/unrestricted, recurring/nonrecurring, conditional/unconditional, committed/uncertain. A restricted recurring grant can displace eligible annual tax-funded capital support; it cannot automatically pay for an unrelated operating reduction.

OCIF reconciliation and provincial advocacy

CK’s November presentation reports an uncapped formula amount of \$29.3 million, a \$10 million allocation and a \$19.3 million imbalance. Ontario’s published programme confirms a maximum \$10 million allocation within the \$400 million annual envelope, 2026 smoothing generally within ±10%, and restrictions to eligible core-infrastructure purposes. The cap mechanism is independently supported; the exact CK uncapped calculation remains a municipal assertion until the provincial input and calculation worksheet is obtained. [3, slides 7–8; 9]

Using the \$230.900269 million levy reference, \$19.3 million equals approximately 8.36% of the levy, while 2% is approximately \$4.618 million. These are arithmetic comparisons, not tax-cut forecasts. CK’s attribution of a 2-point budget impact must therefore refer to a funding or investment decision other than the entire uncapped gap. Obtain the capital funding bridge before stating how much new OCIF could replace tax contributions.

An allocation cap is part of the provincial formula parameters; the uncapped number is not an established legal entitlement. Council can advocate removal, modification or a separate rural-infrastructure agreement. The request should show asset replacement values, provincial inputs, eligible expenditure, tax contribution displaced and the consequences for other municipalities and the provincial envelope. Comparing a single-tier municipality with summed county/lower-tier funding requires consistent scope.

Do not put \$19.3 million into the base case. Even if Ontario provided that amount, restrictions, project eligibility, reserve commitments, existing matching needs and the asset funding gap would determine the amount available to reduce future levy pressure. Provincial funding is valuable but cannot be promised by a mayoral candidate.

A documented provincial request and displacement test

Request a joint Treasury–Ministry of Infrastructure reconciliation, endorsed through the appropriate municipal decision, rather than invoice the Province for a supposed debt. The worksheet should record CK’s submitted/accepted core current-replacement values in the prescribed currency, weighted assessment, household/income inputs, infrastructure index and provincial median, dollars per \$100,000, envelope adjustment, uncapped result, \$10 million cap, 2025 comparison, smoothing and final allocation. Ontario confirms these formula stages and 2026 parameters; CK’s precise \$29.3 million output and input validity remain unverified. [9, calculating the grant, steps 1–4; 3, slides 7–8]

Ask the Province to explain the cap’s effects on a large rural single-tier municipality and evaluate an adjusted cap or separate infrastructure agreement without obscuring the province-wide funding tradeoff. Attach the existing asset plan, comparable single-/multi-tier scope and a prioritized eligible-project schedule. The requested \$19.3 million difference is an advocacy reference, not a receivable, unconditional grant or money legally owed.

Advocacy evidence	Required Treasury/engineering content
Existing tax-funded eligible work	Approved road, bridge/culvert and stormwater renewal/rehabilitation projects addressing existing assets, with project IDs, year and adopted tax contribution
Separate utility work	Eligible water/wastewater asset work shown separately; no assumed general-levy benefit
Grant conditions	Existing OCIF agreement, eligible cost categories, timing/banking, reporting, matching and other funding restrictions

Advocacy evidence	Required Treasury/engineering content
Tax contribution displacement	Verified additional grant applied to existing eligible work, less lost other funding, new required costs and amounts needed to preserve the adopted renewal path
Decision and public result	Identify any reduced tax-supported capital contribution, increased renewal delivery or borrowing avoided separately; do not add all three as savings

No project-specific displaced amount is reported because the complete approved capital/funding schedule was not retrieved. Infrastructure expansion for greenfield growth, land acquisition and other ineligible uses must be screened out. Additional restricted funding can offset eligible existing tax-funded capital requirements only where agreements and the budget permit; Council may reasonably retain the entire uplift to address renewal gaps. The municipal claim of a 2-point OCIF budget effect requires a separate approximately \$4.618 million levy-equivalent bridge on the April reference, not the full \$19.3 million gap. [9, eligible/ineligible expenditures; calculation]

Land Bank MIIF and Maple City Power

MIIF means Municipal Infrastructure Investment Fund: a proposed catalytic infrastructure-capital framework, not necessarily a new corporation. It would organize independently justified infrastructure priorities, financing and capital partnerships. Land Bank would address acquisition, assembly, stewardship and reuse of suitable land; Maple City Power would require its own energy business/regulatory case. These are separate proposed roles, not established institutions or revenue streams. Direct municipal delivery, a designated funding framework or another lawful arrangement must be compared before any corporation is recommended.

Allocate acquisition and remediation risk to a documented land business case, infrastructure delivery and financing to one accountable owner, and energy capital/operating risk to a separately assessed enterprise. Avoid competing land inventories, duplicated project debt, unsupported management charges and transfers designed to hide a municipal subsidy. Consolidate guarantees, intercompany loans and contingencies in municipal financial reporting.

O. Reg. 599/06 requires a business case, an asset-transfer policy and public consultation before establishment under its framework. Formation does not remove procurement, public accountability or debt exposure. Maple City Power also needs a regulatory and commercial review of generation, distribution, connection, electricity sales and any OEB approvals applicable to its actual model. Existing Entegrus interests and contractual obligations must be assessed. [21; 4, note 5]

Approve seed funding only after the permitted activity, governance, financing, risk limit and exit criteria are established. No automatic \$2 million allocation to each corporation is included. Project grants and fees must not be counted both by the municipality and its corporation as new consolidated revenue.

9 Household affordability strategy

Measure the combined municipal burden

Publish property tax, water/wastewater, service fees and material special charges together for representative households. Use actual assessments rather than current selling prices, and separate municipal taxation from education taxation. Compare rural and urban households, renters, seniors, residents with disabilities, families and businesses without suggesting everyone has the same services or bill.

Renters can face indirect tax and fee costs through landlord decisions, but lower municipal tax does not guarantee an equivalent rent reduction. Class-specific tax assistance may shift the burden to other owners. The affordability test must identify the beneficiary, fiscal cost and expected household effect, rather than use a property-owner benefit as proof of tenant relief.

Use annual tax statements and the CK calculator to explain class and area-rate differences. The municipal residential schedule includes a Chatham City R-T rate of 0.02169717 and a 0.22 farm ratio in the tax-policy report. These illustrate why a municipal-wide budget percentage does not describe every bill. Any ratio proposal needs a full burden-shift analysis across residential, farm, commercial, industrial and rental classes. [6, 7]

Targeted property tax assistance

Structural tax reform affects the distribution and growth of municipal funding needs. Direct assistance has an identified eligible recipient and a separately budgeted cost. Neither substitutes for the other. Municipal Act s. 319 provides defined tax-increase relief for low-income seniors and people with disabilities through municipal bylaws; it is not authority to defer every household's entire bill. Section 365 permits bylaw-based annual relief for taxes considered unduly burdensome on eligible residential, farm and managed-forest property; statutory scope, application rules and municipal/school apportionment require Legal confirmation for the actual design. No universal income-support or renter property-tax rebate power is asserted. [15, ss. 319, 365; 25, 53]

CK's published criteria define the eligible amount as the assessment-related increase exceeding \$300, identify seniors aged 65+ receiving GIS and qualifying ODSP/legacy disability-benefit recipients, subject to stated ODSP asset limits verified by the Director. They also require owner occupation of a single residential property, prescribed evidence, lienholder approval where encumbered and payment of the undeferred balance. The application states a December 31 deadline and requests income/age/disability evidence. These are published programme terms, not authentication of the current governing bylaw. General levy increases alone may not qualify under an assessment-related definition. [51, criteria p. 1 and application pp. 1-2]

Two publication issues require immediate legal reconciliation. The criteria specify 6% compounded annual interest, while the statutory s. 319(9) rule prohibits such interest on deferred taxes for 2001 and subsequent years. The criteria and application also describe disability evidence differently: ODSP/legacy benefits in one and ODSP/CPP in the other. Obtain the operative bylaw, amendment history, publication dates, legal basis and actual administration before advising residents or expanding the programme. This is an apparent inconsistency requiring a written authority conclusion, not a finding of unlawful collections. Do not adopt the published 6% term as a lawful design assumption. [15, s. 319(9); 51]

Assistance mechanism	Cost, beneficiary and approval test
Defined tax-increase relief/deferral	Confirm s. 319 eligibility and current bylaw; owner benefit, municipal cash carrying/administration costs and deferred receivable, not necessarily permanent cancellation
Annual hardship cancellation/reduction	Test s. 365 scope and Council bylaw; identify eligible classes/applicants, annual cap, evidence and treatment of municipal/school shares; permanent cost funded transparently
Sickness/extreme-poverty route	Existing s. 357 application/ARB determination; do not pre-approve residents or book unverified programme take-up

Assistance mechanism	Cost, beneficiary and approval test
Instalments and lawful penalty relief	Finance/bylaw authority, timing, cash/administration and statutory limits; rescheduling is not reduction in liability
Utility assistance	Separate lawful owner, eligibility, budget and utility governance; determine customer/subsidy burden before any credit

For each option, Treasury should calculate eligible accounts × expected participation × average eligible amount, plus administration, bad-debt/collection risk and cash financing, less only authorized/recoverable offsets. No participation or dollar award is invented. Cancellation shifts a permanent cost to the approved funding source; deferral mainly shifts timing and risk. Publish the class and household burden shift, not just the recipient benefit. An expanded hardship proposal requires a lawful, objective income/property eligibility design and privacy/accessibility review; a low-income owner is not automatically eligible under the present senior/disability criteria.

Renters cannot generally receive owner tax deferral and may see no rent reduction from structural reform. Use existing housing/support mechanisms and referrals where authorized; cross-reference CK-145 and the rental paper without promising tax savings passed through by landlords. Rural households may have farm/residential classifications and different utility access; model them separately. Seniors and people with disabilities need accessible applications, predictable cash-flow information and eligibility clarity. Lower-income property owners outside those categories require a separately authorized hardship design, not a promise based on age/disability powers.

CK's published sickness/extreme-poverty information sheet describes applications under s. 357(1)(d.1), temporary relief and Assessment Review Board determination following municipal authorization. Publish the existing route clearly and assist residents with access without promising approval or altering the Board's decision. Preserve deadlines and evidentiary requirements. [26]

Provide a single accessible information point for municipal relief and relevant provincial benefits, with phone and paper applications as well as online access. Referrals to provincial programmes are not municipal income-support powers. Do not condition disability assistance on an unnecessarily narrow benefit test without Legal and accessibility review.

Payments and administrative fees

Review instalment dates, preauthorized payment options and payment-plan information. Assess whether schedules can better match household cash flow without shifting material costs to other residents. Any lawful change needs Finance review and the applicable bylaw or delegation. A payment plan should explain which amounts accrue penalties and which qualify for statutory relief. Do not imply an informal plan cancels arrears or removes a lien.

CK currently publishes a 1.25% monthly late-payment charge. That is a real household exposure. Improve notices, early contact and accessibility before arrears accumulate. Any waiver must use lawful authority and transparent criteria. Do not budget more penalty income as an affordability strategy. [31]

Inventory transaction, certificate, permit and utility administration fees. Remove duplicated processing or repeated information requests where costs can actually be reduced. Recovering a lawful cost through a fee can be fair, but raising fees to offset a property-tax cut merely changes who pays. Show net household impacts and lost revenue when proposing a fee reduction.

Water wastewater and service access

Recommend a separate PUC affordability and rate review covering bill structure, arrears, conservation, leak response, administrative cost and the financial plan. Essential operations and renewal must remain funded. Lower fixed charges can benefit low-use households but increase volumetric prices and revenue volatility; higher fixed charges can disadvantage small households. Model both before choosing a structure.

Do not state that all tax-to-utility or utility-to-tax transfers are categorically prohibited. Different mechanisms have different authority. The policy safeguard is to require legal authority, a cost-allocation basis, disclosed funding source and consistency with grant/DC restrictions, adopted utility financing and public duties before any subsidy or transfer. Charging utility customers for unrelated general services is not treated as an efficiency.

A targeted utility assistance proposal needs a lawful programme owner and funding source, administration and eligibility review. This draft does not assign a dollar credit. Water-resilience architecture, including plant life, interconnections and redundancy, belongs in the separate Water Resilience Strategy and must establish its own costs and engineering evidence.

PUC and Treasury should identify existing payment/assistance arrangements, permitted ratepayer funding, any general-tax subsidy authority, take-up and administration costs before proposing changes. A utility-funded credit reallocates costs among utility customers; a lawful tax subsidy reallocates costs among taxpayers. Neither is costless. Protect drinking-water compliance, wastewater obligations, renewal and liquidity; no assumption that an electricity assistance programme automatically applies to municipal water bills is made.

Housing costs and related papers

Review planning and building administration for avoidable delay and duplicate processing. Lowering DC or permit charges without lowering costs or replacing revenue can increase existing taxpayers' burden. Any proposed waiver must identify statutory exemptions, lawful discretion and the financing of the unrecovered cost. The DCA's 2026 amendments and current background studies must be checked before a housing commitment is made. [11, 20]

Cross-reference CK-145 for housing delivery and funding, the separate rental/renoviction paper for tenant regulation, CK WORKS for workforce/procurement proposals and Water Resilience for utility architecture. This fiscal paper supplies the affordability and funding tests; it does not duplicate their programme designs or certify their savings.

10 Financial scenarios and sensitivity analysis

Purpose and common baseline

The following scenarios illustrate how recurring benefits could change future tax pressure. They are not CK's forecast, a commitment to 4% annual increases or proof that \$2.2 million of efficiencies exists. All scenarios use the same \$230.900269 million working 2026 levy reference from the April tax-policy Appendix A. Finance must reconcile that reference with amendments before producing an official model. [6]

Year 1 is 2027, year 3 is 2029 and year 5 is 2031. Assume a 4% annual increase in the comparison tax funding requirement before any incremental growth or reforms. This is an analytical assumption chosen for transparency. It is not extrapolated from the 4.63% budget measure, and no official expenditure forecast is asserted. Let $B(t) = LO \times (1.04)^t$, with $LO = \$230.900269$ million.

The scenarios hold education tax, assessment mix, area-rating distribution and existing baseline revenue assumptions constant. Inflation is represented only through the illustrative 4% requirement growth. The model is nominal and undiscounted. It does not close the asset funding gap or model all capital projects.

Scenario definitions

Scenario 1, business as usual: $B(t)$ is funded without additional reform savings, new assessment or new outside revenue. The same taxable base carries the full illustrative requirement. This is a controlled comparator, not a claim that no real-world development will occur.

Scenario 2, moderate verified efficiencies: assume \$1.1 million net annual savings in year 1 and \$2.2 million annually from year 2 onward. Each figure is a run-rate saving against that year's comparator after recurring support costs. There are no additional \$2.2 million cuts in years 3–5. A separate \$0.5 million one-time transition cost occurs in year 1 and is funded in that year's levy illustration. Neither amount is sourced CK data.

Scenario 3, efficiencies plus sustainable growth and actual revenue: retain Scenario 2's savings and transition cost. Assume taxable weighted assessment grows 1% annually beyond the frozen-base comparator. Incremental tax yield at the comparison rate is $Y(t) = B(t) \times g(t)$, where $g(t) = (1.01)^t - 1$. Assume 60% of this yield is required for incremental servicing, lifecycle funding, incentives and financing, so $C(t) = 0.60 \times Y(t)$. Retain half of the remaining 40% net benefit for resilience, $D(t) = 0.20 \times Y(t)$, and direct the other half to existing taxpayers.

Also assume a new \$0.5 million annual net, unrestricted recurring revenue stream is actually available from year 2. Its identity is deliberately unspecified, so it is a conditional sensitivity input, not a budget recommendation. The amount is zero until a signed agreement or actual lawful cash revenue, reasonable recurrence evidence and costs support it. No OCIF uplift or prospective MSC dividend supplies this assumption.

Let $S(t)$ be net operating savings, $R(t)$ the additional net recurring outside revenue and $I(t)$ the one-time transition cost. Scenario 3's total levy is $L(t) = B(t) - S(t) - R(t) + I(t) + C(t) + D(t)$. Its effective burden on the original assessment base is $E(t) = L(t) \div [1 + g(t)]$. The taxpayer benefit is $B(t) - E(t)$.

This formulation allows the levy to collect revenue from new properties and funds their services. It does not first subtract the growth tax yield and then also apply its rate-dilution effect. Algebraically, the benefit to the original base is $[S(t) + R(t) - I(t) + 0.20Y(t)] \div [1 + g(t)]$. The levy itself can grow despite a smaller bill on unchanged existing assessment relative to the comparator.

Scenario 3's larger levy and lower original-base burden are consistent: new properties contribute taxes and require services. By 2031 the modeled assessment base is 5.101% larger; the levy funds added service costs and retained renewal/resilience provision. Dividing that larger levy across a larger weighted base gives a smaller modeled rate burden on the original properties than Scenario 1. This is a distribution calculation, not a claim that every new project's net revenue is positive or every property benefits equally.

The retained $D(t)$ is an illustrative annual appropriation after the modeled growth costs, not an observed reserve balance. Scenario 3's 50% relief share does not supersede the conditional recommendation in Section 6. All dollar assumptions, including transition, efficiency ramp, assessment growth, 60% costs and \$0.5 million revenue, remain hypothetical. No particular revenue source has been identified or verified.

Scenario	Measure	Year 1 2027	Year 3 2029	Year 5 2031
1 Business as usual	Total levy	\$240.136m	\$259.731m	\$280.925m
2 Verified efficiency	Total levy	\$239.536m	\$257.531m	\$278.725m
3 Efficiency growth and revenue	Total levy	\$241.457m	\$263.327m	\$289.690m
3 Efficiency growth and revenue	Original-base burden	\$239.067m	\$255.583m	\$275.630m

Values are rounded to three decimals in millions. “Original-base burden” is an analytical equivalent, not the published municipal levy. It approximates rate pressure on unchanged existing property when ratios and area rates are held constant. In Scenario 3 the difference between total levy and original-base burden is the revenue contribution from the additional assessment.

Household illustration

Use an actual published 2026 municipal rate to establish a plausible starting example: a Chatham City residential property with \$176,194 assessment at R-T 0.02169717 has a municipal component of approximately \$3,822.91. This is not CK’s average household and does not reproduce the older \$172 press-release example. It excludes education tax, special property charges and water/wastewater. Hold this assessment and its relative tax allocation constant. [7]

For each scenario, calculate $H(t) = H_0 \times E(t)/L_0$, with unrounded $H_0 = \$176,194 \times 0.02169717 = \$3,822.91117098$. For Scenarios 1 and 2, $E(t)$ equals that scenario's levy because no additional assessment is modeled. The illustrative annual municipal component and difference from Scenario 1 are shown below. Because the model uses a uniform weighted-base adjustment, Finance must run the actual tax distribution system before estimating household outcomes.

Scenario	Measure	Year 1 2027	Year 3 2029	Year 5 2031
1 Business as usual	Annual bill	\$3,975.83	\$4,300.26	\$4,651.16
2 Verified efficiency	Annual bill	\$3,965.89	\$4,263.83	\$4,614.73
2 Verified efficiency	Below Scenario 1	\$9.93	\$36.42	\$36.42
3 Efficiency growth and revenue	Annual bill	\$3,958.12	\$4,231.57	\$4,563.47
3 Efficiency growth and revenue	Below Scenario 1	\$17.71	\$68.68	\$87.68

These are annual bills in each selected year, not cumulative household savings. All three illustrated paths still produce larger bills than the starting municipal component. The strategy reduces growth relative to the comparator; it does not produce an absolute tax reduction under these assumptions.

For example, the 2031 municipal component is approximately \$4,651.16 in Scenario 1 and \$4,563.47 in Scenario 3. The \$87.68 difference is that year's avoided increase relative to Scenario 1; the Scenario 3 bill is still \$740.56 above the 2026 starting component. It is not an \$87.68 reduction from the taxes previously paid. Year-to-year tax reductions would require comparison with the preceding year's actual bill, including assessment,

class/area allocation and education taxes. Annual differences are calculated before rounding, so subtracting printed rounded bills can differ by a cent.

Cumulative benefits and sensitivity

Cumulative original-base benefit	Through year 1	Through year 3	Through year 5
2 Verified efficiency	\$0.600m	\$5.000m	\$9.400m
3 Efficiency growth and revenue	\$1.070m	\$8.849m	\$18.847m

Cumulative figures sum annual differences in original-base burden from the comparator through the selected year. They are undiscounted and conditional. They are not reserve balances, audited savings or revenue available to spend again.

Scenario 3 one-variable sensitivity	Year 5 comparison requirement	Year 5 original-base benefit
Reference assumptions	\$280.925m	\$5.296m
Requirement growth 2% annually	\$254.933m	\$5.044m
Requirement growth 6% annually	\$308.997m	\$5.568m
Efficiency run-rate only \$1.1m	\$280.925m	\$4.249m
No new outside revenue	\$280.925m	\$4.820m
No incremental assessment growth	\$280.925m	\$2.700m
Assessment growth 2% annually	\$280.925m	\$7.742m
Growth servicing cost 100% of yield	\$280.925m	\$2.569m
Growth servicing cost 120% of yield	\$280.925m	-\$0.158m

Each row changes only the named assumption. At 120% servicing cost, no positive growth benefit is retained; negative growth costs remain in the levy. Increasing the one-time transition cost from \$0.5 million to \$1.0 million reduces the year-1 benefit by \$0.5 million in Scenario 2 and approximately \$0.495 million in Scenario 3; it does not change the year-5 run-rate.

The most important downside is that new infrastructure investment, service demand or delayed growth may consume the entire benefit. Scenario 3's 60% cost assumption is deliberately exposed for testing; no evidence establishes that CK growth costs are actually 60%. At 100% there is no net growth benefit to allocate, and above 100% growth increases pressure on existing taxpayers.

Allocation and infrastructure retention tests

Generalize the original model using relief share a : $D(t) = (1 - a) \times \max[0, Y(t) - C(t)]$. Keep $L(t) = B - S - R + I + C + D$ and $E(t) = L/(1 + g)$. When $C \leq Y$, original-base benefit = $[S + R - I + a(Y - C)]/(1 + g)$. When $C > Y$, the negative growth margin remains a cost regardless of a ; no positive allocation is available. Holding all other assumptions constant gives:

Relief share / year	Retained growth provision	Total levy	Original-property annual bill	Below Scenario 1 annually
0% / 2027	\$0.961m	\$241.938m	\$3,965.99	\$9.84
0% / 2029	\$3.148m	\$264.902m	\$4,256.87	\$43.39
0% / 2031	\$5.732m	\$292.556m	\$4,608.62	\$42.53
25% / 2027	\$0.720m	\$241.698m	\$3,962.06	\$13.77
25% / 2029	\$2.361m	\$264.115m	\$4,244.22	\$56.03
25% / 2031	\$4.299m	\$291.123m	\$4,586.05	\$65.11
50% / 2027	\$0.480m	\$241.457m	\$3,958.12	\$17.71
50% / 2029	\$1.574m	\$263.327m	\$4,231.57	\$68.68
50% / 2031	\$2.866m	\$289.690m	\$4,563.47	\$87.68

The retained amount is the modeled annual growth appropriation, not a funded closing reserve balance. At 0%, the reference case still has an original-base benefit from efficiencies and outside revenue; it has no additional relief share from the positive growth margin. At 50%, it retains less for existing infrastructure. This is an explicit tradeoff, not a new revenue source or a saving counted twice. It does not reproduce the present policy's first-1%-operating allocation: an actual transition must use the Section 6 bridge.

Tax-supported infrastructure obligations may require some or all verified operating savings, outside revenue and net growth benefits to be retained for renewal. The scenario tables otherwise allocate all operating savings and outside revenue to lower levy pressure. If Council retains a fraction q of the savings, add $q \times S(t)$ to the levy; relative to the reference, the original-base benefit falls by $q \times S(t)/(1 + g(t))$. If it retains outside revenue as well, add the corresponding retained $R(t)$. A retained dollar is counted once as an appropriation, not both a taxpayer reduction and an infrastructure contribution.

Illustrative retention test	2027 annual bill	2029 annual bill	2031 annual bill
Scenario 2 retains 50% of savings	\$3,975.00	\$4,282.04	\$4,632.94
Scenario 2 retains 100% of savings	\$3,984.11	\$4,300.26	\$4,651.16
Scenario 3 retains 50% of savings	\$3,967.14	\$4,249.25	\$4,580.80
Scenario 3 retains 100% of savings and outside revenue	\$3,976.15	\$4,274.96	\$4,606.01

These tests leave the transition cost funded in year 1. Retaining all savings can initially increase the levy because transition costs precede benefits. The tables do not fund CK's full asset gap. Treasury must select

actual retention amounts from the adopted minimum renewal path, not mechanically promise either full distribution or a fixed split.

Independent arithmetic check

Draft 2 rechecks each year 2027–2031 using decimal arithmetic and a separate identity: comparison-rate yield on the enlarged base is $B(1 + g)$; subtracting the unused growth margin and net reform benefits gives the same levy as $B - S - R + I + C + D$. Household values use the unrounded published-rate baseline; cumulative values sum annual original-base differences. The original scenario, household and sensitivity results remain arithmetically consistent. All displays round only at the end; no rounded result is compounded. Sensitivity rows change one input at a time, not multiple optimistic inputs together.

Two further boundaries matter. With no achieved savings and no outside revenue, a zero-growth case produces no relief and the year-1 transition cost increases pressure. The steady-year break-even before retained appropriations is $S + R + a(Y - C) > 0$ where $C \leq Y$; for negative growth margin it is $S + R + Y - C > 0$. The full year-1 expression also deducts I . Higher grants or lower rates do not excuse missing servicing costs, and no sensitivity result demonstrates financial viability without actual cash flow, capital obligations and class/area modeling.

Missing inputs and release conditions

An official forecast requires reconciled 2026 and 2027 operating/capital budgets, the current amended levy, payroll and contracts, real savings business cases, collection and assessment data, a development pipeline, service-capacity thresholds, capital financing and renewal requirements, grant agreements and a property-class/area-rate distribution model.

Until those inputs are supplied, use the equations to evaluate proposals and keep future revenue at zero. Do not replace an unknown cost with an optimistic point estimate. A credible approval package should show a base, downside and stress case, break-even occupation date, peak cash requirement and the impact if expected grants or development charges fail.

11 Risks counterarguments and unintended consequences

Why the proposed strategy might fail

The strongest counterargument is that CK already underfunds asset renewal, so returning savings can deepen its structural gap. That concern is valid. A programme that reduces current tax growth while leaving essential renewal unfunded is not financially sustainable. Treasury should identify the minimum service and asset funding path before recommending the split between taxpayer relief and reinvestment.

Another counterargument is that repeated efficiency targets produce hidden service reductions after obvious savings are exhausted. That is also plausible. Every claimed benefit should be paired with workload and performance measures. Where lower expenditure depends on longer waits, less coverage or reduced operating hours, Council should debate it as a service change instead of calling it unchanged-quality efficiency.

Risk	Potential consequence	Required response
Target exceeds controllable spending opportunities	Unfunded cuts or relabelled savings	Reduce target or extend timetable on evidence
Attrition removes scarce expertise	More overtime, delays and consultants	Skills and succession plan before vacancy decision
Growth is late or capital-intensive	Debt and operating costs precede tax revenue	Phasing, cash-flow stress test and stop/go approvals
New fees replace lower property taxes	Burden shifts to families and businesses	Combined household and distributional analysis
Grant or dividend forecast fails	Sudden levy increase or reserve draw	Conservative baseline and contingency response
Reserve reduction lowers investment income	Recurring revenue loss offsets relief	Joint reserve, cash and investment forecast
Contract aggregation reduces competition	Higher long-term prices or supplier failure	Market test, lotting and concentration limits
Data and baseline inconsistency	Double-counting and misleading public claims	Treasury reconciliation and source/version controls
Enterprise debt is obscured	Hidden subsidy and contingent liabilities	Consolidated risk register and guarantees disclosure
Rate relief weakens utility renewal	Failures and larger future household bills	Separate rate plan and lawful funding review

Distributional and political vulnerabilities

Tax-ratio changes can shift costs from businesses to homeowners or farms, and relief focused on homeowners can exclude renters with equally serious affordability problems. Council should publish class-level effects and avoid a reform described as universally beneficial when it redistributes burdens. Economic benefits must be assessed separately from immediate household savings.

A hiring review can become an informal hiring freeze if approvals stall. Set review deadlines, emergency exceptions and escalation to the CAO. Publish aggregate decisions without identifying employees or bargaining positions. Public naming of individual staff as cost problems is neither necessary nor a sound review method.

A new dashboard can create reporting costs and encourage departments to pursue easily counted reductions. Build it from existing systems, pilot a small dataset and include quality measures. If the cost of collecting a measure outweighs its decision value, replace the measure rather than spend heavily on presentation.

Senior-government funding is uncertain, and a larger grant allocation may require a policy change that benefits some municipalities at others' expense. Present the case using consistent infrastructure and financing data. Do not describe the uncapped amount as money legally owed or imply municipal action alone will secure it.

The principle "We cannot tax our way to prosperity" must coexist with the obligation to fund necessary services. Higher taxes can sometimes be the least-cost option compared with infrastructure failure, borrowing

or service loss. The defensible commitment is disciplined decisions and slower growth where evidence permits, not refusal to fund justified costs.

12 First 90 day plan

Timing and responsibility

Use November 15, 2026, the statutory term start, as planning day 1; the inclusive day-90 date is February 12, 2027. Actual meetings, declarations and staff directions must follow the Clerk's schedule. Under the amended strong-mayor regulation the formal 2027 proposal may not occur before January 1, 2027, and must be public and delivered to Council/Clerk by February 1. If the mayor misses that deadline, Council prepares/adopts the budget. Consequently the complete 90-day review cannot be a prerequisite to the proposal. [52, s. 6(1); 16, s. 7; 35]

Official OpenBook indexed schedule material identifies January 13 opening, January 20–21 engagement and February 2–4 deliberations. This is a schedule reference requiring Clerk confirmation, not evidence of adopted budget results. Confirm posted meeting times and all shortening decisions; the January 20 listing's time needs checking. If formally tabled January 13, an unshortened 30-day amendment window runs to approximately February 12, after the listed deliberations; veto/override periods can extend adoption further. Council and mayor must make the respective lawful shortening decisions rather than treat the last deliberation night as automatic adoption. [33; 16, s. 7(3)–(14)]

Period	Work and owner	Reviewable output and decision
Days 1–15	Mayor sponsors; CAO and Treasurer organize review; Clerk confirms process	Council-approved scope, capped cost, reporting schedule and baseline data request
Days 16–30	Finance reconciles budgets, amendments, grants, assessment and prior reductions	Public baseline bridge with confidential personnel/contract annex where lawful
Days 16–45	HR and departments review vacancies, workload, overtime and management layers	Service-protected vacancy procedure and costed opportunities; no automatic abolitions
Days 20–60	Procurement, Legal and IT review major contracts and renewals	Contract calendar, compliance issues and implementable options
Days 30–65	Treasury and asset managers test reserves, debt, cash and infrastructure	Critical asset priorities, financing risks and reserve commitments
Days 45–75	Mayor and Finance prepare OCIF advocacy and affordability options	Documented provincial request and costed relief/payment alternatives
Days 60–90	CAO and Treasurer consolidate cases; Council considers decisions	Verified savings register, first dashboard and phased budget recommendations

In the first two weeks, do not commission a broad external “audit” without scope or an expenditure cap.

Set a mid-December evidence cut-off for proposals intended for the January budget package. Prioritize reconciled baseline items, executed contract savings and costed low-risk decisions. A new management redesign, collective-bargaining change, municipal corporation, unawarded procurement or uncertain grant is

unlikely to pass all gates in that window. Do not plug the full \$2.2 million target into 2027 merely to meet a calendar. Determine which analysis staff can provide and where independent expertise is necessary. Separate financial-statement assurance, compliance review and value-for-money work so Council understands what it is buying.

By day 30, reconcile the 2026 approved budget to amendments, the levy bylaw, the tax-policy schedule and actual year-to-date performance. Identify reductions already achieved and reserve-funded operating items. Publish missing data explicitly rather than wait for perfect information or present provisional figures as certified.

Departments should prioritize options that can be approved safely before the budget deadline. Procurement savings requiring a later expiry date, workforce changes requiring bargaining and capital projects requiring engineering remain prospective. Use the register to show estimated, approved, implemented and verified stages separately.

Separate decision ownership in every package. Mayor: lawful direction and statutory budget proposal; CAO: administration and delegated operational implementation; Treasury: accounting, affordability and cash verification; Council: required policy/bylaw, service, land and appropriation decisions through the proper process; HR/employer and unions: bargaining obligations; Procurement: fair solicitation/award within authority; separate boards/PUC: their statutory decisions. A proposed Council resolution cannot transfer an agency's powers to the mayor. Later budget amendments must use the applicable procedure, not an assumed informal authorization. [15–17]

The 90-day report should include the two asset case-study document requests, relief-publication reconciliation, an OCIF calculation request and growth-allocation alternatives even if the internal records remain outstanding. Report what can be decided now and what needs further evidence; that is a feasible first-quarter result, not completion of an organizational overhaul.

Prepare a liquidity forecast showing taxes, grants, payroll, capital payments and restricted funds. Review outstanding guarantees, borrowing authorizations, leases and procurement commitments. Low reported debt does not establish that every future borrowing proposal is affordable.

The first dashboard should use a small number of reconciled measures and disclose data coverage. Council should receive a written status report by day 90 containing decisions made, realized benefits, transition costs, service results and proposals not yet ready. Public reporting must protect personal information and confidential procurement/bargaining material while explaining aggregate fiscal effects.

13 Three to five year implementation framework

Year 1 in 2027

Complete the reconciliation, implement low-risk approved improvements and pilot net-growth cohort reporting. Require savings and affordability measures to be reflected in the adopted budget rather than exist only on a separate scorecard. Review rate-supported utility options through the appropriate PUC and municipal procedures.

Do not make the first year dependent on creating new corporations. Land, infrastructure and energy business cases should proceed only if they can demonstrate a public purpose, lawful activity, financing and advantage over direct municipal delivery. Put their review costs and potential downside in the consolidated budget.

Years 2 and 3 in 2028 and 2029

Integrate verified improvements with the 2028–2031 multiyear budget and asset funding path. Review whether the approximately \$2.2 million run-rate objective remains reasonable. Roll out proven procurement, facility and shared-service changes after pilots show benefits. Recalculate the growth allocation annually using actual roll data and service costs.

An improvement remains in the baseline after implementation. Report its persistence, but do not count it as a new saving every year. Distinguish run-rate, incremental newly achieved savings and cumulative benefit. If a contract price later increases, the improvement may still have avoided a larger cost, but that comparison requires evidence and a transparent counterfactual.

Years 4 and 5 in 2030 and 2031

Commission a proportionate independent evaluation of significant initiatives and the overall funding approach. Test whether rate and tax pressure fell relative to a defensible comparison while service and asset performance held. Examine the costs of any new assets or enterprises against their original business cases, including subsidies and contingent liabilities.

Refresh policies for the next Council term rather than promise to bind successor budgets. Terminate or redesign initiatives that cost more than they deliver, within contracts and legal obligations. A transparent decision to stop an unsuccessful pilot is preferable to hiding its costs in another departmental budget.

Public accountability framework

Create a public fiscal dashboard, preferably within or linked to CK's existing OpenBook environment. Treasury owns definitions and reconciliations; departments own operational data; the CAO resolves overlaps. Publish quarterly updates, an annual budget reconciliation and an annual review of service and asset performance. [33]

Metric	Definition and control
Tax levy growth	Adopted/amended municipal levy; separately show budget change, growth revenue, area rating and tax-policy shifts
Operating expenditure	Consistent tax-supported gross/net basis; disclose transfers and rate-funded exclusions
Verified recurring savings	Net run-rate against identified baseline; exclude one-time items and already achieved reductions
Procurement benefits	Comparable scope/quantity/quality and final cost; separate capital from recurring contracts
Debt and reserves	Outstanding and authorized debt, debt service, commitments, restrictions and forecast reserve minima
Asset condition and backlog	Asset-class condition, risk, funded renewal and unfunded lifecycle need with estimate confidence
Net new taxable assessment	New/improved property less losses; separate reassessment and tax-ratio effects
Growth costs	Added operating, financing and lifecycle requirements by cohort and funding system

Metric	Definition and control
Household impact	Municipal tax, utility and fee examples, assumptions, class and geography; education separated
Service performance	Response, reliability, wait time, completion and accessibility indicators appropriate to each service

Assign each fiscal initiative one unique identifier. The register should record source year, baseline account, calculation, approval, implementation date, one-time cost, recurring cost, funding restrictions, service measures and verifier. Correct prior entries publicly when evidence changes. Estimated or approved benefits should never appear in the same total as verified realized savings without separate labels.

Maintain separate columns for tax-supported and PUC benefits. Reconcile subsidiary revenue and intercompany payments to eliminate internal transfers. Capital grant revenue, displaced tax contribution and avoided borrowing are related views of a transaction; they are not three additive savings.

14 Proposed Council direction

The following is proposed decision language for Legal and Clerk review. It authorizes investigation and later decisions, without pre-approving staffing reductions, tax measures, contracts or corporate formation.

1. That Council receive Draft 2 of the Chatham-Kent Property Tax, Fiscal Reform and Household Affordability Strategy as a policy proposal requiring further financial, operational and legal assessment.
2. That the CAO and Treasurer prepare a fiscal and operational review using the amended 2026 budget, current 2027 outlook, latest audited statements and asset-management programme, with a public reconciliation of the levy, growth revenue, prior reductions, reserves and restricted funds.
3. That administration propose a costed review scope, expenditure cap and reporting schedule before engaging additional external services, with any necessary appropriation presented through the applicable budget process.
4. That an approximately \$2.2 million net recurring efficiency objective be investigated over 18–24 months, without assuming achievement, specifying the eligible expenditure base and protecting statutory and critical frontline capacity.
5. That HR and service leaders prepare a timely non-frontline vacancy-review procedure and labour-impact assessments for workforce proposals; that no blanket hiring freeze or indiscriminate layoffs be authorized by this direction.
6. That Procurement and Legal review major contracts, renewals, noncompetitive purchases and compliance with Bylaw 19-2026, applicable trade obligations and provincial procurement requirements, and report financially justified improvements.
7. That Finance compare the existing Assessment Growth Policy with 0%, 25% and 50% existing-taxpayer relief shares of genuinely additional verified net recurring growth benefits, with no automatic new allocation until a sustainable minimum renewal path, service funding and liquidity safeguards are demonstrated; that any proposed change return for Council policy and annual budget decisions.
8. That the Treasurer and asset managers prepare reserve, debt, cash-flow and infrastructure priorities, and disclose the financing and household implications of any proposed tax-supported/rate-supported transfer.

9. That Finance and Legal prepare targeted tax-relief, payment and administrative-fee options within existing law, with the appropriate utility review brought through PUC governance.
10. That administration prepare a documented OCIF advocacy brief distinguishing the uncapped formula estimate, confirmed allocation and tax-funded capital contribution that additional eligible funding could replace.
11. That no prospective Land Bank, MIIF or Maple City Power dividend, unconfirmed grant uplift or broad vacancy/speculation-tax revenue be included as a funded benefit before the required independent business case and legal process.
12. That Treasury establish common savings definitions, a register preventing double-counting and a public dashboard, with a first consolidated report within 90 days and budget decisions advanced earlier where statutory timing requires.
13. That administration prepare a significant-asset public-value assessment protocol, subject to existing law, disposition policy and legitimate confidentiality; and obtain the acquisition, funding, approval, title, restriction, housing-capacity and alternative-use records for 110 Sandys Street and 426 Lacroix Street without presuming wrongdoing.
14. That Legal and Treasury reconcile the published tax-deferral criteria/application with the operative bylaw and statutory interest/eligibility rules before proposing programme amendments or revised public advice.
15. That the Clerk confirm the 2027 post-election strong-mayor budget timetable, including proposal, amendment, veto and override requirements, and identify which proposals can lawfully be advanced before the evidence cut-off.

Council may revise the proposed share or objective after receiving the evidence. Adoption of a review is not approval of its eventual recommendations. Separate bylaws, appropriations, bargaining decisions and agency approvals remain necessary where applicable.

15 Evidence gaps and consolidated review conclusion

The next evidence package should replace provisional baseline elements with a Treasury reconciliation rather than add more ambitious targets. Obtain complete approved 2026 operating/capital/lifecycle books, amendment decisions, the current forecast and the 2027 annual update. No search result or press release substitutes for this package.

Reconcile the \$230.900269 million tax-policy levy with the budget, assessed roll and collection accounts. Explain the difference from 2025 audited property taxation and from the presentation's implied percentage-point denominator. Obtain a five-year consistent levy and assessment-growth series, including supplementary/omitted assessment, exemptions, CIP grants and appeal losses.

The tax-policy report contains internal issues requiring correction or explanation: 1.46% versus 1.59% weighted growth; Table 1's assessment and municipal/total-tax labels; the landfill ratio shown as 10.46 in one label versus 10.3303 in the recommendations/table; and recommended vacant/excess-land changes versus published final rates. These issues do not invalidate the entire report, but should prevent unqualified repetition of its household example or tax-policy implementation claims. [6, 7]

Obtain the full \$9.056307 million reduction schedule, final budget deliberation bridge and actual implementation results. Classify each item as operating efficiency, funding change, reserve contribution

change, service change, one-time release or timing adjustment. Deduct these items and existing vacancy allowances from the new opportunity inventory.

Request funded/filled/vacant FTE by service, management spans, compensation, pension, overtime, agreements and approved staffing changes. Staff lists and salary disclosures alone cannot establish workload or savings. Obtain a contract register with renewals, options, indexation, restrictions and disputes.

Finance should provide current reserve commitments, restricted balances, cash forecasts, debt/lease/guarantee schedules and the updated Annual Repayment Limit. Reconcile 2025 investment income attribution and Entegrus accounting income versus cash dividends before treating either as additional unrestricted revenue.

Engineering and PUC should validate asset-gap assumptions, especially water DC forecasts and differences in planning horizon. Confirm Council adoption of the current service statements and the minimum funding path. Asset-condition risk should be included in the cost of each proposed reduction or consolidation.

Obtain actual development cohorts, expected assessed value, occupation timing, incremental service costs, capital/DC recovery and grant terms. Model school/education and class/area effects separately from municipal discretionary funding. Do not use permit counts or developer interest alone as realizable tax revenue.

Legal should confirm the current relief bylaws, annual eligible tax-increase definition, s. 365 options, utility assistance authority, corporate powers and new procurement requirements. Test vacancy-tax administrative cost and housing effect separately. The subsequent hostile audit should obtain written authority conclusions and actual business cases; this second draft does not imply institutional endorsement.

Standard before quantified commitments

Before any quantified campaign promise is strengthened, require reconciled municipal data, implementable savings proposals, service protection measures, legally authorized relief and realistic downside cases. If those conditions are not met, retain the objective as a proposal or remove the unsupported commitment. Draft 2 should undergo a separate hostile audit by financial, legal, procurement, labour and operational specialists, using the underlying records rather than only this paper.

Consolidated conclusion on authority evidence and hostile audit priorities

The recommended next step is a disciplined review with explicit decision gates. Slower tax-pressure growth is a policy objective; neither a lower absolute levy nor a lower individual bill is verified by this draft. The asset funding position makes automatic distribution of 50% of net growth benefits premature. Maintain a zero prospective enterprise-dividend/OCIF-uplift baseline, investigate the approximately \$2.2 million objective over 18–24 months and allow annual budgets to allocate only supported benefits.

Review category	Recommendation or claim	Decision/evidence gate and priority
Can proceed within existing authority	Staff account/contract/licence/fleet inventories, service mapping and publication of reconciled nonconfidential data	Existing delegation, approved resources and privacy/contract constraints; CAO/Treasury assign owners

Review category	Recommendation or claim	Decision/evidence gate and priority
Council authorization / bylaw / legal review	New review appropriation, service/position changes, Assessment Growth Policy amendment, fees/targeted relief, asset protocols/transactions	Proper Council or statutory budget process; Legal confirms bylaw/contract route; no campaign text itself authorizes execution
Separate employer/board/utility decision	Bargaining-dependent changes, police/library governance, utility rates/assistance, enterprise formation	Current agreements, statutory decision-maker and lawful financing; mayoral direction cannot substitute
Further municipal financial data	Amended levy/budget, historical reductions, eligible E, vacancies, contracts, reserves/debt/cash, net growth and minimum renewal	Treasury signed reconciliation; priority 1–6 in Appendix A; unavailable records remain explicit
Illustrative financial claims	\$2.2 million objective; all 2027/2029/2031 scenarios, sensitivity, household and 0/25/50 tests; unidentified \$0.5 million revenue	Arithmetic verified, assumptions not verified; no forecast or booked benefit; priority 3, 5–6
Provincial action / agreement	OCIF cap reform or special agreement; broader speculation-tax powers if pursued	Province decides; reconcile formula and eligible tax-capital displacement; no \$19.3 million entitlement; priority 9
Priority hostile audit: asset stewardship	Sandys acquisition/conditional transfer, Lacroix HAF funding/new fire site and housing capacity	Certified decisions, executed agreements, title/reversion, eligibility, alternatives and full costs; priority 8
Priority hostile audit: relief and compliance	Published deferral interest/eligibility inconsistency; current procurement, labour and tax-policy schedules	Legal/HR/Treasury reconcile source versions, lawful authority and actual administration; priority 4, 7, 10

This table is a consolidated decision map, not an exhaustive delegation opinion. Appendix A identifies the ten highest-priority unresolved questions. Obtain municipal records and primary transaction instruments for those questions before strengthening a public financial promise. Where evidence shows a proposed saving is a service cut, funding transfer, delay or cost increase, revise or withdraw the claim.

16 Source references with working links

Numbered references identify the source of factual claims. Page and slide references use the source's printed numbering where available. Calculations and policy proposals are labelled in the body. Official links were located or retrieved during this research; some dynamic budget and legislative pages did not return full text through the retrieval route. Those access limits are disclosed rather than represented as completed verification. Links can change after publication.

[1] Chatham-Kent Our Municipal Budgets. Current public budget summary and links to 2024–2027 annual updates. [Budget hub](#)

[2] Chatham-Kent Council recommends 4.63 per cent budget increase. Adopted 2026 update communication; prior forecast and identified reductions. [Municipal release](#)

[3] Chatham-Kent 2026 Annual Budget Update presentation. November 5 2025. Budget bridge and OCIF comparison; slides 7–8 for funding issue. [Budget presentation PDF](#)

[4] The Corporation of the Municipality of Chatham-Kent 2025 audited consolidated financial statements. Municipal website publication reviewed; statements and notes are the source of 2025 actuals. [2025 financial statements PDF](#)

[5] Chatham-Kent consolidated asset-management Council report dated July 13 2026, listed online as Report to Council June 2026; and 2026 Level of Service Statements. [Asset report PDF](#) | [Service statements PDF](#)

[6] Chatham-Kent 2026 Tax Policy report, April 27 2026, and Appendix A. The levy reference is the Appendix; report inconsistencies are disclosed in sections 3 and 15. [Tax-policy report PDF](#) | [Appendix A PDF](#)

[7] Chatham-Kent 2026 municipal tax rates, education tax rates and area-rated charges. Final schedules used for the household municipal component. [Municipal rates PDF](#) | [Education rates PDF](#) | [Area-rated charges PDF](#)

[8] Chatham-Kent Water and Wastewater Rates. January 2026 charges; meter-size, rural and consumption distinctions. [Utility rate schedule](#)

[9] Ontario Community Infrastructure Fund. Published 2026 formula parameters, maximum allocations, smoothing and eligible-use conditions. This does not verify CK's uncapped worksheet. [OCIF programme](#)

[10] Ontario 2026 Ontario Municipal Partnership Fund municipal allocations. CK allocation \$23,235,700. [2026 allocations](#)

[11] Chatham-Kent Development Charges 2025 Treasurer's Statement. Council report dated September 14 2026; collections, interest, deferred amounts and planned updates. [DC Treasurer statement PDF](#)

[12] Ontario Assessment Act, R.S.O. 1990 c. A.31. Current assessment and classification framework. [Assessment Act](#)

[13] MPAC Assessment Cycle. January 1 2016 valuation reference and continuing updates for changes to properties. [MPAC assessment cycle](#)

[14] Ontario Municipal Councillor's Guide chapter 9 Fiscal context; and municipal budgeting guidance. Explains budget, funding and accounting distinctions. [Fiscal context guide](#) | [Budget surplus and deficit guidance](#)

[15] Ontario Municipal Act 2001 S.O. 2001 c.25. Principal anchors include ss. 106, 203, 270, 290–291, 307–319, 326, 357, 365 and Parts VI.1, IX.1, XII and XIII. Legal must confirm application to each actual design. [Municipal Act](#)

[16] Chatham-Kent Mayoral Powers; O. Reg. 530/22 Strong Mayor Powers and Duties. Local public guidance is the source for the described budget process; confirm current regulation and timetable before action. [CK mayoral powers](#) | [O. Reg. 530/22](#)

- [17] Chatham-Kent Purchasing Bylaw 19-2026, February 23 2026. Repeals 205-2023. Review all schedules and exceptions for an actual purchase. [Purchasing bylaw PDF](#)
- [18] Ontario Municipal Buy Ontario Procurement Directive. 2026 applicability dates and requirements; must be reconciled with trade obligations. [Municipal procurement directive](#)
- [19] Chatham-Kent Assessment Growth Policy. Last revised October 16 2023. Existing operating, business-case and infrastructure allocation priorities. [Assessment Growth Policy PDF](#)
- [20] Ontario Development Charges Act 1997 S.O. 1997 c.27; O. Reg. 82/98 General. Statute consolidation identified from June 2 2026; exemption and cost-recovery details require current legal review. [Development Charges Act](#) | [O. Reg. 82/98](#)
- [21] Ontario O. Reg. 599/06 Municipal Services Corporations. Business case, consultation, activities and asset-transfer requirements. [O. Reg. 599/06](#)
- [22] Chatham-Kent Debt Management Strategy, last revised November 27 2023; Ontario O. Reg. 403/02 Debt and Financial Obligation Limits. [CK debt policy PDF](#) | [O. Reg. 403/02](#)
- [23] Chatham-Kent Investment Policy; Ontario O. Reg. 438/97 Eligible Investments Related Financial Agreements and Prudent Investment. Treasury must confirm the applicable regime. [CK Investment Policy PDF](#) | [O. Reg. 438/97](#)
- [24] Chatham-Kent Reserves and Reserve Funds Policy, last revised August 10 2026. Restrictions, governance and reserve management. [Reserve policy PDF](#)
- [25] Municipal Act ss. 319 and 365, read with current provincial tax-policy guidance. Halton 2026 Current Value Assessment and Tax Policy Reference Manual provides a current municipal implementation comparison; it does not establish a CK programme. [Statutory authority](#) | [Halton 2026 tax-policy manual](#)
- [26] Chatham-Kent Tax Rebate and Relief Programs and sickness/extreme-poverty information sheet. Published s. 357 application and ARB route. [Tax-relief information](#) | [Information sheet PDF](#)
- [27] Ontario O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure and municipal asset-management planning guidance. [O. Reg. 588/17](#) | [Ontario asset-planning guidance](#)
- [28] Ontario Municipal Vacant Home Tax policy framework; O. Reg. 458/22 as amended by 143/24. Provincial page updated August 5 2026; authority extended March 27 2024. [Vacant Home Tax framework](#) | [Designation regulation](#)
- [29] Canadian Free Trade Agreement Secretariat. Covered procurement thresholds for January 1 2026–December 31 2027 and Chapter Five Government Procurement. [Indexed threshold resources](#) | [Government procurement chapter](#)
- [30] Global Affairs Canada Government procurement. Published 2026–2027 international agreement thresholds, including CETA sub-federal coverage. [Government procurement thresholds](#)
- [31] Chatham-Kent Tax Rates and Due Dates. Instalment and late-payment information, including 1.25% monthly charge. [Tax dates and payment information](#)
- [32] Ontario Municipal budget planning surplus and deficit guidance. Companion explanation of budget and PSAB reporting differences. [Budget planning guide](#)
- [33] Chatham-Kent public OpenBook budget environment. Dynamic interface; a complete dated export of approved books and amendments was not retrieved in this research. [OpenBook](#)
- [34] Historical campaign working reference CK_Property_Taxes_Freeze_vs_Fix_Video_Script.docx, used in Draft 1. Not newly supplied/authenticated in this revision and not independent fiscal evidence. Quantitative claims rely on references 2, 3 and 6.

- [35] Ontario O. Reg. 189/26, s. 1, amending O. Reg. 530/22 s. 7(1.1); effective June 22 2026. Post-election budget timing. Current regulation s. 7(1)–(14) provides proposal/amendment/veto/override process. [2026 amendment](#) | [Current strong-mayor regulation](#)
- [36] CUPE Local 12.1 and Municipality of Chatham-Kent collective agreement 2024–2027. Primary union-hosted signed agreement; arts. 5.05–5.06 (printed pp. 4–5), 8, 9.04(f) (p. 13), 11. Obtain HR confirmation of current side letters/awards. [CUPE 12.1 agreement PDF](#)
- [37] CUPE Local 12 agreement/unit resources and archived CK Collective Bargaining Units list. Archive is not a certified current roster. [Union agreements](#) | [Union units](#) | [Archived CK bargaining units PDF](#)
- [38] Chatham-Kent Bylaw 92-2020, July 20 2020, policies for sale and other disposition of real property. Sections 4–9 govern decision/appraisal/waiver/initial circulation. Read with amendments. [Disposition bylaw PDF](#)
- [39] Chatham-Kent Bylaw 228-2021, December 20 2021, s. 1 replacing Bylaw 92-2020 s. 4(a); housing/planning review and affordable-housing land retention. Later amendments/transaction waivers require confirmation. [Housing amendment PDF](#)
- [40] Chatham-Kent staff report October 7 2024: acquisition of 110 Sandys Street. Recommendations and financial implications identify price/land and proposed debenture funding. Primary official record located through indexed text; full download blocked. Final Council decision/closing not authenticated. [Acquisition report official PDF](#)
- [41] Chatham-Kent April 28 2025 municipal housing options report, p. 5: 110 Sandys supportive-housing design and approximate 46-unit option. Primary official indexed record; complete download blocked. [Housing options report official PDF](#)
- [42] Chatham-Kent bids and tenders R26-169: architectural services for conversion of 110 Sandys Street to supportive housing. Published January 30 2026; closed February 23. Description/dates do not prove final delivery. [R26-169 primary bid record](#)
- [43] Sydenham Current, August 12 2026: Council approves donation of 110 Sandys Street to addiction recovery foundation. Secondary account of August 10 decision; paragraphs on conditional transfer, title terms, capital-facility proposal and reserve funding. Used only as a clearly qualified lead pending primary approvals/instruments. [Reported transfer decision](#)
- [44] Chatham-Kent purchase announcement: former St. Ursula School at 426 Lacroix Street. Purchase/funding/condition/demolition paragraphs. Primary municipal statement, not proof of registered closing or later land-use approval. [Municipal acquisition announcement](#)
- [45] Chatham-Kent Strategic Housing Action Plan May 2026. Appendix municipal affordable-housing development strategy, Phase 3 (2031–2034), PDF p. 186; 426 Lacroix 100+ target, not approved yield. [Strategic Housing Action Plan PDF](#)
- [46] Chatham-Kent primary bid records T26-219 and R26-271. T26-219 full abatement/demolition, publication May 14 and award July 8 2026. R26-271 new four-bay fire-station design at 426 Lacroix, publication July 20 and award September 15 2026. Status/dates do not establish construction approval or completion. [Demolition bid record](#) | [New-station design bid record](#)
- [47] Contemporaneous local coverage of July 2026 civic/fire-site consideration. Secondary leads only: certified Council decision, siting alternatives, funded capital and final land plan still required. [July 9 civic-building report](#) | [July 13 fire-site report](#)

[48] Ontario Municipal Act s. 110 and O. Reg. 603/06 Municipal and School Capital Facilities—Agreements and Tax Exemptions, ss. 2–3 and applicable conditions. Eligible facility design, agreement and bylaw must be established; no automatic charity exemption asserted. [Capital-facility regulation](#)

[49] Principal service-duty statutes for department-specific legal matrix: Fire Protection and Prevention Act 1997 s. 2; Safe Drinking Water Act 2002 s. 19 and operator regulation 128/04; Ambulance Act; Community Safety and Policing Act 2019; Public Libraries Act; Fixing Long-Term Care Act 2021. Check current applicable regulations and actual employer/service standards before workforce changes. [Fire statute](#) | [Drinking-water statute](#) | [Operator regulation](#) | [Ambulance Act](#) | [Policing statute](#) | [Libraries statute](#) | [Long-term-care statute](#)

[50] CMHC Housing Accelerator Fund Round 2 Pre-Application Reference Material, section 8 Permitted uses of HAF funding, pp. 6–7; p. 7 expressly includes fire halls. General programme permission does not replace CK's executed agreement or prove this site's compliance. [CMHC permitted-use guide PDF](#)

[51] Chatham-Kent published Tax Deferral Eligibility (p. 1) and Application (pp. 1–2). Publication dates/current governing bylaw unverified. Apparent interest and disability-criteria inconsistencies are expressly flagged; do not treat these PDFs as a legal opinion. [Published eligibility PDF](#) | [Published application PDF](#)

[52] Ontario Municipal Elections Act 1996, s. 6(1), four-year term beginning November 15 in regular election year. Used for inclusive planning dates, not confirmation of inaugural meeting. [Municipal Elections Act](#)

[53] District Municipality of Muskoka Policies Relief and Rebates: s. 365 explanation identifying eligible residential, farmland and managed-forest classes. Municipal implementation comparison, not CK policy or a substitute for current statutory review. [Municipal statutory explanation](#)

Appendix A Ten priority questions for the subsequent hostile audit

1. What is the fully amended 2026 levy and operating/capital/lifecycle baseline, and how does it reconcile to the \$230.900269 million tax-policy schedule and 2027 outlook?
2. Which parts of the \$9.056307 million prior reductions are recurring operating savings, and which are reserve changes, outside funding, deferrals or one-time items already counted?
3. What eligible controllable expenditure base and specific net business cases support an approximately \$2.2 million recurring objective after transition costs and service effects?
4. Which workforce changes are operationally safe and permitted by collective agreements, pension rules and statutory duties, and what replacement or overtime costs would they create?
5. What reserve, liquidity, debt and contingent-liability limits must be protected before verified benefits are assigned to tax relief?
6. What are credible development cohorts' marginal/lifecycle costs and the validated minimum renewal path, including water DC assumptions; do 0%, 25% or 50% relief shares preserve reserves, services, liquidity and future growth obligations?
7. What explains the assessment percentages, household-example labels, landfill-ratio label and vacant-land rate inconsistencies in the 2026 tax-policy material?
8. Do the Sandys and Lacroix primary approvals, funding ledgers, executed agreements and title records support their stated community benefits; what housing capacity/opportunity cost, HAF obligations, alternative sites and enforceable reversion protections remain?
9. What provincial worksheet supports CK's uncapped OCIF amount, and exactly which existing tax-funded capital contribution could additional eligible funding displace?
10. What operative tax-deferral bylaw and legal basis resolve the published interest/disability discrepancies, and which relief, utility, procurement and enterprise designs are lawful, affordable and free of unsupported burden shifts?