

CANDIDATE & COMMUNITY BRIEFING

AFFORDABILITY, MUNICIPAL BUDGETS AND SHARED PROSPERITY

Taxes, required services, discretionary choices and the income side of affordability

Prepared for candidates, members, media and residents | October 19, 2026

Council must balance the municipal budget - and understand the household budget.

Affordability requires disciplined spending, reliable services and opportunities for residents to improve their financial security. A lower tax increase, by itself, does not establish that life has become more affordable.

1. Affordability has two sides: what life costs and what people can afford

Housing, taxes, utilities, transportation, care and other essentials affect what a household has left to live on. Income, pensions and benefits affect its ability to meet those costs. The earlier Chamber affordability briefing therefore asks whether a municipal decision removes a cost, transfers it to someone else, or postpones it.²⁶

Tax restraint matters. So does the cost of losing a useful service. An unnecessary expense should not be protected simply because it already exists. Equally, eliminating an affordable transport option or delaying essential maintenance may leave households paying more or facing greater risk. Statistics Canada treats income, economic security and access to services as parts of prosperity, not GDP alone.¹⁹

The objective is not the highest spending or the smallest budget. It is the best sustainable combination of manageable charges, useful services, access to opportunity and financial resilience. Impacts will differ for renters, homeowners, seniors, people with disabilities, families and rural households.

2. Council can act, but cannot control every price

Within provincial law, Council sets policies and priorities and oversees services and municipal finances; staff advise and implement. The municipality can influence housing delivery, service costs and investment conditions. It does not set most grocery prices, mortgage rates or private-sector wages. Some solutions require other governments, employers, lenders or service providers.^{1,12}

In CK, strong-mayor provisions assign budget preparation to the Mayor. Council may amend, the Mayor may veto amendments, and Council may override under the statutory rules. No individual councillor can implement an affordability promise alone: it needs lawful decisions, funded delivery and public reporting.^{3,4}

REQUIRED SERVICES AND DISCRETIONARY CHOICES

3. Mandatory is not the same as fixed. Discretionary is not unnecessary.

The Municipal Act is not a complete list dividing every expenditure into essential or optional. Duties also arise under sector legislation, regulations, contracts, funding agreements and the responsibilities of statutory boards. Often the service is required, while parts of its delivery model, service level or timing remain open to review. ^{1,5,6,7,8,9,10}

Spending area	Legal floor and the room for a leadership decision
Municipal finance and roads	The Municipal Act requires budgeting and provision for debts due; section 44 addresses keeping municipal highways and bridges in a reasonable state of repair. Review administration, asset priorities and delivery costs without treating safety or existing liabilities as optional. ^{1,2}
Fire protection	The Fire Protection and Prevention Act requires public education and specified prevention work, plus other protection services according to local needs and circumstances. Risk assessment and lawful standards inform the service design; neither every proposed enhancement nor every reduction is automatically justified. ⁵
Police services	The Community Safety and Policing Act requires sufficient funding for statutory policing purposes. Council establishes the overall board budget and is not bound to accept the submitted amount, but cannot approve or reject individual estimate items. A statutory dispute process applies. ⁶
Water, public health and paramedics	Safe drinking-water duties, mandatory public-health functions and land-ambulance responsibilities arise under separate laws. Delivery bodies and provincial funding matter. Operating a service safely is not optional; every expansion, facility choice or service enhancement still needs its own case. ^{7,8}
Housing and homelessness	The Housing Services Act assigns plans, service and funding responsibilities to designated service managers. These coexist with powers to add local programs. Distinguish existing statutory and agreement obligations from a proposal for additional locally funded services. ⁹
Locally chosen enhancements	Recreation expansion, event support, additional amenities and some economic-development initiatives involve local choices. Test their purpose, access, cost and results. Once a commitment is made, contracts, safety, accessibility and funding conditions can constrain how it is changed. ¹

Libraries illustrate why labels matter. An established public library operates through its statutory board; Council reviews its estimates, while legal requirements include free access to specified services. A proposed additional facility is not the same question as abandoning the obligations of the existing service. ¹⁰

Ask what must be delivered, not only what the department is called. A mandate is not proof that the current delivery method is efficient. Local discretion is not proof that a program lacks public or economic value.

THE BUDGET, THE TAX LEVY AND THE HOUSEHOLD BILL

4. Understand which number is changing

The budget sets out financial requirements and funding. **The tax levy** is the amount to be raised through property taxation. **The tax rate** applies to assessed value; the bill also depends on classification, applicable rates and charges. MPAC assesses property, the municipality determines its tax requirement and Ontario sets education tax rates.^{2,11}

Reducing a tax ratio for one property class can redistribute the burden to other classes if the levy is unchanged. A high rate does not, by itself, show the highest comparable bill. Nor is a lower advertised rate proof of lower total household costs. Assessments should not be confused with current purchase prices.^{11,23,24}

A simplified tax-supported budget lens:

Service costs + debt payments + planned reserve contributions
minus non-tax revenues and authorized reserve withdrawals
= the remaining amount to finance through the levy.

This is a planning explanation, not a substitute for the statutory budget or accounting treatment.

5. A balanced budget is a requirement, not an efficiency certificate

The statutory budget must provide for required expenditures and funding, with the applicable reserve adjustments. Long-term borrowing is a capital-financing tool, not a permanent solution to an operating gap. Budget figures also differ from accrual financial statements: an accounting or accumulated surplus is not automatically uncommitted cash for a recurring tax cut.^{1,2,12,13}

CK uses operating, capital and lifecycle budgets. Its annual multi-year-budget review allows adjustments for Council direction, cost drivers and changed regulation. Those connections matter: a capital project can create years of operating, debt-service and renewal costs that do not disappear after construction.¹⁵

6. Count the saving that actually reaches the municipal budget

Illustration, not CK program data: a \$100,000 service funded by \$60,000 in conditional grants, \$20,000 in user revenue and \$20,000 from taxes does not release \$100,000 of tax room when cancelled. If the other revenues disappear with the service, the maximum continuing levy saving is \$20,000 before termination costs or replacement obligations.

A credible savings report separates recurring efficiencies from reduced service, additional fees, capital deferrals and reserve withdrawals. A vacant position is not a permanent saving unless workload and delivery have been addressed. Digital systems and shared services should be assessed for implementation costs and actual results, not assumed to pay for themselves.

Cancelling or resizing a project: compare future avoidable costs with termination costs, lost grants, substitute services and the consequences of not proceeding. Money already spent is not recoverable just because a project stops; nor is past spending a reason to continue a poor proposal. Show the net saving, timing and public impact.

HOW COUNCIL CAN REDUCE - OR ADD TO - AFFORDABILITY PRESSURES

7. Apply the household test to ordinary municipal decisions

Council contributes to affordability through both charges and the conditions in which households and businesses operate. The following are proposed decision tests, not claims that every investment pays for itself or that every reduction damages access.²⁶

Municipal choice	The practical affordability test
Taxes and user fees	Control avoidable costs and make changes predictable. Examine targeted relief and practical access. A rebate reduces a cost; a deferral postpones it. Show who pays more, including people who cannot afford private alternatives.
Housing and approvals	Enable suitable housing, coordinate approvals and servicing, and preserve affordable stock. Evaluate development charges alongside infrastructure funding. Lower charges or faster approvals can help feasibility, but do not guarantee a completed home or a lower rent. ²⁷
Transportation and services	Test whether people can reach work, care, shops and programs at usable times. Low fees offer little help without capacity, appropriate hours or accessible routes. Consider urban and rural households separately.
Infrastructure and maintenance	Use condition, risk and whole-life cost to decide what to renew, expand or defer. Compare borrowing with pay-as-you-go funding rather than assuming either is always cheaper. Include operating, maintenance and repayment costs. ^{13,14}
Safety, prevention and inclusion	Assess homelessness prevention, coordinated support and public-space management alongside neighbourhood and business safety. Benefits may occur in other service budgets; do not count a provincial health saving as an automatic municipal cash saving.
Business and workforce conditions	Reliable servicing, clear processes and connections to skills and customers can support investment and employment. Ask who gains opportunity and how results will be demonstrated; business growth and household affordability are related, not identical.

8. Discretionary spending needs discipline, not an automatic cut or exemption

A recreation program, library resource, tourism initiative or employment-land study can provide access or enable economic activity even where the precise expenditure is locally chosen. Some proposals will still be unaffordable or weakly justified. Compare renewal, improved access, shared facilities, private or not-for-profit delivery, and doing less.

For each material proposal, request the documented need, intended users, alternatives, total public cost, funding source, measurable result and review date. For reductions, apply the same discipline: show the service lost, people affected and any private cost transferred to households.

Affordability is not a choice between restraint and investment. It is choosing what delivers value, stopping avoidable cost, and funding essential capacity without hiding the bill.

OTHER GOVERNMENTS, FUNDING AND SHARED RESPONSIBILITY

9. Match the problem to the authority and the payer

Participant	What the partnership must address
Municipality, Mayor, Council and service bodies	Local budgets, taxes and fees, infrastructure, planning, municipal services and designated housing or social-service responsibilities. Coordinate across departments and statutory boards. Do not promise a provincial benefit, clinical service or private investment that the municipality cannot authorize. ^{1,7,9,12}
Province of Ontario	Municipal powers and service standards; major health, education and social-assistance systems; housing rules; and provincial transfers. Seek adequate, predictable support for required local delivery and agreements that identify capital, operating and professional-staffing responsibilities. ^{1,7,9,12}
Federal government	Income-tax and benefit instruments, employment and retirement supports, housing and infrastructure funding, and wider trade and economic policy. Work with Ontario and program administrators where funding requires agreements or eligible delivery partners. Federal and provincial taxes are not local Council revenue tools. ^{12,18,21}

A requirement to provide a service does not establish who pays its entire cost. Identify the legal duty, provincial contribution, municipal share, service standard and future funding risk. Equally, a local desire to expand a service is not evidence that another government has agreed to fund it.

10. Pursue outside funding strategically, not as a slogan

Different transfers do different jobs. The Ontario Municipal Partnership Fund provides unconditional support through a formula. The Ontario Community Infrastructure Fund supports eligible infrastructure through formula-based allocations. The Canada Community-Building Fund provides longer-term infrastructure funding. Competitive application programs are a separate category. None is interchangeable with unrestricted funding for every operating expense. ^{16,17,18}

Resource staff capacity to prepare engineering, business cases, applications and credible partner agreements. Keep matching funds available where justified. Track committed funding separately from requests, and the municipality's net contribution separately from total project value. Fund the operation and renewal of new assets, not only their construction.

11. Growth revenue and local service costs do not align automatically

When employment, profits and spending grow, income and sales-tax gains generally flow to senior governments. The municipality relies mainly on property taxation, service revenues and transfers rather than an automatic share of local GDP. That is a structural reason to seek predictable intergovernmental infrastructure and service funding. ¹²

The practical ask is specific: which service or project, which government's responsibility, what amount, over what period, and with what result? A capital contribution to supportive housing, for example, does not settle who funds building operations, rental assistance and clinical support.

One taxpayer, different responsibilities. Better funding partnerships can reduce the local property-tax requirement. They do not eliminate the public cost or excuse weak project selection.

PROSPERITY: THE INCOME SIDE OF AFFORDABILITY

12. Council should enable productive growth, not promise a personal GDP dividend

GDP measures economic production; real GDP removes the effect of price changes, and real GDP per person also accounts for population. These measures describe economic capacity, not the amount deposited into a resident's bank account. Higher output can coexist with unequal gains, non-resident ownership, commuting and rising housing costs.²⁰

Statistics Canada therefore treats household income separately. After-tax income includes market income and government transfers, less income tax; the median describes the middle of the distribution rather than an average lifted by a few high incomes. For affordability, examine purchasing power and essential expenses as well as total output.²¹

The economic-development connection to examine:

Reliable infrastructure and clear processes -> productive business investment and skills -> stronger capacity to compete -> opportunities for employment, earnings and local enterprise.

Each step needs evidence. Council enables conditions; employers, workers and investors make their own decisions.

The Bank of Canada links productivity to the capacity for stronger real wages and living standards. Applied locally, the task is not simply to attract any job or inflate construction values. It is to support existing-business retention, modernization, succession, new enterprise and access to work that allow more residents to participate in productive activity.^{22,26}

For CK, practical candidates for assessment include servicing that unlocks viable housing or employment land, predictable approvals, rural access, training partnerships, supplier development and business-retention follow-through. Public investment must still pass a need, cost, risk and delivery test. No municipality owns the entrepreneurial ecosystem or can order firms to raise wages.

13. Economic growth is not automatically a municipal fiscal surplus

A larger property base can distribute a future levy more widely, but development also adds service, infrastructure and renewal obligations. Tax relief depends on the net result and Council's choices. Compare new recurring revenues with operating, debt-service and lifecycle requirements over time, rather than equating construction value or GDP with spendable municipal income.^{12,27}

Illustration, not a CK forecast: \$1 million in new annual municipal tax revenue, less \$650,000 in extra operations, \$250,000 in renewal provision and \$100,000 in debt service leaves no annual tax room. The development may still have other benefits, but it cannot honestly be presented as that year's \$1 million tax saving.

14. Prosperity must reach people who are not benefiting from growth

A better-paid job can improve a working household's position more than a modest fee reduction. That does not help every pensioner, person with a disability or household unable to work. Targeted assistance, accessible services, affordable housing and appropriate income supports remain necessary considerations. Measure residents' financial security, not just growth announcements.^{19,21}

A SHORT COMPARISON: HOW CHATHAM-KENT RANKS

15. A comparatively low dollar bill can still be a heavy income burden

The Chamber's earlier BMA analysis defined 14 participating municipalities with estimated 2025 populations of 75,000-150,000, including CK. The selected results below retain that method. **Rank 1 means lowest reported cost or income-relative burden; it is not an overall ranking of affordability, service quality or elected leadership.** ^{23,24}

2025 benchmark	Chatham-Kent	CK rank among 14 population peers
Typical annual property tax + water/wastewater	\$5,187	3rd-lowest
That modelled bill as a share of estimated average gross household income	5.5%	10th-lowest
Bungalow: annual comparable-property tax	\$3,904	4th-lowest
Two-storey home: annual comparable-property tax	\$5,940	6th-lowest
Walk-up apartment: annual property tax per unit	\$2,062	8th-lowest
Water/wastewater: annual 200 m3 profile	\$1,383	11th-lowest

Source: the Chamber's calculated cohorts using the 2025 BMA Municipal Study, retained from its financial-competitiveness report, sections 1, 2, 4 and 7. These are historical benchmarks, not 2026 bills. The typical-household calculation and each comparable-property example use different properties and must not be added together. ^{23,24}

Peers: Ajax, Aurora, Brantford, Caledon, Chatham-Kent, Clarington, Newmarket, Niagara Falls, Norfolk, Peterborough, Pickering, Sarnia, Sault Ste. Marie and Thunder Bay. Population alone does not match geography, service levels, assessment or municipal tiers. BMA tax comparisons include relevant tiers and education; property assessments are not identical. ²⁴

What the findings mean for affordability

CK's modelled \$5,187 bill is lower than BMA's Southwest average of \$5,465. But it represents 5.5% of CK's estimated average household income, against 4.8% regionally. CK's \$93,946 estimated average income is the lowest in the 14-member population cohort. The problem is therefore partly the income side, not simply the size of the municipal bill. ^{23,24}

The favourable population comparison also should not conceal regional weaknesses: CK's two-storey tax example ranks 22nd-lowest of 24 Southwest entries and its walk-up apartment tax 20th of 23. Lower tax costs for some properties do not establish affordability for every renter, family or employer. ^{23,24}

The same earlier analysis finds comparatively strong **2024** net financial assets and tax-supported reserves, with low outstanding debt. Those are useful financial options, not proof that infrastructure is fully funded or money is uncommitted. Compare current reserve purposes, utility needs and future liabilities before promising permanent relief. ²⁴

The evidence supports a two-part response: improve municipal value and predictable costs, while strengthening the earnings, housing and access-to-work conditions that shape households' ability to pay.

FROM CAMPAIGN COMMITMENT TO BUDGET DECISION

16. A practical agenda for the next Mayor and Council

These are recommendations for consideration, not adopted CK policies or quantified savings. They connect affordability to CK Plan 2035's economic, social and environmental objectives and its financial-sustainability and governance principles.²⁵

- 1. Publish the legal and financial baseline.** Ask the CAO, treasurer and legal advisers to identify each major service's statutory floor, Council-selected additions, contracts, funding conditions and net municipal cost. Only that service-by-service review can support a percentage claim about how much of the budget is mandated or changeable.
- 2. Require a genuine savings register.** Separate recurring productivity gains from service reductions, user-fee increases, capital deferrals and reserve use. Set an implementation cost, responsible lead, service standard and reporting date. Review delivery models and procurement without bypassing professional administration or statutory boards.
- 3. Put a household-impact statement beside major proposals.** Show municipal charges, likely replacement costs, access barriers and future obligations for representative households. Include renters and rural residents; do not assume the average property owner represents everyone. Report who benefits and who may be worse off.
- 4. Apply a prosperity and whole-life funding test.** Link housing and employment capacity to realistic demand, servicing, workforce and net fiscal effects. Review discretionary projects for alternatives and public value. Evaluate debt and reserve use against repayment, renewal and risk, not political preference for one funding tool.
- 5. Bring specific partnership requests to other governments.** Separate infrastructure capital, service operations and health or social supports. Fund grant preparation and coordination, but do not budget requested funding as secured. Recognize Indigenous governments and community partners as independent participants whose agreement is required.
- 6. Report actual results through the first budget cycle and beyond.** Establish a small baseline and quarterly delivery report. Track savings achieved, service access, housing completed or preserved, recurring municipal charges, and business barriers resolved. Track resident income and employment trends over time without claiming every change was caused by Council.

The first post-election budget must follow the legal process

CK is reviewing its 2024-2027 multi-year budget through annual updates. The regulation governing strong-mayor budgets now expressly provides that a budget for the year following a regular election may only be proposed in that year. Prepare evidence and options now; the clerk and treasurer should confirm the lawful 2027 proposal, review and adoption timetable.^{3,15}

Questions every affordability promise should answer

What cost changes, and for whom? What is legally required? What can be redesigned or stopped? What revenue disappears with a cut? Who pays instead? What outcome will residents actually experience - and when?

Affordability needs restraint and opportunity, not a false choice between them.

Control avoidable costs. Meet required duties efficiently. Invest where the public case is strong. Seek fair funding partnerships. Create conditions in which more residents can prosper.

CHANGE is just a slogan? Leadership is the work.

SOURCES AND REFERENCES

Superscript numbers identify sources; linked titles open public references. Public-source review: October 19, 2026. The BMA comparison is inherited from the supplied historical study and Chamber analysis. Legal interpretation, economic mechanisms and proposed actions are kept distinct from measured local outcomes.

1. Ontario. Municipal Act, 2001.

Sections 44, 224, 227, 290-291 and Part VI.1: roads, governance, budgets and defined mayoral powers.

2. Ontario. The municipal councillor's guide: 9. The fiscal context.

Budgeting, service choices, reserves and the distinction between budgets and accrual financial statements.

3. Ontario. O. Reg. 530/22, Part VI.1 of the Act.

Current consolidation includes O. Reg. 189/26. Section 7(1.1) addresses the post-election budget proposal year; other provisions govern the budget process.

4. Municipality of Chatham-Kent. Mayoral Powers.

Local explanation and public record of the strong-mayor framework. Read with current legislation.

5. Ontario. Fire Protection and Prevention Act, 1997.

Section 2: municipal education/prevention responsibilities and other protection services reflecting local needs and circumstances.

6. Ontario. Community Safety and Policing Act, 2019.

Section 50: board estimates, sufficient funding, overall municipal budget, restrictions on item-by-item approval and disputes.

7. Ontario. Health Protection and Promotion Act; Ambulance Act.

Health Protection and Promotion Act, sections 5 and 72: mandatory public-health programs and municipal expenses. Ambulance Act, section 6: land-ambulance responsibilities, subject to the applicable service structure and grants.

Health Protection and Promotion Act | Ambulance Act

8. Ontario. Safe Drinking Water Act, 2002.

Sections 11 and 19: municipal-system duties and the standard of care. This does not establish that every proposed system expansion is mandated.

9. Ontario. Housing Services Act, 2011.

Sections 6, 12-13 and the applicable service, subsidy and agreement provisions. Distinguish provisions in force from future proclaimed amendments.

10. Ontario. Public Libraries Act.

Sections 3, 23 and 24: board responsibilities, free specified services, and municipal review of estimates.

11. MPAC. Property Assessment and Property Taxes.

Separate roles of assessment, municipal tax requirements and provincial education rates.

12. Financial Accountability Office of Ontario. Ontario Municipal Finances.

December 10, 2020. Used for structural revenue powers, cash-budget/accrual distinctions and the relationship between economic growth and revenues, not current fiscal totals.

13. Ontario. Understanding municipal debt.

Long-term capital financing, repayment and intergenerational considerations. No borrowing rate or CK legal debt limit is assumed.

14. Ontario. O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure.

Service levels, lifecycle activities, costs, funding and risk. A planning obligation is not proof that every capital proposal is funded.

SOURCES AND REFERENCES | CONTINUED

15. Municipality of Chatham-Kent. Our Municipal Budgets.

Operating, capital and lifecycle budgets; 2027 annual review of the 2024-2027 multi-year budget.

16. Ontario. 2026 Ontario Municipal Partnership Fund: Technical Guide.

Formula-based unconditional municipal support. No CK allocation or new entitlement is inferred.

17. Ontario. Ontario Community Infrastructure Fund.

Eligible core infrastructure, formula-based allocations and program requirements. Not a general-purpose operating grant.

18. Housing, Infrastructure and Communities Canada. Canada Community-Building Fund in Ontario.

August 2024 announcement describes the 2024-2034 infrastructure-funding agreement. Used for program structure, not a 2026 funding award.

19. Statistics Canada. Quality of life domain: Prosperity.

Income, growth, employment, skills, economic security and the role of publicly funded services in living costs.

20. Statistics Canada. Canada's gross domestic product per capita: Perspectives on the return to trend.

April 24, 2024. Interpretation and limits of real GDP per person as a living-standard measure; no local GDP forecast is presented.

21. Statistics Canada. Quality of life indicator: Household income.

After-tax income, transfers, median measures and inflation-adjusted comparisons. Distinct from BMA average gross-income estimates.

22. Bank of Canada. Toward a virtuous circle for productivity.

November 2025. Productivity, investment and capacity for real wage growth. Applied locally as a mechanism to assess, not a guaranteed outcome.

23. BMA Management Consulting Inc. Municipal Study 2025.

Supplied 613-page study. 2025 charges and tax examples, mainly 2024 financial indicators. Relevant PDF pages: 326, 333, 349, 438 and 495, plus population and financial tables.

24. Chatham-Kent Chamber of Commerce. Financial Competitiveness: BMA 2025 Assessment.

Supplied report, October 10, 2026, sections 1, 2, 4, 5 and 7. Source of the defined 14-community cohort and calculated ranks, not an overall ranking issued by BMA.

25. Municipality of Chatham-Kent. What is CK Plan 2035?

Four strategic areas and the supporting commitments to financial sustainability, effective governance and resiliency.

26. Chatham-Kent Chamber of Commerce. Cost of Living and Municipal Leadership; related candidate briefings.

Supplied October 7, 2026 affordability briefing, plus the ecosystem, infrastructure, growth-from-within and quality-of-life series. Context for the proposed local applications.

27. Ontario. Development Charges Act, 1997.

Growth-related capital-cost framework. Specific charges, exemptions, discounts and credits require current by-law and project review.

Use and scope

Non-partisan public education, not legal, tax, investment or eligibility advice. Spending classifications and local proposals require municipal finance, legal and service review. Illustrations are not CK accounts or forecasts. The briefing does not establish what proportion of the current CK budget can be cut, nor an attributable increase in residents' income from any proposed municipal action.