Haliburton County Affordability and Governance Structure Study

Final Report and Findings Presentation to Haliburton County Council

August 12, 2026

Exploring the Future of Haliburton County

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Agenda

Exploring the Future of Haliburton County

- Welcome & Opening Remarks
- Study Overview – Goals, Mandate, Methodology
- Engagement - What We Did
- Financial Review and Analysis
- Engagement - What We Heard
- Governance Models for Consideration
- Concluding Remarks/Next Steps

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Why Do a Study and What it Set Out to Do

Pressures

- Aging infrastructure, inflation and workforce challenges
- Rising service expectations and limited assessment growth
- Projected financial pressures continue to grow
- Provincial expectations for efficient, sustainable and accountable service delivery

What We Set Out to Do

- Clarify the current financial and municipal environment
- Gather feedback from community, staff and elected officials
- Examine future pressures and review best practice governance models
- Present options for consideration that address financial sustainability, governance and service delivery
- Equip current and future councils with quality data for informed decisions

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Engagement - What We Did

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- Reviewed the municipalities' finances, budgets, asset management plans, reserves, debt and long-term financial pressures.
- Completed broad engagement sessions
  - Held 22 engagement sessions with councils, staff, residents, seasonal residents, businesses and community leaders, listening to their perspectives and insights
  - Issued eight different surveys that were completed by council and all levels of staff
  - Ran a public survey from June 8th to July 5th with over 570 submissions.
  - Completed detailed analysis of the data
- Examined the Service Delivery Review results from 2022
- Compared governance models and examples from Ontario, Canada and selected international jurisdictions
- Created and evaluated four governance models using a consistent framework

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Financial Overview

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Financial Review and Analysis

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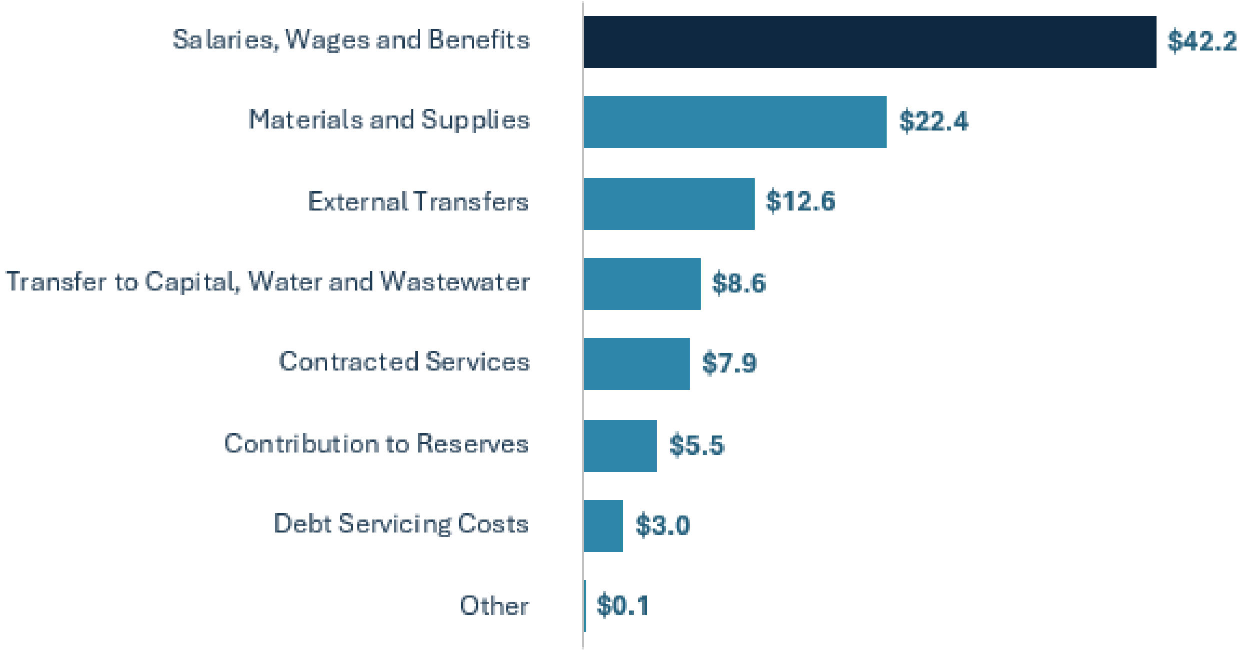
2026 Expenditure Budget by Category ($ Millions)



TOTAL EXPENDITURE BUDGET: **$102.4M**

KEY INSIGHT

Property Taxation supports

$70.6M

of the Municipalities'

$102.4M

Expenditure Budget in 2026

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Forecasting Operations

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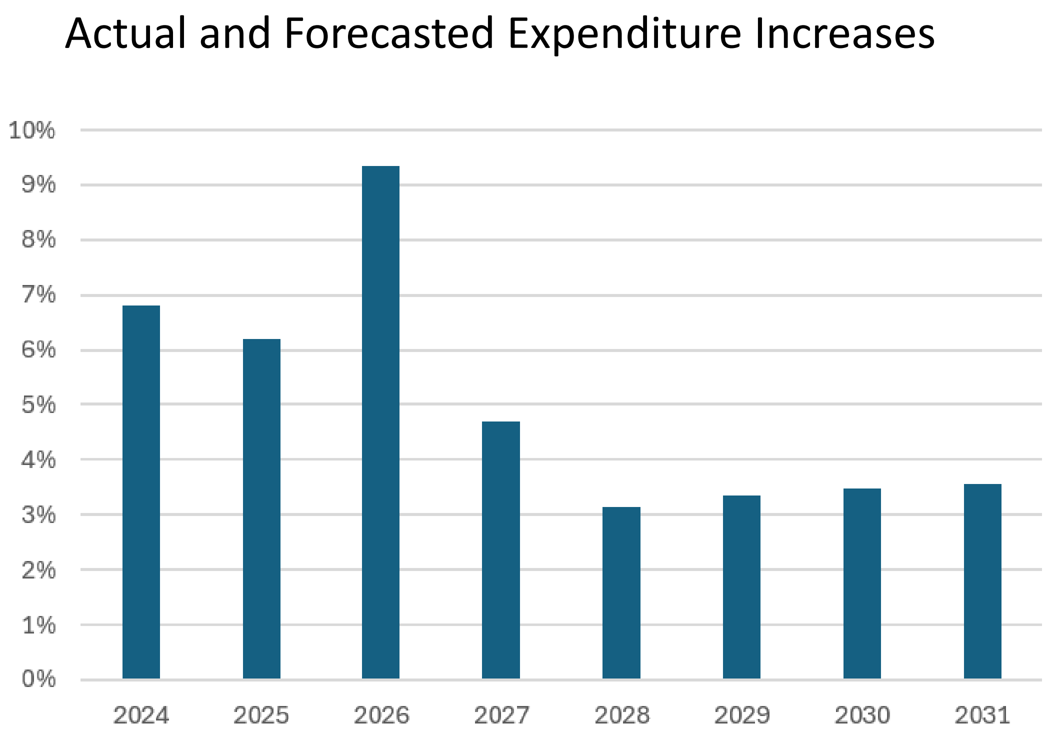
- A forecast of the tax levy supported operating and capital budget was conducted with a 5 year outlook (2027-2031)
- A conservative approach was taken in assessing both the operating and capital budget



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Forecasting Capital

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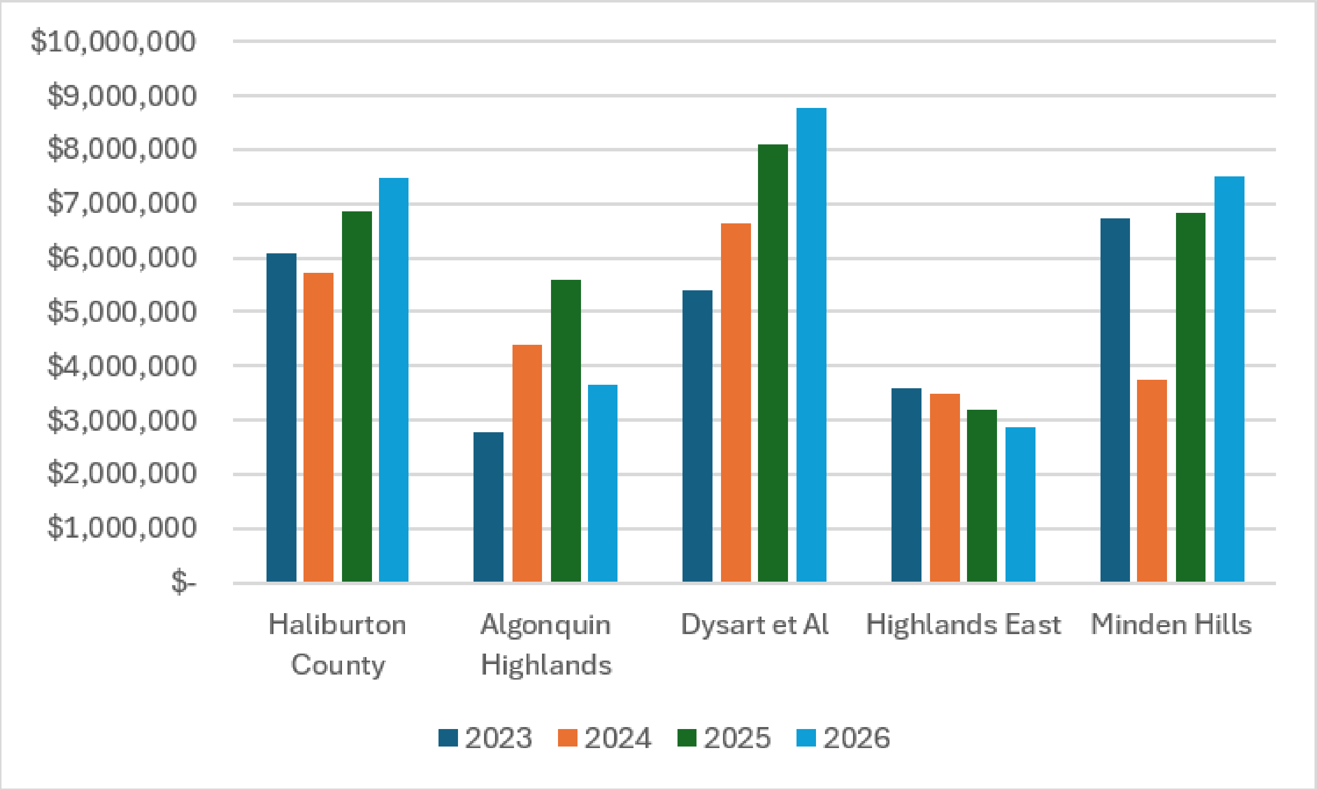
- The capital budget for each municipality fluctuates from year to year based on need and affordability
- The forecast was developed based solely on affordability
- Forecast assumes no new debt
- Forecast assumes the use of reserves to the extent possible while leaving the working fund / tax rate stabilization reserve intact



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Use of Debt to Support Capital

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- Cumulatively, $28 million in additional debt over the past four years to support capital
- Based on a 20-year term, and current lending rates, the annual cost of servicing each $1 million in debt is $78,000
- Impact to the taxpayer for each $1 million in new debt is 0.3% to 1% depending on the municipality

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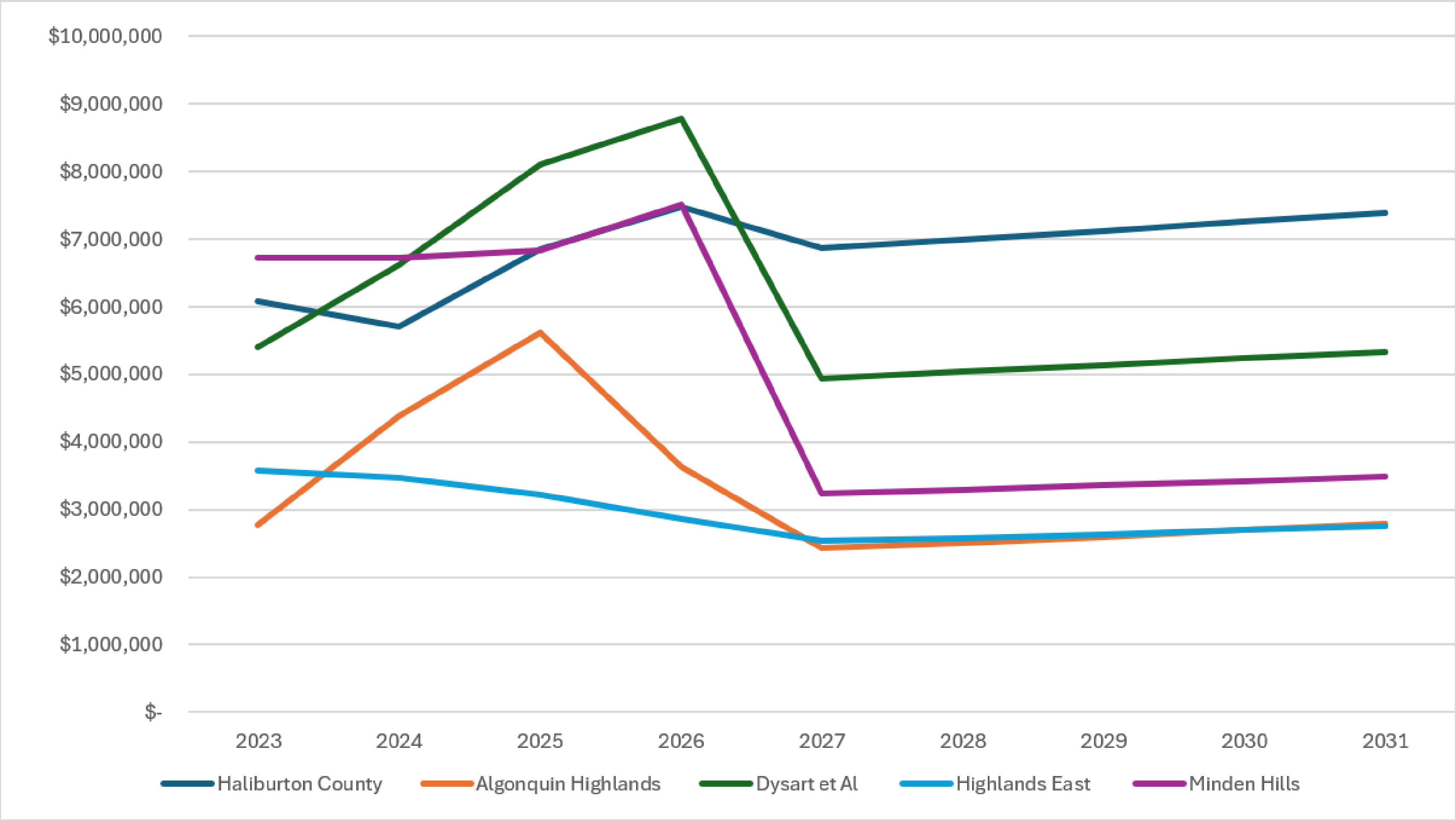
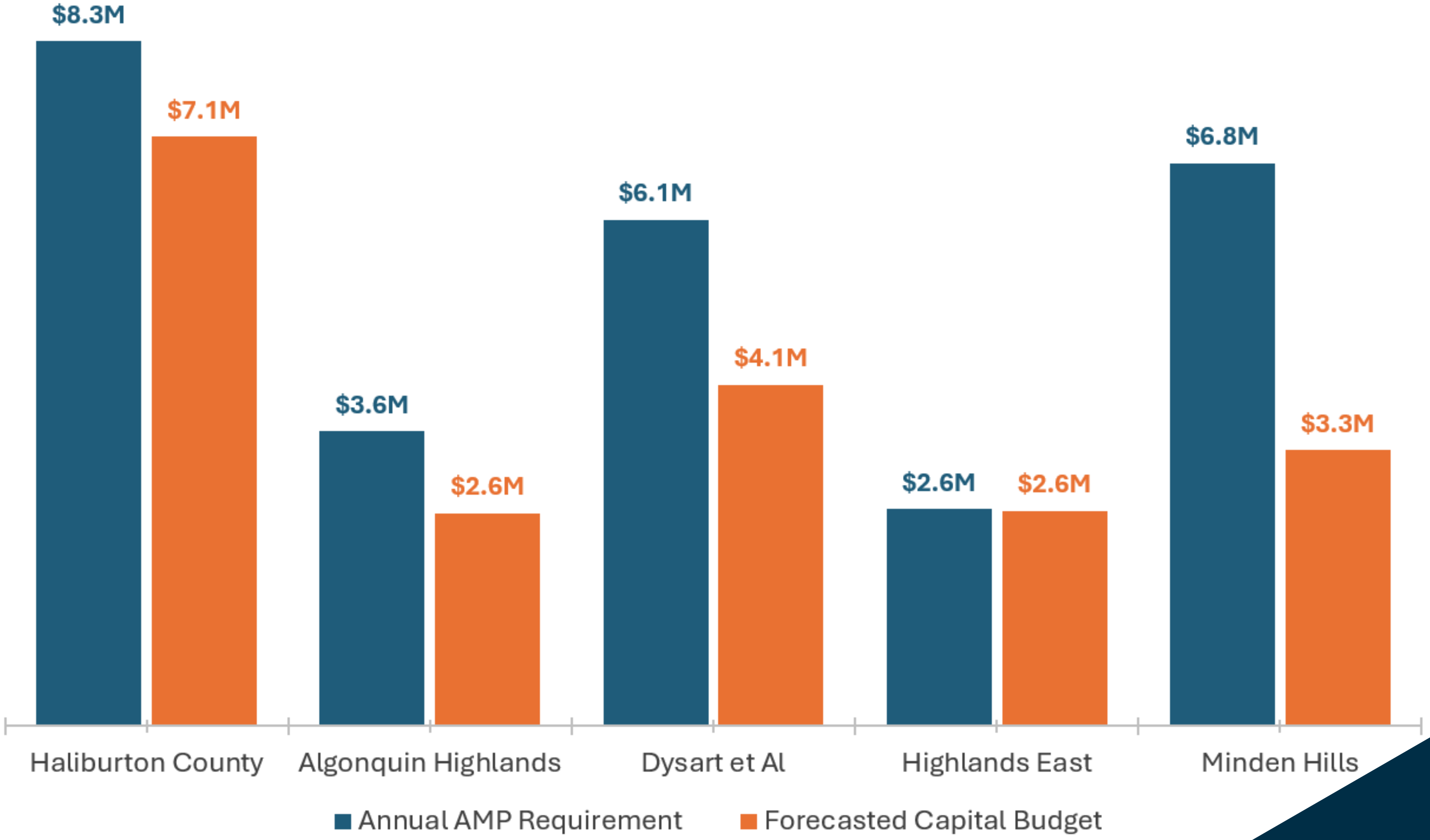
Capital Forecast



Asset Management Plan Implications

Over the five-year forecast period; annual funding gap across all five municipalities is $7.6 million

Without a significant increase in contributions to reserves this gap will increase



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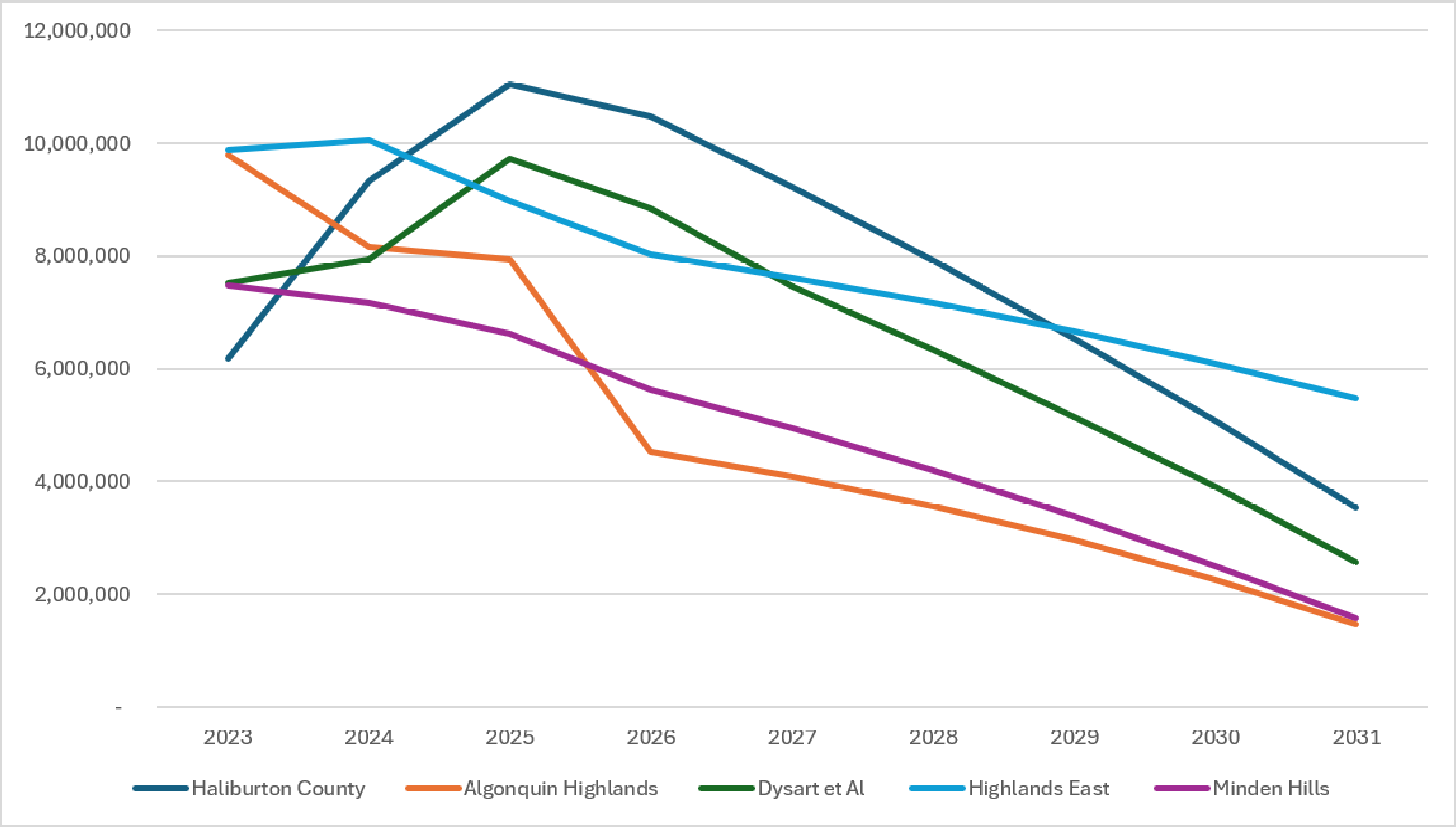
Reliance on Reserves to Support Operations

- The analysis of current state highlighted that all five municipalities are relying on reserves to support day-to-day operations
- This is not a municipal best practice and should only be done where:
  - the offsetting expenditure has a defined end; or
  - there is an approved financial plan to eliminate the need for reserve funding over time
- The forecast assumed no reserve funding to support operations

Reserve Forecast



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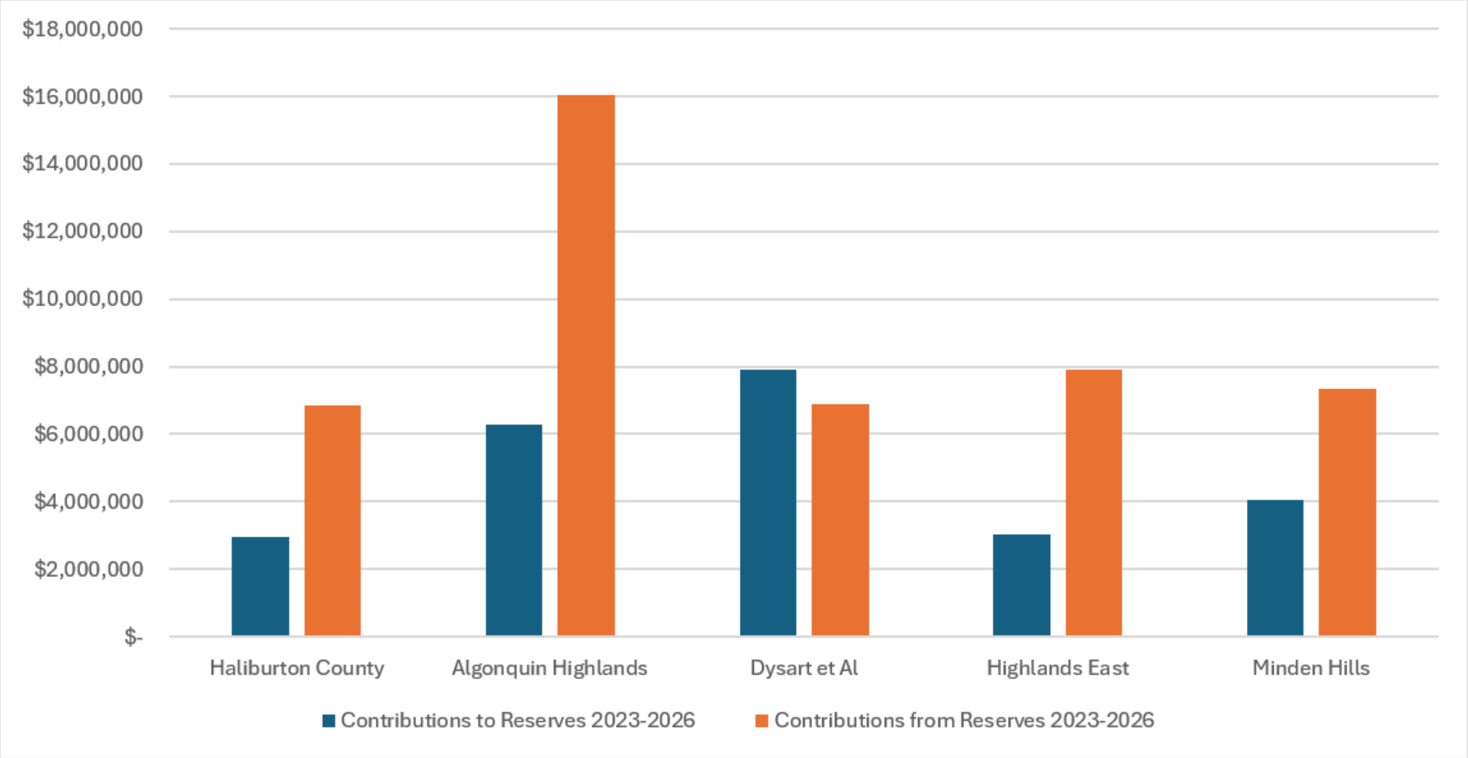
Reserve Continuity 2023 - 2026



Total Contributions	$24.2M
Total Withdraws	$45.1M

Net Reduction in Reserves
$20.9M

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Operating Forecast – Tax Levy Impact

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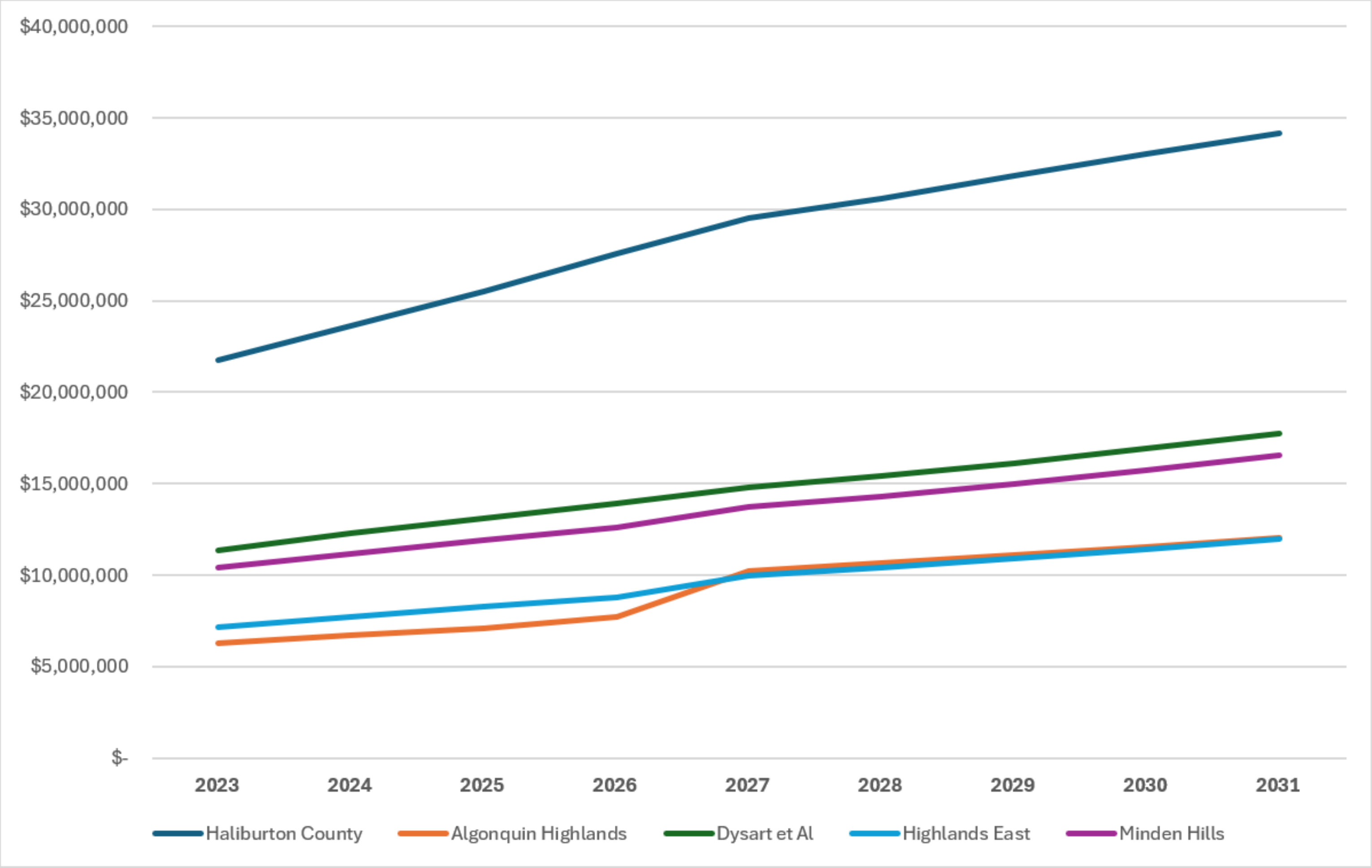

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Tax Levy Impact Without Governance Change

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Assuming:

- Conservative operations forecast
- Eliminate the use of reserves to support operations
- Maintain current level capital program
- Maintain reserves at 2026 levels
- No provision for growing reserves to support long term sustainability

	Haliburton County	Algonquin Highlands	Dysart et Al	Highlands East	Minden Hills
Tax Levy Increase (2027-2031)	27.73%	79.64%	33.50%	41.43%	66.36%
Average **Annual** Increase per 100,000 of Residential Assessment (1)		$83	$41	$68	$82
For a home assessed at $225,000 you would expect an average annual increase of		$187	$92.25	$152	$183

(1) Includes Haliburton County increase of 27.73% ($16/100,000 assessment), excludes School Board tax levy

Financial Summary Five-Year Forecast

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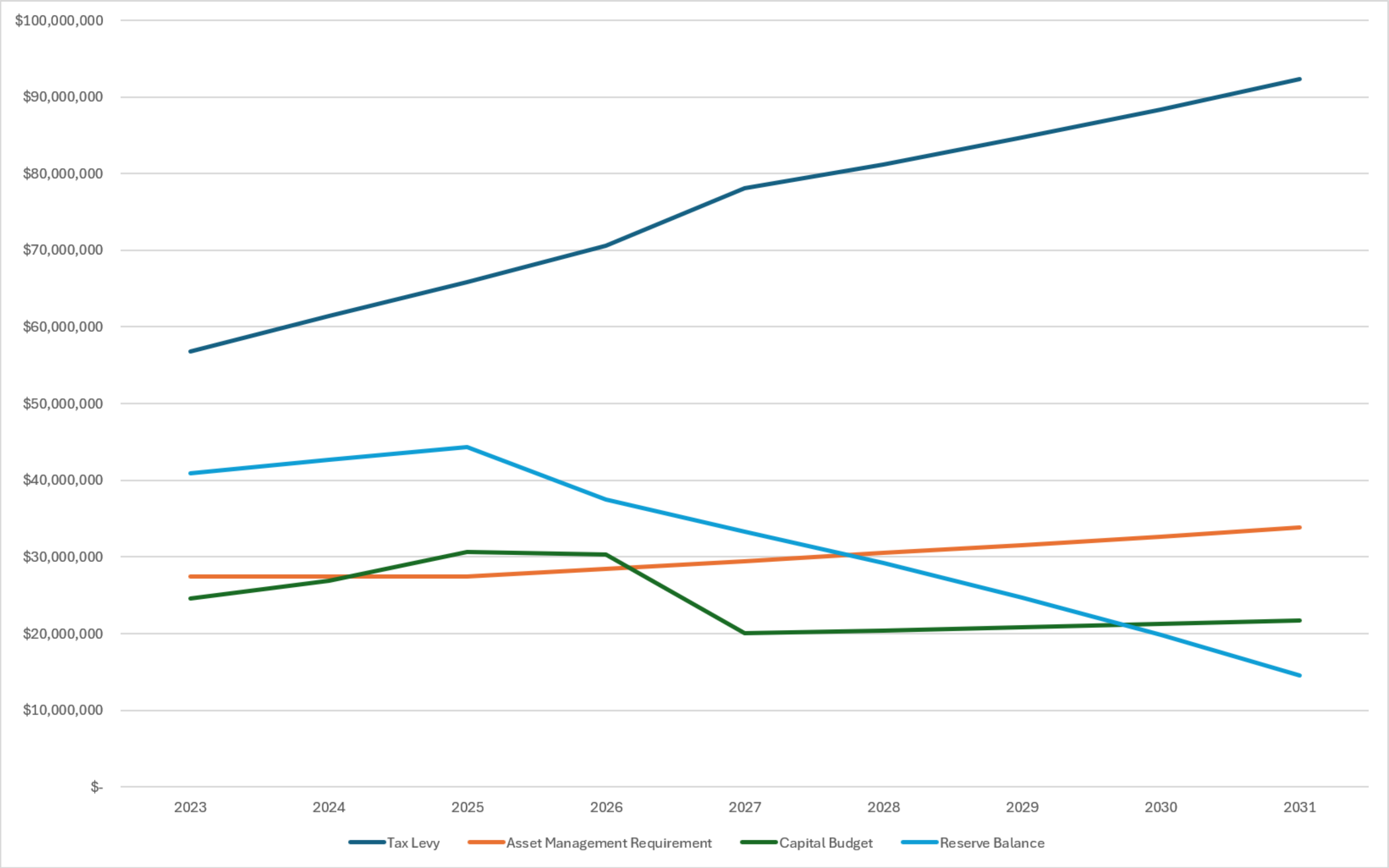

Engagement - What We Heard

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Public Survey Summary

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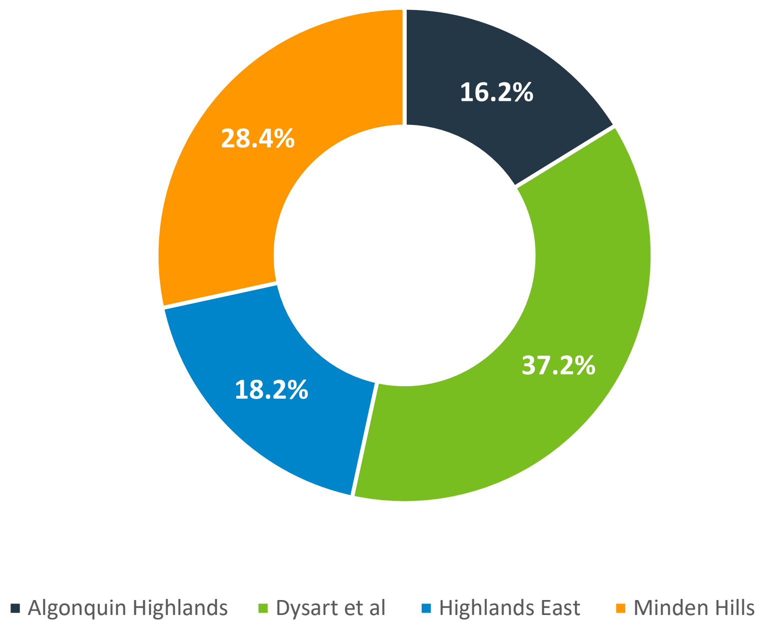
Survey open from June 8th to July 5th

573
Responses
(78% fulltime residents)



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July 2026

Key Themes

Input from the public, municipal councils, staff, and stakeholders revealed consistent themes across all engagement activities.

- Affordability and the tax burden is the central concern for residents, staff and municipal leaders.
- There is a broad openness to change if services are maintained or improved.
- Residents want clear evidence, plain-language option and transparent trade-offs.
- Local identity, representation, service access and environmental protection are key conditions for public trust.
- Staff and senior leadership identified practical opportunities for collaboration, especially in planning, procurement, technology, roads coordination and service standards.
- Rural libraries are essential service hubs connecting residents to technology, support, learning and community life; funding and staffing must reflect that role.

Executive Summary

Exploring the Future of Haliburton County

Community-wide Affordability & Governance Structure Study — what residents, staff and leaders told us.

92%	82%	97%	142	58	573
Public support change with conditions	Concerned about affordability	leaders open to change	Staff responses	Elected, CAOs, SMTs	Public responses

What we heard across the study

- **Affordability is the defining issue** — taxes, cost of living and value for money dominate for residents and staff alike.
- **Strong appetite for cooperation** — 76% see room to work together and 91% back reducing duplication if services hold.
- **Service quality and local identity are the guardrails** — roads, emergency services, libraries, community voice and environment must be protected.
- **Staff are stretched thin** — thin teams and siloed expertise make shared services and real career paths compelling.
- **Leaders are ready, structure is not** — 97% are open to change, but collaboration today is informal and personality-dependent.

Path forward

- Weigh the four governance models on council cost and service responsibility
- Test options against four guardrails: affordable taxes, service quality, local voice, environment.
- Improve service delivery through the transfer of services and the reduction of duplication
- Restore trust through clear, measurable leadership supported by defined roles and accountabilities that ensure transparent, efficient decisions aligned with community priorities
- Establish a dedicated and structured transition governance team to drive change

Bottom line: A mandate to explore change conditional on maintaining or improving services

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Engagement Priorities at a Glance

Themes ranked by share of weighted responses across all engagement groups

Priority Themes

What It Means

Affordability leads.
The strongest overall priority; every option must show reduced costs, tax impacts, positive debt and reserve impacts

Efficient service delivery
Easier, more consistent, less duplicative shared back-office.

Infrastructure investment
Roads, bridges, facilities, water and wastewater need a regional capital roadmap. Drive efficient work practices

Sufficient staffing
Protect workload, morale and retention; test feasibility before execution.

Economic growth
Should support jobs, housing, and community vitality without outpacing affordability, services, infrastructure, or environmental protection.

Local identity & autonomy
Safeguard community names, hubs, signage and local voice.

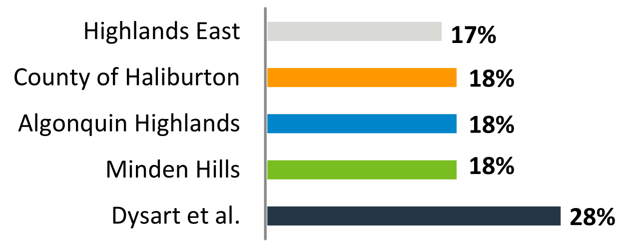
Plans should roll out in practical steps and stay affordable, accountable, and shaped by local needs, staff capacity, community identity, and public trust.

Community-wide Affordability and Governance Structure Study — Staff Survey Key Points

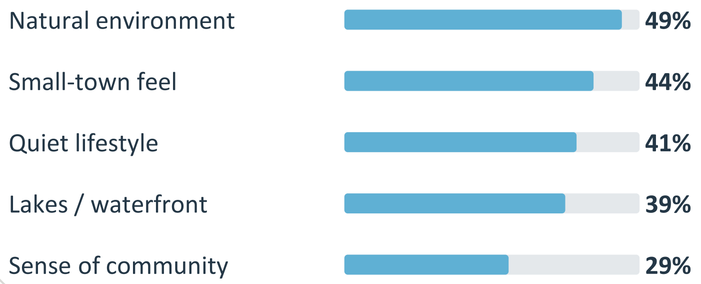
Based on 142 completed staff survey responses

142	87%	80%	70%	69%	67%
Completed Responses	**Affordability Concern**	**Open to Change**	**Modernization**	**Two-Tier Effectiveness**	**Quality of Life**
staff surveyed	*concerned about costs*	*if it improves services*	*see opportunities*	*rated medium or low*	*rated good or very good*

RESPONDENTS BY MUNICIPALITY



TOP COMMUNITY VALUES



SUMMARY

Lead with affordability — the top staff concern and the study's core decision lens.

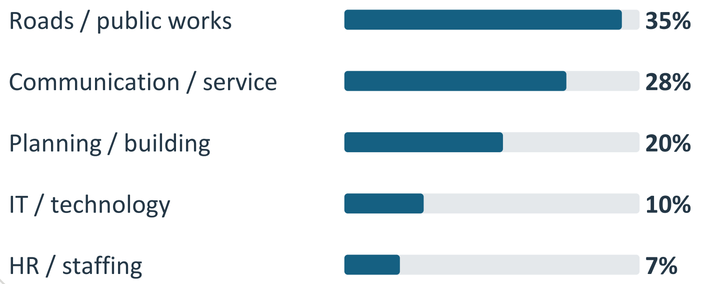
Build on service strengths — protect what works while modernizing roads, planning, communication, IT and HR.

Manage workload risk — change should not add unsustainable burden to staff.

Preserve local identity — safeguard community values and communicate clearly throughout.

TOP FUTURE PRIORITIES

SERVICE / COLLABORATION THEMES



Source: Redbrick Staff Survey (142 responses) · July 2026

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Staffing: What We Heard

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1

Staff Are Stretched Thin

Current workloads are unsustainable, limiting capacity for new initiatives and consistent service levels.

2

Limited Career Growth

Small municipalities can't offer advancement; larger, coordinated teams create real pathways for retention.

3

A Major Transition Risk

HR, labour, and union considerations need a formal transition process to reduce anxiety and change fatigue.

4

Inconsistent HR Practices

A shared HR function could standardize recruitment, benefits, onboarding, and policy alignment.

5

Expertise Silos & Gaps

Specialized knowledge is fragmented; shared expertise pools would reduce bottlenecks and improve service delivery.

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Survey Findings: Pre and Post Session for CAOs, SMTs, Elected Officials

Need for a study		
CAO 50%	SMT 65%	Elected 75%

Modernization		
CAO 100%	SMT 78%	Elected 94%

Collaboration		
CAO 75%	SMT 68%	Elected 44%

Open to change		
CAO 100%	SMT 97%	Elected 94%

Pre-Session Surveys

CAO · SMT · Elected Officials

58 responses · 97% open to change

KEY THEMES

- Modernization is the clearest mandate
- Openness to governance change
- Service delivery is the top priority
- Status quo carries moderate risk

TOP PRIORITIES

- Service delivery & modernization
- Infrastructure & asset management
- Financial sustainability

Post-Session Surveys

SMT · Elected Officials

30 responses

TOP COLLABORATION OPPORTUNITIES

- Planning & development
- Building & bylaw enforcement
- Roads & public works

TOP AT-RISK IF CENTRALIZED

- Human resources
- Parks, recreation & culture
- Communications, finance & accounting

KEY TAKEAWAY

Strong alignment on collaboration, but differing views on what is at risk.

Key Themes & Opportunities

Summary across groups

KEY THEMES

- Need for change & modernization
- Financial challenges & preparedness
- Governance moderately effective; open to change
- Status-quo risk moderate-to-high

OPPORTUNITIES

- Collaboration &transition of services
- Modernization & innovation
- Strategic financial planning
- Community engagement & transparency

Source Redbrick pre and post surveys

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Governance Model Options

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Models For Consideration

Model 1 Current Two-Tier Model
Maintain the County and four local municipalities, with improvements to collaboration and service delivery.

Model 2 Single-Tier Municipality
One council and one administration responsible for municipal services across the County.

Model 3 Enhanced County with 4 Local Municipalities
Keep local councils while transferring most services and responsibilities to the County

Model 4 Enhanced County with 2 Local Municipalities
Reduce the number of local municipalities from four to two while transferring most services and responsibilities to the County.

Model 1 Current Two-Tier Model

Exploring the Future of Haliburton County

County role

- Delivers county-wide services such as County roads, paramedics service, social services and housing, emergency management coordination, economic development, regional planning and other legislated or previously agreed upon services.
- County Council is made up of eight elected municipal representatives from the four local municipalities.
- The County operates with its own administrative structure and staff.

Local Municipal Role

- Delivers community-based services such as local roads, fire protection, parks and recreation, building services, local planning and zoning, cemeteries, by-law enforcement, customer services, community events, and local facilities.
- Municipal council is made up elected representatives. Five in Highlands East, seven in Dysart et al, seven in Minden Hills and five in Algonquin Highlands.
- Each municipality operates with its own administrative structure and staff.

Model Overview

- Maintains a strong local representation and community identity but requires ongoing coordination and can create duplication, inconsistent service levels and complex accountability.

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Model 2 Single-Tier Municipality

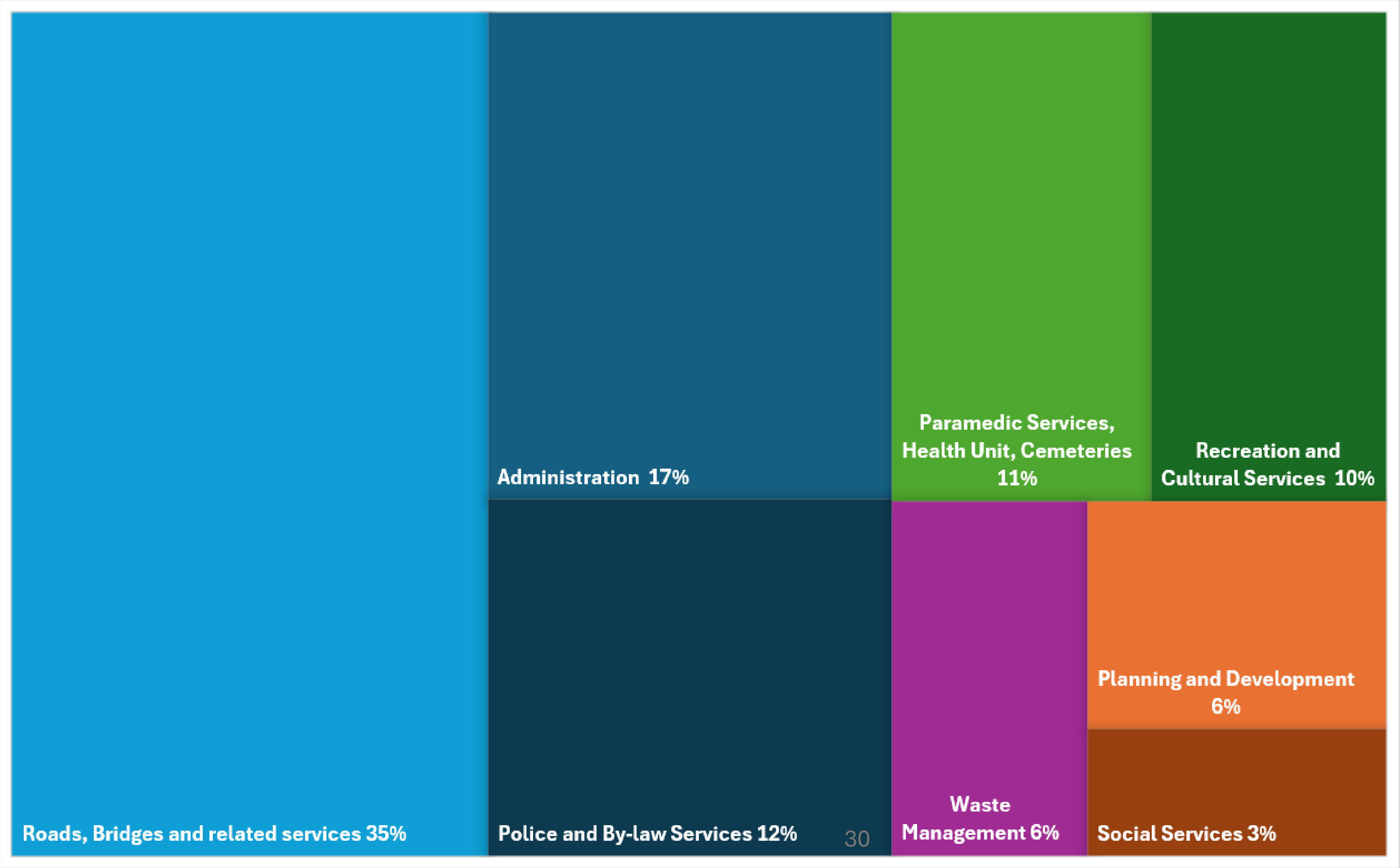
County and Local Role

- The current County and four local municipalities would be replaced by one municipal government.
- One council and one administration would be responsible for all municipal services, including roads, planning, building, by-law enforcement, waste, fire administration, recreation, economic development, communications, customer service, finance, HR, IT, procurement, and asset management.
- Local access and services could still be delivered through local offices, public works yards, fire stations, libraries, recreation facilities, and community hubs.

Model Overview

- Provides the clearest accountability and greatest opportunity for integration, but requires the most complex transition and strong protections for local identity and representation.

Model 2 Single-Tier Municipality



$102.4M

Model 3 Enhanced County
4 Local Municipalities

County Role

- The County would assume responsibility for a majority of services that benefit from scale, specialized expertise, consistent standards, and regional planning.
- Potential County responsibilities: Planning and development, building and permitting administration, public works and infrastructure, waste and environmental services, IT and digital services, procurement, HR, communications, finance, asset management, economic development, tourism, libraries, facilities.
- The County operates with its own administrative structure and staff.

Local Municipal Role

- The four local councils would focus on community-based services, local representation, customer service, recreation programming, community events, local heritage, local by-law matters, and neighbourhood-level priorities.

Model Overview

- Strengthens regional capacity and consistency while preserving the four local municipalities but will require clear accountability and careful service-transfer planning.

Model 3 Enhanced County
4 Local Municipalities Budgets

County	$92.3M
Algonquin Highlands	$3.1M
Dysart et Al	$2.7M
Highlands East	$2.3M
Minden Hills	$2.0M

Model 4 Enhanced County
2 Local Municipalities

Exploring the Future of Haliburton County

County Role

- The County would assume responsibility for a majority of services that benefit from scale, specialized expertise, consistent standards, and regional planning.
- Potential County responsibilities: Planning and growth management, building and development administration, public works and infrastructure, waste and environmental services, fire administration and emergency management, corporate services, finance, HR, IT, communications, procurement, economic development, tourism, libraries, facilities, policing oversight, airport management, and health centre services.

Local municipal role:

- The four existing local municipalities would be consolidated into two larger local municipalities, each with its own council and streamlined staffing structure.
- The two local councils would focus on community-based services, local representation, customer service, recreation programming, community events, local heritage, local by-law matters, and neighbourhood-level priorities.

Model Overview

- Creates more integration than Model 3 while preserving some local governance but has higher transition complexity because it changes both municipal boundaries and service responsibilities.

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Model 4 Enhanced County
2 Local Municipalities Budgets

County	$92.3M
Municipality 1	$5.1M
Municipality 2	$5.0M

Transfer of Services

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- Models 3 and 4 reflect service transfers to upper tier
- Service transfers reflect movement of full responsibilities
- Local service delivery is redefined

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Service Responsibilities - County

Municipal Service Area	Description
Governance and Administration	Upper tier administration and regional services
Finance and Treasury	Centralized budgeting, treasury, financial reporting and long-term financial planning
Human Resources, IT and Procurement	Shared corporate service supporting all municipalities
Planning and Growth Management and Building Services	Land use planning and development coordination, all building services
Engineering and Asset Management	Shared technical expertise and infrastructure planning
Facilities	All municipally owned facilities
Roads and Transportation	All transportation infrastructure including local roads and operations
Water, Wastewater and Environmental Services	Water, wastewater and waste management services
Housing and Social Services	Housing, Ontario Works, Children's Service and Long-Term Care
Emergency Services	Paramedic services and emergency management, policing services
Economic Development, Tourism and Libraries	Region investment attraction and economic development including airport and libraries services

Service Responsibilities – Local Municipality

Municipal Service Area	Description
Council and Local Administration	Local governance and customer service
Recreation and Community Services	Parks and recreation programming
Cultural Services	Museums and community programming
Fire Protection	Fire services and local emergency responses
By-Law Enforcement	Property standards and municipal by-laws

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What the Study Concludes

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- The Study provides options, not a recommendation.
- Its scope was to assess the current structure, identify pressures, compare governance models, and outline trade-offs.
- Further work is needed before any model can be advanced.
- A next phase should test the options in more detail, including financial impacts, service delivery, representation, implementation requirements, and community feedback.
- The path forward should protect affordability, service quality, local voice, community identity, and long-term sustainability.

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Proposed Next Steps

Exploring the Future of Haliburton County

August 12, 2026

- Release and present the Study findings to County Council

August 13, 2026 - September 13, 2026

- Present findings to key stakeholders and the public

September 2026 – December 2026

- Work continues with deeper review of financial information of the models

December 2026

- Orientation package for new County council and local municipal council members

January 13, 2027

- Present the Haliburton County Affordability and Governance Structure Study Final Report and supporting compendium reports at the joint meeting of Haliburton County and local municipal councils

February 24, 2027

- Hold second joint meeting of councils, targeting a decision

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Questions