

REGULAR COUNCIL MEETING MINUTES
 Held on Wednesday, March 4, 2026, at 5:00 PM
Held Virtually and In-Person

COUNCIL MEMBERS PRESENT		STAFF PRESENT
Mayor:	John Beddows	Melanie Kirkby, CAO
	Matt Harper	Lynsey Zufelt, Deputy Clerk
	Patrick Kirkby	Brenda Guy, Manager of Planning and Development
	Anne-Marie Koiner	David Armstrong, Manager of Public Works
	Vicky Leakey	John Morrison, Treasurer
	David Osmond	Jeff Johnston, Manager of Parks and Recreation
		Andrew Dickson, Fire Chief
Regrets:	Colin Brown	Penny Kelly, Clerk / CEMC

1.	Call Meeting to Order
	Mayor Beddows called the meeting to order at 4:50 PM.
2.	Disclosure of Pecuniary Interest & General Nature Thereof
	1. Mayor Beddows – Report Council-CAO-2026-04 – 2022 to 2025 Legal Costs by Category (Judicial Review)
3.	Closed Session (Beginning at 4:30 PM)
	Moved by Mayor Beddows that the Council of the Town of Gananoque, in accordance with Section 239.2 of the <i>Municipal Act</i> , moves into Closed Session at 4:52 PM for the purpose of discussing one (1) item under A Personal Matters Concerning an Identifiable Individual, Including Municipal or Board Employees regarding an Integrity Commissioner Report. <p style="text-align: right;">CARRIED – UNANIMOUS</p>
4.	Move Out of Closed Session at 4:55 PM
	Open Session resumed at 5:00 PM
5.	Reporting Out of Closed Session
	<ul style="list-style-type: none"> • Mayor Beddows advised that a Closed Meeting was held. Council discussed one (1) item under Personal Matters Concerning an Identifiable Individual, Including Municipal or Board Employees regarding an Integrity Commissioner report. • There is nothing to report out on the matter.
6.	Canadian National Anthem
	<ul style="list-style-type: none"> • The National Anthem was played.
7.	Land Acknowledgement Statement
	<ul style="list-style-type: none"> • Mayor Beddows read the Land Acknowledgement Statement.
8.	Public Question / Comment (Only Addressing Motion(s) or Reports on the Agenda)
	<ul style="list-style-type: none"> • Members of the Public addressed Reports listed on the Agenda.
9.	Disclosure of Additional Items – None

	BEING A BY-LAW TO ADOPT THE 2026 WATER AND WASTEWATER RATES, OPERATING AND CAPITAL BUDGETS. CARRIED – UNANIMOUS
15.	Unfinished Business – None
16.	Approval of Minutes – Wednesday, February 18, 2026
	Motion #26-038 – Approval of Minutes – Wednesday, February 18, 2026 Moved By: Councillor Koiner Seconded By: Deputy Mayor Leakey BE IT RESOLVED THAT THE COUNCIL OF THE TOWN OF GANANOQUE HEREBY ADOPTS THE REGULAR COUNCIL MINUTES OF WEDNESDAY, FEBRUARY 18 TH , 2026. CARRIED – UNANIMOUS
17.	Staff Reports
	Council-CAO-2026-03 – 2024 & 2025 Grant Applications Submitted by the Town of Gananoque
	Motion #26-040 – 2024 & 2025 Grant Applications Submitted by the Town of Gananoque Moved By: Councillor Harper Seconded By: Deputy Mayor Leakey BE IT RESOLVED THAT THE COUNCIL OF THE TOWN OF GANANOQUE RECEIVES FOR INFORMATION THE 2024 AND 2025 GRANT APPLICATIONS SUBMITTED BY THE TOWN OF GANANOQUE REPORT, AS PRESENTED IN COUNCIL REPORT CAO-2026-03. CARRIED – UNANIMOUS
18.	Closed Session (Beginning at 6:00 PM)
	Moved by Mayor Beddows that the Council of the Town of Gananoque, in accordance with Section 239.2 of the <i>Municipal Act</i> , moves into Closed Session at 5:45 PM for the purpose of discussing one (1) item under Personal Matters Concerning an Identifiable Individual, Including Municipal or Board Employees regarding an Integrity Commissioner report, and one (1) item under Advice that is Subject to Solicitor-client Privilege, including Communications Necessary for that Purpose. CARRIED – UNANIMOUS
19.	Move Out of Closed Session at 6:05 PM
	Open Session resumed at 6:07 PM
20.	Reporting Out of Closed Session
	<ul style="list-style-type: none"> • Mayor Beddows advised that a Closed Meeting was held. Council discussed Council discussed one (1) item under Personal Matters Concerning an Identifiable Individual, Including Municipal or Board Employees regarding an Integrity Commissioner report, and one (1) item under Advice that is Subject to Solicitor-client Privilege, including Communications Necessary for that Purpose. • Mayor Beddows invited Tony Fleming, Integrity Commissioner, to present the Report. • Following Mr. Fleming’s presentation, Council considered the following.
	Motion #26-041 – Integrity Commissioner Report – Councillor Koiner Moved by: Councillor Harper Seconded by: Deputy Mayor Leakey BE IT RESOLVED THAT THE COUNCIL OF THE TOWN OF GANANOQUE RECEIVES THE INTEGRITY COMMISSIONER’S REPORT DATED FEBRUARY 17, 2026, REGARDING A COMPLAINT AGAINST COUNCILLOR KOINER; AND FURTHER DIRECTS STAFF TO ATTACH THE REPORT TO THE MARCH 4, 2026 COUNCIL MINUTES AND POST TO THE TOWN’S WEBSITE; AND FURTHER ADOPTS THE RECOMMENDATIONS MADE BY THE INTEGRITY COMMISSIONER THAT COUNCIL REQUIRES COUNCILLOR KOINER TO ISSUE AN APOLOGY TO THE STAFF INVOLVED. CARRIED – 5 Ayes, by those voting

Tony E. Fleming
Direct Line: 613.546.8096
E-mail: tfleming@cswan.com

February 17, 2026

BY E-MAIL: clerk@gananoque.ca

Council Members – Town of Gananoque
c/o Penny Kelly, Clerk
Town Hall, 30 King Street East
P.O. Box 100
Gananoque, ON K7G 2T6

Dear Ms. Kelly:

**RE: Town of Gananoque – Complaint against Councillor Koiner
Our File No. 16418-177**

Introduction

This public report of our investigation is being provided to Council in accordance with Section 223.6(2) of the *Municipal Act*. We note that Section 223.6(3) of the *Municipal Act* requires that Council make the report public. The Clerk should identify on the agenda for the next open session Council meeting that this report will be discussed. Staff should consider whether it is appropriate to place the full report on the agenda in advance of Council deciding how the report should be made public.

Should Council desire, the Integrity Commissioner is prepared to attend at the open session meeting to present the report and answer any questions from Council.

At the meeting, Council must first receive the report for information. The only decision Council is afforded under the *Municipal Act* is to decide how the report will be made public, and whether to adopt any recommendations made by the Integrity Commissioner. Council does not have the authority under the *Municipal Act* to debate the findings of the report, only the recommendations.

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The Integrity Commissioner has included only the information in this report that is necessary to understand the findings. In making decisions about what information to include, the Integrity Commissioner is guided by the duties set out in the *Municipal Act*. Members of Council are also reminded that Council has assigned to the Integrity Commissioner the duty to conduct investigations in response to complaints under the Code of Conduct, and that the Integrity Commissioner is bound by the statutory framework to undertake a thorough process in an independent manner. The findings of this report represent the Integrity Commissioner's final decision in this matter.

Complaint:

It was alleged that Councillor Koiner (the "Member") attended the Visitor's Center in the Town of Gananoque frequently over the course of the summer months in 2025. During these visits, it is alleged that the Member criticized the performance of municipal employees, as well as indicating to them how they should go about fulfilling assigned tasks.

It was further alleged that on October 14, 2025, the Member approached municipal employees engaged in the task of brush clearance across the street from her residence. At this time, the Member reportedly yelled at staff about the way they were doing their assigned tasks. The Member allegedly returned subsequently to speak aggressively to staff, shortly after.

In a subsequent phone call, the Member reportedly spoke with staff about the same issue and criticized a senior manager. The nature of the comments to staff were alleged to have disclosed confidential information.

Timeline of Investigation:

- November 14, 2025 complaint received
- November 17, 2025 preliminary review conducted
- November 17, 2025 request additional details from complainant
- November 20, 2025, complaint package sent to Member
- December 2, 2025, request for extension by Member
- December 11, 2025, response from Member received
- January and February 2026, interview witnesses

Findings/Analysis:

Visitor's Center

After interviewing staff at the Visitor's Centre, there is no evidence to support the allegation that the Member was critical to staff or that she directed them in their duties. All staff

interviewed spoke very positively about their interactions with the Member and found her to be complimentary of their work.

Vegetation Clearing

On October 14, 2025, Town staff were clearing vegetation from a storm water pond. The pond had not been maintained in some time and the Ministry of the Environment, Conservation and Parks directed the Town to clear the vegetation around and within the pond. No notice of this work was provided to Council or residents as it was considered routine maintenance and there is no practice or policy in the Town to provide notice of this type of work.

The staff involved in the vegetation clearing were interviewed as part of this investigation. Some staff had notes made at the time and those notes were considered as part of the investigation.

The Member denied yelling at staff and described her interaction as respectful and polite. The Member did acknowledge that she was upset and discouraged that the vegetation was being removed and that ecological habitat was being destroyed.

Both the Member and staff agreed that at no time did the Member use inappropriate language and her words and demeanor were not disparaging of staff.

Based on the detailed recollection of staff and the consistent recall of a number of those present at the time of the incident, where the Member's recollection and staff's differ the Integrity Commissioner prefers the recollection of staff.

The Member attended the work site to speak with staff to understand what was happening. The Member's presence on the site resulted in work being stopped to make sure that it was a safe environment. Staff did not believe that the Member deliberately placed herself in the work area to stop the work and at no time did the Member tell staff to stop what they were doing.

Staff characterized the Member's behaviour as "hot" and "elevated" during her interactions with them and found it "intense". Staff reported that the Member was yelling about them killing the ecosystem. Staff had the impression from the Member's words and body language that she was upset about the work and also about not being told in advance of the work.

The Member did ask staff why the vegetation was being removed and when advised of the direction of the Ministry she enquired as to whether this was a result of bad management. Staff interpreted her comments to mean that the pond had not been actively maintained over time; this was not interpreted as a negative comment about staff.

Disclosure of Confidential Information

The Member did not have a phone call with staff as alleged. During the in-person exchange with staff, the Member did not disclose any confidential information.

Code of Conduct:

The following provisions of the Code of Conduct are engaged in this investigation:

2. Purpose

The purpose and intent of the Council Code of Conduct is to establish standards of conduct for Members of Council, Local Boards and Advisory Panel Members in the individual conduct of their official duties. These standards will help protect and maintain the Town of Gananoque's reputation and integrity.

Maintaining a high quality of public administration and governance can be achieved in part by encouraging high standards of conduct on the part of Town officials. The public is entitled to expect the highest standards of conduct from members that are elected or appointed to serve their local government.

8. Discrimination and Harassment

All members have a duty to treat members of the public, one another and staff with respect and without abuse, bullying or intimidation, and to ensure that their work environment is free from discrimination and harassment. The *Ontario Human Rights Code* applies and, where applicable, the Town's *Workplace Violence & Workplace Harassment Policy*.

11. Conduct Respecting Staff

...

Members should not:

...

- Use, or attempt to use, their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any staff member with the intent of interfering in staff's duties.

Conclusion:

The Integrity Commissioner finds that the Member acted appropriately when speaking with staff in the Visitor's Centre – there was no breach of the Code of Conduct.

The Integrity Commissioner finds that the Member did not disclose any confidential information – there was no breach of the Code of Conduct.

In assessing conduct, the Integrity Commissioner is guided by section 2, the Purpose of the Code. Council expects the highest standards from its members and on October 14, 2025 the Member's behaviour fell below the expected standard. The Member was upset that a natural area near her home was being eliminated and her reaction was not appropriate.

The Member's actions were not discriminatory or harassing, but her behaviour did not respect staff and their work. Yelling at staff and questioning their actions is not respectful and staff should not be expected to be subject to that behaviour from a member of Council. A number of staff interviewed commented that this type of incident happens all the time with members of the public; it is not unusual. It should not be behaviour expected of a member of Council. The actions of the Member breached section 8.

The Integrity Commissioner also considered whether the Member's behavior breached section 11. There was no evidence that the Member commanded or threatened staff or that her intent was to interfere with the work. Staff did not believe that the Member intentionally caused them to stop work. While there was an element of the encounter that suggested the Member expected to be notified of work that impacted her view, that was more of an impression, rather than an express statement from the Member that she deserved preferential treatment as a member of Council. In the circumstances, the Integrity Commissioner is satisfied that section 11 was not breached.

Recommendations:

The Member's behaviour on October 14, 2025 fell below the high standard that the Code of Conduct expects of Councillors. Staff doing their jobs should not be expected to face yelling from members of Council. In mitigation of the behaviour, it is important to note that the Councillor did not use inappropriate language and was not directing staff inappropriately. It appears that the Member's emotions ruled the day when she witnessed the removal of trees and vegetation and her reaction crossed the line.

In all the circumstances, the Integrity Commissioner recommends that Council issue a reprimand to demonstrate that this is not behaviour that it condones, and further that Council require that the Councillor apologize to the staff present.

This concludes our investigation and report in this matter.

Sincerely,

Cunningham, Swan, Carty, Little & Bonham LLP

A handwritten signature in black ink, appearing to read 'Tony E. Fleming', with several horizontal strokes extending to the right.

Tony E. Fleming,
Senior Counsel
Anthony Fleming Professional Corporation

March 2, 2026

File No. 331660

Melanie Kirby
Chief Administrative Officer
The Corporation of the Town of Gananoque
30 King Street East
Gananoque, ON K7G 1E9

Dear Ms. Kirby:

Re: Municipal Budget 2026

We have been asked to provide a legal opinion to The Corporation of the Town of Gananoque (the “Town”) with respect to the process relating to the adoption of its annual budget under section 284.16 of the *Municipal Act, 2001*,¹ which is the Town’s first “strong mayor budget”.

Background

Effective May 1, 2025, the Minister of Municipal Affairs and Housing designated 170 additional municipalities to which Part VI.1 of the *Municipal Act, 2001*, setting out the so-called “Strong Mayor Powers”, would apply. The Town was one such municipality designated pursuant to section 284.2.²

One of the key provisions in Part VI.1 of the *Municipal Act, 2001* pertains to the adoption of a municipality’s budget. Subsection 284.16(1) of the statute significantly alters the statutory scheme relating to the municipal budget by assigning the preparation of the budget to the head of council:

Powers and duties re budget

284.16 (1) In accordance with this section and subject to the regulations, the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality.

A local municipality was previously required to prepare and adopt a budget in accordance with section 290 of the *Municipal Act, 2001*.

However, as noted in section 284.16, the municipal powers and duties with respect to the proposal and adoption of the Town’s budget have now been assigned to the head of council, to be carried out in accordance with section 286.16 and O. Reg. 530/22.³

¹ *Municipal Act, 2001*, S.O. 2001, c. 25.

² See O. Reg. 530/22: “Part VI.1 of the Act”, Schedule 1, item 58, designating the Town of Gananoque.

³ For ease of reference we have set out the full text of ss. 7, 8 and 9 of O. Reg. 530/22 in Appendix A to this opinion.

We have been advised that the Town has taken the following steps with respect to the adoption of its Operating and Capital Budgets for 2026 (collectively, the “**Budget**”):

- The Mayor provided his proposed Budget to the Treasurer who, in turn, provided it to the Clerk on November 28, 2025.
- The Clerk added the proposed Budget to the agenda for the meeting of Council on December 4, 2025, which agenda was published on November 28, 2025.
- The Clerk provided notice by email to all members of Council that the proposed Budget was included in the meeting agenda for December 4, 2025.
- Council met on December 4 and 5, 2025 to consider and deliberate on the proposed Budget. Council passed motions to make amendments to the proposed Budget.
- Council did not conclude the meeting that had taken place on December 4 and 5, 2025 but instead recessed the meeting to continue the deliberations on the proposed Budget.
- The Mayor did not veto any of the resolutions to make amendments to the proposed Budget passed by Council at the meeting on December 4 and 5, 2025.
- Council reconvened on December 16, 2025 to further deliberate on the proposed Budget and passed a motion to hold a special meeting on January 8, 2026 to continue deliberations.
- A special meeting was held on January 8, 2026 to continue discussions on the proposed Budget. Council again passed motions to amend the proposed Budget. The meeting was again recessed.
- The Mayor did not veto the amendments made by Council on January 8, 2026.
- A special meeting was held on January 14, 2026 to continue deliberations and to finalize the proposed Budget. Amending motions were passed by Council once again.
- At the same meeting, Council also passed a motion directing the Treasurer to bring back a by-law to adopt the 2026 Provisional Operating and Capital Budgets for 1st and 2nd reading on February 18, 2026, and for 3rd reading on March 4, 2026.
- The Mayor again did not veto the amendments made by Council on January 14, 2026.
- At the meeting of Council on February 18, 2026, Council passed a further amendment to the proposed Budget. The proposed adopting by-law was read a 1st and 2nd time, and was passed.

The proposed Budget is scheduled to be before Council on March 4, 2026 for 3rd reading and final adoption.

We have been advised that the Mayor had indicated that he intends to exercise his power under subsection 284.16(4) to veto the proposed Budget in its entirety. We were asked to opine on the Mayor’s authority to do so and whether Council has a statutory ability to override the Mayor’s veto.

Analysis

A. Powers and Duties re Budget

1. *Municipal Act, 2001*

As noted above, section 284.16 of the *Municipal Act, 2001* sets out an entirely new authority for the proposal and adoption of a municipality's budget.

Given the importance of the provisions to this matter (which are relatively short), we set them out in full below:

Powers and duties re. budget

284.16 (1) In accordance with this section and subject to the regulations, the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality.

Proposed budget

(2) The head of council shall, in accordance with the regulations, prepare a proposed budget for the municipality and provide the proposed budget to the council for the council's consideration.

Council may adopt or amend budget

(3) After receiving the proposed budget, council may, in accordance with the regulations, pass a resolution making an amendment to the proposed budget.

Veto power

(4) The head of council may, in accordance with the regulations, veto a resolution passed under subsection (3).

Override of veto

(5) Council may, in accordance with the regulations, override the head of council's veto under subsection (4) if two-thirds of the members of council vote to override the veto.

Adoption of budget

(6) The budget for the municipality shall be adopted in accordance with the regulations.

Same

(7) For greater certainty, the regulations may provide for the circumstances in which the budget is deemed to be adopted.

Section 284.16 supersedes section 290 with respect to the adoption of the Town's Budget.

The adoption of the Budget for the Town is required to be completed in compliance with section 284.16 and in accordance with the process expressly set out in "the regulations": O. Reg. 530/22. There is no requirement for Council to pass a by-law to adopt the Budget; the legislation now sets out a "deemed adoption" process for a municipality's annual budget.

2. O. Reg. 530/22

As set out above, section 284.16(1) expressly provides that the powers and duties of a municipality with respect to proposing and adopting an annual budget are assigned to the head of council “in accordance with this section and subject to the regulations”.

Each of subsections 284.16(2) to (6) specifies that the powers and duties are to be discharged “in accordance with the regulations”.

O. Reg. 530/22 sets out the specific procedures for the proposal and adoption of the Town’s Budget. The procedures and steps must be followed in order for a municipality to validly adopt a its annual budget.

The procedures contain a number of important deeming provisions.⁴ This is a very significant change to the municipal budget adoption process.

Under section 290, a non-designated municipality must pass a by-law to adopt is budget. This is no longer the case for a “strong mayor municipality” whose head of council proposes a budget on or before February 1.⁵

For the reasons that follow, it is our opinion that the steps taken by the Town with respect to its budget were not carried out in accordance with O. Reg. 530/22.

B. Budget Process

1. Proposed Budget from Mayor

It is our opinion that the Mayor properly commenced the legislative process to bring forward the proposed Budget in accordance with subsection 7(1) of O. Reg. 530/22:

7. (1) The head of council shall, on or before February 1 of each year,
 - (a) prepare a proposed budget for the municipality that includes the estimates of sums required under subsection 289 (1) or 290 (1) of the Act, as the case may be;
 - (b) provide the proposed budget to each member of council and to the clerk; and
 - (c) make the proposed budget available to the public.

The Mayor provided the proposed Budget to the Treasurer, who provided it to the Clerk, who included it on the meeting agenda, gave notice to members of Council and published the agenda. We are of the opinion that the requirements of subsection 284.16(2) and subsection 7(1), in terms of bringing forward a proposed Budget for the Town, distributing it to the members of Council and making it available to the public, were complied with on November 28, 2025.

⁴ O. Reg. 530/22, ss. 7(5), (7), (9), (13) and (14).

⁵ Pursuant to s. 7(2), if the head of council does not propose a budget by February 1 in accordance with s. 7(1), the right to do so is forfeited and it reverts to the council to prepare and adopt the budget for the municipality. In this case, the council would need to enact a by-law to adopt the budget.

2. Valid Amendments to Proposed Budget

Council is entitled under subsection 284.16(3) to make amendments to the proposed Budget.

Council met on December 4, 5 and 16, 2025 and passed motions to make amendments to the proposed Budget. It is our view that these amendments are valid and that they complied with the requirements of subsection 7(3):

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

3. No Veto by Mayor

The Mayor was entitled to veto Council's amendments to the proposed Budget passed on December 4, 5 and 16, 2025 under subsection 284.16(4) of the statute but had to do so in accordance with subsection 7(6) of O. Reg. 530/22:

7 (6) Subject to subsection (7), within 10 days after the expiry of the time period for council to pass a resolution under subsection (3), the head of council may veto a resolution passed by council under subsection (3) by providing on the day of the veto to each member of council and to the clerk a written veto document that includes the veto and the reasons for the veto.

Since Council did not specify a shorter period, the Mayor had 10 days from December 28, 2025 (being 30 days after the Budget was proposed by the Mayor) to veto Council's amendments. The Mayor did not exercise his power to do so under subsection 7(6) and, accordingly, the amendments remain in place.

Had the Mayor exercised his power to veto the amendments, they would have been deemed not to have been passed by Council but the Council could have, by a two-thirds vote have overridden the veto, which would have meant that the Budget would not have been deemed adopted until a later date.⁶

4. Budget Deemed Adopted

However, the fact that the Mayor did not exercise his right to veto the amendments had a very significant consequence: it caused the proposed Budget to be deemed to be adopted by the Town.

The deemed adoption occurs by operation of subsection 7(9) of O. Reg. 530/22:

7 (9) If the head of council does not veto a resolution in accordance with subsection (6) within 10 days or, if a shorter period is set under subsection (7), within that period, the proposed budget **shall be deemed to be adopted** by the municipality. (emphasis added)

It is our opinion that the Town's Budget was deemed to be adopted on January 7, 2026 (10 days from December 28, 2025) by virtue of subsection 7(9) of O. Reg. 530/22.

⁶ O. Reg. 530/22, ss. 7(10)-(14).

5. Subsequent Amendments Not Applicable

Based on our conclusion that the Budget was adopted on January 7, 2026, the subsequent amendments purportedly passed by Council at the continuation of the budget meetings on January 8 and 14, and on February 18, 2026 were without effect and cannot apply to the Budget since it had already been adopted pursuant to subsection 7(9) of O. Reg. 530/22.

We appreciate that Council commenced its meeting to consider and deliberate on the proposed Budget on December 4, 2025 and maintained that meeting as continuing by not adjourning that meeting and by holding subsequent budget meetings on December 5 and 16, 2025, January 8 and 14, 2026 and February 18, 2026. However, the continuation of a meeting is not material for the purposes of the specific timelines set out in O. Reg. 530/22. In other words, the time limits set out in the regulation could not be overridden by virtue of Council having held a lengthy multi-day meeting to consider the proposed Budget.

6. No By-law Necessary to Adopt Budget

Subsection 284.16(6) is explicit: “The budget for the municipality shall be adopted in accordance with the regulations.”

There is no requirement for the Town to pass a by-law to adopt the Budget. Accordingly, there was no need for a by-law to have been given 1st and 2nd readings on February 18, 2026, and there is no requirement for a 3rd reading on March 4, 2026.

7. No Ability to Veto Budget or Amendments

Given the deemed adoption of the Budget, there is no authority for the Mayor to veto the amendments that were made on December 4, 5 and 16, 2025, as the time to do so has expired. There was never any authority for the Mayor to veto the entire Budget.

8. No Curative or Remedial Mechanism Available

Given that the Budget has been deemed adopted, there is no statutory or regulatory authority to make any in-year modifications to the Budget, save and except in accordance with section 9 of O. Reg. 530/22, where an in-year budget amendment may be proposed by the head of council but only “for the purpose of raising an additional general upper-tier levy or a special upper-tier levy in the year under section 311 of the Act or a general local municipality levy or a special local municipality levy in the year under 312 of the Act.”⁷ Council has no freestanding right to amend an adopted budget at any time as such action could possibly derogate from or entirely defeat the purpose of the head of council being able to propose the municipal budget.

There is no other provision that allows the Mayor or Council to modify the Budget. The legislation provides for a proposed budget to be prepared by the Mayor; for it to be considered by Council and for Council to make amendments; for the Mayor to veto any amendments and for Council to override any mayoral veto decision. The legislation also permits in-year budget amendments but only to raise additional levies. Accordingly, there is no mechanism to remedy the deemed adoption of the Budget as it read on January 7, 2026.

⁷ O. Reg. 530/22, s. 9(1).

9. Levy By-law

Council will still need to enact a by-law to impose the “general local municipality levy” and, if applicable, any “special local municipality levy” pursuant to subsections 312(2) and (4) of the *Municipal Act, 2001*. The two aforementioned terms are expressly defined in subsection 312(1) and each refers to “the amount the municipality decided to raise in its budget.” There is a direct connection between the levies and the adopted Budget which means that the Town cannot impose levies in its by-law that do not correspond to the amounts set out in its Budget.

If Council refuses to enact the by-law under section 312, it means that the Town cannot lawfully impose property taxes on rateable property. Council cannot enact a levy by-law that does not accord with the amounts that are specified in the adopted Budget.

10. Water / Wastewater Budgets

We also understand that the Town has Water / Wastewater Operating and Capital Budgets. The proposed budgets for 2026 were also presented to Council on November 28, 2025 in compliance with subsection 7(1) of O. Reg. 530/22. Council did not pass any amendments to the proposed Water / Wastewater Operation and Capital Budgets. Accordingly, these proposed budgets were also deemed adopted on January 7, 2026.

Conclusions

Based on the foregoing, it is our opinion that the Budget for the Town was deemed adopted on January 7, 2026. The Budget is comprised of the proposed Budget submitted by the Mayor on November 28, 2026 as amended by Council by the resolutions that were passed on December 4, 5 and 16, 2025. All subsequent actions taken in respect of the Budget were of no force or effect on the Budget that was deemed adopted.

Yours truly,

AIRD & BERLIS LLP



John Mascarin

JM/LD/km

APPENDIX A

Sections 7, 8 & 9 of O. Reg. 530/22

Annual budget

7. (1) The head of council shall, on or before February 1 of each year,
- (a) prepare a proposed budget for the municipality that includes the estimates of sums required under subsection 289 (1) or 290 (1) of the Act, as the case may be;
 - (b) provide the proposed budget to each member of council and to the clerk; and
 - (c) make the proposed budget available to the public.
- (2) If the head of council does not propose a budget to council by February 1 in accordance with subsection (1), the council shall prepare and adopt the budget for the municipality.
- (3) Subject to subsection (4), within 30 days after receiving the proposed budget from the head of council in accordance with clause (1) (b), the council may pass a resolution making an amendment to the proposed budget.
- (4) A council may in a year pass a resolution to shorten the 30-day period referred to in subsection (3) for the year.
- (5) If council does not pass a resolution under subsection (3) within 30 days, or, if a shorter period is set under subsection (4), within that period, the proposed budget shall be deemed to be adopted by the municipality.
- (6) Subject to subsection (7), within 10 days after the expiry of the time period for council to pass a resolution under subsection (3), the head of council may veto a resolution passed by council under subsection (3) by providing on the day of the veto to each member of council and to the clerk a written veto document that includes the veto and the reasons for the veto.
- (7) The head of council may in a year shorten the 10-day period referred to in subsection (6) for the year by providing to each member of council and to the clerk a written document specifying a shorter period.
- (8) If the head of council vetoes a resolution in accordance with subsection (6), the resolution shall be deemed not to have been passed by council.
- (9) If the head of council does not veto a resolution in accordance with subsection (6) within 10 days or, if a shorter period is set under subsection (7), within that period, the proposed budget shall be deemed to be adopted by the municipality.

(10) Subject to subsection (11), within 15 days after the expiry of the time period for the head of council to veto a resolution under subsection (6), council may override the head of council's veto if two-thirds of the members of council vote to override the veto.

(11) A council may in a year pass a resolution to shorten the 15-day period referred to in subsection (10) for the year.

(12) For greater certainty, the head of council may vote as a member of council in a vote to override a veto.

(13) If the council overrides the veto under subsection (10), subsection (8) does not apply, and the resolution shall be deemed to be passed by council.

(14) After the expiry of the time period for council to override the head of council's veto under subsection (10), the proposed budget is deemed to be adopted by the municipality.

Budget process — conflict of interest

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

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

Budget process — in-year budget amendments

9. (1) The head of council may, for the purpose of raising an additional general upper-tier levy or a special upper-tier levy in the year under section 311 of the Act or a general local municipality levy or a special local municipality levy in the year under 312 of the Act, as the case may be, prepare a proposed budget amendment for the municipality and,

- (a) provide the proposed budget amendment to each member of council and to the clerk; and
- (b) make the proposed budget amendment available to the public.

(2) Subject to subsection (3), within 21 days after receiving the proposed budget amendment from the head of council in accordance with subsection (1), the council may pass a resolution making an amendment to the proposed budget amendment.

(3) A council may in a year pass a resolution to shorten the 21-day period referred to in subsection (2) for the year.

(4) If council does not pass a resolution under subsection (2) within 21 days, or, if a shorter period is set under subsection (3), within that period, the proposed budget amendment shall be deemed to be adopted by the municipality.

(5) Subject to subsection (6), within 5 days after the expiry of the time period for council to pass a resolution under subsection (2), the head of council may veto a resolution passed by council under subsection (2) by providing to each member of council and to the clerk, on the day of the veto, a written veto document that includes the veto and the reasons for the veto.

(6) The head of council may in a year shorten the 5-day period referred to in subsection (5) for the year by providing to each member of council and to the clerk a written document specifying a shorter period.

(7) If the head of council vetoes a resolution in accordance with subsection (5), the resolution shall be deemed not to have been passed by council.

(8) If the head of council does not veto a resolution in accordance with subsection (5) within 5 days, or, if a shorter period is set under subsection (6), within that period, the proposed budget amendment shall be deemed to be adopted by the municipality.

(9) Subject to subsection (10), within 10 days after the expiry of the time period for the head of council to veto a resolution under subsection (5), council may override the head of council's veto if two-thirds of the members of council vote to override the veto.

(10) A council may in a year pass a resolution to shorten the 10-day period referred to in subsection (9) for the year.

(11) For greater certainty, the head of council may vote as a member of council in a vote to override a veto.

(12) If the council overrides the veto under subsection (9), subsection (7) does not apply, and the resolution shall be deemed to be passed by council.

(13) After the expiry of the time period for council to override the head of council's veto under subsection (9), the proposed budget amendment is deemed to be adopted by the municipality.