



January 23, 2026

REPORT ON THE 2026 OPERATING BUDGET

Dear Fellow Citizens,

In accordance with section 474 of the *Cities and Towns Act* and on behalf of Town Council, I am pleased to submit to you Town of Mount Royal's Report on the 2026 Operating Budget.

For 2026, Town Council has adopted a budget with an average property tax increase of only 0.52% for a taxpayer owning an average single-family home assessed at \$2,000,500, making these the smallest adjustments in recent years.

This disciplined and responsible approach is proof of our determination to maintain quality municipal services, despite inflation, increased operating costs and the rise in climate-related challenges. It also reflects Council's commitment to financial affordability.

The new 2026-2028 property assessment roll

It should be noted that on September 10, 2025, Ville de Montréal's Direction de l'évaluation foncière published a new triennial property assessment roll, which entered into effect on January 1, 2026. The values appearing in the roll are based on the real estate market conditions as observed on July 1, 2024.

In Mount Royal, the average property value increase is 5.5%, with a 2.9% increase for residential buildings and 19.7% for non-residential buildings. This rise in property values says much about the dynamism and attractiveness of our territory.

However, it should also be noted that higher property values do not automatically lead to higher municipal taxes. Always seeking to protect Townies, Council has decided to adjust the tax rate to minimize the impact of the higher property values on tax bills.

Consequently, taxpayers with an above-average property value increase will see a higher tax increase, while the tax increase will be lower for those whose property value increase is below average.

Our 2026 budget priorities

The 2026 operating budget reflects the community's core values, particularly in the areas of the environment, traffic, drainage and new infrastructure construction. It aims to maintain quality municipal services that are aligned with citizens' expectations and needs.

Preparation of the 2026 operating budget was guided by the following priorities:

- Maintain initiatives to better respond to climate change and support residents facing an increased risk of water damage;

- Improve road safety and traffic flow by making our road network safer, more accessible and better performing, with special attention paid to the Lucerne sector;
- Continue implementing the Special Urban Planning Program (PPU) for the Beaumont sector to provide a framework for harmonious and structuring development;
- Plan the operations of the future Sports and Community Centre, including human resources organization and maintenance and services contracts, to ensure efficient start-up from opening day forward;
- Automate various administrative and financial processes with the goal of optimizing municipal services and improving operating efficiency;
- Explore new sources of revenue by studying diversification options for all municipal sectors, the goal being to favour increased equity and lighten the tax burden on citizens;
- Intensify the search for grants by identifying and proactively soliciting financial assistance programs offered by the various levels of government;
- Responsibly manage taxpayers' tax burden by limiting municipal tax increases while also taking into account inflation, the new property assessment roll and the increase in the aliquot share paid to the Agglomération de Montréal.

Growth of the 2026 operating budget

The 2026 operating budget totals \$145.5 million, a 6.89% increase compared to 2025. The budget was developed with rigour, prudence and a constant focus on respecting taxpayers' ability to pay while also maintaining high-quality municipal services and addressing the community's priority needs. The increase is mainly due to changes in costs related to existing commitments and operational priorities.

Various factors contributed to the increase, including:

Municipal

Local expenditures are up \$7.3 million (11.7%), mainly due to:

- Implementing a program to assist residents with the inspection of plumbing and outdoor residential installations and aimed at reducing the risk of sewer backup and water damage;
- Increasing the number of Public Security staff by adding one patroller to each team to better meet demand, ensure operational continuity and reduce reliance on overtime;
- Growth of payroll, mandatory employer costs and employee benefits
- An increase in debt servicing resulting from new investments;
- Higher external contract costs attributable to inflation;
- An increase in the budgetary allowance dedicated to employee training to support skills development and adaptation to the new organizational and operational requirements;
- An increase in external professional fees for carrying out specialized studies in strategic fields of importance for the Town.

For its part, the aliquot share paid to the Agglomération de Montréal will increase 2.76% to \$2.0 million, largely due to the increase in general expenditures, costs related to water purchases and service, first

responder services, servicing of the arterial road system debt, funding of investments eligible for grants, absorption of previous years' deficits and expenditures relating to downtown Montreal.

Municipal revenues

Property taxes, compensation in lieu of taxes and water billing, which remain the main revenue sources, amount to \$128.6 million or 89% of total revenue.

The budget forecasts also show \$0.5 million in revenue from the special fee structure for the Royalmount Pedestrian Walkway Reserve Fund, applicable to taxable buildings located in the Royalmount sector.

Lastly, revenues from local sources total \$13.2 million and correspond to 9.1% of overall revenue, which is comparable to that of 2025. Meanwhile, revenues from government transfers are pegged at \$2.6 million or 1.8% of total revenue.

Accumulated surplus

Balancing the operating budget is based on the limited use of \$53,000 from the accumulated surplus. The new property values associated with Royalmount helped limit recourse to the surplus, ensuring it remains available for future needs.

Conclusion

Town of Mount Royal's 2026 operating budget combines discipline, responsibility and a vision for the future while also respecting citizens' ability to pay and targeting the Town's key priorities.

For fiscal 2026, Council has made clear and coherent choices to increase the territory's resilience to climate change by implementing a program to assist residents with the inspection of plumbing and outdoor residential installations and aimed at reducing the risk of sewer backup and water damage.

The budget also provides for strengthening public security by adding personnel on the ground to increase the service's presence, enhance its ability to intervene and maintain the services it provides to residents.

Due to the new Royalmount property values, the 2026 budget limits our reliance on the surplus and keeps those funds for major projects, debt reduction and addressing future priorities.

This approach contributes directly to our budgetary balance, preserving the Town's financial health and maintaining sound, responsible and sustainable management of municipal finances.

In a demanding economic environment, the 2026 operating budget is aligned with a long-term vision focused on resilience and on citizens' quality of life and well-being, all while preparing Town of Mount Royal to take on the challenges of tomorrow.

Peter J. Malouf
Mayor