NCCHPP NATIONAL COLLABORATING CENTRE FOR HEALTHY PUBLIC POLICY

The Municipal Budget: Guidance for Public Health

FACT SHEET 4

MUNICIPAL GOVERNANCE AND PUBLIC HEALTH IN CANADA 2026

FOREWORD

This fact sheet covers the subject of municipal budgets in Canada. It is part of a collection of fact sheets on municipal governance in Canada. This collection is intended for public health organization staff who wish to better understand how municipalities operate in order to position themselves strategically, collaborate effectively with the municipal sector, and exercise influence for health-promoting municipal decisions. This collaboration is important, as municipalities have a direct influence on living environments and therefore on key determinants of population health.

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KEY MESSAGES

- This fact sheet is part of a collection on municipal governance in Canada, intended for public health organizations seeking to collaborate with municipalities. It presents the municipal budget (funding sources, constraints, and the budget cycle), a key element for understanding municipal realities and acting strategically.
- Municipalities operate with an operating budget for day-to-day expenses and a capital budget that finances long-term infrastructure.
- Municipal revenues come mainly from property taxes, user fees, and transfers from other levels of government. These sources are often insufficient given municipalities' expanding suite of responsibilities.
- It is advisable to keep these constraints in mind when engaging with contacts in the municipal sector.
- Public health organizations are well-positioned to provide concrete support to municipalities as they prepare their requests for government transfers.
- Keeping abreast of the annual budget cycle helps identify a municipality's priorities and the windows of opportunity to influence its strategic directions. From this perspective, the budget preparation period is a pivotal moment, and the municipal administration is the key interlocutor.

Centre de collaboration nationale sur les politiques publiques et la santé
National Collaborating Centre for Healthy Public Policy

Québec

ABOUT THE COLLECTION OF FACT SHEETS ON MUNICIPAL GOVERNANCE

Municipal governments play a key role in shaping the communities in which we live, directly influencing population health and wellbeing (Lévesque et al., 2024; Morestin, 2020). This capacity for action makes municipalities relevant—and even essential—partners for public health. A better understanding of how municipalities operate makes it possible to position oneself strategically, identify the right contacts among municipal representatives, spot windows of opportunity and work effectively within municipal decision-making processes, while also setting realistic expectations.

With this in mind, the NCCHPP has developed a collection of thematic fact sheets on municipal governance in Canada, intended for the staff of public health organizations.

The content of this collection was developed in three phases:

- An analysis of guides for newly-elected municipal officials in Canada's ten provinces and three territories;
- A Canada-wide consultation with public health professionals (three focus groups and a questionnaire);
- A complementary review of scientific and government literature.

For more information, see the fact sheet outlining the project's context and methodology.

1 INTRODUCTION

Each year, municipalities develop a budget that outlines how financial resources are obtained and allocated to provide services, maintain infrastructure, and support local development. This process provides a key opportunity to gain an understanding of a municipality's priorities and financial constraints, so that one can be realistic when attempting to influence its strategic directions.

This fact sheet covers the following topics, in order:

- The distinction between operating budgets and capital budgets,
- Municipal revenue sources,
- Municipalities' financial flexibility,
- The municipal budget cycle.

2 TWO SEPARATE BUDGETS: OPERATING BUDGET AND CAPITAL BUDGET

Across Canada, municipalities prepare two types of budgets:

- **The operating budget** sets out, for the coming year, the projected revenues and expenditures required for the ongoing management of municipal activities (services, salaries, maintenance). It covers day-to-day expenses such as road maintenance, waste collection, or the provision of recreational activities. Municipalities are required to prepare a balanced operating budget, meaning that revenues must cover expenditures (Taylor et al., 2026).
- **The capital budget** details revenues and expenditures related to durable assets and long-term investments, such as the repair and construction of underground and road infrastructure or public buildings (libraries, arenas, etc.). This budget often covers a period of several years (see the subsection on multi-year planning) in order to anticipate future financial commitments (Sancton, 2015).

3 WHAT ARE THE SOURCES OF MUNICIPAL REVENUE?

Municipalities finance their activities through their own-source revenues (notably property taxes and user fees), funds provided by other levels of government (government transfers), and, to a lesser extent, borrowing.

On average, property taxes account for about half the revenues of Canadian municipalities, followed by user fees (about 22%) and government transfers (nearly 20%). These proportions vary depending on the size of municipalities, their location (urban or rural), the provinces/territories in which they are situated, and the responsibilities assigned to municipalities within these provinces/territories (Figure 1).

3.1 Own-source revenues

Own-source revenues, shown in Table 1, are those collected directly by the municipality (Taylor et al., 2026).

Table 1 Own-source revenues of Canadian municipalities

Property taxes	These are paid by owners of residential, commercial, and industrial buildings. Tax rates are higher for commercial and industrial properties than for residential properties. For example: in 2019, commercial and industrial rates were 4 times higher than residential rates in Montréal; also in 2019, they were 3 times higher in Halifax; and 1.5 times higher in Saskatoon.
User fees	For example: payment for a membership at the municipal swimming pool or for parking.
Licence and permit fees	For example: building permits, business licences.
Fines	For example: parking tickets.
Development charges	These are collected from real estate developers during construction projects to help pay for the cost of municipal services and infrastructure required to service the new housing units: roads, water and sewer systems, public transit, etc. These charges are a significant source of revenue only in municipalities where substantial real estate development is underway. Often, developers contribute in kind instead, by building infrastructure themselves for the site under construction.
Other own-source revenues	In some provinces, municipalities may collect other types of revenue, such as a land transfer tax, a business occupancy tax, or a vacant home tax. For a complete list of other own-source revenues, see: *Power and Purpose: The Quiet Evolution of Canadian Municipal Law*, section 5: Finance (Taylor et al., 2026).

Sources: Federation of Canadian Municipalities [FCM], 2024; Kitchen et al., 2019; Meloche & Vaillancourt, 2021; Sancton, 2021; Taylor et al., 2026.

3.2 Government transfers

Government transfers are funds provided by other levels of government to finance projects or offset costs (Bergvall et al., 2006). One of the municipal administration's key responsibilities is to monitor the launch of transfer programs and notify the municipal council when the municipality is eligible for them (Sancton, 2015).

Provincial or territorial transfers

Most of the transfers received by Canadian municipalities come from their provincial or territorial governments. These transfers may be:

- **Unconditional** – less common; their use is at the discretion of municipalities;
- **Conditional** – earmarked for specific purposes such as public transit or environmental protection (Sancton, 2015).

Specificity in Ontario: Municipalities in that province help fund services that other provinces manage directly, such as public health and social services. The province provides targeted transfers for this purpose, notably to contribute to municipalities' funding of public health units (Association of Municipalities of Ontario, 2023; Seabrook et al., 2025). This is why the share of provincial transfers is higher in Ontario than in most other provinces (Meloche & Vaillancourt, 2021; Sancton, 2015).

Federal transfers

Federal transfers account for a smaller share of government transfers (Johal, 2019; Sancton, 2015). They are generally conditional and strategic, aligned with national priorities such as infrastructure, housing, or climate. They are often delivered through bilateral agreements with provinces and territories, or, in some cases, directly to municipalities.

Competitive processes

Some transfer programs—whether federal, provincial, or territorial—are subject to competitive processes. Applications submitted by municipalities are evaluated based on criteria established by the funding agency, and only those that best meet the criteria receive funding (Sancton, 2015). One key to success is the ability of municipal staff to prepare a proposal that presents the municipal council's projects in a way that aligns with the funder's objectives. Municipal elected officials having contacts among local members of the federal and provincial/territorial legislatures can also help advance a municipality's application (Sancton, 2015).

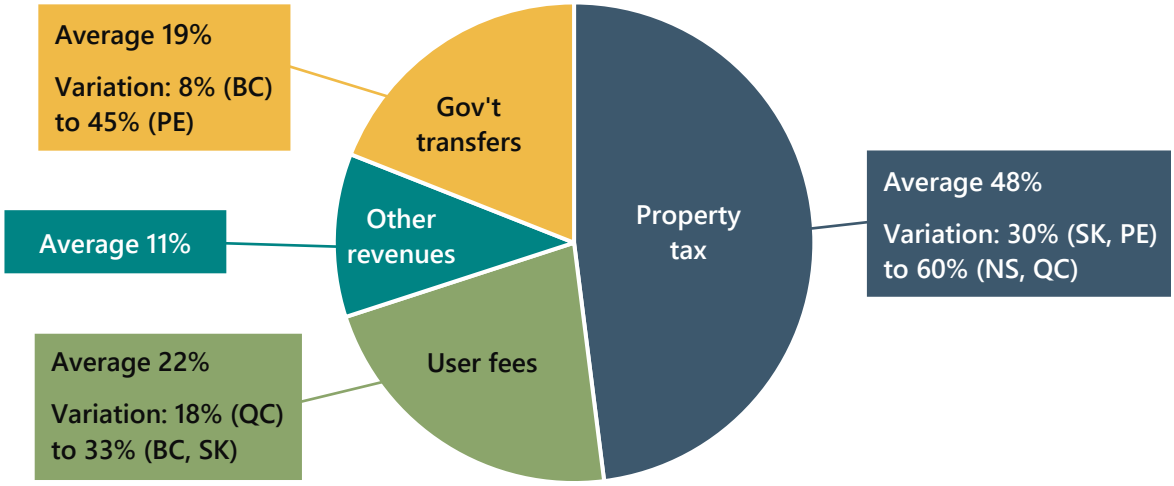
For a detailed list of government transfer programs:

- **Federal Government**: Visit the website of Housing, Infrastructure and Communities Canada.
- **Provincial/territorial programs**: On a provincial or territorial Ministry of Municipal Affairs or Ministry of Finance website, consult the sections dedicated to municipal funding or support programs.

3.3 Another source of funding: borrowing

To finance major capital projects, municipalities can take out loans. However, the provinces and territories strictly regulate municipal borrowing, to ensure municipal fiscal solvency. In addition, debt repayments are subsequently included in the operating budget (Taylor et al., 2026). Municipalities must therefore assess the long-term financial viability of each project.

Figure 1 Breakdown of the main sources of revenue for Canadian municipalities



Sources: Johal, 2019; Kitchen et al., 2019; Meloche & Vaillancourt, 2021; Sancton, 2021.

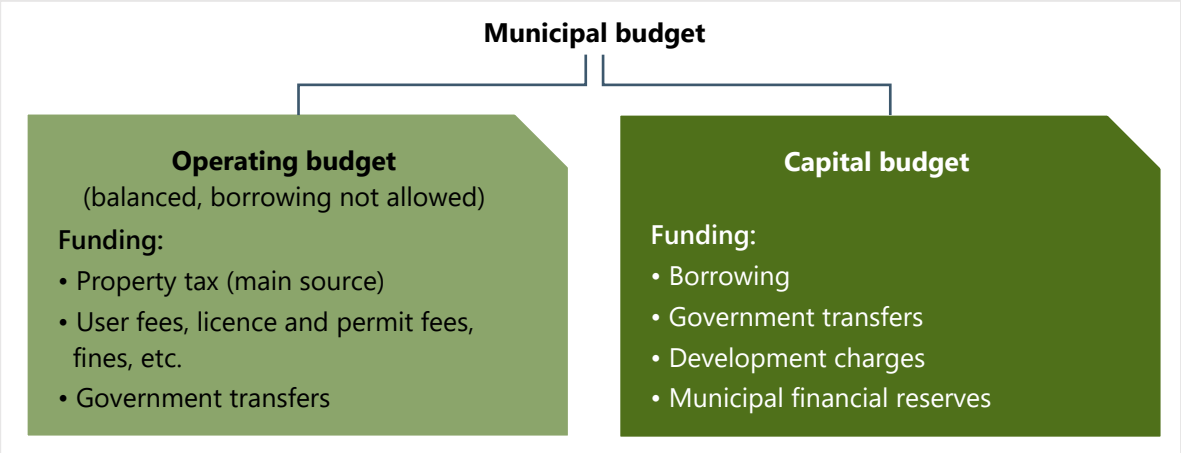
Notes:

- Figure 1 focuses on municipalities in Canadian *provinces*, as comparable figures could not be found for the three territories. Municipalities in the territories may also collect own-source revenues (property tax, user fees, and other charges) (Taylor et al., 2026). However, they receive the highest per capita government transfers: between four and eight times the national average (Municipal and Community Affairs – Government of Northwest Territories, 2019).
- The "Other revenues" category includes: licence and permit fees, fines, and where applicable, land transfer taxes and development charges (FCM, 2024; Meloche & Vaillancourt, 2021).
  - The land transfer tax generates substantial revenues for municipalities such as Toronto, Montréal, and Halifax.
  - Development charges are a negligible source of revenue in Québec, but are a significant source for several major cities[1] in British Columbia and Ontario.
- Borrowing does not appear in Figure 1 because it is not a source of revenue. However, borrowing is a major source of funding for municipal capital budgets in provinces such as Québec and Prince Edward Island. At the other extreme, municipalities in British Columbia make little use of it (Meloche & Vaillancourt, 2021).

To conclude this section, Figure 2 distinguishes the main funding sources for operating budgets and capital budgets.

[1] "Municipality" is a generic term that refers to municipalities of all sizes, from the smallest to the largest. The term "city" refers to a category of municipalities—those of relatively larger size. It is a commonly-used term, but one that does not have a uniform, objective definition across Canada; for example, the population threshold required to qualify as a city varies from one jurisdiction to another (Graham, 2018). In this collection of fact sheets, we sometimes use the term "city" with qualifiers (large cities, mid-sized cities) to give a sense of the type of context being discussed.

Figure 2 The types of budgets and their funding sources



IN PRACTICE – UNDERSTANDING THE BUDGETARY SITUATION AND TAKING IT INTO ACCOUNT[2]

Understanding the budgetary situation

To understand a municipality's decisions and priorities, a high-level analysis of its budget is required: where does its revenue come from, and where does its spending go? Budgets are available on municipal websites, and some provide a simplified summary.

See, for example: the 2026 budget summary for the City of Montréal or that of the City of Kelowna.

In the absence of such summaries, the budget is a long and complex document, even in small municipalities (Sancton, 2015). An alternative is to consult the financial statements[3] instead, as they are generally clearer (Robson & Dahir, 2025).

Anticipating the impact of your proposals on municipal revenues

Property taxes and municipal user fees are the two main sources of revenue for most municipalities in Canada.

Some health-promoting initiatives result in **lower revenues** from these sources. For example:

- Deciding not to authorize the building of a factory whose emissions would harm public health → loss of industrial property tax revenue.
- Reducing bus fares to encourage public and active transportation → lower revenues from user fees.

It is important to consider these constraints when communicating with municipal actors.

[2] The content of all "In practice" boxes draws upon, among other things, the experience shared by public health staff during the focus groups organized by the NCCHPP and during the external review of this fact sheet.

[3] The municipal budget projects ahead to the future (*projected* expenditures and revenues), whereas financial statements describe what has actually been received and spent (Sancton, 2015).

Conversely, some proposals can lead to an **increase in revenues**:

- Higher downtown parking fees to limit automobile travel, generating multiple health benefits (reduced sedentary behaviour and collision risk, improved air quality, etc.) → increased revenues from user fees.
- Gentle densification (allowing low-rise multi-unit buildings and accessory dwelling units) to improve housing affordability and reduce health inequities → increase in the number of units subject to residential property taxation.

The potential for increased revenues is an argument worth highlighting—while keeping in mind that municipal contacts also consider other factors, including social acceptability.[4]

4 HOW MUCH FINANCIAL LEEWAY DO MUNICIPALITIES HAVE?

4.1 Unequal financial margins

Municipalities' financial capacities vary considerably, yet many struggle with ensuring that their revenues adequately meet their needs. This challenge is exacerbated by the fact that, over the past few decades, municipalities have taken on an increasing number of responsibilities: maintaining aging infrastructure, adapting to climate change, providing social housing, welcoming newcomers, and so on.

However, their main source of revenue is not adapted to these new realities. **Property tax**, which is intended to fund property-related services (such as fire safety and waste management), is ill-suited to funding the range of new municipal responsibilities (Kitchen et al., 2019). There is strong political pressure to not raise property taxes on residential properties. It is also difficult to raise taxes on commercial and industrial properties. In recent years, some Canadian municipalities have even been experimenting with tax cuts in the hope of attracting businesses as a means to boost their economies (Kitchen et al., 2019).

As for **government transfers**, these are not necessarily sufficient to defray the increased costs associated with the added responsibilities that other levels of government have delegated to municipalities since the 1980s (Medicoff & Béland, 2022; Tindal et al., 2016). Municipalities also highlight the administrative costs associated with preparing funding applications under imposed timelines and with reporting requirements. These costs represent a barrier, particularly for smaller municipalities (FCM, 2024).

[4] To produce a comprehensive analysis of a proposal, one can draw on tools such as the analytical framework developed by the NCCHPP (Morestin, 2012).

According to the Federation of Canadian Municipalities (FCM, 2024), financial realities vary considerably depending on the size and location of municipalities.

- **Major cities**: these have a broader and more diversified tax base and higher own-source revenues, but face enormous needs in terms of infrastructure, housing, public transit, and social services.
- **Small rural or northern municipalities**: these have a narrow tax base and higher per capita costs (due to the climate, long distances, and low population density). They rely heavily on government transfers, but have less administrative capacity to apply for competitive programs.

These disparities result in unequal degrees of financial flexibility.

4.2 Limited financial autonomy

Although municipalities now have greater capacity to act, and broad discretion over how they allocate their expenditures, their budgetary autonomy remains limited by the frameworks established by other levels of government—particularly the provincial and territorial levels (Taylor et al., 2026). Several constraints place strict limits on municipal financial and budgetary levers:

- **Property tax**: most provinces set limits on the tax rates that municipalities can impose (Kitchen et al., 2019).
- **Government transfers**: transfers remain one of the main tools available to provinces and territories to constrain municipal action. Conditional transfers reflect the priorities of other levels of government and do not always align with the immediate needs of communities. In addition, some federal transfers to municipalities are negotiated between the provinces and the federal government—not with the municipalities themselves—and are then distributed to the municipalities by their provincial governments (Champagne, 2013; Ostanel & Campagnari, 2022; Towns & Henstra, 2018).
- **Borrowing**: municipal borrowing is capped and regulated by the provinces and territories (Meloche & Vaillancourt, 2021; Taylor et al., 2026).
- **Development charges**: real estate developers typically pass these costs on to the buyers of their buildings, which contributes to rising housing costs (Sancton, 2021). For this reason, the federal government and some provinces are pressuring municipalities not to increase these charges (FCM, 2024), as evidenced by recent initiatives (Ministère des Affaires municipales et de l'Habitation – Gouvernement du Québec, 2026; Office of the Premier – Government of Ontario, 2026).
- **Requirement to balance the operating budget**: municipalities cannot finance their operating expenditures through deficits, which limits their financial flexibility in times of fiscal pressure.
- **Prohibition on creating new taxes** without provincial authorization (Taylor et al., 2026).

IN PRACTICE – POSITIONING ONESELF AS A PARTNER

Taking municipal perceptions into account

Staff in public health organizations generally hold the status of provincial or territorial government employees. Within the municipal environment, they may be perceived as representing that level of government—which exercises legal and financial authority over municipalities. It is therefore important to counter the perception that public health is coming in to impose directions, and instead present oneself as a partner.

Supporting access to government transfers

Government transfers are crucial for municipalities, but some—particularly smaller ones—lack the capacity to respond effectively to competitive transfer programs. It may be relevant for a public health organization to offer its support. For example: helping prepare the funding application; sharing socioeconomic and health surveillance data to strengthen the case (Lemire, 2020). Given the diversity of social determinants of health, it is possible to highlight public health co-benefits in municipal projects on various topics (e.g., social inclusion, support for families and older adults, rural and agricultural development) and have them funded through transfer programs managed by the relevant ministries (Lemire, 2017).

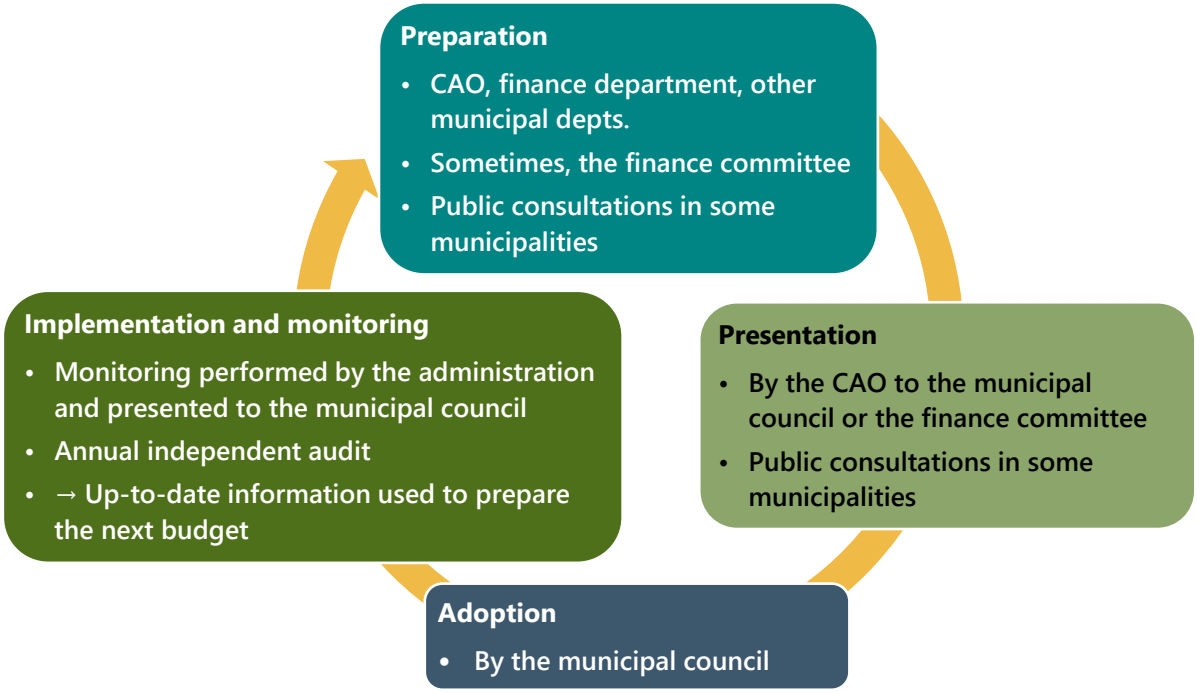
Contributing to the implementation of health-promoting municipal interventions

In the municipal sector, many expect public health organizations to contribute to implementing the directions they propose (Morestin, 2019). The desired contribution is not always financial. It may involve professional support to plan an intervention, and also to implement it—a step that is often less considered, yet one during which municipalities face concrete challenges (Lemire, 2017; Morestin, 2019).

5 HOW DOES THE MUNICIPAL BUDGET CYCLE UNFOLD?

The municipal budgeting process consists of four main stages (Figure 3): preparation, presentation, adoption, and implementation/monitoring (Kitchen, n.d., cited in Tassonyi, 2002). In some municipalities, pre-budget public consultations are also held.

Figure 3 The key steps in the municipal budget cycle



5.1 Preparation of the budget

This step is primarily the responsibility of the municipal administration:

- **Municipal departments** develop their work plans and submit their budgetary needs and priorities.
- **The finance department, or the treasurer** (in small municipalities):
  - Analyzes requests from municipal departments;
  - Estimates their costs;
  - Assesses sources of revenue, particularly the possibility of adjusting property tax rates;
  - Prepares a preliminary budget.
- **The chief administrative officer (CAO)** coordinates and oversees the process and arbitrates among requests from municipal departments—some are denied, while others must be revised (Ortynsky, 2024; Sancton, 2015; Tassonyi, 2002; Taylor, 2023a).

The administration's proposals take into account the broad directions established by the municipal council and are influenced by considerations of political acceptability, particularly when determining whether an increase in property taxes is feasible. In municipalities that have a finance standing committee[5], this committee may participate in budget preparation. Otherwise, in cases where the CAO provides strong leadership, elected officials play a minimal role at this stage (Sancton, 2015).

[5] For more information on the composition and role of municipal council committees, see Fact Sheet 1.

Specificities in Ontario:

- Public health units whose personnel are integrated into a municipality participate in the budget preparation process just like other municipal departments (Seabrook et al., 2025).
- "Strong mayors"[6] are now in charge of having the budget prepared and submitting it to the municipal council (Eidelman, 2023). In practice, a review conducted in July 2024 indicates that only 13% of strong mayors exercised this new responsibility directly by having the mayor's office prepare the budget, while another 13% gave specific instructions to the municipal administration to guide the preparation of the budget (Association of Municipal Managers, Clerks and Treasurers of Ontario [AMCTO], 2024). The remaining "strong mayors", who make up the vast majority, directed the administration to prepare the budget in accordance with usual practices.

5.2 Presentation of the budget

The CAO presents the proposed operating and capital budgets to the municipal council or, if one exists, to the finance committee (Eidelman, 2023). At this stage, either the entire body of elected officials (the municipal council) or a subgroup of officials (committee members) reviews the proposed budget. Sometimes, other committees of council are asked to review the parts of the budget that pertain to their areas of responsibility (Sancton, 2015).

THE EXISTENCE OF PRE-BUDGET CONSULTATIONS

Municipalities in British Columbia, Manitoba, and Prince Edward Island are required to hold pre-budget consultations to allow the population to voice their priorities. Elsewhere, public consultations are not mandatory, but some municipalities take the initiative to organize them.

Pre-budget consultations can take various forms (public meetings, formal hearings, online surveys). When a finance committee exists, it is usually involved in organizing the consultation.

Public consultations may take place at various stages of the budget cycle, depending on the municipality:

- During the budget preparation phase, to establish priorities before drafting the budget, as in Vancouver (Ortynsky, 2024) or Montréal (Ville de Montréal, 2021).
- When the preliminary budget is presented, as in Ottawa (City of Ottawa, n.d.). In such a case, the consultation focuses on a document that has already been structured.

The timing chosen can influence the true scope of the consultations and the extent to which changes can be made.

[6] See Fact Sheet 1 for more information on this status, created by the Government of Ontario and, at the time of publication, in effect in 216 municipalities across the province.

Participatory budgets, a specific form of pre-budget consultation

Some Canadian municipalities occasionally take the initiative to organize a participatory budgeting process. This process allows citizens to decide how a small portion of the municipal budget should be allocated:

- The municipality holds public meetings or an online consultation to gather ideas on how to use the money;
- The municipal administration helps develop proposals for concrete projects that give shape to the most popular ideas;
- Projects are put to a public vote, and those that receive the most votes are implemented by the municipality (Centre d'écologie urbaine, n.d.; Friendly, 2016).

These are generally small-scale projects in residential areas (e.g., urban greening; renovation of sports fields).

5.3 Adoption of the budget

After reviewing the budget, the municipal council votes on it in a public meeting. Certain points can be contentious, and elected officials are under pressure both to avoid raising taxes and user fees and to avoid reducing the level of service provided. That said, the budget proposed by the municipal administration is generally adopted with few changes (Eidelman, 2023; Sancton, 2015). In fact, most expenditures, such as loan repayments, salaries for elected officials and municipal staff, and routine maintenance expenses, are automatically carried over from year to year in operating budgets (Sancton, 2015). Ultimately, there is little room for flexibility.

Specificity in Ontario: "Strong mayors" can veto specific line items in a budget adopted by a majority of the municipal council—they cannot, however, reject the entire budget (Taylor, 2023b). As of July 2024, only one "strong mayor" (out of 47 at that time) had exercised this right (AMCTO, 2024).

5.4 Budget monitoring, auditing, and reporting

Once adopted, the budget becomes the guiding framework for municipal spending and investments. Control mechanisms are designed to ensure fiscal balance and transparency.

Financial reports and adjustments during the year

In most municipalities, the administration submits monthly or quarterly financial reports to the municipal council that compare actual expenditures with budget projections.

In the event of discrepancies, several adjustment mechanisms exist: reallocating funds from one budget line item to another; reducing or deferring expenditures; or attempting to increase revenues (e.g., raising user fees for certain services) (Robson & Dahir, 2025; Tassonyi, 2002).

Annual audit and financial reporting

After the end of the fiscal year, an independent audit is generally required. The audited financial statements are then made public and, in several provinces, submitted to the provincial government.

When produced on schedule, in-year budget monitoring and the audit of the annual financial statements provide up-to-date information for planning the following year's budget. However, in many municipalities, financial statements are released late. This leads municipalities to rely primarily on budgets from previous years when drafting the new budget, a practice considered less reliable (Robson & Dahir, 2025).

IN PRACTICE – PUTTING FORWARD PROPOSALS DURING BUDGET DEVELOPMENT

Entry points and strategic moments

- Most municipalities share information on their budget process on their website and through social media, including pre-budget consultations and participatory budgeting initiatives, when applicable.
- The months devoted to preparing the budget are the most strategic time to propose an intervention that requires funding from the municipality. At this stage, the most relevant people to approach are within the municipal administration.
- It is worthwhile to take part in pre-budget consultations held during the budget *preparation* period. Consultations organized at the budget *presentation* stage offer fewer opportunities to influence the process, as the draft budget is already well advanced by then.
- See Fact Sheet 3 on municipal decision making to learn more about the relevance of approaching different municipal actors, either formally or informally.

Financial aspects to consider when presenting proposals

Keep expectations modest, given municipalities' limited financial flexibility.

Prepare for questions that are likely to be raised:

- Does the proposal involve costs (expenditures) for the municipality?
  - Initial costs (e.g., developing bike lanes).
  - Recurring costs such as maintenance (e.g., upkeep of bike lanes, snow removal), or enforcement (e.g., speed control in 30-km/h zones).
- What is the magnitude of the costs for the municipality? Note that:
  - Proportionally, the cost of a proposal is more significant for a small municipality with a limited budget than for a large one.
  - Costs are often higher in rural and remote areas.
- Does the proposal entail a loss of municipal revenue (see examples in the text box on page 7)? How significant would it be?
- Are there ways to offset these costs or revenue losses? For example, financial contributions or staff support from the public health organization; assistance in mobilizing other funding sources such as government transfers or private foundations (Lemire, 2017; Morestin, 2020).

- Does the proposal generate co-benefits—that is, does it help achieve both public health objectives and municipal objectives? For example, urban greening provides several health benefits while helping municipalities manage stormwater and adapt to climate change.
- Can the expenditures associated with the proposal be framed as an investment? For instance, developing public facilities for children projects an image of a family-friendly municipality, which can attract new residents and increase revenues from residential property taxes.
- Can the proposal help the municipality avoid costs? For example, a municipal policy strictly regulating alcohol consumption on municipal properties (parks, sports fields, community centres, etc.) reduces the risk of legal action in cases of injuries related to alcohol use (Solomon & Kim, 2025).
- The goal is not to conduct a detailed financial analysis, but rather to anticipate the concerns of municipal partners and, where possible, prepare arguments to address them.

To produce a full analysis integrating the costs of a proposal along with other dimensions (effectiveness, feasibility, acceptability, etc.), see this resource from the NCCHPP: *A Framework for Analyzing Public Policies—Practical Guide* (Morestin, 2012).

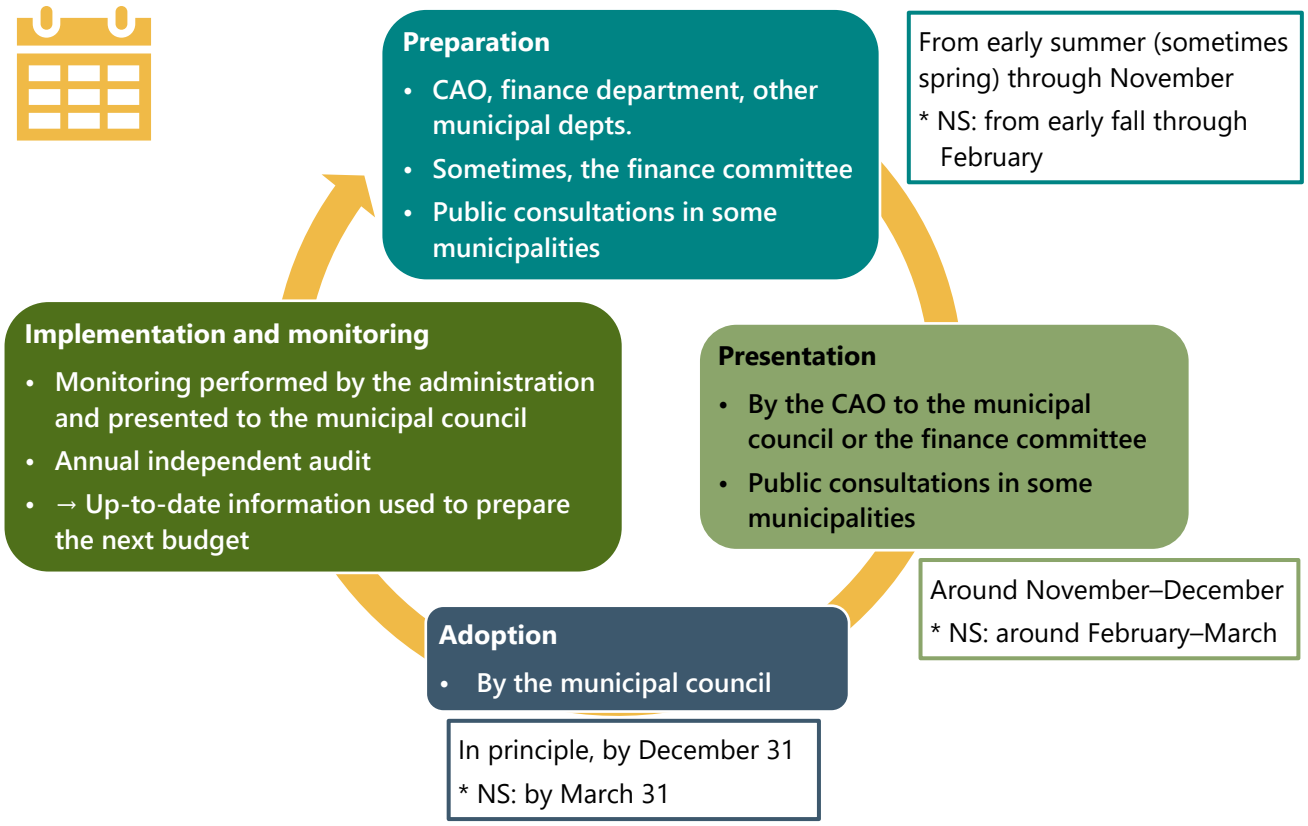
5.5 The municipal budget calendar

The fiscal year for municipalities runs from:

- April 1 to March 31 in Nova Scotia;
- January 1 to December 31 elsewhere in Canada (Ortynsky, 2024; Robson & Dahir, 2025).

In general, the steps in the budget cycle occur during the periods shown in Figure 4.

Figure 4 The municipal budget calendar



Exceptions provided for by law

- A municipal election year: since these elections are often held in the fall, some provinces (for example: Ontario, Québec) accept that the municipal budget will be adopted at the beginning of the following year, instead of by December 31—thus giving the newly-elected municipal council some time to review the budget.
- "Strong mayors" in Ontario: under the new provisions, these mayors must submit their budget proposals by February 1; that is, after the start of the fiscal year, which begins on January 1 (Robson & Dahir, 2025).

Differences in practice

In many municipalities, even among the largest ones, the municipal council adopts the budget after the start of the fiscal year. These delays can last several months. One justification given is that the fiscal year for provinces and territories begins on April 1, and municipalities need to know the amounts of the transfers they will receive from these governments in order to finalize their budgets (Robson & Dahir, 2025).

5.6 Multi-year financial planning

Some municipalities supplement their annual budgets with a multi-year plan that sets out a medium-term trajectory: often covering 3 to 5 years, and sometimes longer (Jordan, 2016). Most multi-year plans focus solely on capital investments, but some plans also include operating expenses.

Main objectives

Multi-year planning aims to better anticipate future needs in order to manage resources more effectively. It makes it possible, among other things:

- To phase-in investment projects;
- To reduce costs by carrying out certain work simultaneously (for example: roadwork and the replacement of underground conduits);
- To gradually adjust revenues such as property taxes according to future needs;
- To optimize the borrowing strategy and the strategy for establishing and using financial reserves.

Moreover, multi-year planning that also covers the operating budget makes it possible to better anticipate the maintenance costs associated with capital investments (Ortynsky, 2024; Sancton, 2015; Tassonyi, 2002).

Multi-year planning must remain flexible to accommodate unforeseen circumstances and adjust priorities (Sancton, 2015). In fact, the vast majority of Canadian municipalities that have a multi-year plan review it annually (Jordan, 2016).

Mandatory or optional multi-year planning

Multi-year planning is mandatory only for municipalities in certain provinces (Table 2). The requirements specify a minimum planning period, while allowing municipalities in some provinces to plan over longer periods. In other provinces and territories, multi-year planning is optional.

Table 2 Provinces requiring multi-year municipal financial planning

BC	5-year financial plan
AB	3-year financial plan and 5-year capital plan
MB	5-year capital forecast
QC	3-year capital plan (*Programme triennal d'immobilisations*)

IN PRACTICE – SEIZING OPPORTUNITIES IN THE BUDGET CYCLE

- Target the months devoted to budget preparation to try to influence budget orientations: generally, from spring to early fall; in Nova Scotia, from early fall to January–February.
- Check the budget calendar by consulting the municipality's website and social media, keeping in mind the frequent delays compared with the theoretical timeline shown in Figure 4.
- Also keep in mind that the budget cycle is annual: at any point during the year, it remains possible to lay the groundwork to try to have a proposal included in the next budget.

IN SUMMARY – KEY POINTS ABOUT THE MUNICIPAL BUDGET

- Each year, municipalities in Canada adopt an operating budget as well as a capital budget dedicated to financing infrastructure.
- Budgetary situations vary widely depending on the profile of municipalities—large or small, urban or rural. However, all have seen their responsibilities expand over recent decades without a proportional increase in their revenues.
- Public health organizations that put forward interventions for municipalities to implement are well-advised to have a basic understanding of the municipality's budgetary situation and of how proposed interventions might affect municipal revenues. → *See text box on p. 7*
- Positioning oneself as a partner is strategic: e.g., offering a contribution to carry out joint projects, supporting partner municipalities in securing funding from other levels of government (government transfer programs). → *See text box on p. 10*
- When proposing an intervention that requires funding from the municipality, it is useful to seize certain opportunities during the development process for the municipal budget, to identify and reach out to the people involved in this process, and to anticipate the financial impacts of the proposal in order to come prepared for discussions. → *See text box on p. 14*
- Over the course of the annual budget cycle, some months are more conducive to influencing municipal budget orientations. → *See text box on p. 18*

Financial considerations are unavoidable in discussions between public health organizations and municipalities. Expectations that municipalities will fund health-promoting interventions must remain modest, given their limited financial flexibility. However, having a basic understanding of their budgetary situation and anticipating the financial implications associated with certain proposals helps approach discussions with pragmatism.

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The Municipal Budget: Guidance for Public Health

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