Prince Edward County 2026 Budget

A Governance, Accountability, and Value-for-Money Assessment

January 29, 2026

Executive Summary

Prince Edward County's 2026 budget represents a turning point in the County's fiscal trajectory. Over the past decade, municipal spending has steadily expanded in both scale and complexity, reflecting population growth, inflationary pressures, downloaded responsibilities, and ambitious capital programs. Yet the 2026 budget signals something more structural: a cost base that is growing faster than visible service improvements and faster than the accountability frameworks meant to govern it.

The County's tax-supported operating budget for 2026 totals approximately $88.25 million, with about $56.87 million raised locally through taxation and related sources. For a permanent population of roughly 25,700 residents, this represents approximately **$2,200 per resident in tax levy burden**, funding a **$3,430 per-resident tax-supported operating budget**, before water, wastewater, and other rate-supported charges.

This report finds that while the 2026 budget is formally balanced and procedurally compliant with Ontario law, it raises serious concerns about long-term affordability, governance discipline, and transparency. The most significant risks are not short-term deficits, but structural drift: rising internal overhead, escalating information technology costs, growing debt servicing obligations, and weak linkage between spending increases and measurable outcomes.

The most pronounced divergence appears in internal service functions, particularly information technology, where PEC's per-capita costs substantially exceed peer municipalities.

Chapter 1 – Purpose, Methodology, and Scope

This report provides a comprehensive, public-interest analysis of Prince Edward County's 2026 budget, situating it within a ten-year fiscal and governance context. It is designed to be read both as a narrative and as a reference document, suitable for residents, councillors, journalists, and researchers.

The analysis focuses on three core questions:

- How has Prince Edward County's cost structure evolved over the past decade?
- How does PEC compare, on a per-capita basis, to similar Ontario municipalities?
- Do current budget practices align with principles of good governance and long-term affordability?

Methodology

The report draws on publicly available data, including:

- PEC operating budgets (2016–2026)
- Published operating budgets from comparator municipalities
- Statistics Canada population data (2016, 2021 Census)
- Municipal finance best-practice literature

All comparisons are normalized on a per-capita basis to account for population differences. Where accounting classifications differ, comparisons are directional rather than exact.

This report does not constitute a legal audit or statutory compliance review, but a governance and value-for-money assessment.

Chapter 2 – The 2026 Budget in Context

Viewed in isolation, the 2026 budget appears incremental. Viewed historically, it represents the continuation of a steady expansion in the County's operating footprint.

Ten-Year Operating Budget Trend (Tax-Supported)

Year	Operating Budget ($M)	Change YoY
2016	$62.0M	—
2018	$68.5M	+10%
2020	$73.0M	+7%
2022	$78.9M	+8%
2024	$83.6M	+6%
2026	$88.25M	+6%

Over ten years, PEC's tax-supported operating budget has grown by more than 40 percent, materially outpacing population growth.

This expansion reflects inflation, downloaded responsibilities, and capital pressures — but also an increasingly complex administrative structure.

Chapter 3 – Population, Demographics, and the Per-Capita Burden

Prince Edward County's population growth over the past decade has been modest when compared to the growth of its operating budget. This widening gap is central to understanding the County's affordability challenge.

Population vs. Operating Budget Growth (2016–2026)

Metric	2016	2026	% Change
Permanent Population	24,300	25,700	+6%
Tax-Supported Operating Budget	$62.0M	$88.25M	+42%

While the County frequently cites seasonal population pressures, the budget is largely funded by — and structurally locked to — the permanent tax base. Seasonal demand can justify capacity, but it does not explain sustained growth in corporate overhead.

Per-Capita Operating Cost Comparison (2026)

Municipality	Population	Operating Budget ($M)	$ / Resident
Prince Edward County	25,700	$88.25M	$3,430
Cobourg	20,500	$56M	$2,730
Belleville	55,000	$155M	$2,820
Stratford	33,200	$92M	$2,770
Quinte West	44,000	$115M	$2,610
Brockville	22,000	$60M	$2,730

PEC's per-resident cost is the highest among its peer group, despite offering a comparable — and in some areas more limited — service envelope.

Seasonal population increases service demand but does not proportionally expand the permanent tax base.

Chapter 4 – Corporate and Governance Overhead

Administrative and governance functions now represent a significant share of PEC's tax-supported budget.

2026 Corporate & Governance Costs (PEC)

Function	Cost ($M)	$ / Resident
Council & Mayor	0.88	$34
CAO	0.76	$29
Human Resources	1.51	$59
Finance	2.15	$83
IT	2.55	$99

Peer Comparison – IT Spending Per Capita

Municipality	IT $ / Resident
PEC	$99
Cobourg	$31
Belleville	$38
Stratford	$35

PEC's IT spend is a clear outlier and warrants focused scrutiny.

Figures shown reflect gross departmental expenditures as presented in the County's operating budget, prior to internal recoveries.

Chapter 5 – Information Technology: From Enabler to Cost Driver

Information Technology has become one of the fastest-growing and least transparent components of Prince Edward County's operating budget.

Ten-Year IT Spending Trend (PEC)

Year	IT Budget ($M)	$ / Resident
2016	$1.1M	$45
2018	$1.4M	$57
2020	$1.7M	$68
2022	$2.0M	$78
2024	$2.3M	$90
2026	$2.55M	$99

Over a decade, IT spending has more than doubled, driven by enterprise software licensing, managed services, cybersecurity subscriptions, and system integration costs. These costs tend to escalate automatically unless actively constrained.

IT Spending Per Capita – Peer Comparison (2026)

Municipality	IT $ / Resident
Prince Edward County	$99
Cobourg	$31
Belleville	$38
Stratford	$35
Quinte West	$33
Brockville	$36

PEC's IT spend is a clear outlier. Without public disclosure of major contracts, renewal cycles, and service-level outcomes, neither Council nor residents can assess whether this spending delivers commensurate value.

These figures reflect operating expenditures and do not include one-time capital investments, reinforcing the structural nature of the cost growth.

Chapter 6 – Debt, Reserves, and Long-Term Financial Risk

Debt has become an increasingly significant feature of Prince Edward County's financial profile.

Debt Servicing Trend (PEC)

Year	Annual Debt Service ($M)
2016	$1.1M
2018	$1.4M
2020	$1.6M
2022	$1.9M
2024	$2.1M
2026	$2.4M

Debt Service as Percentage of Operating Budget (2026)

Municipality	Debt Service %
Prince Edward County	2.7%
Cobourg	1.9%
Belleville	2.0%
Stratford	1.8%
Quinte West	1.6%
Brockville	1.7%

While PEC's debt remains within conventional municipal thresholds today, the upward trend — combined with rising interest rates — reduces future flexibility and increases risk for subsequent councils.

Chapter 7 – Election-Year Governance and Cost Discipline

Election-year budgets warrant heightened scrutiny, as governance incentives can weaken cost discipline.

2026 Municipal Election Costs

Item	Amount ($)
Gross Election Administration	262,500
Recoveries and Fees	(130,000)
Net Cost	132,500

Peer Comparison – Net Election Cost Per Resident

Municipality	Net Cost	$ / Resident
Prince Edward County	$132,500	$5.15
Cobourg	$85,000	$4.15
Belleville	$240,000	$4.35
Stratford	$140,000	$4.20
Quinte West	$175,000	$3.98
Brockville	$90,000	$4.10

PEC's election costs are not extreme, but the absence of benchmarking or cost-control explanation weakens accountability.

Chapter 8 – Compliance Versus the Intent of the Municipal Act

Ontario's Municipal Act establishes governance principles that extend beyond procedural compliance.

Alignment with Municipal Act Principles

Principle	Evidence in 2026 Budget	Assessment
Transparency	Aggregated, technical reporting	Weak
Stewardship	Limited alternatives analysis	Weak
Financial Integrity	Balanced but rising fixed costs	Moderate
Public Engagement	Late-stage consultation	Weak

The 2026 budget meets the letter of the law, but falls short of the Act's governance intent.

Chapter 9 – Accountability Gaps and Structural Weaknesses

Structural safeguards that constrain long-term cost growth are largely absent from the 2026 budget framework. The absence of formal governance safeguards means that cost growth is governed more by inertia than by explicit policy choices.

Governance Tools: Present vs. Missing

Tool	Status in PEC
Corporate Overhead Growth Cap	No
Mandatory Peer Benchmarking	No
Public Performance Dashboard	No
Zero-Based Budget Reviews	No
Annual Contract Disclosure Register	Partial

Without these tools, incremental cost increases compound year over year with limited resistance.

Chapter 10 – Recommendations and a Path Forward

Prince Edward County's fiscal challenge is not resource scarcity, but governance discipline.

Priority Reform Roadmap

Timeframe	Action
Short-term (1 year)	Publish peer benchmarking; disclose major contracts
Medium-term (2–3 years)	Implement overhead caps; introduce performance scorecards
Long-term (4–5 years)	Periodic zero-based budgeting; debt reduction targets

Restoring trust requires visible restraint, explanation, and accountability.

Conclusion

The 2026 budget is not a crisis document. It is a warning document. It reflects a municipality at risk of drifting into a permanently high-cost structure without the governance discipline required to sustain it.

County First offers this report as a constructive contribution to public dialogue. Good governance is not achieved through compliance alone. It is earned through restraint, transparency, and accountability.

Data Appendix – Side-by-Side Municipal Comparison

Key Operating Metrics (2026)

Municipality	Population	Operating Budget ($M)	$ / Resident	IT $ / Resident	Debt % Budget
Prince Edward County	25,700	$88.25M	3,430	99	2.7%
Cobourg	20,500	$56M	2,730	31	1.9%
Belleville	55,000	$155M	2,820	38	2.0%
Stratford	33,200	$92M	2,770	35	1.8%
Quinte West	44,000	$115M	2,610	33	1.6%
Brockville	22,000	$60M	2,730	36	1.7%

These comparisons demonstrate that PEC's higher per-capita costs are not explained by size or service scope alone, but reflect governance and structural cost choices.

Appendices

Appendix A – Ten-Year Budget Trends

Appendix B – Per-Capita Comparisons

Appendix C – Municipal Act Reference Guide

Appendix D – Questions for Councillors

Appendix A – Ten-Year Budget Trends (2016–2026)

Purpose

This appendix provides historical context for Prince Edward County's 2026 budget by illustrating how operating costs, administrative functions, and fixed obligations have evolved over the past decade. The goal is to distinguish **structural growth** from short-term or cyclical pressures.

A.1 Tax-Supported Operating Budget Growth

Year	Tax-Supported Operating Budget ($M)	Approx. YoY Change
2016	$62.0M	—
2018	$68.5M	+10%
2020	$73.0M	+7%
2022	$78.9M	+8%
2024	$83.6M	+6%
2026	$88.25M	+6%

Over ten years, PEC's tax-supported operating budget increased by **more than 40%**, while permanent population growth was approximately **6%** over the same period.

A.2 Structural Characteristics of the Growth

Key features of the ten-year trend include:

- steady expansion rather than one-time shocks
- growth concentrated in **corporate, governance, and internal service functions**
- increasing reliance on recurring costs (IT licensing, managed services, debt servicing)
- limited evidence of offsetting cost reductions or structural resets

This pattern is consistent with **cost drift**, where incremental decisions compound without firm expenditure controls.

Appendix B – Per-Capita Comparisons

Purpose

Per-capita analysis normalizes municipal budgets for population size and enables meaningful comparison across municipalities with different service envelopes and geographic scales. Population figures are census-based

B.1 Per-Capita Operating Cost Comparison (2026)

Municipality	Population	Operating Budget ($M)	$ per Resident
Prince Edward County	25,700	$88.25M	$3,430
Cobourg	20,500	$56M	$2,730
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PEC's per-resident operating cost is the **highest in its peer group**, despite offering a comparable — and in some areas more limited — municipal service scope.

B.2 IT Spending Per Capita (2026)

Municipality	IT $ per Resident
Prince Edward County	$99
Cobourg	$31
Belleville	$38
Stratford	$35
Quinte West	$33
Brockville	$36

PEC's IT spending is approximately **three times** that of several comparable municipalities, making it a clear functional outlier.

B.3 Interpretation

Per-capita comparisons do **not** imply identical service models. They are used to:

- identify outliers
- flag areas requiring explanation
- assess proportionality

Large deviations warrant public justification, benchmarking, and performance reporting.

Appendix C – Municipal Act Reference Guide

Purpose

This appendix summarizes key sections of Ontario's *Municipal Act, 2001* referenced in the report and explains their relevance to budgeting and governance analysis.

Key Statutory Provisions

Section 224 – Role of Council

Council is responsible for:

- representing the public (s. 224(a))
- developing and evaluating policies and programs (s. 224(b))
- maintaining the financial integrity of the municipality (s. 224(c))
- ensuring accountability and transparency (s. 224(d))

Section 270(1) – Accountability and Transparency Policies

Municipalities must adopt policies governing:

- accountability
- transparency
- financial controls
- public engagement

Sections 290–291 – Budget Requirements

Municipalities must:

- adopt a balanced annual budget
- follow prescribed budget processes

Governance Interpretation

The Act establishes **minimum legal standards**, but its purpose is broader: to support good governance, stewardship, and public trust. Compliance with procedure does not guarantee alignment with legislative intent.

Appendix D – Questions for Councillors

Purpose

This appendix provides residents with practical, respectful questions they can ask councillors to promote accountability, clarity, and informed decision-making.

Budget and Spending

- How does this expenditure maintain long-term financial integrity?
- What alternatives were considered, and why were they rejected?
- What measurable outcomes justify this spending increase?

Governance and Oversight

- How does Council benchmark this cost against peer municipalities?
- What performance indicators are used to evaluate success?
- How does Council ensure internal cost growth does not crowd out services?

Transparency and Engagement

- Where can residents review major contracts and vendors?
- How was public input incorporated *before* key decisions were finalized?
- What steps are taken to ensure engagement is meaningful rather than symbolic?

Long-Term Sustainability

- What guardrails exist to limit future debt growth?
- How will fixed costs affect future councils' flexibility?

These questions are not adversarial. They reflect Council's statutory role as steward of public funds and representative of the public interest.