

Appendix C - ES-042-25 - 2026 and 2027 Budget Pressure Details

Component	2026 Net Levy Impact \$ (000's)	2026 Residential Tax per \$100K of Assessment*	2026 Residential Tax % Change	2027 Net Levy Impact \$ (000's)	2027 Residential Tax per \$100K of Assessment*	2027 Residential Tax % Change	Comments
Prior Year Tax Levy	\$111,340	\$354.63		\$123,898	\$382.79		
Inflation and Base Adjustments:							
Inflation (MPI)	\$3,273	\$10.11	2.85%	\$3,952	\$11.73	3.06%	Inflation is based on the Municipal Price Index (MPI) and other miscellaneous adjustments.
Non-recurring & Reversal of One-Time Transfers	\$211	\$0.65	0.18%	\$1,365	\$4.05	1.06%	Primarily relates to the planned elimination of funding from Tax Rate Stabilization Reserve (\$0.15M in 2026 and \$1.4M in 2027).
Service Enhancements	\$0	\$0.00	0.00%	\$108	\$0.32	0.08%	Transit improved weekday and weekend frequency, as well as extending Saturday Service to 10:30pm.
Infrastructure Deficit	\$750	\$2.32	0.65%	\$1,500	\$4.45	1.16%	Funding to gradually reduce the infrastructure deficit outlined in existing asset management plan.
Investment Income	(\$1,000)	(\$3.09)	-0.87%	\$0	\$0.00	0.00%	Additional investment income from Income Fund strategy.
Other Base Adjustments	\$561	\$1.73	0.49%	\$673	\$2.00	0.52%	Firefighters' progression through ranks and backfill of staff on leave (\$0.66M in 2026 and \$0.67M in 2027), additional staff gapping (\$0.1M in 2026).
Total Inflation & Base Adjustments	\$3,795	\$11.73	3.31%	\$7,598	\$22.55	5.89%	
Growth Related:							
State of Good Repair for Constructed & Assumed Assets	\$3,774	\$11.66	3.29%	\$3,541	\$10.51	2.75%	Lifecycle contributions to reserves based on budgeted and assumed assets in order to prevent a further increase in the infrastructure funding deficit.
Expanding Service to Growth Areas	\$2,682	\$8.29	2.34%	\$4,533	\$13.45	3.51%	Costs (staffing, materials, contracts etc.) of expanding service to growth areas (\$0.5M in 2026 and \$1.9M in 2027) in addition to expansion of Transit service based on Transit Master Plan recommendations (\$1.5M in 2026 and \$2.0M in 2027) and increase in Firefighters (\$0.69M in 2026 and (\$0.65M in 2027).
Other Growth-Related Impacts	\$2,307	\$7.13	2.01%	\$2,141	\$6.35	1.66%	Funding for legislated development charge exemptions (\$0.5M in each of 2026/2027), growth related increase to reserves (\$1.1M in 2026, \$1.7M in 2027), annualization of operating impacts from 2025 approved capital projects (\$0.06M in 2026, \$0.03 in 2027), operating impacts from 2026 forecasted projects (\$0.55M in 2026, \$0.03M in 2027), changes in subdivision revenue (\$0.08M in 2026, \$(0.2M) in 2027), increase in tax write-offs (\$0.1M in 2027).
Total Growth Related	\$8,763	\$27.07	7.63%	\$10,215	\$30.31	7.92%	
Total Increase in Levy	\$12,558	\$38.80	10.94%	\$17,813	\$52.86	13.81%	
Total Tax Levy	\$123,898	\$393.43		\$141,711	\$435.64		
Estimated Assessment Growth (net of reductions)**	(\$3,444)	(\$10.64)	-3.00%	(\$5,111)	(\$15.16)	-3.96%	Forecast assessment growth based on updated residential growth forecast and expected industrial/commercial development.
Forecasted Net Tax Levy Increase Required)	\$9,114	\$382.79	7.94%	\$12,702	\$420.48	9.85%	

* Based on 2025 CVA values per 2025 Final Tax Levy By-law, ES-017-25. Through the annual tax setting bylaw tax rates are re-calculated each year using current year assessment values.

** This is the amount net of anticipated losses from Assessment Review Board appeals, Request for Reconsiderations, and Section 357 Applications (tax class changes, properties razed by fire, etc.).