

Appendix C - ES-023-24 - 2025 and 2026 Budget Pressure Details

Component	2024 Net Levy Impact \$ (000's)	2024 Residential Tax per \$100K of Assessment *	2024 Residential Tax % Change	2025 Net Levy Impact \$ (000's)	2025 Residential Tax per \$100K of Assessment*	2025 Residential Tax % Change	Comments
Prior Year Tax Levy	\$99,181	\$322.71		\$115,617	\$367.38		
Inflation and Base Adjustments:							
Inflation (MPI)	\$4,631	\$14.72	4.56%	\$4,313	\$13.00	3.54%	Inflation based on Municipal Price Index (MPI) and other miscellaneous adjustments.
Non-recurring & Reversal of One-Time Transfers	\$483	\$1.54	0.48%	\$1,152	\$3.47	0.95%	2025 includes reversal of 2024 one-time items, including a reduction in funding from Tax Rate Stabilization Reserve (\$0.4M in 2025 and \$1.2M in 2026).
Infrastructure Deficit	\$1,500	\$4.77	1.48%	\$1,500	\$4.52	1.23%	Funding to gradually reduce the infrastructure deficit outlined in existing asset management plan.
Other Base Adjustments	\$1,149	\$3.65	1.13%	\$1,025	\$3.09	0.84%	Continued impact of 2023 compensation review (\$0.3M in 2026), progression of fire staff through ranks (\$0.29M in 2025 and \$0.39 in 2026), increased costs due to backfilling staff on leave (\$0.3M in 2025), continued conversion of seasonal operations staff to full time (\$0.07M in each of 2025 and 2026), automated speed enforcement costs (\$0.03M in 2025), Administrative Penalty Program expansion (\$0.1M in 2025), increased pressure in road and park maintenance (\$0.2M in 2025 and 2026), library fine revenue reductions (\$0.07M in 2025 and 2026) and introduction of Subsidized Passes for Low Income Transit program (\$0.05M in 2025, \$0.01M in 2026) which is offset by increased fare revenues.
Total Inflation & Base Adjustments	\$7,763	\$24.67	7.64%	\$7,990	\$24.08	6.55%	
Growth Related:							
State of Good Repair for Constructed & Assumed Assets	\$4,056	\$12.89	3.99%	\$6,348	\$19.13	5.21%	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	\$2,581	\$8.20	2.54%	\$3,074	\$9.27	2.52%	Costs (staffing, materials, contracts etc.) of expanding service to growth areas (\$1.9M in 2025 and \$3.1M in 2026), implementation of transit master plan (-\$0.8M in 2025, - \$0.5M in 2026), costs associated with densification (\$1.4M in 2025 and \$0.5M in 2026).
Other Growth-Related Impacts	\$2,036	\$6.47	2.00%	\$3,579	\$10.79	2.94%	Funding for legislated development charge exemptions (\$0.5M in each of 2025/2026), growth related increase to reserves (\$0.8M in 2025, \$2.0M in 2026), annualization of operating impacts from 2024 approved capital projects (\$0.1M in 2025), operating impacts from 2025 forecasted projects (\$0.5M in 2025, \$0.06M in 2026), operating impacts from 2026 forecasted projects (\$0.6M in 2026), reduction in subdivision revenue (\$0.04M in 2025 \$0.4M in 2026), increase in tax write-offs (\$0.1M in each of 2025/2026).
Total Growth Related	\$8,673	\$27.56	8.54%	\$13,001	\$39.18	10.67%	
Total Increase in Levy	\$16,436	\$52.23	16.18%	\$20,991	\$63.26	17.22%	
Total Tax Levy	\$115,617	\$374.94		\$136,608	\$430.64		
Estimated Assessment Growth (net of reductions)**	(\$2,380)	(\$7.56)	-2.34%	(\$6,284)	(\$18.94)	-5.15%	Forecast assessment growth based on updated residential growth forecast and expected industrial/commercial development.
Forecasted Net Tax Levy Increase Required)	\$14,056	\$367.38	13.84%	\$14,707	\$411.70	12.07%	

* Based on 2024 CVA values per 2024 Final Tax Levy By-law, CORS-014-24. 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.).