



Tax Levy Tolerance

City Council April 15, 2026

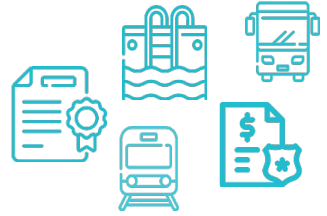
Edmonton

Financial and Corporate Services

Tax Levy Requirement



Expenses



User Fees Revenue

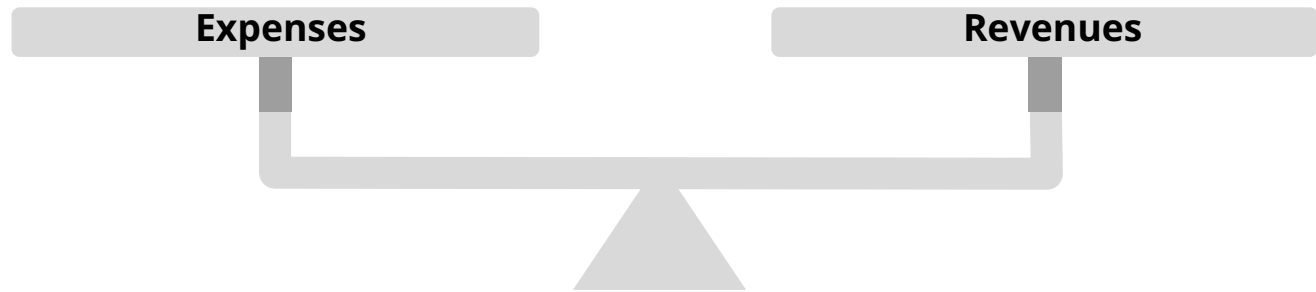


Assessment Growth

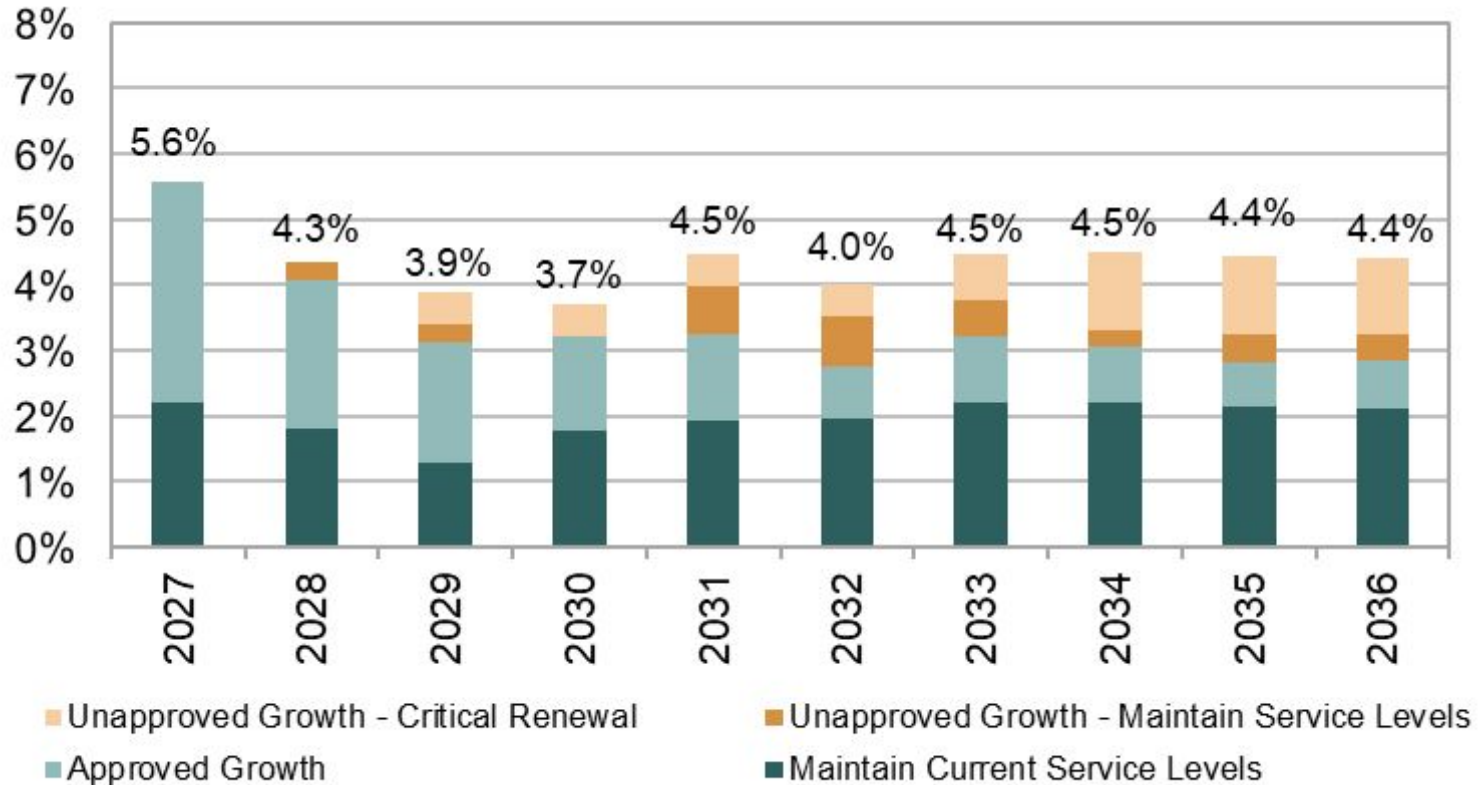


Tax Levy % Required

Revenues

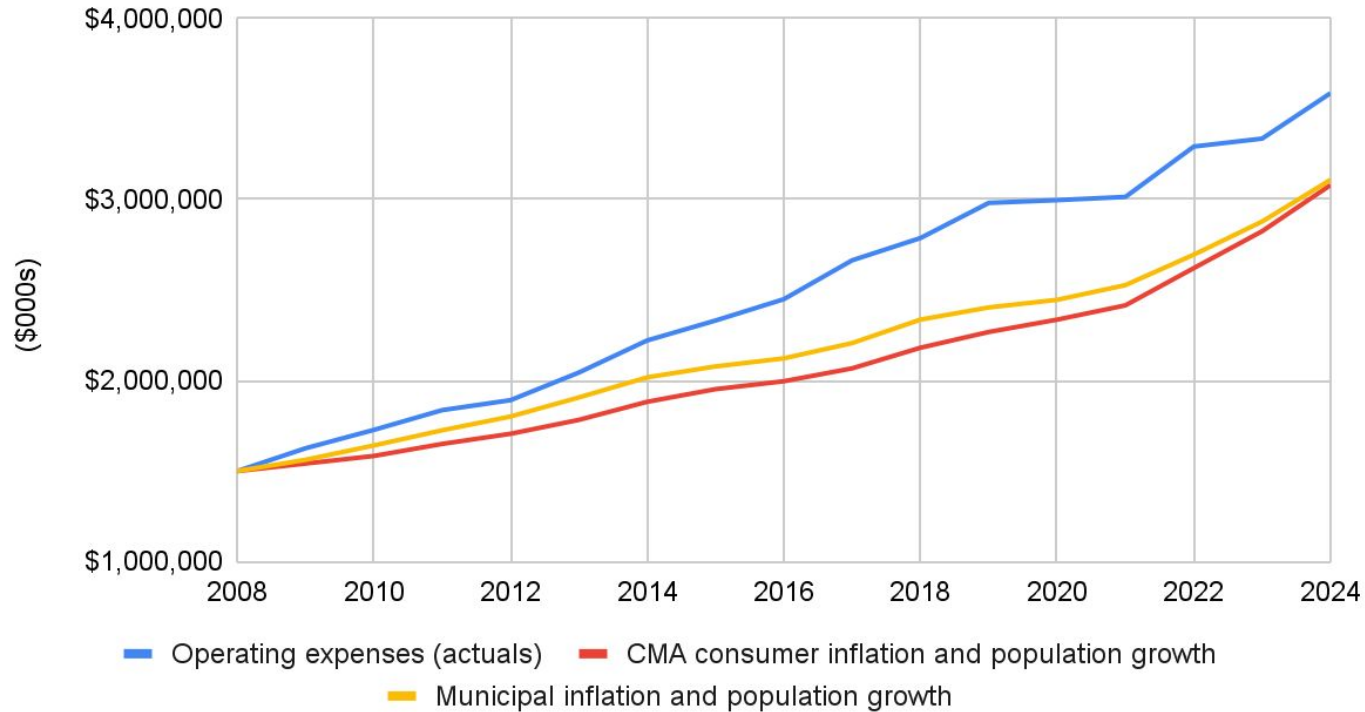


Forecast Tax Increases - Operating Investment Outlook

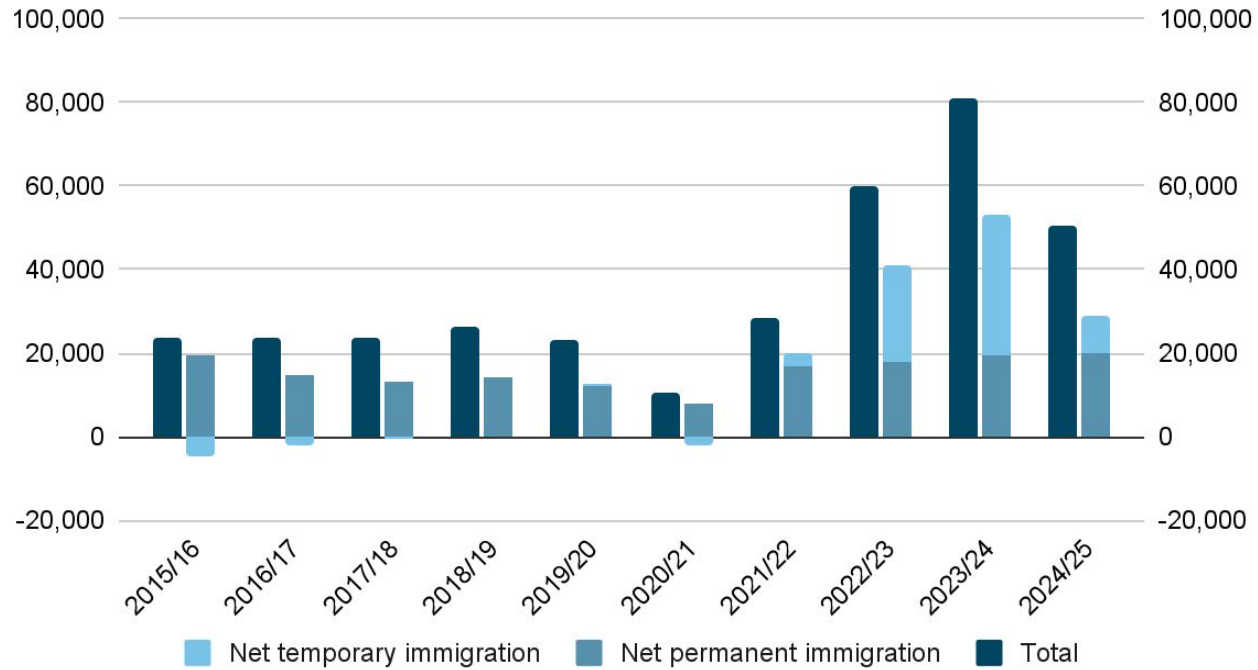


Drivers of Tax Increases

More expensive to deliver the same level of services



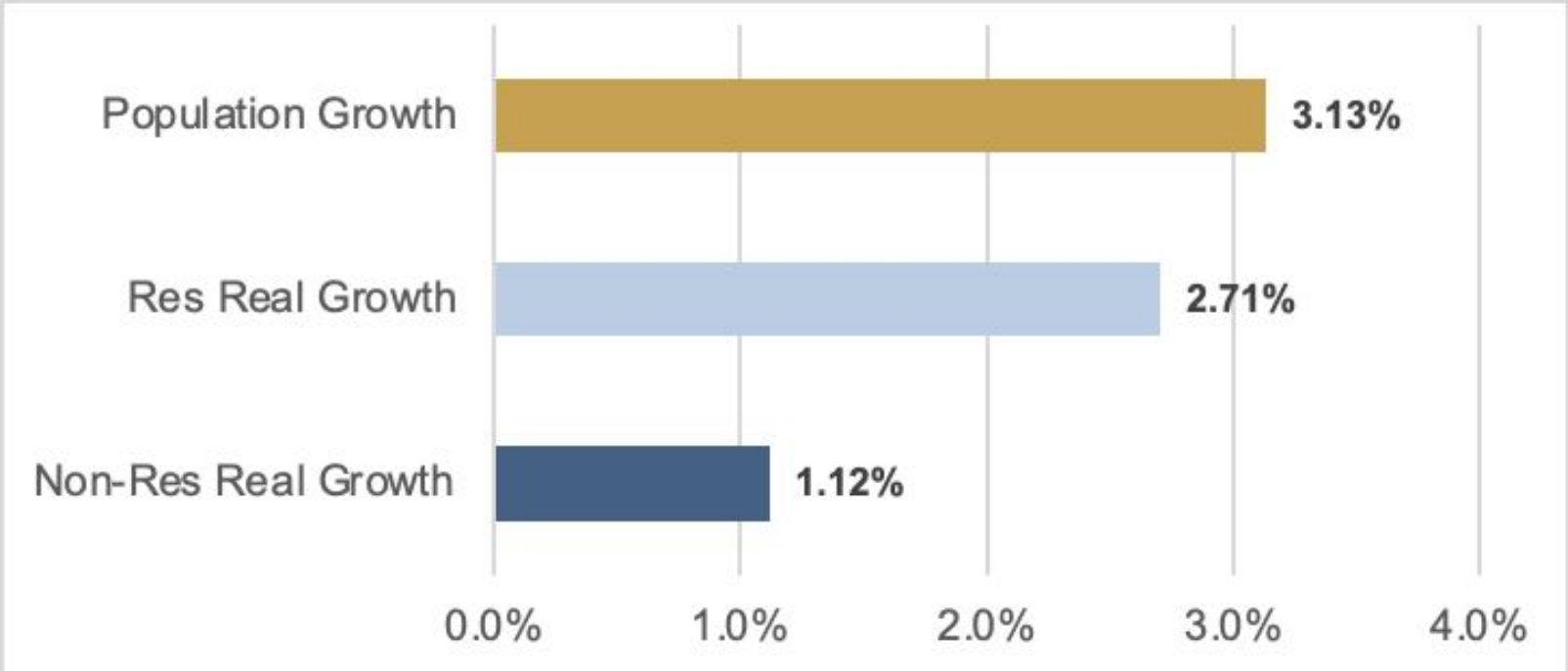
Population change - Edmonton CMA



Source: Statistics Canada

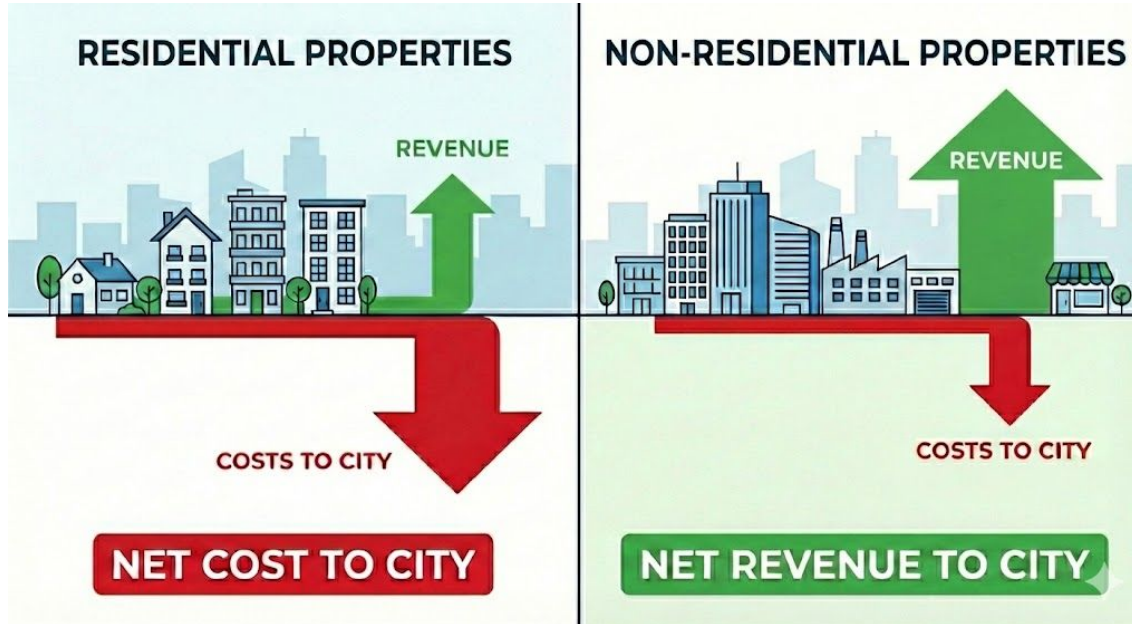
Residential Real Growth Outpaces Non-Residential

5-Year Compound Annual Growth Rate (CAGR) 2020-2024



Real Tax Growth Rate

Residential-Heavy Urban Growth: expenditures escalate much higher than real tax growth, requiring higher tax increases to balance the budget

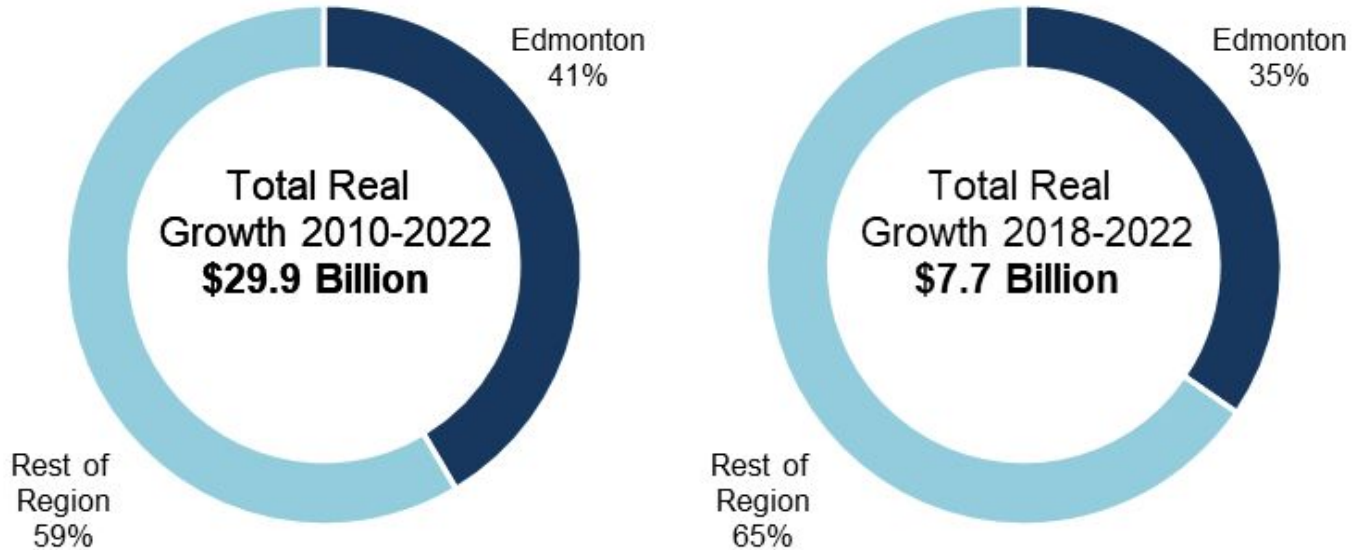


2022-2024 Average (3 yr)	
Pop Growth %	Real Tax Growth %
4.5%	2.1%

Tax Ratio 1:3

Drivers of Tax Increases

Real tax revenue growth rate



Estimated Non-Residential Real Growth in Metropolitan Edmonton: 2010-2022 (left), and 2018-2022 (right) [\$2022]


Regional Mill Rates

Municipality	Non Residential Mill Rate	Residential Mill Rate
Edmonton	24.22	7.63
St. Albert	13.11	8.58
Morinville	12.97	8.64
Sturgeon County	10.92	3.87
Spruce Grove	10.75	6.58
Strathcona County	10.64	4.71
Devon	10.27	6.99
Fort Saskatchewan	9.93	5.42
Leduc	9.76	7.23
Beaumont	9.63	6.88
Stony Plain	9.55	6.72
Parkland County	9.28	4.46
Leduc County	6.70	2.97
Average	11.36	6.21

Non-Res Tax Base - Insufficient Growth

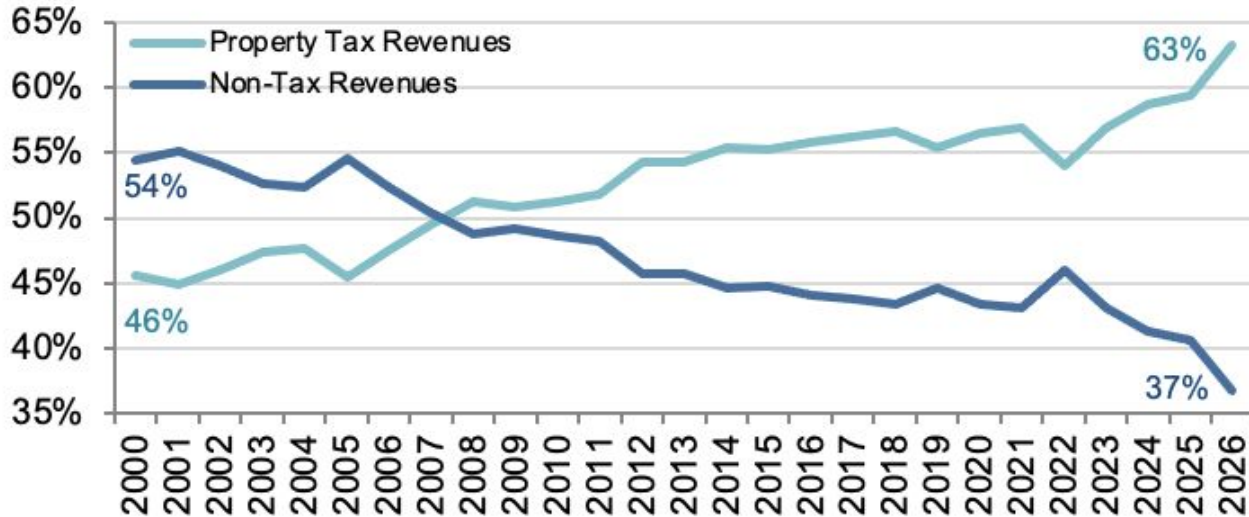
Declining Share of Regional Tax Base

This can become a fiscal problem that feeds itself:

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1. Insufficient growth of non-res tax base
 2. Population grows → Expenditure budget grows → Tax levy grows
 3. With relatively smaller tax base, the growing tax levy drives up tax rates relative to surrounding municipalities
 4. Tax rate disparity may incentivize growth to lower-cost municipalities/counties
 5. Surrounding municipalities/counties see higher rates of non-res real assessment growth

Drivers of Tax Increases

Growth rate of tax revenue vs. non-tax revenue



Property Tax & Non-tax Revenues as a % of Operating Revenues 2000-2026

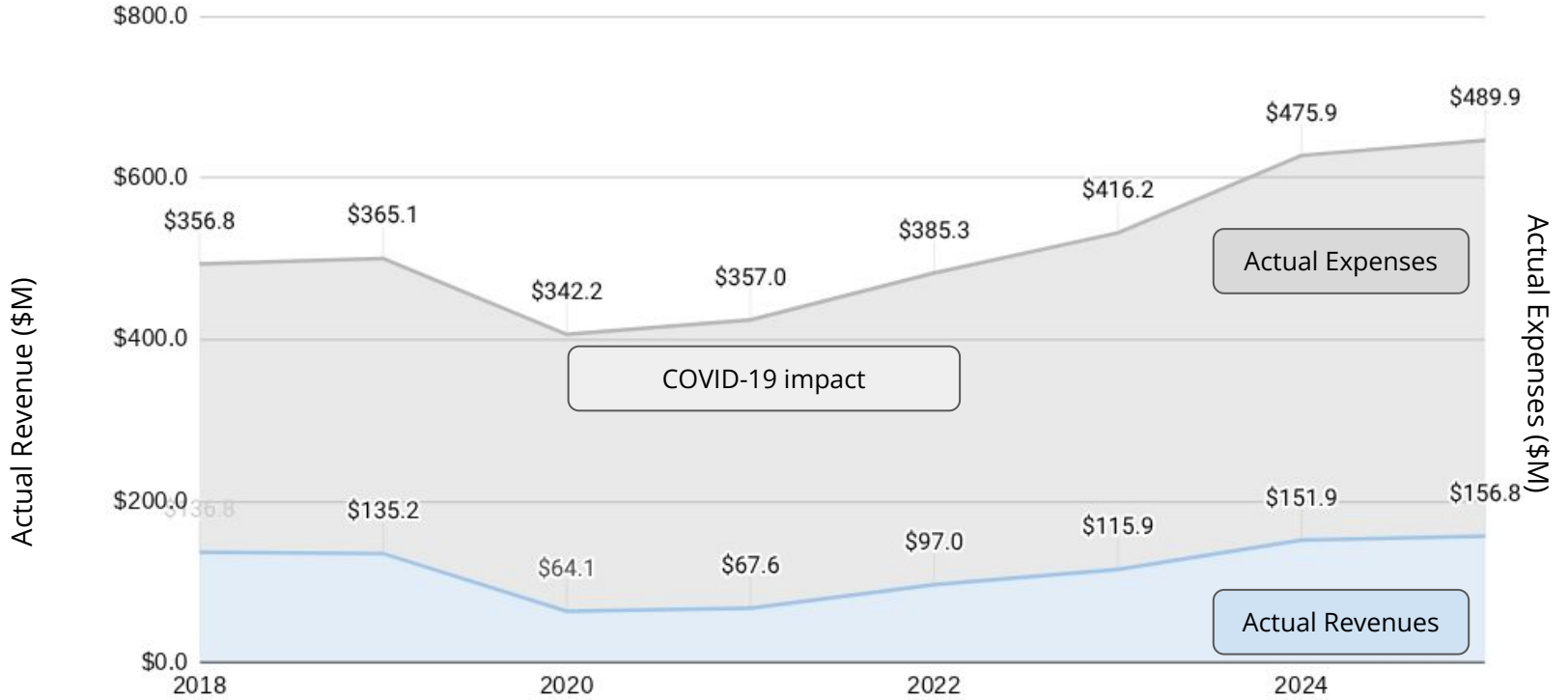
2000-2024 Actuals

2025 Adjusted Budget

2026 Approved Budget

The Widening Fiscal Gap

Transit cost subsidy has grown by over \$100M between 2018 and 2024

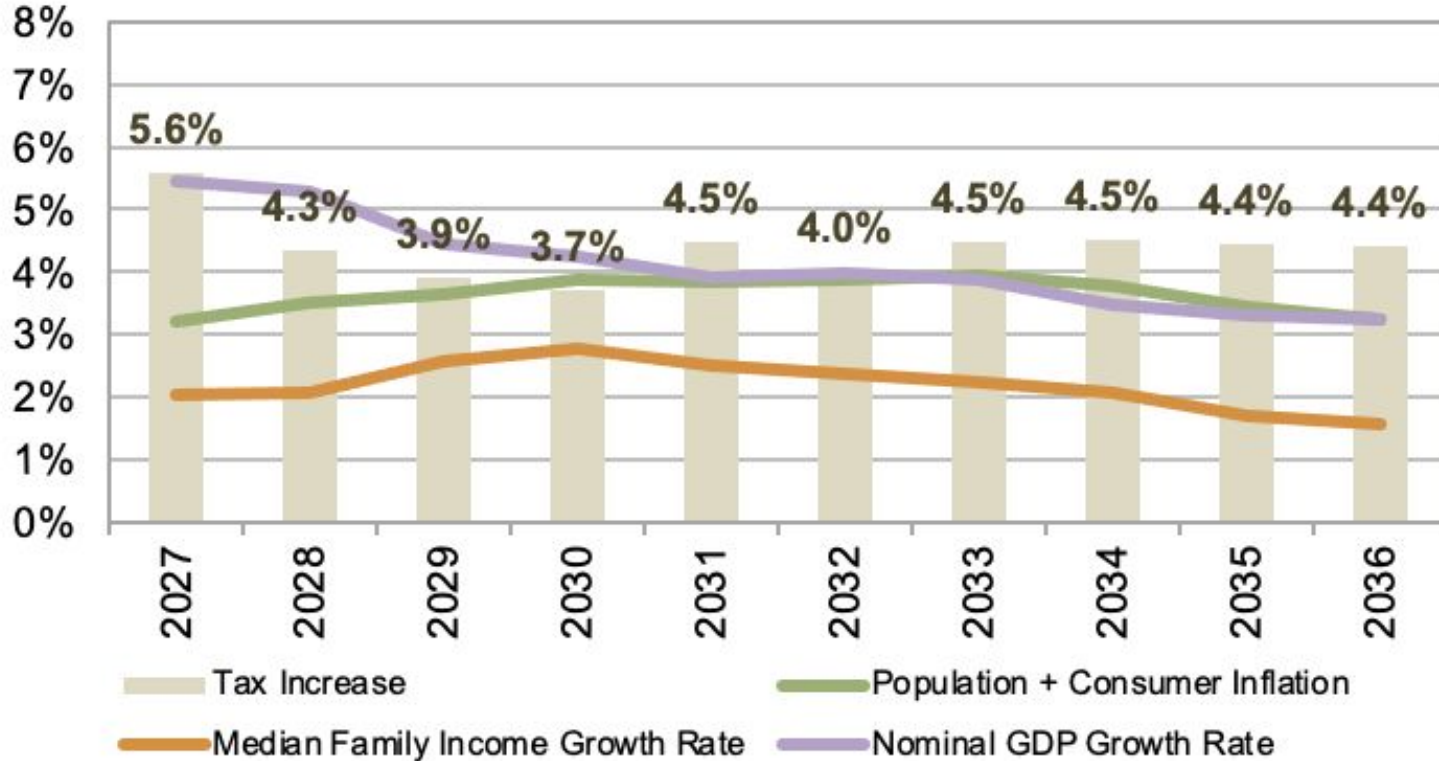


Examples of Drivers of Tax Increases

New services, service enhancements and impacts of capital

- Election changes (removal of tabulators)
- Chinatown Strategy
- Downtown Vibrancy initiatives
- Community Safety and Wellbeing
- Affordable housing initiatives
- Public washroom strategy
- Snow and ice enhanced service standards
- On demand transit, off-peak hour increase
- Active transportation acceleration
- Fire stations (e.g. Windermere)
- New recreation centres (e.g. Coronation)
- Valley Line Southeast LRT

Tax Tolerance Benchmarks





Questions?

Edmonton