

MEDIA BACKGROUNDER

The 2023-2026 budget

- City Council approved the 2023-2026 budget in December 2022. It includes an operating budget and a capital budget, as well as utility budgets for waste services and Blatchford.
- The City's operating budget delivers 70 services that over one million Edmontonians rely on every day, from attractions to fire rescue to snow removal.
- The City's capital budget includes more than 200 construction projects. Major projects include: LRT expansion, the Yellowhead Freeway conversion, a new recreation centre at Lewis Farms, the rehabilitation of the High Level Bridge and Hawrelak Park, housing accelerator fund projects and the expansion of the active transportation network.
- The fall budget adjustments allow the City to respond to anything significant that has happened since the budget was set.

Property Tax Increases

- Last fall, City Council approved a 6.1 per cent tax increase for 2025 and a 6.8 per cent tax increase for 2026.
- In the spring, Council approved a 5.7 per cent tax increase for 2025 and a 6.4 per cent tax increase for 2026. The approved increases were both 0.4 per cent less due to changes in the provincial budget that restored [Grants in Place of Taxes \(GIPOT\)](#) payments.
- Between 2015 and 2025, the average annual property tax increase was 3.7 per cent.
- During the pandemic, the City significantly reduced planned tax increases in response to the financial challenges Edmontonians were dealing with at the time.
 - Planned annual tax increases of 2.6 per cent were reduced to 1.3 per cent in 2020, -0.3 per cent in 2021 and 1.9 per cent in 2022.
 - These were some of the lowest tax increases among major Canadian municipalities at the time, and resulted in annual tax revenues of \$97 million less than the initially approved 2019-2022 budget. This was necessary at the time, but it's not sustainable in the long run.

Reductions

- Administration has gone through a series of intensive budget reduction and efficiency exercises over the past decade to keep tax increases as low as possible without significantly impacting services.
- Since 2015, these efforts have resulted in a cumulative savings of \$1.9 billion.
- This budget cycle, a Council savings exercise known as OP-12 removed \$15 million a year from the 2023-2026 operating budget.
- The City took steps [last fall](#) to limit required tax increases in 2025 and 2026, and is taking further steps this fall.

Property Taxes

- When the City talks about a tax increase, it is referring to the overall increase to the tax-supported operating budget. Property owners will experience the tax increase differently, depending on their assessment and the market.

- The budget determines how much money the City collects, the assessment process determines how it's divided among properties. Each property's assessment change is unique, so the actual tax impact to a property depends on how its assessment changes compared to others each year.
- The recommended tax increase would mean that Edmonton households would pay about \$49 more for every \$100,000 of their assessed home value in 2026. This is an early estimate that will be refined as the City advances through the annual budget, assessment and taxation process.
- Property owners will learn about their 2026 assessment in January, and will receive their 2026 tax notice in May.

Deficits

- Typically the City manages within its operating budget. Year-end surpluses are added to the Financial Stabilization Reserve (FSR) and support the City in deficit years.
- The City has finished the year with surpluses in 11 out of the past 15 years
- In years where the City experiences a deficit, funding is used from the FSR to ensure the deficit is funded, and services and operations continue uninterrupted.
- The City had a \$40 million deficit in 2023 and an \$0.7 million deficit in 2024.
- The City's latest financial update (using financial information from September 30, 2025) forecasts a \$15.7 million surplus for 2025.
- The City will report back again on its financial performance in December and will confirm the financial results in early 2026, after analyzing the 2025 financial results.

Other Resources

- edmonton.ca/budget
- [How the City calculates your property taxes \(video\)](#)
- [Where your property taxes go \(video\)](#)
- [FAQs](#)