

## 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. For the first time, the carbon budget was presented alongside other budgets; it's a tool to support Council's decision-making on the budget and it tracks progress on the City's energy transition goals.
- 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 four-year operating budget provides for increased affordable housing, increased transit service, increased snow and ice control, energy transition and climate adaptation initiatives.
- 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

- This fall, City Council approved a 6.9 per cent tax increase for 2026.
- In the spring this year, 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 than the tax increases approved in fall 2024 due to changes in the provincial budget that restored [Grants in Place of Taxes \(GIPOT\)](#) payments.
- When the 2023-2026 budget was originally approved in 2022, planned tax increases were: 4.96 per cent in 2023, 4.96 per cent in 2024, 4.95 per cent in 2025 and 4.39 per cent in 2026.
- Between 2016 and 2025, the average annual property tax increase was 3.5 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, no increase in 2021 and 1.9 per cent in 2022.
  - These were some of the lowest tax increases among major Canadian municipalities at the time. While this was necessary then, 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 found additional savings across the corporation this fall.

## Property Taxes

- When the City talks about a tax increase, it is referring to the increase in tax revenues required to ensure a balanced budget. It is not accurate to refer to this as a “tax rate” increase.
- The tax rate is a separate number and is calculated only after the assessment base is set. It’s the number you get when you divide the total tax levy (the tax-supported operating budget) by the total value of the assessment base. The City multiplies someone’s property assessment value by the tax rate to determine their tax bill each year. The City will finalize the tax rate for 2026 next spring.
- Property owners will experience the tax increase differently, depending on their assessment and the market.
- The tax levy 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.
- 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, and drew the FSR below the minimum balance to fund these deficits.
- 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](https://edmonton.ca/budget)
- [How the City calculates your property taxes \(video\)](#)
- [Where your property taxes go \(video\)](#)
- [FAQs](#)