

# 2026 budget update

July 15, 2025

# Projected tax revenue

# Tax revenue increase forecast

	2025	2026	2027	2028
Recommended tax revenue increase	3.90%	6.63%	5.62%	4.61%



**1% in 2026 = \$3,070,000**

# 2026 projected tax revenue

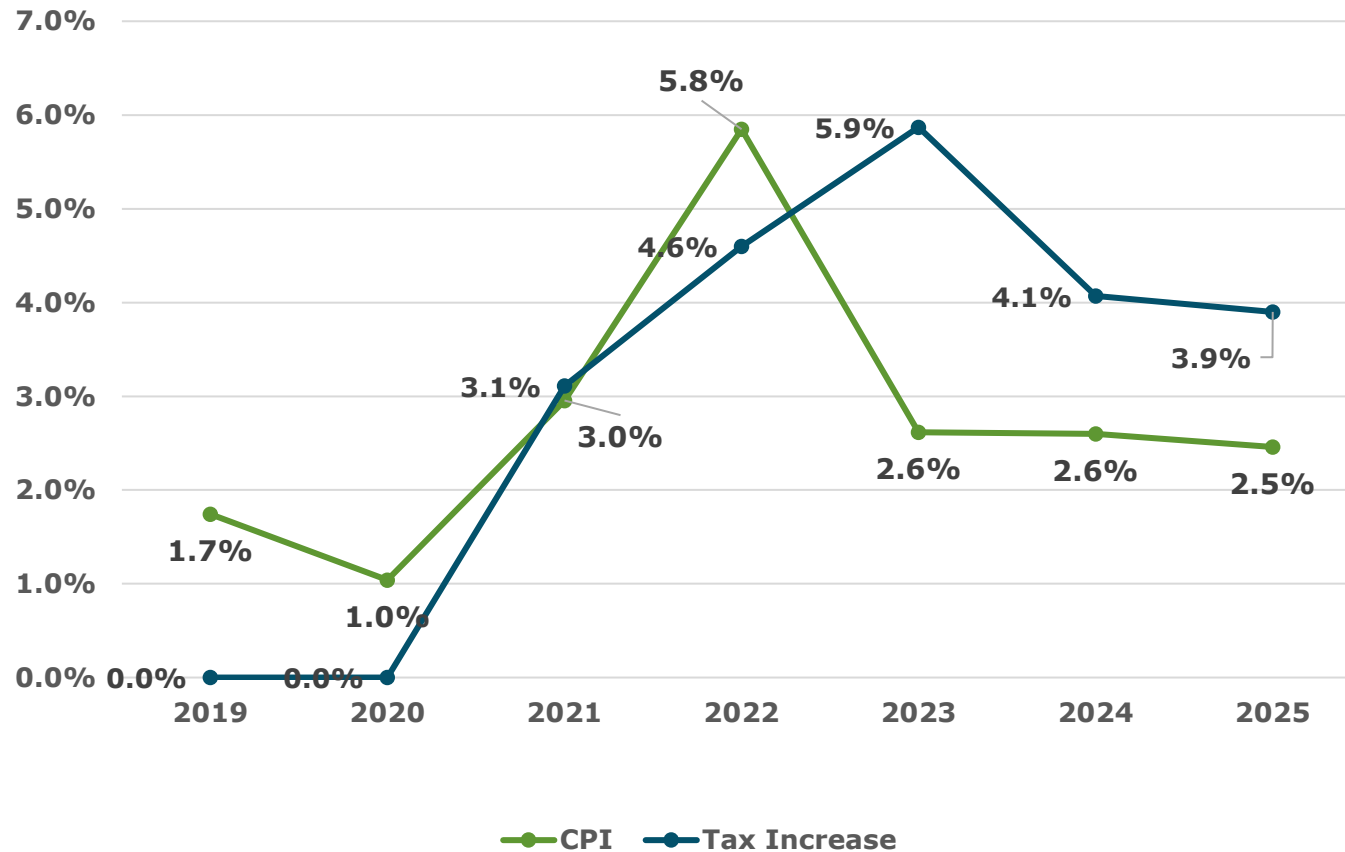
Description	Tax rate increase
<b><u>Prior year decisions</u></b>	
<b>Capital-driven components:</b> <ul style="list-style-type: none"><li>• Recreation levy for advancing the Indoor Fieldhouse</li><li>• Debt servicing – Indoor Fieldhouse, Bremner stage 1 development, Station 7 firehall and The Pointe Agricultural Facility (the Pointe)</li><li>• Reserve replenishment strategy</li></ul>	<b>4.39%</b>
<b>Operating component:</b> <ul style="list-style-type: none"><li>• Full year operations for the Pointe</li><li>• Station 7 firehall staffing (eight FTEs in 2026, year three of six)</li></ul>	<b>0.59%</b>
<b><u>Current year decisions:</u></b> Base operations inclusive of growth	<b>1.65%</b>
<b>Total</b>	<b>6.63%</b>

# Macroeconomic and global trends

# External factors impacting budget

- Inflation, CPI and BCPI
- Tariffs and trade pressures
- Grant and provincial funding
- Environmental impacts
- Evolving technology
- Demographics and population growth
- Community expectations

# Inflation – CPI



May year-on-year Edmonton CPI

**2.5%**

Cumulative CPI 2019 to 2025

**19.3%**

Cumulative tax increase 2019 to 2025

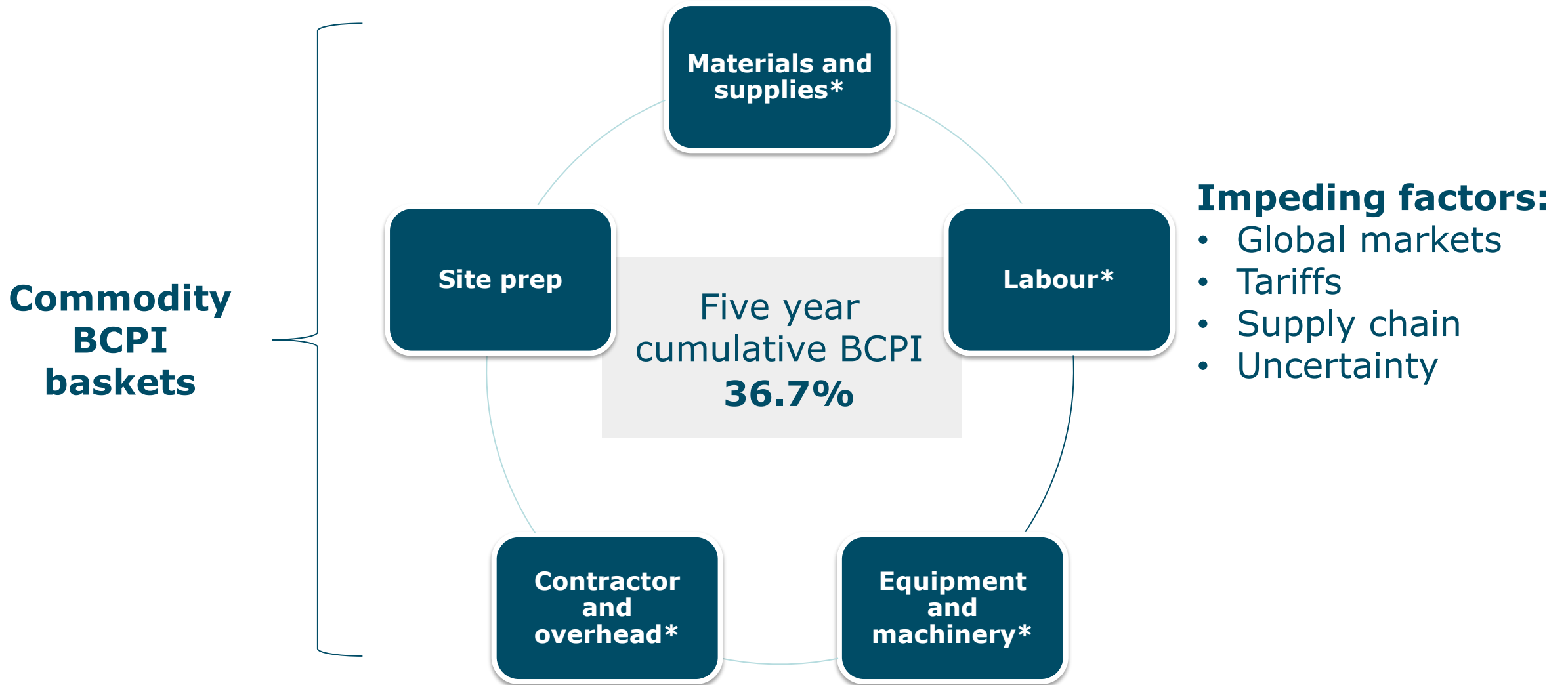
**21.6%**

# What is in CPI?

- **Non-durable goods**
  - Food, coffee, electricity, household supplies
  - Passenger vehicles, gasoline, liquor
- **Semi-durable goods**
  - Clothing, footwear, newspaper, books
- **Durable goods**
  - Furniture, appliances, household tools
  - Passenger vehicles, computer, audio and video equipment



# Inflation – BCPI



# Operating costs affected by BCPI

- **Supplies and materials**

- Plumbing fixtures
- Paint and coatings
- Electrical wiring replacements

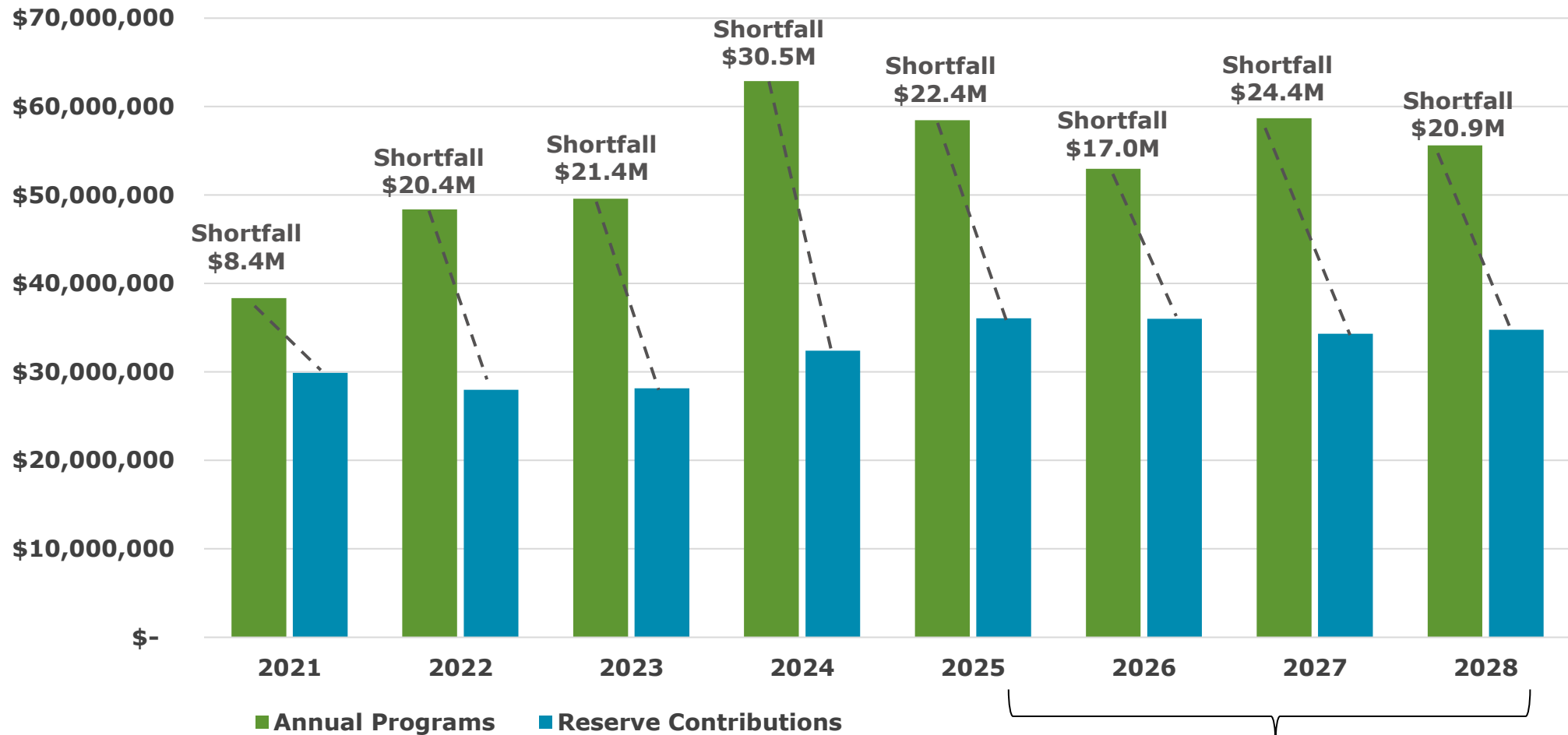
- **Equipment, furnishing and hardware**

- Small kitchen equipment
- Shelving, chairs
- Windows and doors

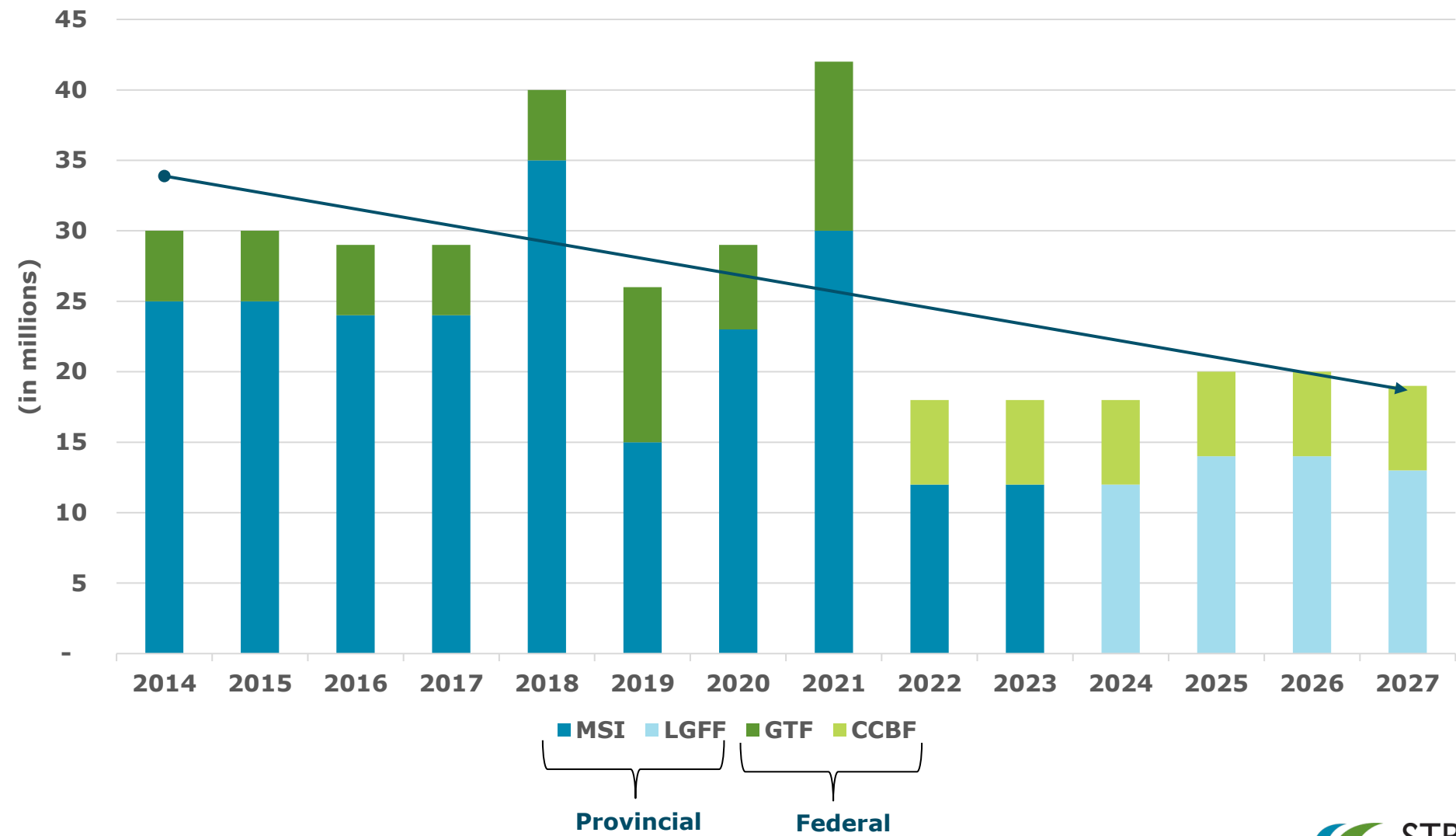
- **Repairs and maintenance**

- Carpet/flooring repairs
- Landscaping items (i.e. paving stones)
- Roof repairs (i.e. shingles, membrane replacements)
- Sidewalk and concrete repairs

# Annual programs vs contributions



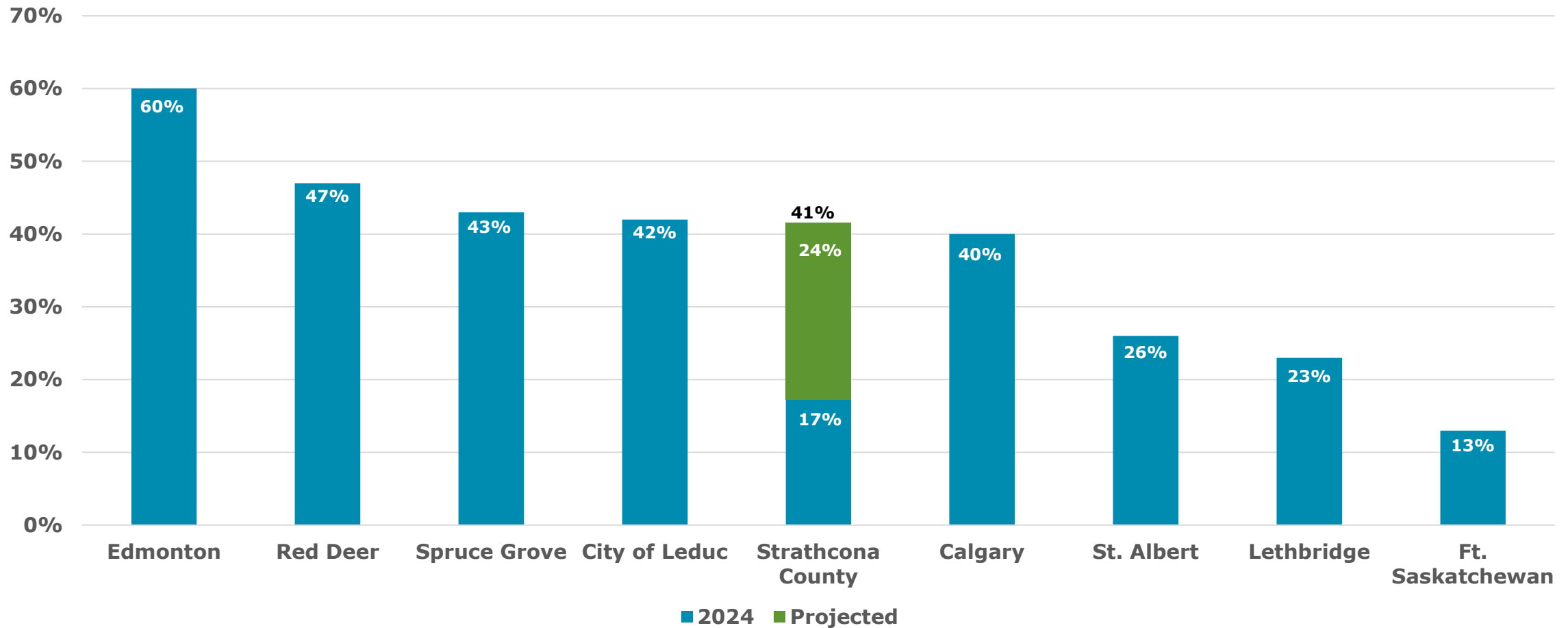
# Major capital government allocations



# LGFF and CCBF funding

- Rural and urban road rehabilitation projects account for the vast majority of the County's annual LGFF and CCBF allocations
- These grants were previously used to support growth projects and are now used for annual programs
- Funding annual programs through grants is unsustainable due to the uncertainty of receiving these funds, coupled with the fact that annual allocations have been steadily decreasing

# % Usage of MGA debt limit - 2024



# County growth and emerging pressures

# Growth impacts

## Population growth

- County's population has grown by 3.5% since 2022. The expected population growth for the Edmonton region in 2025 is also 3.5%.

## Spam and blocked connections attempts

- Since 2023 there has been a 579% increase in blocked spam attempts and 6% increase for blocked connection attempts.

## Dwelling units

- An additional 900 dwelling unit permits were added from 2023 to 2024, reflecting significant growth in residential development.

## Counselling support

- In 2024, there were 943 sessions and contacts with participants accessing Counselling support, a 20% increase from 789 in 2023.

## Building permits

- Since 2022, building permits issued have increased by 35%, with the total value of construction based on permit data amounting to \$210 million.

## Recreation and culture facilities

- Spectator and attendance at events held in facilities are rising without corresponding revenue increase.



# Growth impacts

## **Mobility buses**

- Since 2022, mobility bus trip volume has increased from 24,933 trips in 2022 to 46,231 in 2024, representing an 85% increase.

## **Houselessness**

- In 2024, there were 321 service calls, an increase from 120 in 2023. In the first two months of 2025, there have been 52 calls.

## **Family Resource Network (FRN)**

- In 2024, there were 2,555 FRN group program attendees, a 16% increase from 2202 in 2023.

## **One-on-one support**

- In 2024, there were 318 unique parents/caregivers receiving FRN one-on-one (Home Visitation and Parent Outreach), a 28% increase from 248 in 2023

## **Invoice processing**

- 2020 - 8,356 invoices processed per person
- 2022 - 8,689 invoices processed per person
- 2025 - 10,000 invoices projected to be processed per person

## **Volume of data managed**

- 2023– 7.8TB
- 2024 – 9.0TB

# Growth impacts

## Transportation growth

- 22.9 km of new roadways and 14.6 km of new sidewalks added since 2019.

## Records volume

- In 2024, the County managed 350,000 records of information. For 2025, the projection is that the County will manage 673,000 records.

## Tax

- Assessment growth in residential has grown by 1.9% in 2024 and 1.8% in 2025. Assessment growth in non-residential has grown by 7.6% in 2024 and 1.1% in 2025.

## Water and wastewater main installs

- ~70 km of new water, wastewater and stormwater pipelines including 471 new valves and 170 new hydrants added from 2020 to 2024.

## Utilities growth (other)

- Eight new stormwater facilities, two new lift stations, one new wastewater lagoon, one new PRV Vault, HodgePodge Lodge added from 2020 to 2024.
- 2,300 new accounts from 2020 to 2024.

## Trails

- 7.6 km of new trails have been added since 2019.

# 2026 budget considerations

# Fleet and Facility Management



## **Labour**

Plumbing hourly rates increased from \$65 (2022) to \$81 (2025) — a 25% total increase or 8.3% annually



## **Equipment and materials**

Electrical equipment: +15–20%  
Door hardware and key systems: +10–25%



## **Carbon tax**

\$450,000 in savings for 2026 and no savings realized in 2027 due to potential increase in rates

# Fleet and Facility Management continued



## Vehicles

- Inflation continues to be an organizational pressure in mobility busses
- Standard conventional bus prices have increased from \$819,581 in 2024 to \$911,151 in 2025 totalling \$91,569 or 11% year-over-year
- Fire tankers budgeted at \$695,000 in 2024 have had new prices quoted at \$859,895 in 2025 totalling \$164,895 or 24%
- Squad trucks budgeted at \$1,400,000 in 2024 have had new prices quoted at \$1,662,995 in 2025 totalling \$262,995 or 19%
- Brush trucks budgeted at \$695,000 in 2024 have had new prices quoted at \$859,895 in 2025 totalling \$164,895 or 24%

# Emerging pressures- Utilities



## **Water meters**

There will likely be an increase in 2026.



## **Hydrants and valves**

Uncertain what tariff impacts will be for 2026.



## **Utility rates – wastewater**

Expecting an increase in wastewater treatments charges to Strathcona County.

# Information and Technology Services



## **Shipping costs**

Rising indirect costs from shipping and vendor price increases. Additional delivery fees are expected on upcoming hardware RFPs to avoid U.S. tariff-related charges.



## **Cell phones**

Potential 25% tariff impact for cell phones (vendor is Canadian but source materials will be impacted and pushed down as inflation).

# Property assessment and taxes outlook



# Regulated property assessment

- What are new or potential risk scenarios affecting this category of property assessment and what could it mean for Strathcona County?
  - Provincial government policy - Assessment Model Review (rules and rates used to assess regulated property)
  - Assessment complaint trends – Increasing trend in complaints across Alberta
  - External economic factors – Supply/demand conditions creating uncertainty for current project economics and future project investment decisions

# **Balancing services expectations and resources**

# Key takeaways

Rising costs across core services due to inflation, increased demand and infrastructure growth.

Information presented today is based on the 2025 forecast.

Updated figures and information will be presented to Council in September.

# Questions?