



Durham Budget

2026

2026 Property Tax Guideline

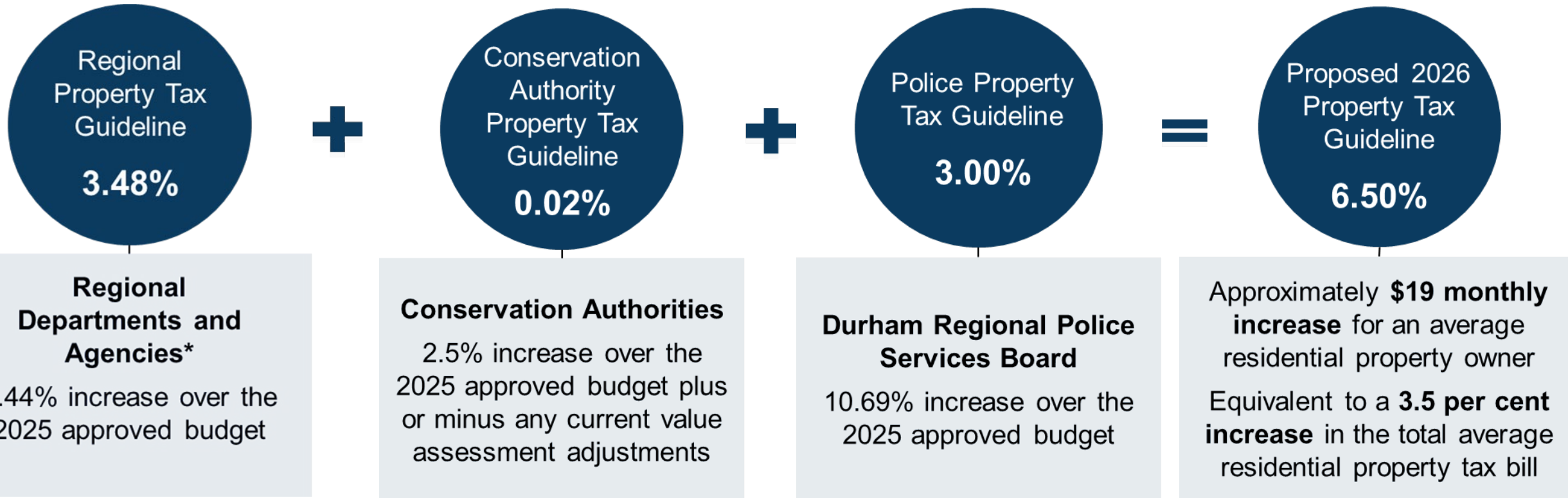
Special Committee of the Whole – June 18, 2025

2026 Proposed Property Tax Guideline



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Guidelines is not the budget – it establishes an **overall property tax cap** for the 2026 property tax supported business plans and budget.

Provides **guidance to staff in developing detailed budget** for Council's consideration in December 2025.

It is **critical to have guideline approved in June** to meet the December timing for the 2026 budget.

* Includes Durham Region Transit, 9-1-1 Emergency Service System, Durham OneNet Inc., and Durham Regional Local Housing Corporation.

Proposed 2026
Property Tax
Guideline

6.50%

Approximately **\$19 monthly increase** for an average residential property owner
Equivalent to a **3.5 per cent increase** in the total average residential property tax bill.



Establishes an **overall property tax cap** for the 2026 property tax supported business plans and budget.

Ensures **alignment** with Council's final tax levy expectations and service level implications.

Contemplates **property taxpayer impacts, changes in local and broader economic, political and social environments and associated risks and uncertainties** including potential impacts of tariffs.

Incorporates the **use of reserves/reserve funds** for capital investments, one-time operating costs and phase-in of incremental costs.

Regional Infrastructure Priorities



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DRLHC Improvements – security, windows, paving, roofs, internal finishes etc.



Ninth Concession Road Bridge,
0.5 km east of Sideline 22 (BCI is Poor)



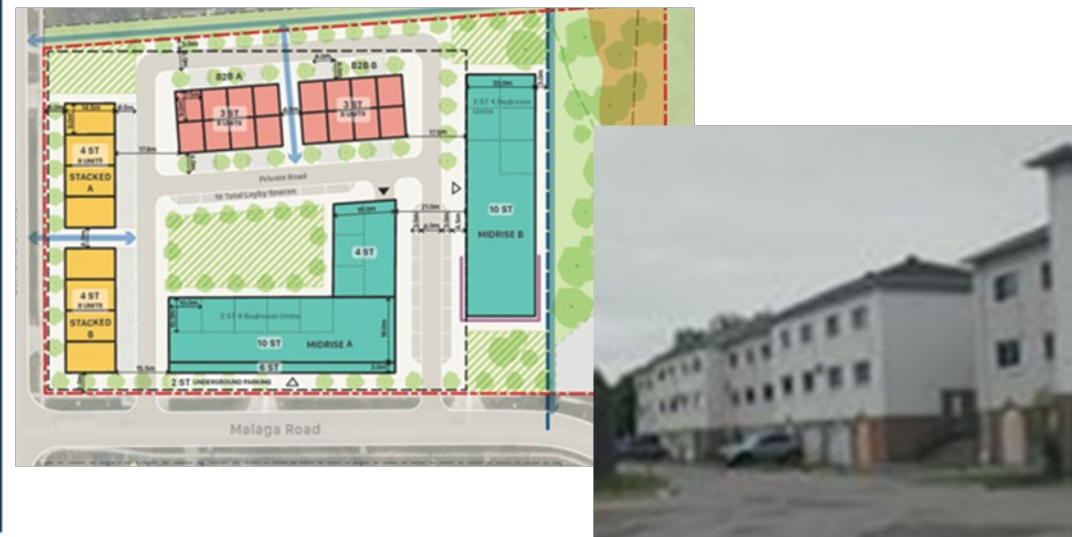
Highway 2 Clarington, east of Courtice Rd,
west of Maple Grove Rd (PCI is Very Poor)



Christine Crescent, Oshawa - Redevelopment



Malaga, Oshawa - Redevelopment



409 Centre Street, Whitby - Redevelopment



New Seaton Village Long-term Care Home, Pickering





Base Pressures

- Annualization of 2025 budget decisions and adjustments for one-time items included in 2025 budget
- Inflationary pressures and significant capital cost escalations
- Staff and service contract cost increases
- Debt servicing costs for debt approved in 2025



Investment in Critical Front-Line Core Service Areas

- Paramedic Services 10-Year Service and Financing Strategy
- Durham Region Transit 10-Year Service and Financing Strategy
- Housing and Homelessness 10-Year Service and Financing Strategy



2026 Strategic Investment Pressures

- Durham Regional Police Budget priorities
- Investments to advance the implementation of the Region's 2025 – 2035 Strategic Plan and 2025 – 2028 Action Plan
- Implementation of the Region's Corporate Climate Action Plan



Provincial / Federal Funding Impacts

- | | |
|--------------------------------|-------------------------|
| • Public Health | • Homelessness Supports |
| • Child Care | • Social Assistance |
| • Support for Refugee programs | • Police |

Base Pressures

Critical Service Areas

Strategic Investments

Police Services



Overview

Base pressures for 2026 are currently estimated at \$35.896 million (5.34 per cent over prior year).



Key Pressures

- Annualization of 2025 budget decisions and adjustments for one-time items included in the 2025 budget;
- Contractual and inflationary increases;
- Economic increases (salary and benefit contracts);
- Debt servicing costs for debenture financing approved through the 2025 Business Plans and Budget as well as additional debenture financing approved through the 2025 – 2034 Housing and Homelessness Service and Financing Strategy; and
- Items that have received in-year approval by Regional Council during 2025.



Key Messages

- Various economic and political factors including tariffs, supply shortages and inflation, continue to place additional pressure on the Region's budget and increase financial risk.
- Potential provincial changes to the Development Charges Act, coupled with the current slow rate of development could have significant impacts on the Region's 2026 Capital Budget and Nine-Year Forecast.
- Staff continue to review these base budget pressures and explore all opportunities for efficiencies and line-by-line savings to help mitigate these impacts.

Significant Investments in Critical Service Areas



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Base Pressures

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Paramedic Services

- Informed by the 2023 – 2032 Region of Durham Paramedic Service (RDPS) Service and Financing Strategy approved by Regional Council in February 2023 ([Report #2023-COW-7](#)).
- Staff are reviewing and updating the Strategy, which will be presented in advance of the 2026 Budget.



Durham Region Transit

- Informed by the 2023 – 2032 Durham Region Transit Service and Financing Strategy ([Report #2023-F-5](#)) approved by Regional Council in February 2023.
- An update to the Strategy is planned for early 2026 to help inform the 2027 Budget.



Housing and Homelessness Support Programs

- Informed by the 2025 – 2034 Housing and Homelessness Service and Financing Strategy ([Report #2025-COW-14](#)) approved by Regional Council in March 2025 to advance the following critical priorities:
 - Protect and improve existing housing stock;
 - Redevelop mixed-income communities within the DRLHC;
 - Facilitate the development of new affordable rental housing through strategic partnerships;
 - Support affordability in private rental stock by increasing rent supplements and portable housing benefits; and
 - Develop supportive and transitional housing.

»»» Prioritization and phasing of these strategic initiatives including using non-tax financing may be required to achieve the recommended guideline.

Significant Investments in Critical Service Areas



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Base Pressures

Critical Service Areas

Strategic Investments

Police Services

- Advancing the Region's **Cyber Risk Management Program**.
- Advancing a number of initiatives to support the Region's **Corporate Climate Action Plan** and **Community Energy Plan**.
- **Modernizing and streamlining customer service delivery** through continued implementation of Service Durham.
- Implementing the Region's **Diversity, Equity and Inclusion Strategy**.
- Investing in public health to further support initiatives that **address health inequities** and population growth across the Region.
- Ongoing implementation of the **Region's Equity Audit** action items, the **Region's Community Safety and Well-Being Plan**, and the recommendations from the 2024 **organizational assessment of the Works Department**.
- Launching the new **Townline early learning and childcare site**.
- Phasing-in costs for **Seaton Village**, the new Seaton Long-term Care Home.
- Investing in **Regional infrastructure to support projected growth** and provincial housing targets.
- Phasing-in **incremental investments in the Region's core infrastructure** to address asset management infrastructure gaps.
- Increasing investments in **critical IT infrastructure**.
- Continuing to progress the approved **Lakeshore East GO Extension to Bowmanville**.
- Ongoing investment in **Durham OneNet Inc.**

>>> Prioritization of these strategic initiatives including use of non-tax financing is required to achieve the recommended guideline.

Significant Investments in Critical Service Areas



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Base Pressures

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Police Services

Overview

The Durham Regional Police Service has identified a total 2026 budget requirement of \$356.0 million (13.62 per cent increase).

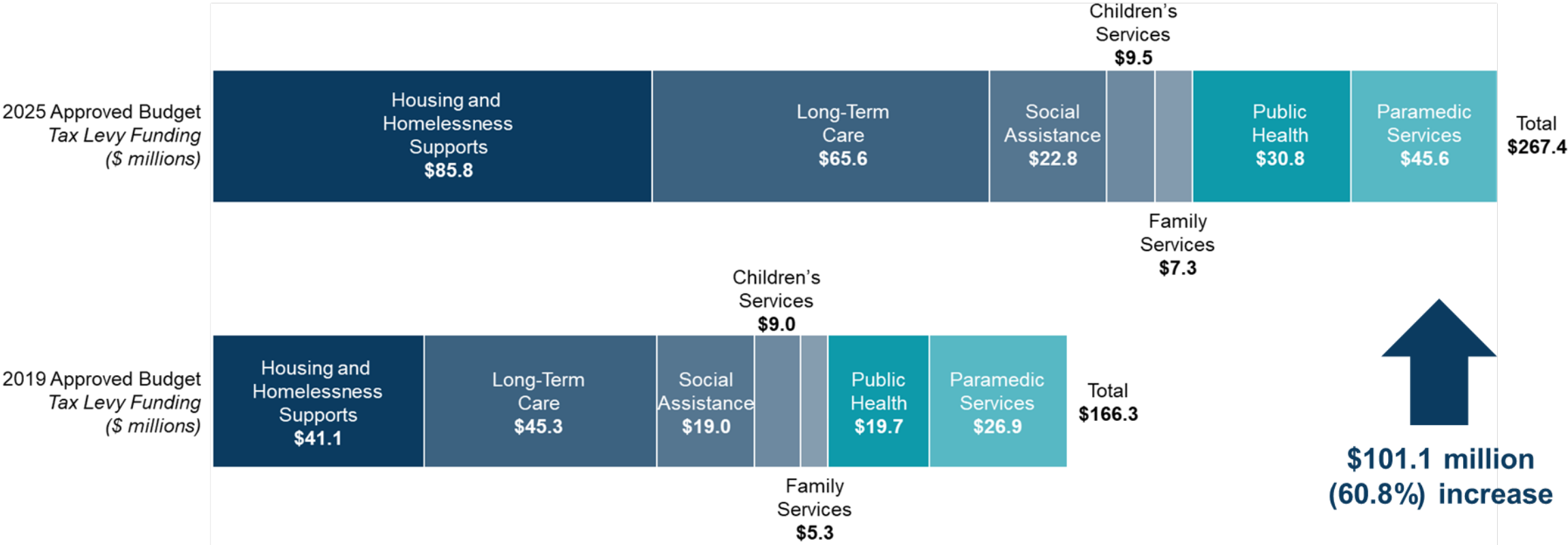
- Base Pressures - \$22.446 million (7.16 per cent)
 - Annualization for 168 new full-time positions approved in the 2025 budget (115 uniform and 53 civilian)
 - Wage and benefit increases for 1,557 authorized positions and approximately 50 full-time equivalents
 - Increased facility operating costs related to Clarington Phase 2 Complex and lease of 1500 Hopkins
 - Operating requirements including operational software costs
 - Joint Air Support Unit costs supported by five-year provincial funding for aircraft purchase and operational expenditures
- Strategic Investments - \$20.225 million (6.45 per cent)
 - 116 new staff positions including 78 uniform, 33 civilian and five new tactical flight officers (provincial funding until 2029/30)
 - 18 additional vehicles and 1 new marine vessel
 - Modernization of IT and finance systems
 - Increased debt servicing costs to support the modernization of police facilities

>>> To achieve a guideline of a 10.69 per cent increase on the Durham Regional Police Service Budget (3.00 per cent overall increase to the Regional Property tax levy net of assessment growth), reductions of \$9.19 million are required.

>>> Work is underway on the multi-year Police Service and Financing Strategy. The Strategy will be presented to Council by December 2025.

Fiscal Sustainability - New Financial Framework

In 2025, regional tax levy funding of social services and public health programs is projected at **\$267.4 million** or approximately **27.1 per cent** of the overall regional property tax levy.



- Support AMO’s call for a **Social and Economic Prosperity Review** and FCM’s call for a **new framework for raising municipal revenue**.
- Advocate for sustainable **Transit, Housing and Homelessness Support, Public Health** and **capital infrastructure** funding.
- Completed AMO’s Health Survey and provided 10-year forecasted infrastructure investments to **support provincial advocacy efforts**.
- Continue to work with municipal partners to **advocate for fair taxation for nuclear generating facilities**.

- **Refining budget estimates and priorities;**
- Completing **line-by-line reviews** including looking at opportunities to incorporate increased sustainable gapping savings in the budget;
- **Advancing critical capital expenditures in 2025** where in-year surplus is available;
- Utilizing **increased investment returns** to advance strategic priorities;
- Exploring and **maximizing alternative funding strategies** (i.e., strategic use of reserves and reserve funds) for one-time operating and capital investments as well as phasing-in incremental ongoing operating and capital pressures;
- Working with provincial and federal government to **understand 2026 funding impacts;**
- Monitoring the Region's weighted **2025 net assessment growth;** and
- Reviewing and prioritizing 2026 staffing requests, budget pressures and priorities and **looking for efficiencies and opportunities** to minimize the 2026 budget impact.

Projected Debenture Financing Requirements



The following table is based on the 2025 approved capital budget and nine-year forecast and has been updated for additional debt financing forecasted in the Housing and Homelessness Service and Financing Strategy and proposed for Police in-year 2025.

Service Areas	Approved 2025	Projected Debenture Financing Requirements (\$'000's) Forecast									Total
		2026	2027	2028	2029	2030	2031	2032	2033	2034	
Durham Regional Police Service	12,092	-	-	-	-	-	-	-	-	-	12,092
Transit	79,056	65,234	11,600	5,200	3,800	4,800	85,000	10,600	-	-	265,290
Public Works and Waste	-	-	35,350	687	587	115,800	18,280	-	-	-	170,704
Paramedic Services	13,215	30,715	11,761	-	-	-	-	-	-	-	55,691
Housing and Homelessness Supports	121,669	41,133	202,029	12,632	142,011	59,562	686	51,703	74,771	-	706,196
Subtotal Property Tax Fund	226,032	137,082	260,740	18,519	146,398	180,162	103,966	62,303	74,771	-	1,209,973
Water Supply Fund	18,000	98,760	20,000	126,200	74,400	-	-	58,121	-	-	395,481
Sanitary Sewer Fund	49,071	26,156	-	154,835	71,034	-	86,610	-	-	-	387,706
Total	293,103	261,998	280,740	299,554	291,832	180,162	190,576	120,424	74,771	-	1,993,160



- The chart does not include forecasted debt requirements that are anticipated for additional capital priorities including:
- Durham Regional Police Service's Capital Program – informed by the upcoming Service and Financing Strategy;
 - GO East Extension; and
 - TOD/BRT

Projected Debt Servicing Costs

- Debt servicing costs are projected to increase by \$220.4 million over the next ten years (\$147.1 million property tax fund; \$40.6 million water supply fund; and \$32.7 million sanitary sewer fund) based on the current forecast.



Fall
2025

Hosting a **Budget Town Hall** where residents can join over the phone, online and in-person to:

- provide input and feedback on key priorities;
- ask questions about the Region's Business Plans and Budget; and
- learn more about the Region's programs and services.

Your Voice
Your Durham

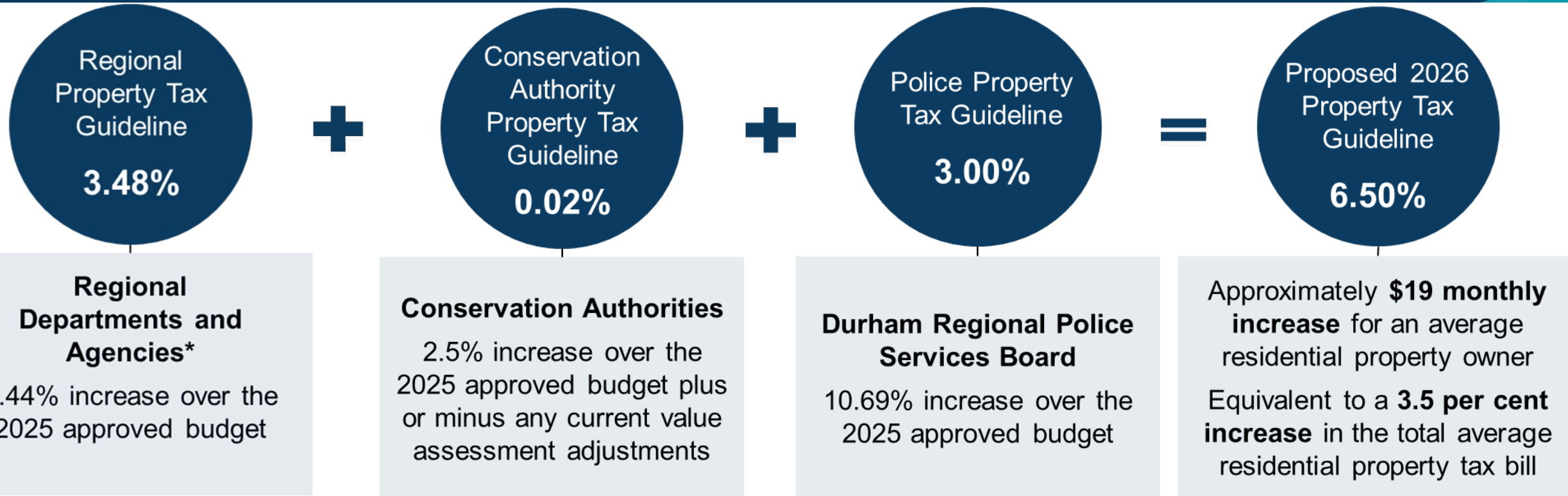


Utilizing a **year-round engagement plan** to support a wider understanding of the process and seek engagement throughout the process to inform budget development.

Through the annual Budget,
the Region invests in:

Exploring **additional opportunities to engage with residents** throughout the annual Business Planning and Budget process.

Residents are encouraged to ask questions and share their ideas and priorities for the 2026 Budget online by using the [Have Your Say! Tool](#) or by emailing budgets@durham.ca



To achieve the proposed 2026 guideline staff will review their operating and capital business plans and budgets incorporating:

- **Efficiencies and savings** identified through detailed line-by-line reviews;
- **Prioritization of investments** in critical front-line service areas (paramedic, transit, housing/homelessness supports and police) and other strategic priorities identified in the 2025 – 2035 Strategic Plan;
- Utilization of **alternative financing sources** including use of reserves, reserve funds and debenture financing; and
- Updates to **senior government funding** and **legislative/regulatory landscape**.



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QUESTIONS