Your Property Tax Explained

I know most of us look straight to the bottom line and it's confounding and frustrating that it's a bigger increase than the Consumer Price Index, (CPI). Let's break it down to understand the mechanics behind how and why your Property Tax is the way it is:

General Levy

It important to understand that the "basket of goods" the city buys are NOT the same a household buys that forms the CPI. For example, the Raw Materials Product Index (RMPI) that includes sand, gravel & oil for asphalt, and steel for bridges & culverts, will typically increase almost double what the CPI is. In other words, if CPI comes in at 3%, the RMPI will be around 5-6%. Therein lies the difficulty to still meet capital project obligations when material costs to resurface roads and maintain bridges increase as much as they do.

Further, supply chains were hugely disrupted due to COVID which dramatically increased the cost to replace equipment and vehicles. Supply chains and material price increases would have normally evened out by now, but the tariff war against Canada by the United States coupled with constant global geopolitical disruption, (again by the United States), has meant MORE supply chain disruption not less, thereby fueling high inflation which we're all paying dearly for with food, clothing, fuel and more. An example of a city cost is a pumper fire truck that was $824,000 to purchase in 2023, is now $1,400,000 in 2026 for the *same* fire truck = a 70% increase in four years!

Despite these pressures I am happy to note that during my term, 2023-2026, we have kept the **General Levy increase at 3% annually.**

Infrastructure Levy

If you look back 20+ years, past councils in the early 2000's voted 0% tax increases or very low increases over several years, which in the long run is terrible financial planning and we're all paying for that mistake now. While property owners benefited with paying less property tax back then, something had to give and the city fell far behind in road maintenance. Hence the introduction of Infrastructure Levy in 2018, **pegged at an annual increase at 2%**, which is ALL spent towards capital projects (mostly roads).

The good news is we are slowly year by year catching up on our road maintenance and the Infrastructure Levy, if all goes according to plan, is to disappear by 2034.

OPP Police Service

Municipalities cannot push back on Police Budgets but must instead accept their budgets without question (re: Municipal Act). In 2025 and 2026 the OPP and the KLPS both introduced budgets that were a whopping **10% increase in both years**. Hopefully we will get back to normal budget increases for our police services in 2027 and beyond.

Education Levy

The Education Boards set these rates. The city simply collects this tax on behalf of the Education Boards and remits all that is collected to these Boards.

Other Levy's

What we call an "Area Rated Levy" which is confined to a specific geography for a specific service. For example, Lindsay property owners pay an extra Transit Levy that is put towards the public transit service. The only area rated levy in Ward 4 is the OPP Police Service.