

2023-2026 Budget Process

RECOMMENDATION

That the budget deliberation process as outlined in Attachment 1 the June 20, 2022, Finance and Corporate Services Department report FCS01287 be approved as a guideline and that Administration return with changes to the Council calendar as required.

Report Purpose

Council decision required

Council is being asked to approve the 2023-2026 Capital, Operating and Utility Budget deliberation process.

Executive Summary

- This report recommends a high level process for the 2023-2026 budget deliberations for the operating, capital and utility budgets. Pending Council approval, the Office of the City Clerk will return to a future City Council meeting with an updated November/December 2022 Council calendar for approval.
- The *Municipal Government Act* (MGA) requires City Council to pass an operating and capital budget. As 2022 is the final year of an approved four year budget, Council will need to pass the 2023 - 2026 budgets by December 31, 2022.
- Achieving the December 31, 2022 date will require a focused and systematic way of working to balance meeting the MGA deadline and allowing for comprehensive discussion. This budget process sets clear actions and milestones to finalize this major City-building requirement.

REPORT

Guided by City Policy C578 - Multi-Year Budget, the City budgets in four-year cycles. This time frame makes it easier to plan stable programs and services, and move our plans forward to build and maintain core services like LRT, recreation centres and roads, all in alignment with the City's long-term strategic plans. It also gives Edmontonians a better sense of what to anticipate for property taxes.

2023-2026 Budget Process

Council will consider the 2023-2026 budget in fall 2022 where they will deal with the following budgets:

- 2023-2026 Utility Services Operating and Capital Budgets (November-December)
- 2023-2026 Capital Budget (November - December)
- 2023-2026 Operating Budget (November - December)

This report outlines the processes for each of the budgets proposed for Council's consideration, input and approval. The *Municipal Government Act* (MGA) requires City Council to pass an operating and capital budget.

As 2022 is the final year of an approved 4 year budget, Council will need to pass the 2023 - 2026 budgets by December 31, 2022. The steps outlined below provide a path to reach this major milestone in the six weeks of major budget activities. A focus on meeting the December 31, 2022 timeline as prescribed by the MGA will be essential.

2023-2026 Capital and Operating Budget General Process

- Administration will make budget presentations during regular City Council meetings, followed by one round of questions.
- Approximately nine days will be allocated to the capital and operating budgets as follows:
 - Prior to the commencement of the 2023-2026 budget deliberations, up to two days will be scheduled for a non-statutory public hearing as Council's calendar permits.
 - Edmonton Police Commission, Edmonton Public Library and Civic Agencies will have a designated day to make presentations on their budget.
 - Council budget deliberations are scheduled for six days and will commence with the capital budget and be followed by the operating budget.
- Due to the complexity of the four year budget cycle, tracking of amendments that identify the recommended funding source and applicable budget year is crucial. The Office of the City Clerk, and Budget Planning and Development teams, will provide a template and training to Council members and their staff on drafting motions specific to the four year budget cycle.
- As part of each budget noted below, Council will have the opportunity to submit written questions following the release of the budget to Administration to provide written responses. However:
 - Questions that would require a motion in order to direct work or analysis will not be accepted through this process. The questions are to provide clarification and additional information that is readily available. All questions and responses will be made public.
 - For questions that are posed that require a significant amount of coordination or research in order to respond, the responses may be delayed and not posted on the dates noted below.
 - Questions relating to trending information may be limited to the availability of comparable data.

2023-2026 Budget Process

2023-2026 Capital Budget

- The proposed 2023-2026 Capital Budget will be presented at the October 31, 2022, City Council meeting. Councillors may ask one round of questions at this time.
- Members of Council have until 4:00 p.m. on November 7, 2022, to submit written questions on the proposed budget to the Office of the City Clerk.
- Administration will prepare responses to these questions, which will be made available to Council and the public by 4:00 p.m. on November 14, 2022.
- Once deliberations commence, Council may at this time ask questions of Administration, as well as move and second amendments on the proposed capital budget.
- Voting on capital amendments will be postponed until all amendments have been put on the floor for both capital and operating budgets.
- The City Clerk's Office will randomize the amendments, which will be voted on individually based on the randomized order (further details will be provided in the fall).
- Motions for additional information will be dealt with as the motions are moved and seconded.
- Consideration of the main 2023-2026 Capital Budget motion may only occur after voting on all amendments is complete.
- All subsequent motions will be dealt with after the main budget motion has been voted on.

2023-2026 Operating Budget

- The proposed 2023-2026 Operating Budget will be presented at the **November 14, 2022**, City Council meeting. Councillors may ask one round of questions at this time.
- Members of Council have until 4:00 p.m. on November 21, 2022, to submit written questions on the proposed operating budget to the Office of the City Clerk.
- Administration will prepare responses to these questions, which will be made available to Council and the public by 4:00 p.m. on November 28, 2022.
- The operating budget process will begin once all the capital budget motions are on the floor.
- Once deliberations commence, Council may at this time ask questions of Administration, as well as move and second amendments on the proposed capital budget.
- The City Clerk's Office will randomize the amendments, which will be voted on individually based on the randomized order.
- Motions for additional information or action will be dealt with as the motions are moved and seconded.
- Consideration of the main 2023-2026 Operating Budget motion may only occur after voting on all amendments is complete.

2023-2026 Budget Process

Utility Services Budget

- The utility services rate filings along with multi-year Capital and Operating Budgets will be presented at the **November 25, 2022**, Utility Committee meeting. Members of the public will have the opportunity to speak to these budgets at this time.
- The Committee may debate and recommend amendments to the Utility budgets before making recommendations to City Council.
- Councillors will have until 4:00 p.m. on November 15, 2022, to submit written questions on the proposed Utility budget to the Office of the City Clerk.
- Administration will prepare responses to these questions, which will be provided to Council and the public by 4:00 p.m. on November 24, 2022.
- Final Utility motion will be approved along with the main motions for City 2023-2026 Capital and Operating Budgets at the conclusion of budget deliberations.

Attachment 1 is provided as a guideline to the budget process. Pending feedback for the 2023-2026 Operating, Capital and Utility Budget, Administration will return to a future Council meeting with calendar changes as required.

COMMUNITY INSIGHT

Administration is undertaking several research and engagement activities to support the development of the budget, and is sharing the results of those activities at City Council meetings.

Early this summer, Administration will conduct extensive public engagement on the budget, which will involve building understanding about the tradeoffs involved in a public-sector budget, and seeking input on how participants would adjust revenues and prioritize spending.

Administration will work to ensure that the engagement activities are easily accessible by any Edmontonian who is interested in participating. We are launching a broad awareness campaign and we will directly reach out to key stakeholders and harder-to-reach groups who don't typically participate in online engagement.

Administration is also conducting a survey to explore Edmontonians' views about living in Edmonton and their perceptions on City service delivery. This research compliments insights gathered across the organization and is intended to support Council decision making.

Results will be shared with Council before budget deliberations. Edmontonians will also have the opportunity to share their perspectives on the budget with Council directly during the public hearing.

GBA+

The budget documents will be developed using insights from the City's engagement activities, which will seek input from equity-denied, under-represented and systematically excluded groups.

The proposed budget Council meeting process allows for input from people regardless of their preferred communication method, including written submissions, virtual/online or in-person meeting participation.

2023-2026 Budget Process

ATTACHMENT

1. 2023-2026 Budget Timeline