

BUSINESS PLANNING UPDATE

RECOMMENDATION

That the August 26, 2022, City Operations report CO01379, be received for information.

Requested Council Action		Information only	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work as we work to achieve our strategic goals.		N/A	
City Plan Values	N/A		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions of Service Success
Corporate Business Plan	Managing the Corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> C558B - Waste Services Utility Fiscal Policy 		
Related Council Discussions	<ul style="list-style-type: none"> N/A 		

Executive Summary

- Waste Services is working to update its business planning and budgeting process to align with corporate processes.
- In addition to corporate alignment, the changes outlined in this report will result in improved administrative efficiency while continuing to deliver high quality business planning and budgeting in alignment with the Waste Services Utility Fiscal Policy.

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REPORT

Waste Services produces five regularly scheduled business planning documents; three annually and two every four years. These documents are shown on the left side of the table below. In order to better align to the business planning and reporting cycle of other City branches, and to reduce the administrative burden required to develop the current slate of documents, Waste Services will transition to a new reporting and budgeting structure, shown on the right side of the table, beginning this year. Note that the business planning documents that will no longer be produced have been struck-through.

Current Business Planning and Reporting Documents (2021)	Future Business Planning and Reporting Documents (2022)
<p>Annual</p> <ol style="list-style-type: none"> 1. Annual Report & Unaudited Financial Statements 2. Business Plan 3. Annual Rate Filing 	<p>Annual</p> <ol style="list-style-type: none"> 1. Annual Report & Unaudited Financial Statements 2. Business Plan* 3. Annual Rate Filing
<p>Multi-year</p> <ol style="list-style-type: none"> 1. Branch Action Plan 2. Four-year Budget 	<p>Multi-year</p> <ol style="list-style-type: none"> 1. Branch Action Plan* 2. Rate Filing (2-year, 2-year then 4-year) 3. Four-year Budget

* These two documents will be incorporated into the Four-year Budget.

As a Utility, Waste Services presents rate filings to Utility Committee and City Council to set residential waste utility rates. Historically, this is completed on an annual basis, and once approved, rates are updated in the Waste Services Bylaw each January.

As the Waste Utility has matured and utility rate increases have stabilized, an opportunity to exercise the option enabled by Policy C558B - Waste Services Utility Fiscal Policy to align the Waste Services budget cycle to the corporate four-year process.

Recognizing that moving from an annual rate filing process to a four-year process is a significant change, Waste Services will present two-year Rate Filings for 2023-2024 and 2025-2026 to prepare for the transition to a four-year rate filing for 2027-2030 that will align with the four-year corporate budget process.

Waste Services planning and reporting processes will align with the overall City of Edmonton approach. This will combine the rolling four-year Business Plan and the Branch Action Plan into the four-year Budget to reduce duplication and demonstrate accountability in linking the budget to actions, outcomes and performance measures that deliver on branch and corporate goals.

These reporting changes will improve effectiveness, make the financial planning, budgeting and rate-setting process for the Utility more consistent with the rest of the City's reporting, and continue to support the Utility Committee and City Council in providing effective governance and oversight of the utility on behalf of residents.

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Budget/Financial Implications

As per Waste Services Utility Fiscal Policy C558B, customer rates may be set either annually or for up to four years at a time. Preparing a four-year rate filing aligns with the current four-year budget process for tax-levy branches. Multi-year rate filings also simplify the administrative process, provide rate certainty for residents and budget certainty for Administration, and still allow for annual budget adjustments as required.

COMMUNITY INSIGHT

Given the impact of residential waste services on day-to-day quality of life, many Edmontonians share their perspectives on how the service can be delivered and optimized to meet their needs. By aligning the reporting processes to reflect the overall City of Edmonton approach, engaged Edmontonians will be able to see residential waste services in the context of the suite of comprehensive services. It is hopeful that a more streamlined process supports a continued dialogue with Edmontonians on the operation of this utility service. Business planning follows standard general budget principles established by the City of Edmonton and also adheres to Policy C558B.

GBA+

Waste Services follows a fair and consistent process based on financial needs of the utility to determine the rate structure necessary to ensure adequate service delivery. Administration is committed to maintaining stable and consistent utility rates for all residential customers.