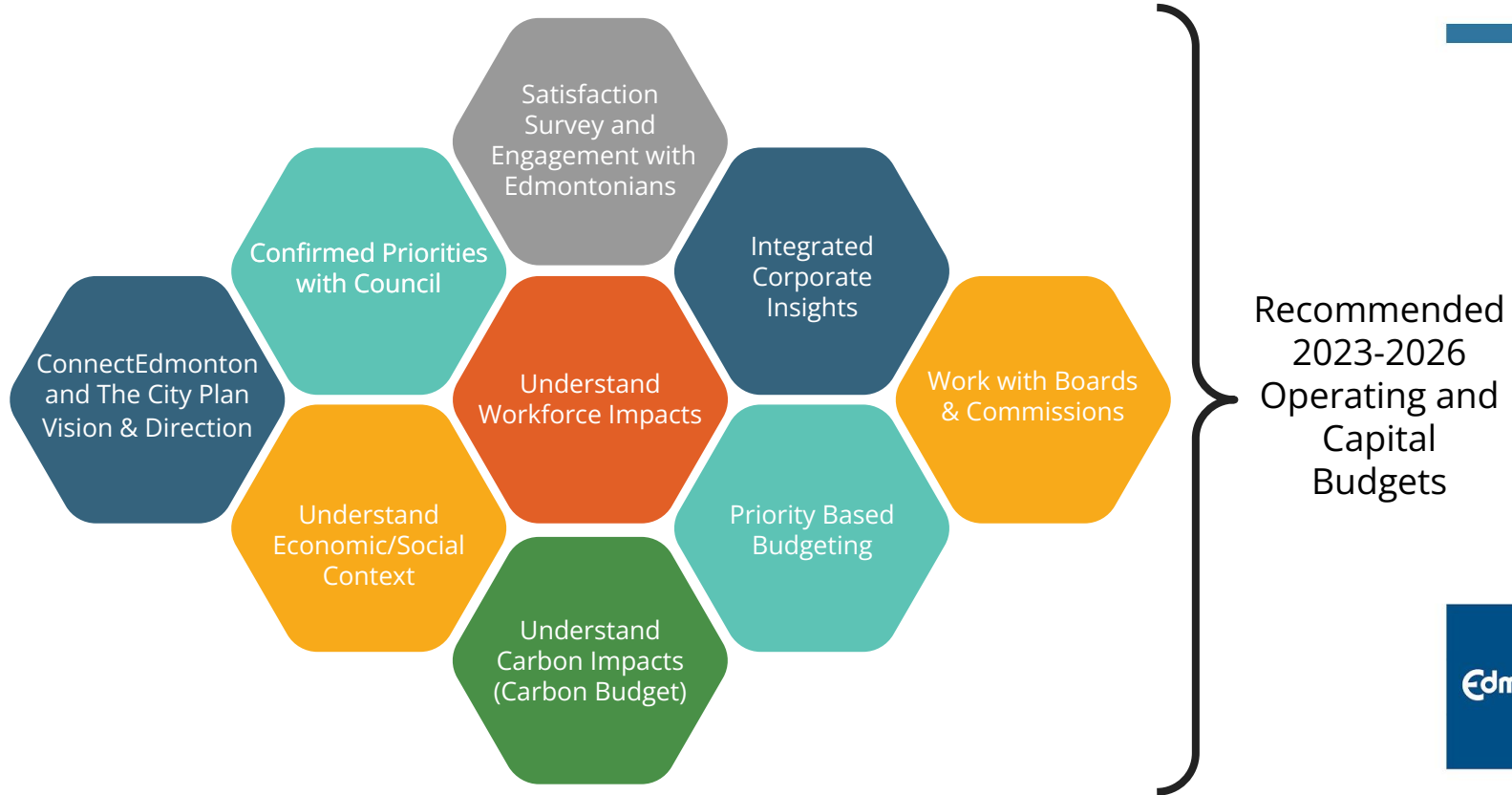




How We Built the Budgets



Building the Operating Budget

Operating Budget

STARTS WITH

Determine Service Levels



Approve necessary tax levy to deliver services



VS

Capital Budget

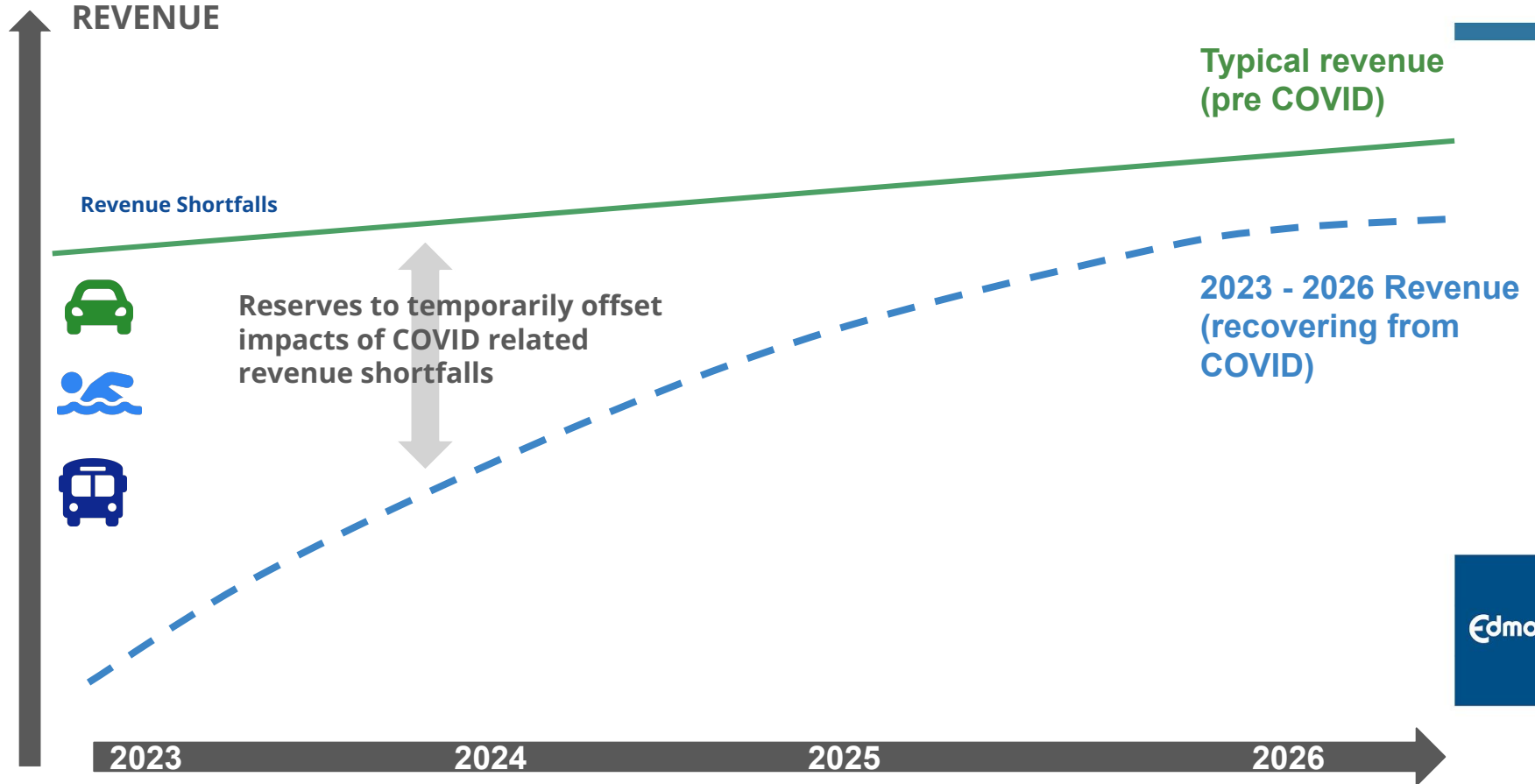
Determine Funding Available



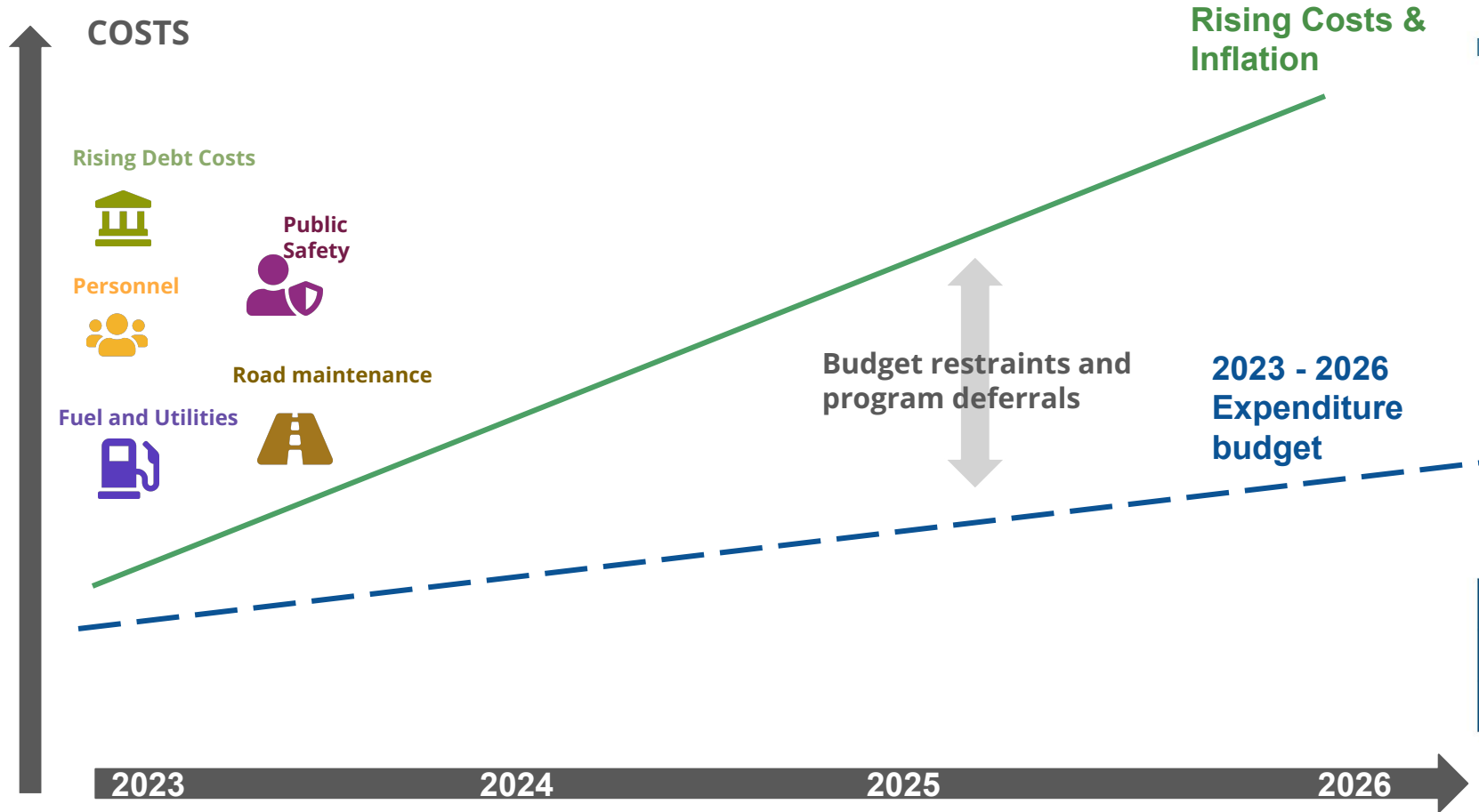
Allocate available funding to capital projects



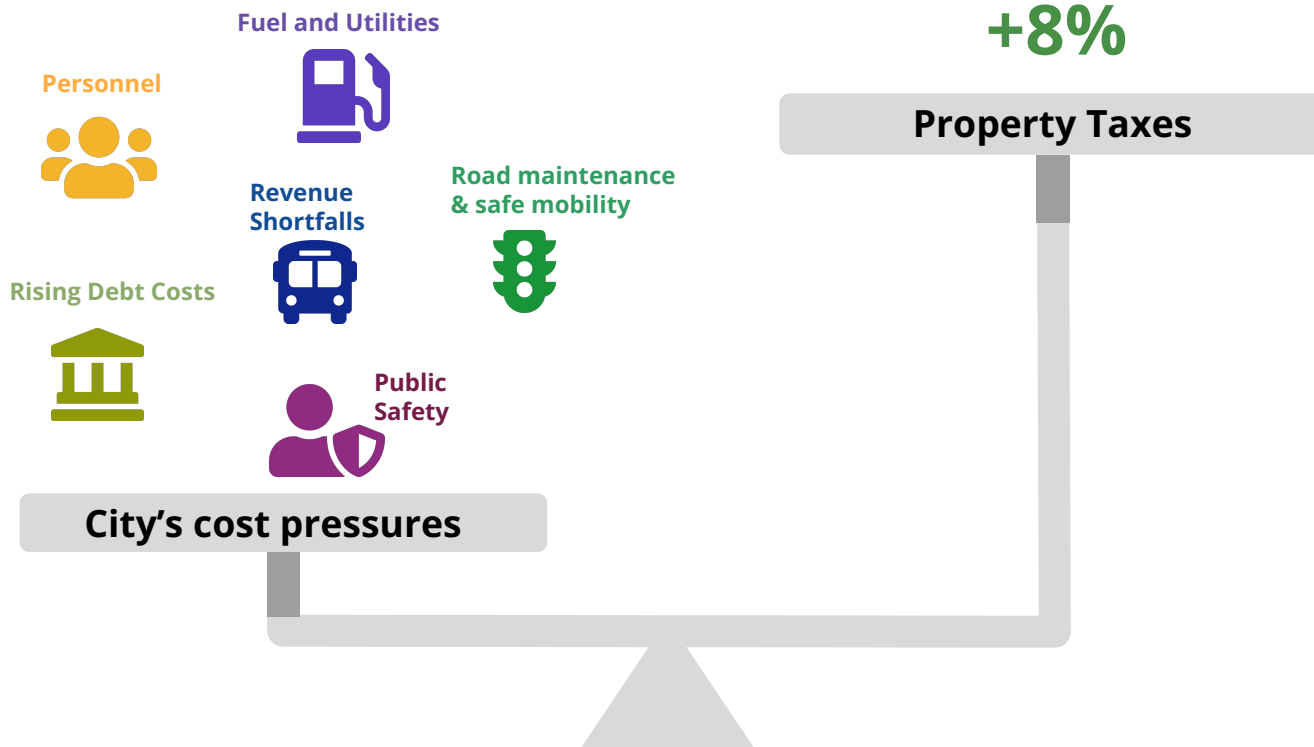
Balancing the Budget - Revenue Shortfalls



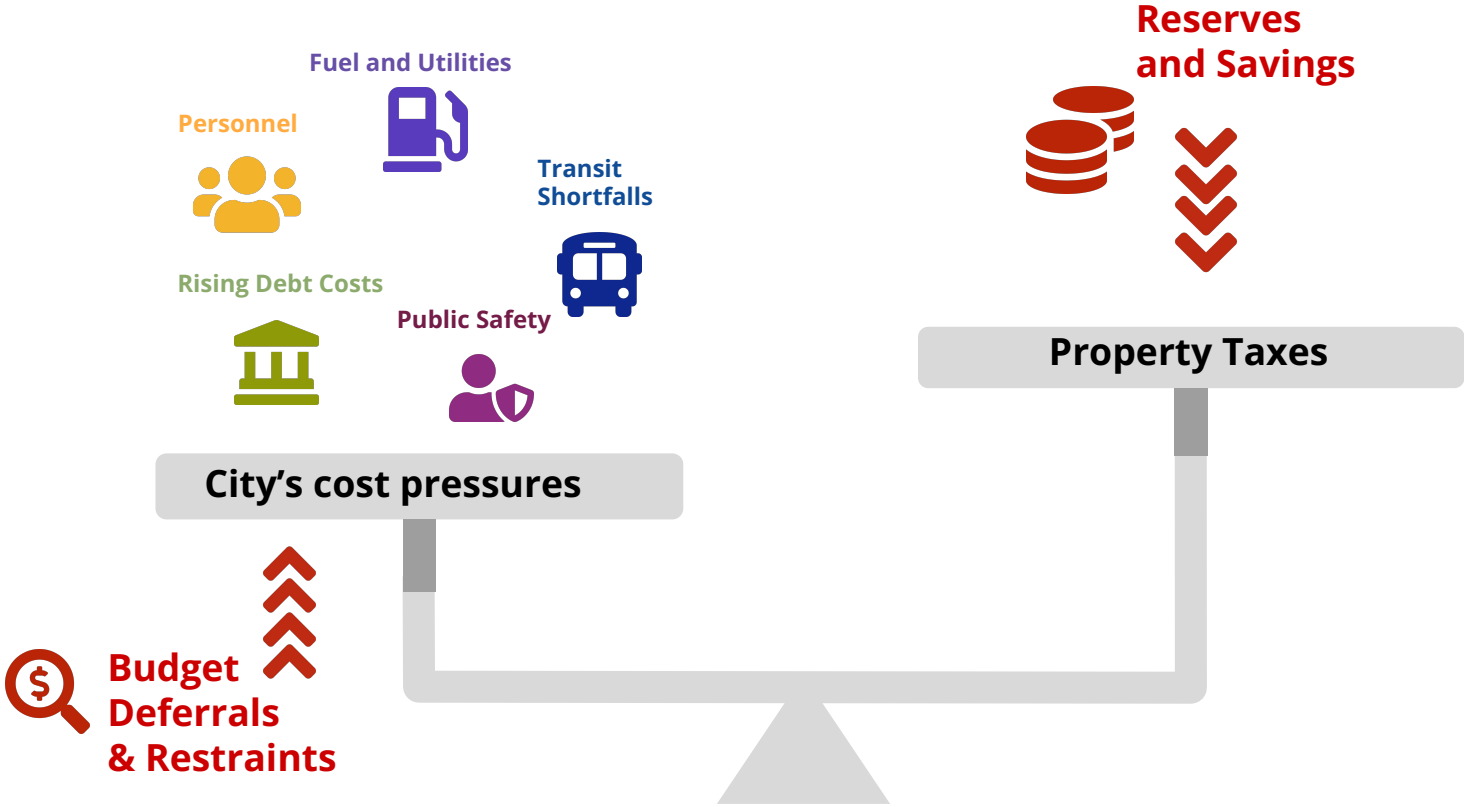
Balancing the Budget - Rising Costs



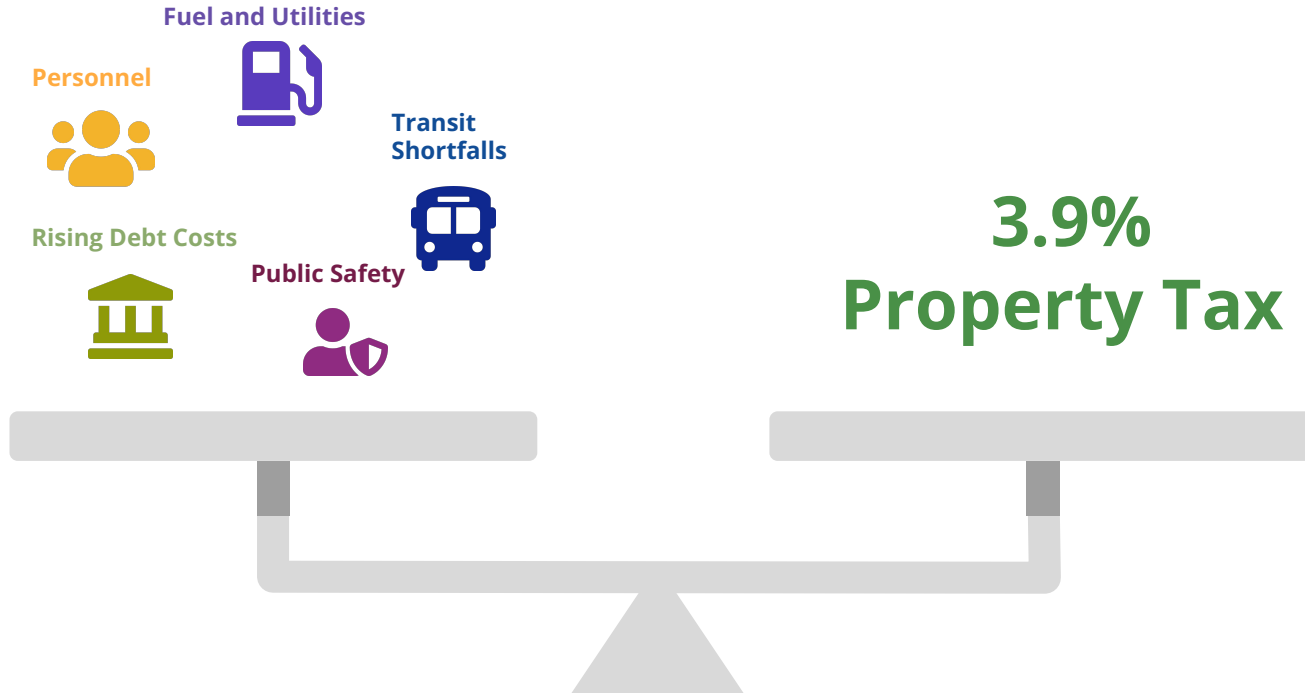
Balancing the Budget - Unadjusted Costs



Balancing the Budget - Implement Strategies



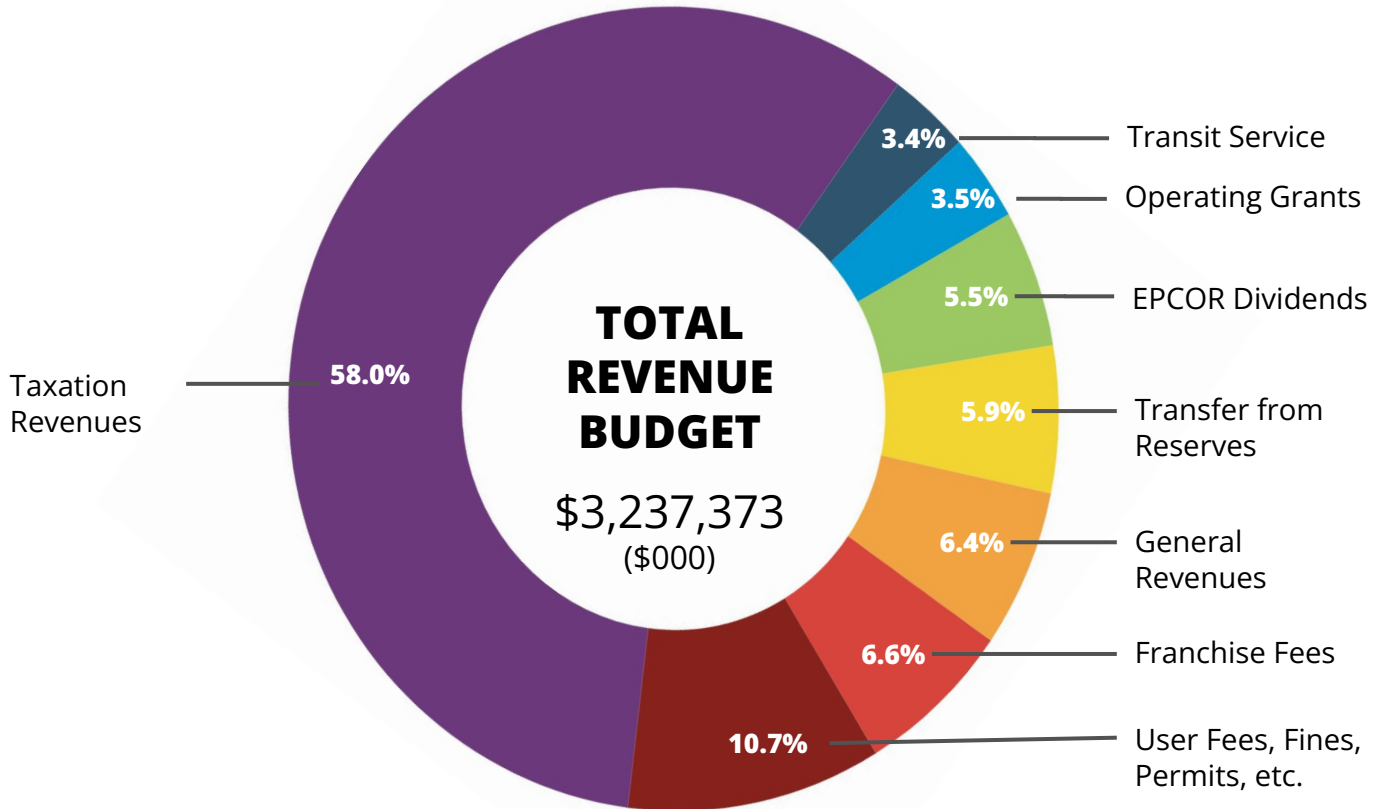
Balancing the Budget - Proposed Balance



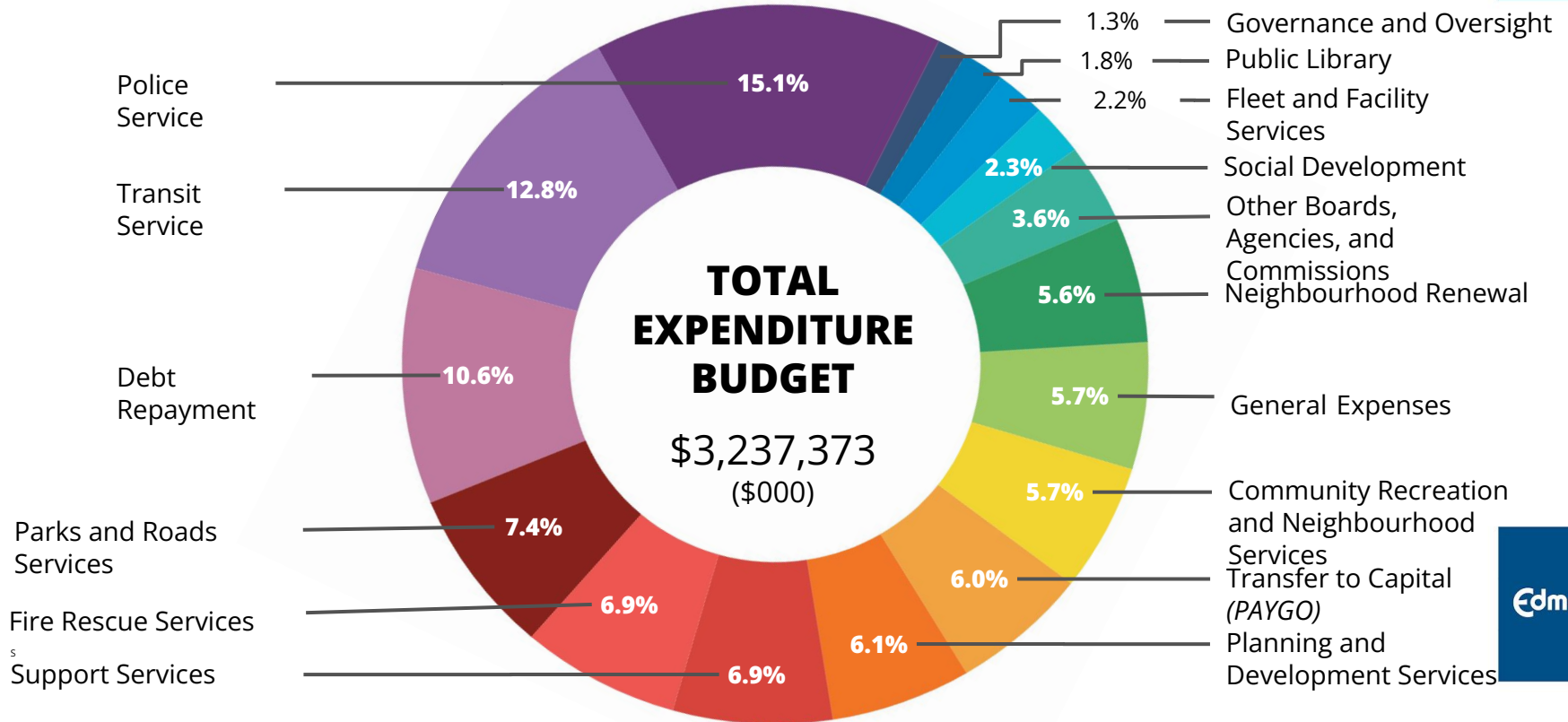
Proposed 2023-2026 Operating Budget

Proposed Property Tax Changes	Property Tax Changes % (Incremental)			
	2023	2024	2025	2026
Maintain Existing Services	2.1	3.4	1.5	4.5
Council Directed	0.2	0.2	0.0	0.0
Growth of Existing Services	0.2	0.1	0.2	-0.2
New and Enhanced Services	0.6	0.0	1.9	-0.9
Operating Impacts of Capital	0.4	0.2	0.3	0.5
Edmonton Police Services	0.4	0.0	0.0	0.0
Total Incremental Tax Increase (%)	3.9	3.9	3.9	3.9

2023 Revenues



2023 Expenditures



New announcements since Budget Release



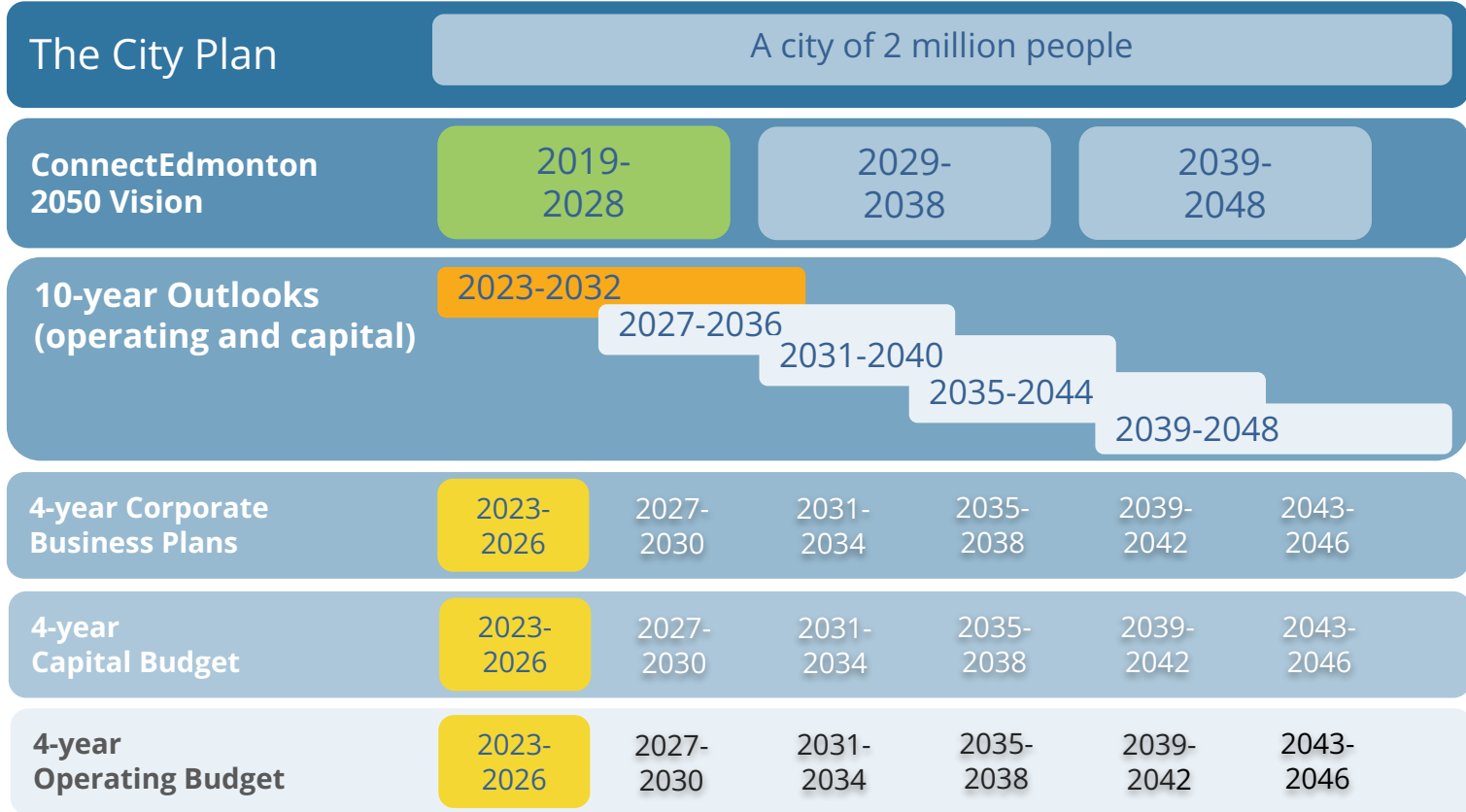
- EPCOR announced and increase to the dividend of \$8M
- Finalized 2023-2026 Proposed Operating Budget released
- Provides additional funding options during Council deliberations



BUILDING THE OPERATING BUDGET



CityPlan and ConnectEdmonton - Timeline





Budgets and Integration

	URBAN PLANNING AND ECONOMY	INTEGRATED INFRASTRUCTURE SERVICES	CITY OPERATIONS	COMMUNITY SERVICES	
OFFICE OF THE CITY MANAGER					GUIDE
COMMUNICATIONS AND ENGAGEMENT					CONNECT
EMPLOYEE SERVICES					ENABLE
FINANCIAL AND CORPORATE SERVICES					STEWARD
	IMAGINE	BUILD	MAINTAIN/ OPERATE	ANIMATE	





Confirmed Priorities with Council

CONNECTEDMONTON GOALS



CITY PLAN BIG CITY MOVES



COUNCIL PRIORITIES

Community Safety and Well-Being

Arts and Culture

15 minute Districts/
District Planning

Mobility Network

Economic Growth

Climate Action and Energy Transition

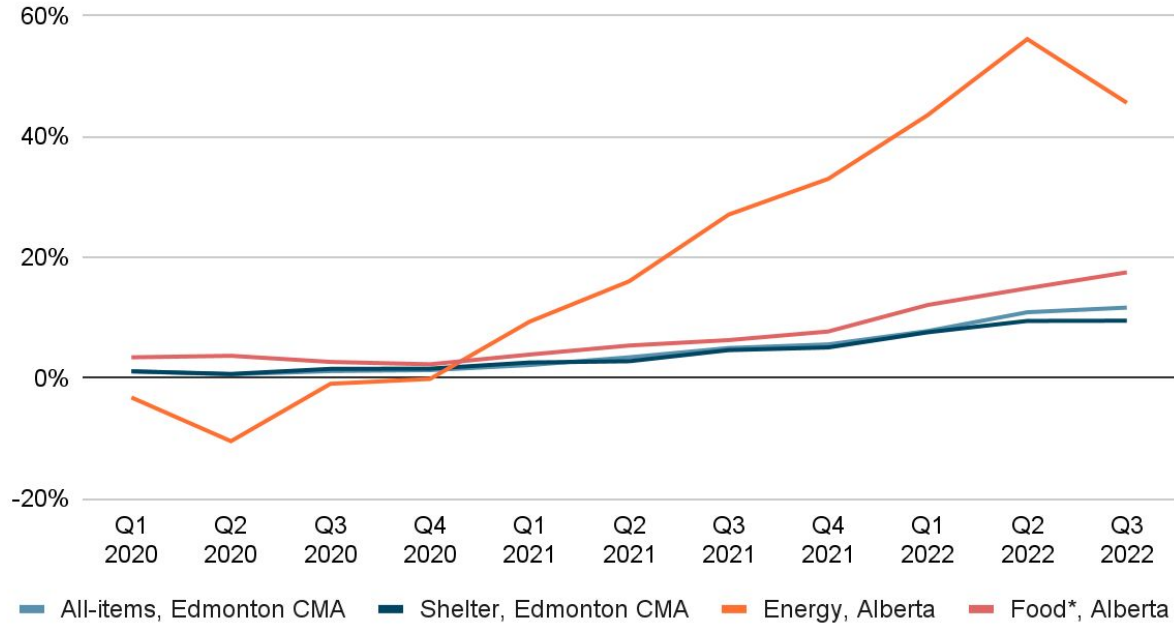
2023 Proposed Operating Budget





Economic Context - Price Pressures

Relative growth since 2019

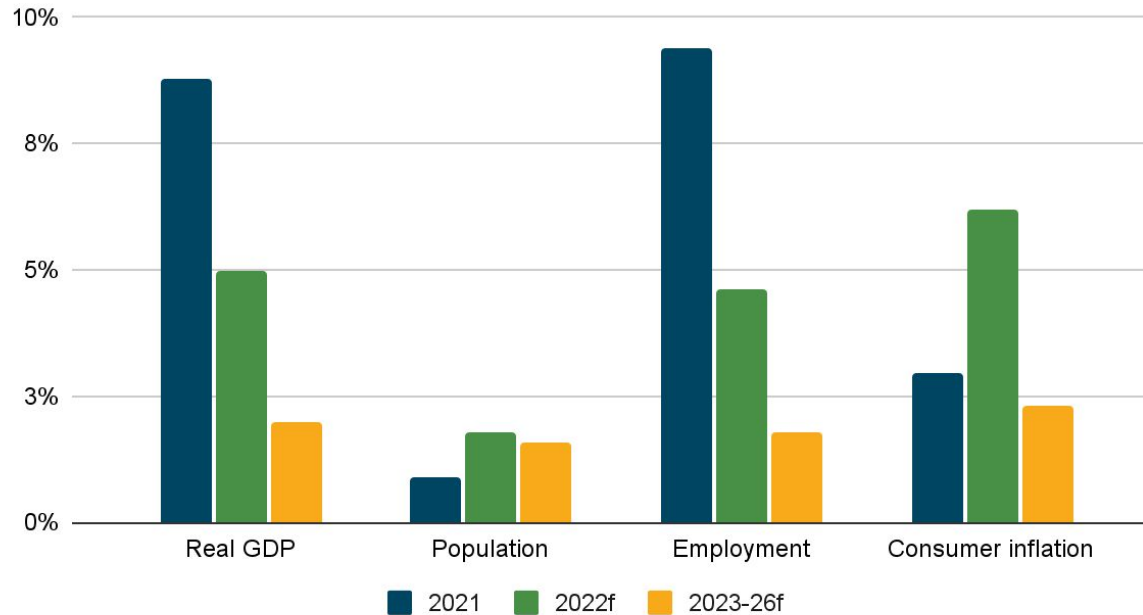


Source: Statistics Canada; calculations by City of Edmonton
*food purchased from stores



Economic Context - Outlook

Growth forecast for select indicators

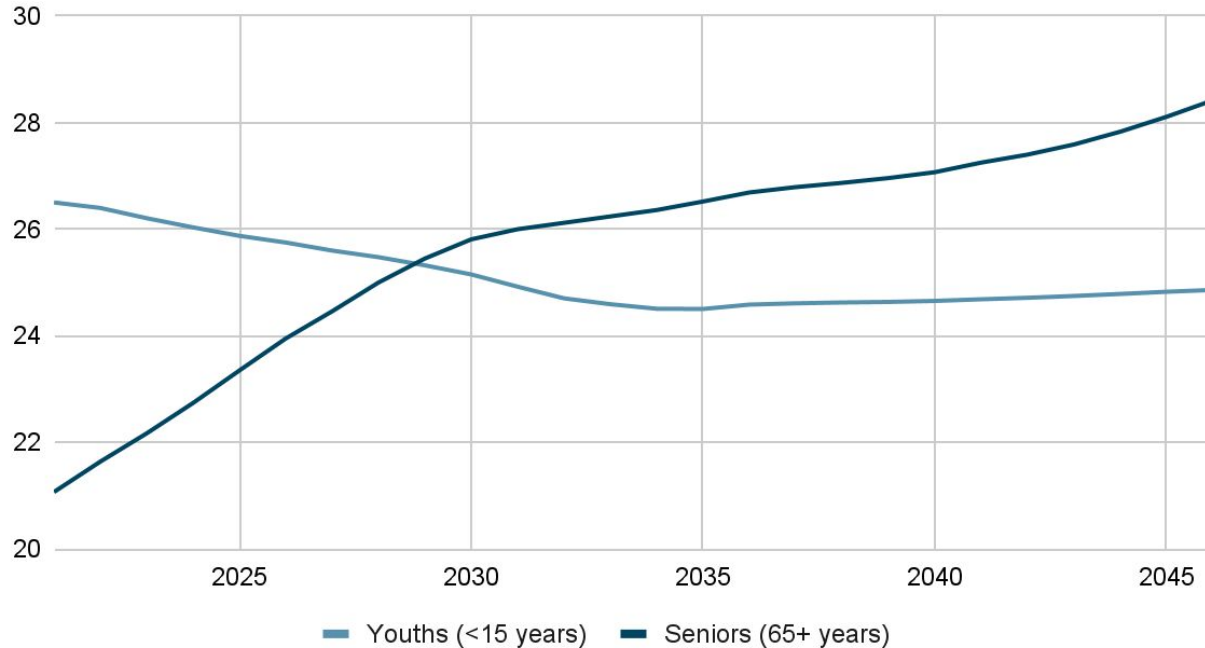


Source: Alberta Treasury Board and Finance, Statistics Canada, City of Edmonton and Stokes Economics; forecast (f)



Economic Context - Demographic Shifts

Projected dependency on working age population (per 100 persons)



Source: Alberta Treasury Board and Finance; calculations by City of Edmonton

Note: Calculations are based on Alberta TBF's July 5, 2022 population projections for Census Division 11 under their medium growth scenario



Priority Based Budgeting

PBB Process

2021



Develop Budget

2022

Insights on Actions to take

Scores Services

Determine Priorities

Cost of Services

Determine Services

The multiple components of the PBB process layered together determine the insights required to develop a four year budget based on our City's priorities

**2023 - 2026
Priority - Based
Budget**

Integrated Corporate Insights



CREATE Insights

Ideas to:

- contain costs/generate revenue
- partner with others
- enhance services
- update policies, etc.



INTEGRATED Discussions

- Cross departmental workshops
- Opportunities to integrate
- Identify gaps/reduce redundancies



REFINE Insights

- Prioritize against strategic and council priorities
- Impact on Edmontonians or employees
- GBA+ Impact
- Carbon Impact



Understanding Carbon Impacts

Operating Budget Priorities for 2023 - 2026

Public Facing Services

Integrated & Connected Communities



Economic Resilience & Growth



Social Well-Being and Community Safety



Climate Action & Protection



Safe & Reliable Infrastructure



CITY PLAN

Community of Communities/
Rebuildable City

Catalyze and Converge

Inclusive and Compassionate

Greener As We Grow

Community of Communities/
Rebuildable City

Connect Edmonton

Urban Places

Regional Prosperity

Healthy City

Climate Resilience

Urban Places

Alignment to Strategic Planning Framework



Carbon Budget

Edmonton





Understanding Workforce Impacts

Operating Budget Priorities for 2023 - 2026

Internal
Support
Services

Strategy,
Innovation &
Continuous
Improvement

Employee Safety
&
Well Being

Corporate Asset
Management

Corporate
Resource
Optimization

Collaboration and
Communication



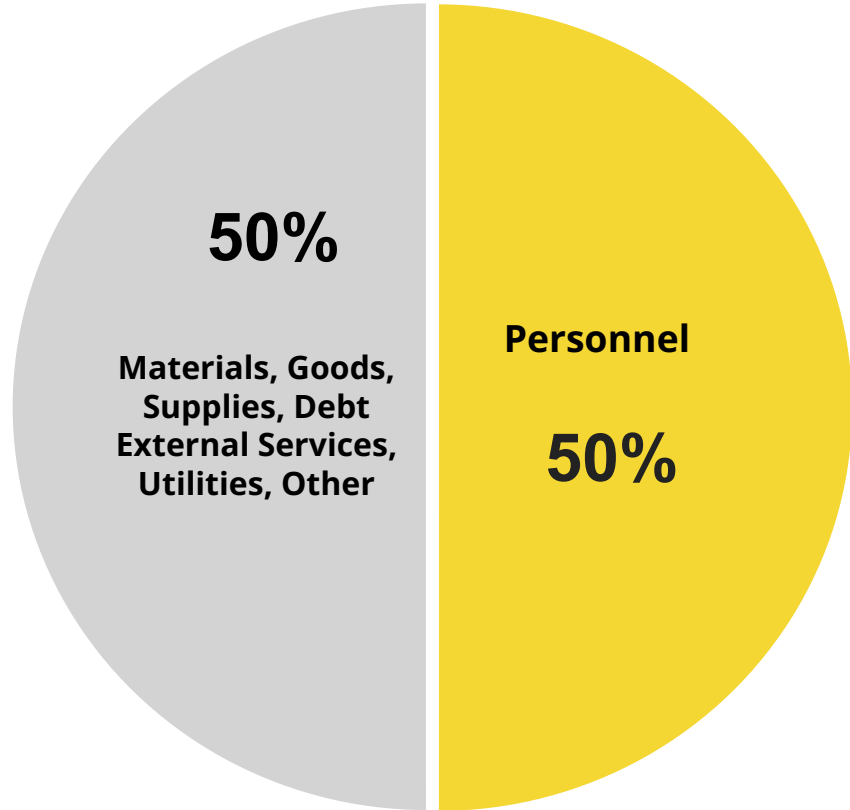
Understand Workforce Impacts

Edmonton





Understand Workforce Impacts



87.5% Unionized



12.5% Out-of-Scope



Understand Workforce Impacts

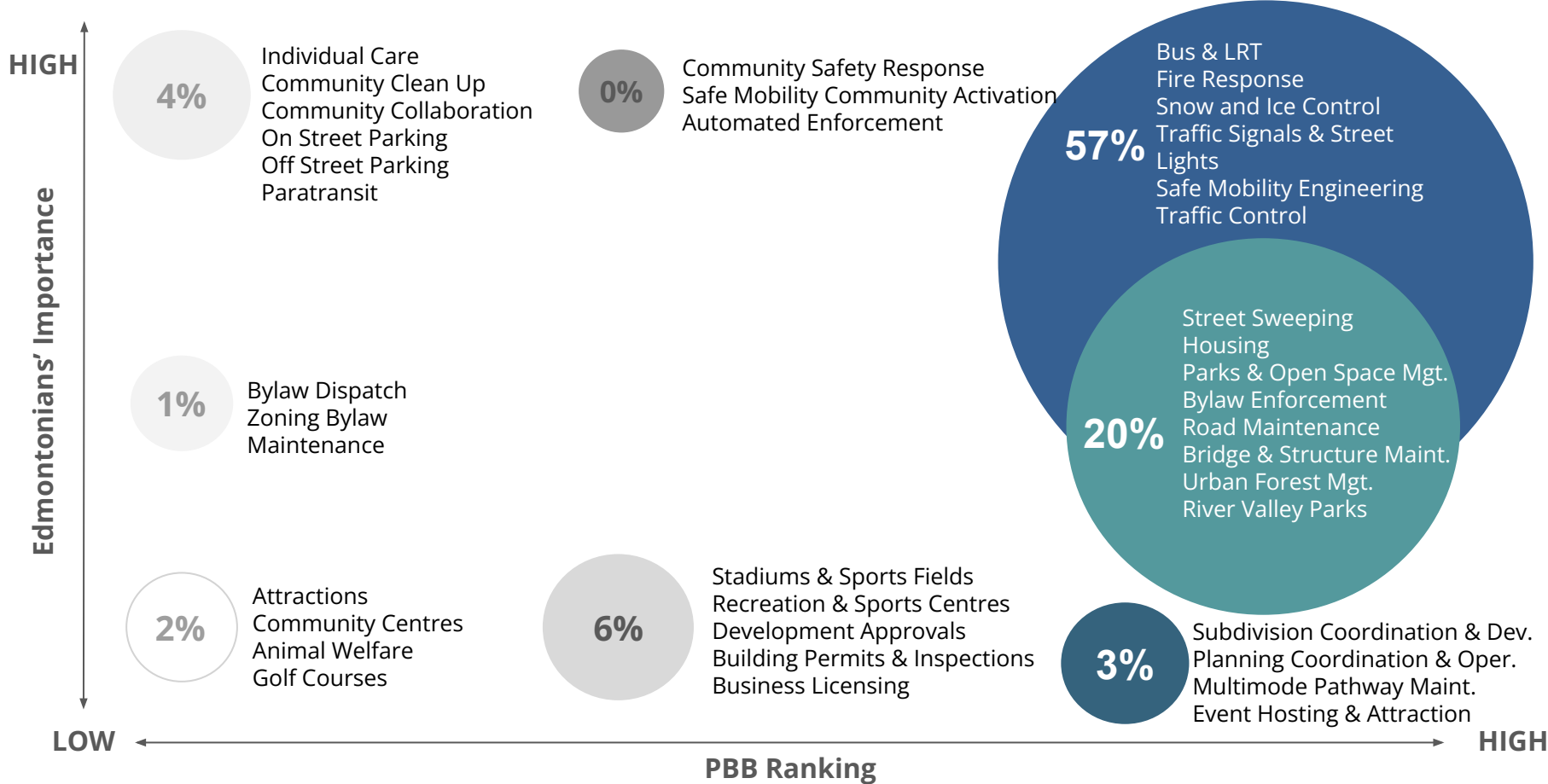
Considerations when adding new services or increasing service levels

- cost of new FTEs
- time and resources to establish new organizational structures
- create and classify positions
- recruit and onboard new employees

Considerations when eliminating services or reducing service levels

- layoffs or employee moves aligned to collective agreements
- time and resources to apply the impacts
- guided by the Respectful Workplace Policy
- impacts on the employee experience and trust in leadership

Satisfaction Survey with Edmontonians



Trends across all conversations with Edmontonians

Edmontonians

Value and rely on services

Want to see tax dollars at work

Households are coping with inflation

Want us to be prudent and efficient

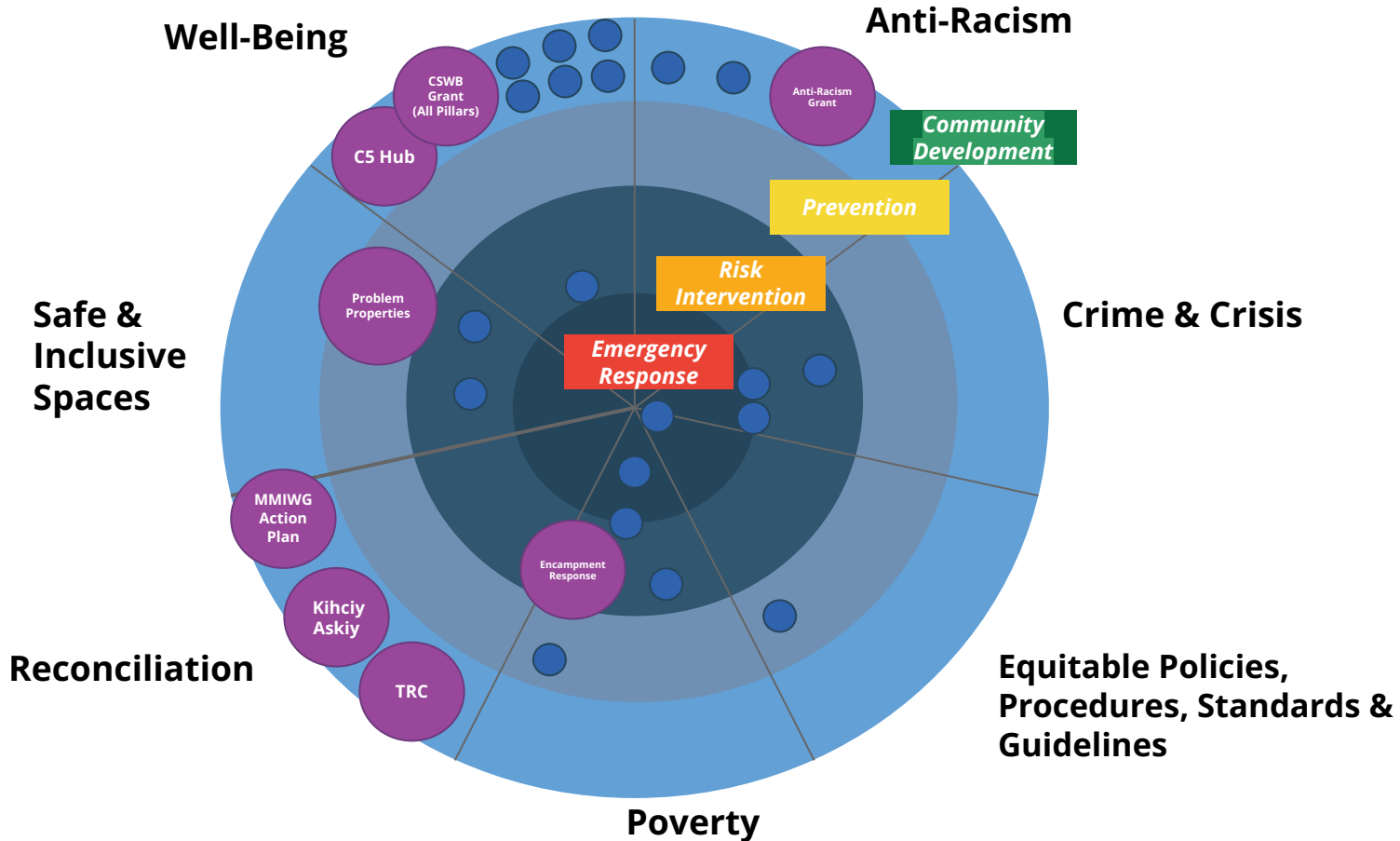
Want us to keep our costs in check

Edmonton

Work with Boards and Commissions




Community Safety and Well-Being Fund (2023-2026)



Community Safety and Well-Being Fund (2023-2026)

	CSWB Pillar	2023	2024	2025	2026
Total CSWB Funds Available		21,943	21,943	21,943	21,943
Total Allocations from Previously Approved Projects (A)		15,641	17,983	9,153	9,153
2023-2026 Operating Budget Proposed Funded Service Packages:					
Operational Planning for Kihciy Askiy (ongoing)	Reconciliation	182	184	186	188
Truth and Reconciliation (ongoing)	Reconciliation	1,113	1,389	1,014	1,015
Anti-Racism Grants (multi-year)	Anti-Racism	1,200	1,200	1,200	1,200
Missing and Murdered Indigenous Women and Girls Action Plan (ongoing)	Reconciliation	1,014	1,312	1,292	1,293
Community Safety and Well-Being Grants (multi-year)	All	500	500	500	500
Problem / Derelict Properties Initiative (ongoing)	Safe and Inclusive	1,124	1,200	1,205	1,208
Encampment and Unsheltered Homelessness Response (ongoing)	Poverty	869	4,587	4,875	4,887
Continue Subsidies for C5 North East Community Hub (multi-year)	Well-Being	300	300	300	300
Total Proposed 2023-2026 Operating Budget Funded Service Packages (B)		6,302	11,194	10,572	10,591
Total Proposed Allocations (A + B)		21,943	29,177	19,725	19,744
CSWB Fund Balance Available / (Encumbered)		0	(6,712)	2,218	2,199

Maintain Existing Service Levels



Net Incremental Changes	2023	2024	2025	2026
Personnel	2.4%	1.1%	0.7%	0.7%
Fuel & supplies	1.6%	-0.3%	0.0%	0.0%
Debt Servicing				
<i>Previously approved capital projects</i>	1.3%	1.7%	1.6%	1.2%
<i>Proposed 23-26 capital projects</i>	0.0%	0.3%	0.5%	0.8%
Corporate and other expenditures	2.9%	3.3%	-1.1%	2.4%
Revenues and Offsetting Funding Strategies	-6.1%	-2.7%	-0.2%	-0.6%
Base Budget to maintain services	2.1%	3.4%	1.5%	4.5%

Additions to the Base Budget - Service Level Increases

Net Incremental Changes	2023	2024	2025	2026
Base Budget to maintain services	2.1%	3.4%	1.5%	4.5%
Council Directed Service Packages	0.2%	0.2%	0.0%	0.0%
Growth of Existing Services	0.2%	0.1%	0.2%	-0.2%
New and Enhanced Services	0.6%	0.0%	1.9%	-0.9%
Operating Impacts of Capital	0.4%	0.2%	0.3%	0.5%
Edmonton Police Services	0.4%	0.0%	0.0%	0.0%
Total Incremental Tax Increase	3.9%	3.9%	3.9%	3.9%

Funded Service Packages - Included in Proposed Tax Levy

Growth on Existing Services

2025 Election Costs

Agile Corporate Security Services

Employee Service Centre

Resourcing

Operating Impacts of Capital

Coronation Recreation Centre

Cumberland Fire Station

Increased Security Posture

Metro to Blatchford

New River Valley Park

Valley Zoo - Nature's Wild Backyard Phase II

Walker Fire Station

New and Enhanced Services

Chinatown Strategy

Corporate Integrated Data Solution

Downtown Vibrancy Strategy

Fleet Strategy & Governance Implementation

TSAER - Safe Mobility

Council Directed*

C5 North East Community Hub

Missing and Murdered Indigenous Women and Girls Action Plan

Encampment and Unsheltered Homelessness Response

Problem/Derelict Properties Initiative

**Funded with CSWB*

3.9%

Unfunded Service Packages "Below the Line" - Not Included in 3.9% Proposed Tax Levy Increase

Unfunded Service Packages - Below the Line

Not Included in 3.9% Proposed Tax Levy Increase



3.9% —————

Growth on Existing Services

- On Demand Permanent Funding
- Census
- On-Street Construction and Maintenance variance

Operating Impacts of Capital

- Roadway Asset Maintenance
- In-Car Video
- Police IT Systems-Applications Enhancement
- Fort Edmonton Park expansion
- Urban Forest Maintenance and Care
- Parks and Open Spaces Inventory Growth Maintenance

New and Enhanced Services

- Transit Safety Resource Stabilization
- Animal Welfare
- Enhanced Cleaning and Disinfecting
- Nuisance and Invasive Species Monitoring and Control
- Reinstatement of Community Investment Operating Grant
- Affordable Housing Grant Program

Council Directed

- Enhanced Snow and Ice Control
- Affordable Housing and Homelessness Prevention
- Hotel Based Approach for Homelessness Response
- REACH - 24/7 Crisis Diversion
- Urban Farms and Gardens
- Festival Support and Growth
- Reinstatement of Outdoor Pool Operating Season
- Deliver a Tiny Home Village

Funding Options and Implications

On-Going Funding

01	Increase Property Taxes	<ul style="list-style-type: none">• Risk of impacting Edmontonians ability to afford property taxes
02	Increase User Fees	<ul style="list-style-type: none">• Subjected to price elasticity• May impact ridership or membership levels for transit or recreation facility type of fees
03	Unfund a Funded Service Package	<ul style="list-style-type: none">• May prohibit programs and initiatives that Administration had deemed to be a high priority based on its mandate, reliance, or to advance strategic priorities of City Plan, etc.
04	Reduce or Eliminate Existing Services	<ul style="list-style-type: none">• May impact quality of services currently being delivered to Edmontonians, and/or create subsequent unintended impacts
05	CSWB Funds remaining in 2025 and 2026	<ul style="list-style-type: none">• Would deplete the remainder of CSWB funding available for emerging initiatives in the future

Funding Options and Implications

On-Going Funding

06

EPCOR Dividend

- \$8 million new ongoing funding starting 2023
- Allows other service packages to be funded without increasing property tax levy

One-time Funding

01

Council Contingency

- \$700K one time each year
- Available to Council to fund initiatives on a one-time basis without impacting Edmontonians of the tax levy

02

Financial Stabilization Reserve (FSR)

- One-time funding from 2022 year-end surplus
- Amount will not be known until 2022 year-end close

Administration Recommendation

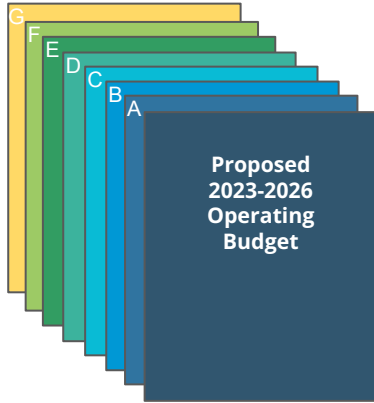


- \$8M Epcor Dividend may be used to provide funding for On Demand Transit (Unfunded Service Package)

On Demand Permanent Funding:

- Council motion - launched April 2021
- Funded for two years until April 2023
- Currently delivered through a contracted service
- Permanent funding required to continue
- \$7.8M starting in 2023

Budget Binder Breakdown



Proposed Operating Budget	Summary of Proposed 2023-2026 Operating Budget
Appendix A	Proposed 2023-2026 User Fees, Fines and Permits
Appendix B	Outstanding Debt
Appendix C	Priority Based Budgeting Definitions
Appendix D	Reserve Funds
Appendix E	Major Financial Policies
Appendix F	Basis of Budgeting
Appendix G	Terms and Definitions

**Addendum 1
Council
Directed
Service
Packages**

**Addendum 2
Assessment
& Taxation
User Fees**

Addendum 1	Service Packages from Additional Council Motions
Addendum 2	Assessment & Taxation User Fees (Update Bylaw Oct 31)



Conclusion

The operating budget aims to strike a balance between providing services and programs that Edmontonians value, while maintaining affordable property tax increases over the next four years.

- Next Steps:
 - Council Written Questions
 - Questions submitted by 4:00 pm November 21
 - Answers posted by 4:00 pm November 28
 - Public Hearing - November 28 & 29
 - Budget Deliberations - November 30 to December 16