

Edmonton

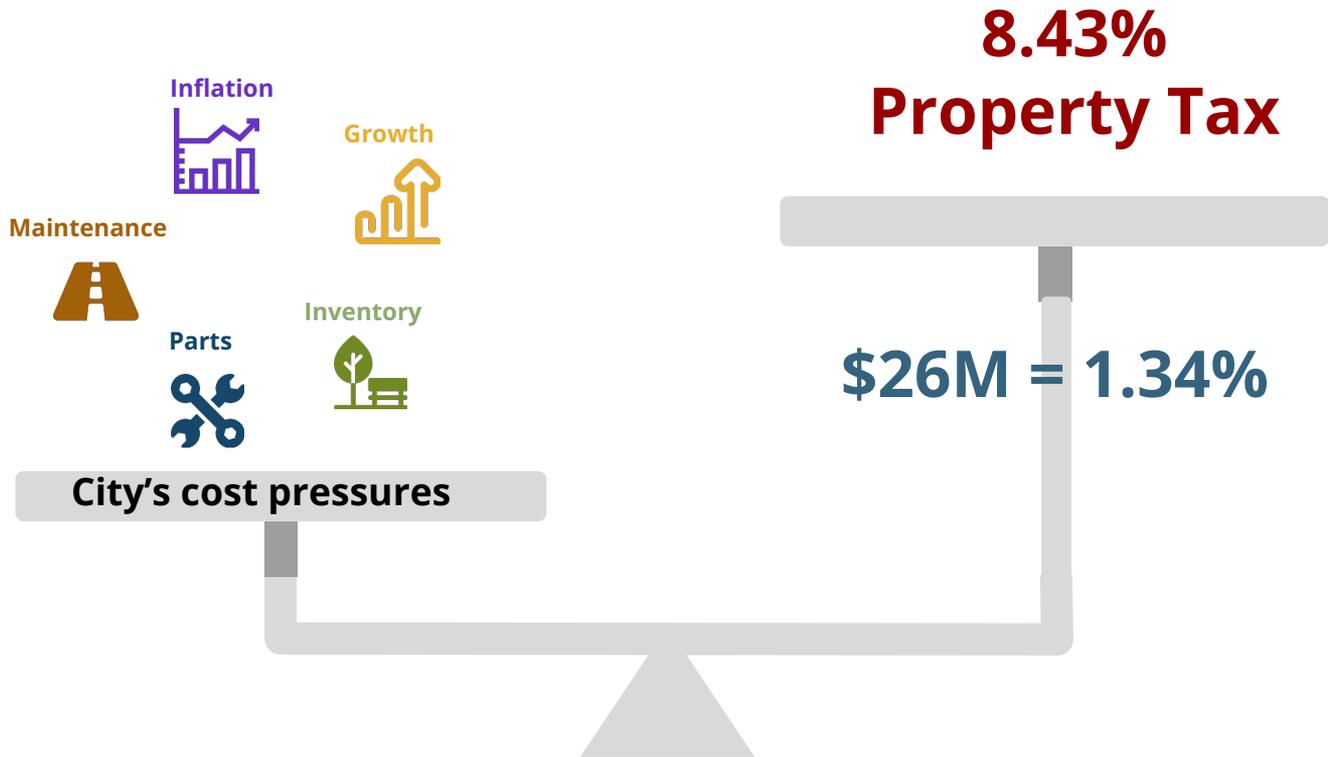
# 2023 Fall SOBA Additional Information

November 21, 2023

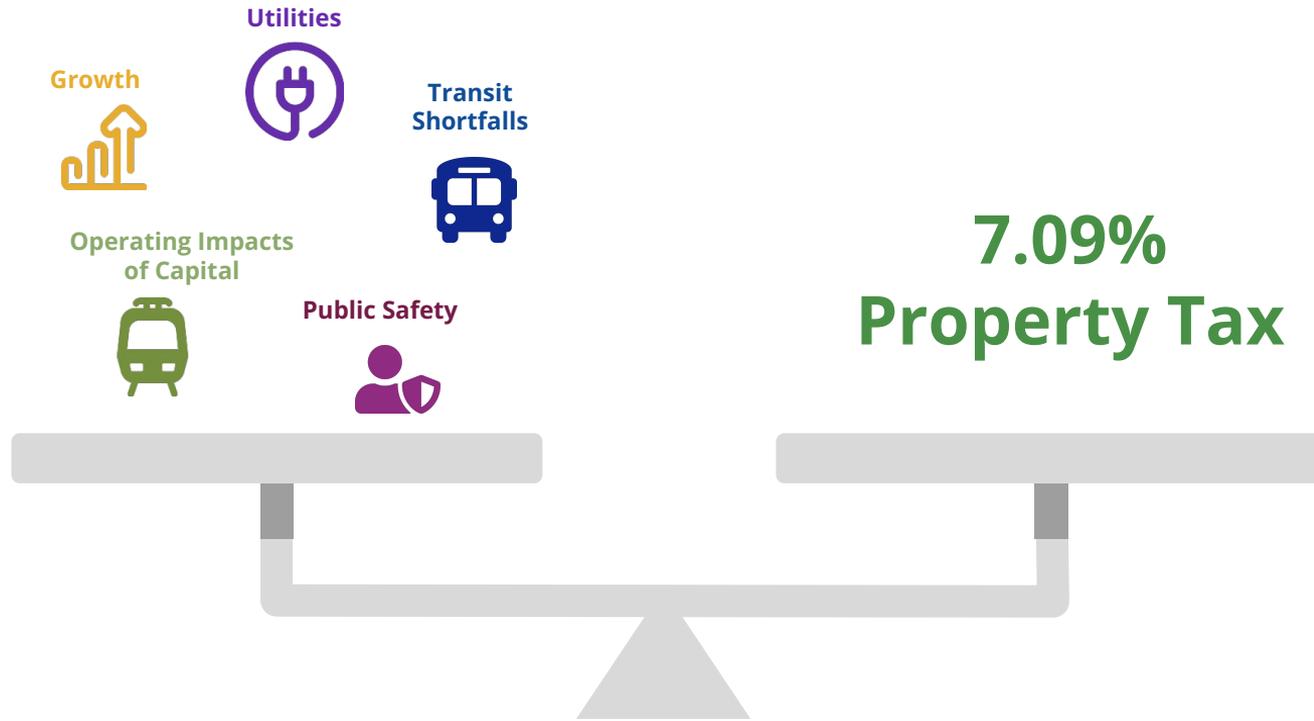
# Approved 2023-2026 Operating Budget plus Fall SOBA

	% (Incremental)			
Property Tax Changes	2023	2024	2025	2026
Maintain Existing Services	1.6	3.8	3.6	4.1
Council Directed	0.8	0.3	0.3	(0.1)
Growth on Existing Services	0.1	0.4	0.2	(0.2)
New or Enhanced Service	1.7	0.6	0.3	0.1
Operating Impacts of Capital	0.4	0.3	0.1	0.5
Edmonton Police Services	0.4	1.6	0.5	0.2
<b>Total Incremental Tax Increase (%)</b>	<b>4.96</b>	<b>7.09</b>	<b>5.04</b>	<b>4.53</b>

# Unfunded Growth and Inflation Pressures



# Balancing the Budget - Proposed Balance



# Unavoidable Items



## Fleet and Facility Services

- \$4.8M parts inflation
- \$1.9M contracts inflation
- \$1.2M vandalism costs

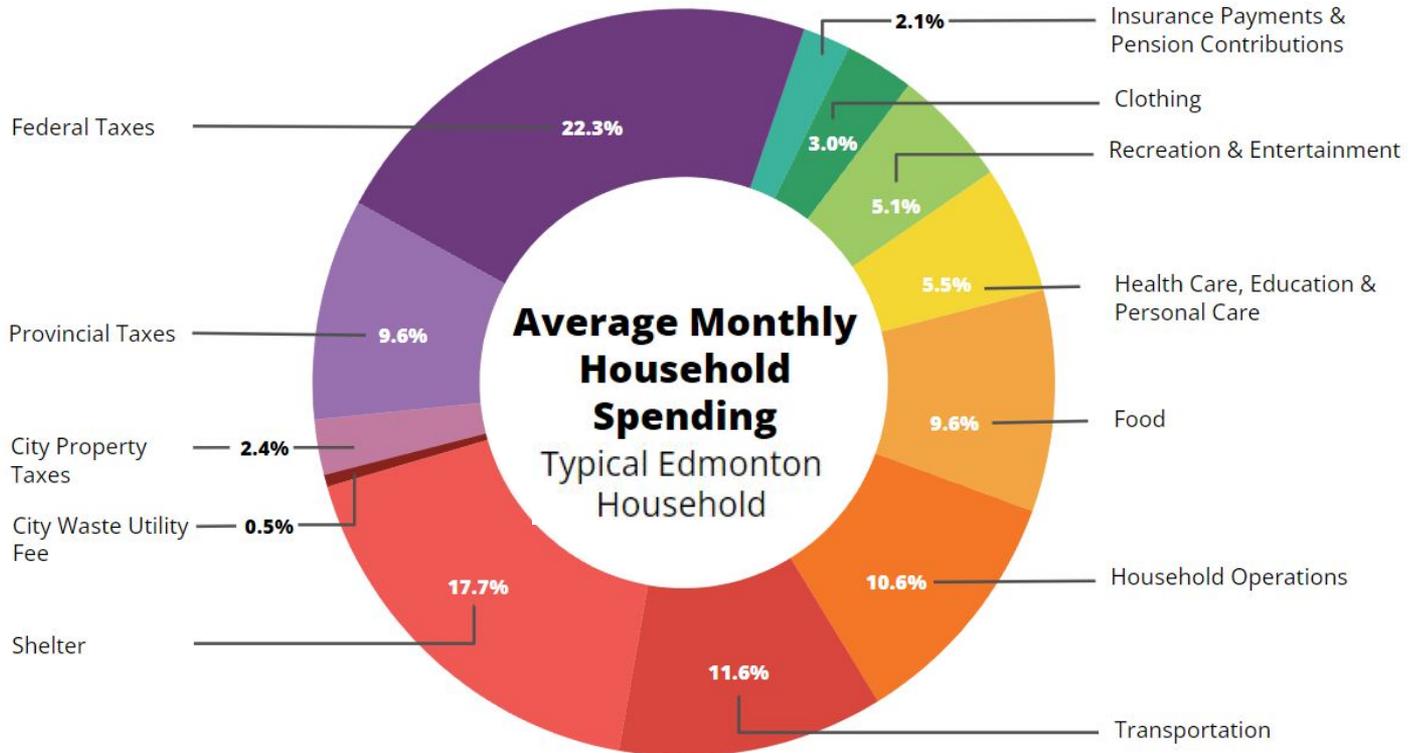
## Parks and Roads Services

- \$7.5M parks and open spaces inventory growth
- \$6.6M roadways inventory growth
- \$3.4M (one-time) safety and security improvements

## Other

- Community Property Safety Team
- Indigenous MOU

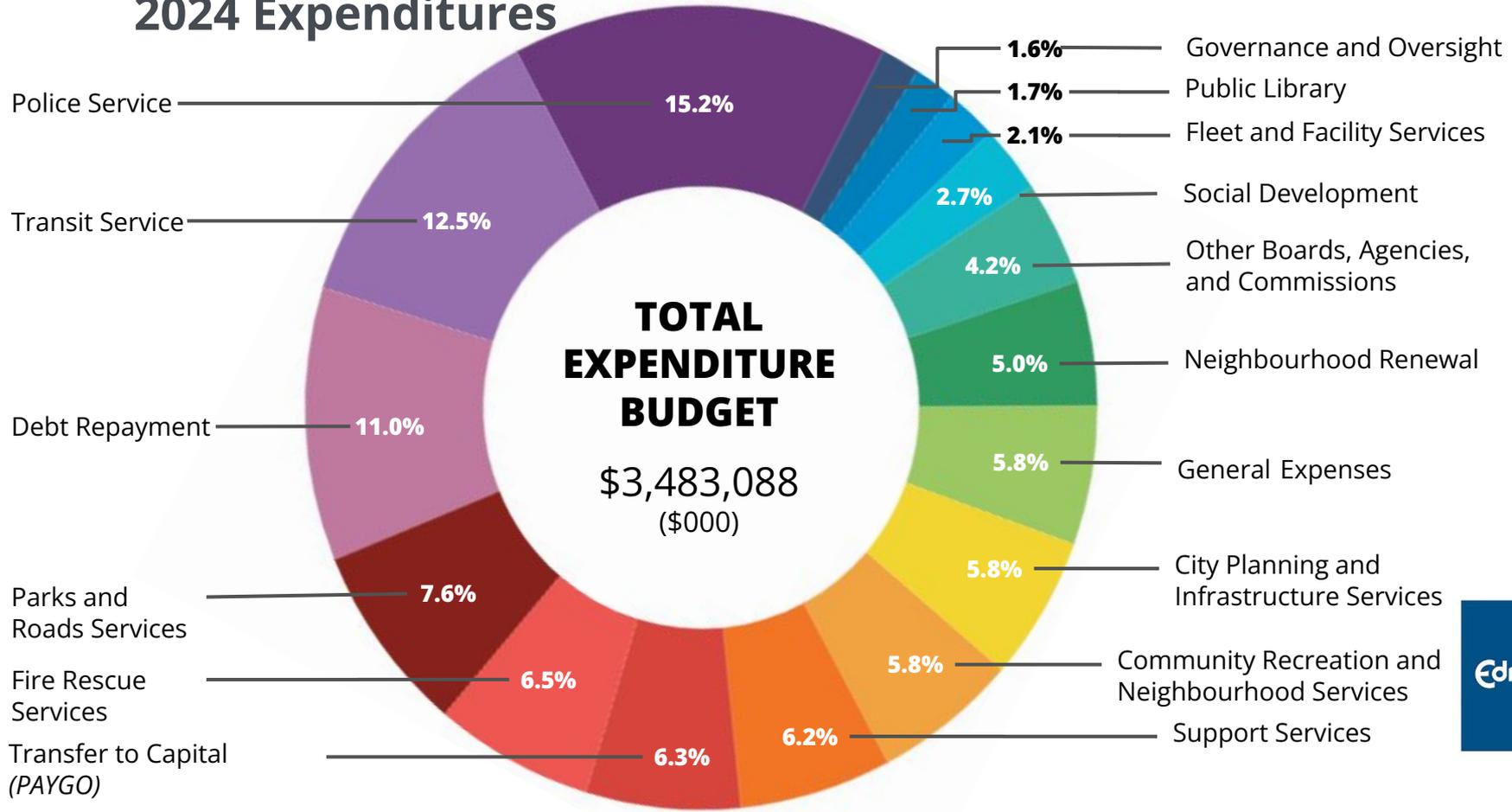
# Average Monthly Household Spending



Note 1: A typical household is defined as a dual-income earning, owner-occupied household, with primary earner earning 69% of gross household employment income, and the secondary earner earning 31% of gross household employment income. This split was determined by Statistics Canada census data (Table 98-400-X2016106).

Note 2: Data Sources: Statistics Canada Survey of Household Spending in 2019 for Edmonton Census Subdivision; Statistics Canada Table 11-10-0028-01; Calculations by City of Edmonton.

# 2024 Expenditures



# Impact on a Typical Homeowner

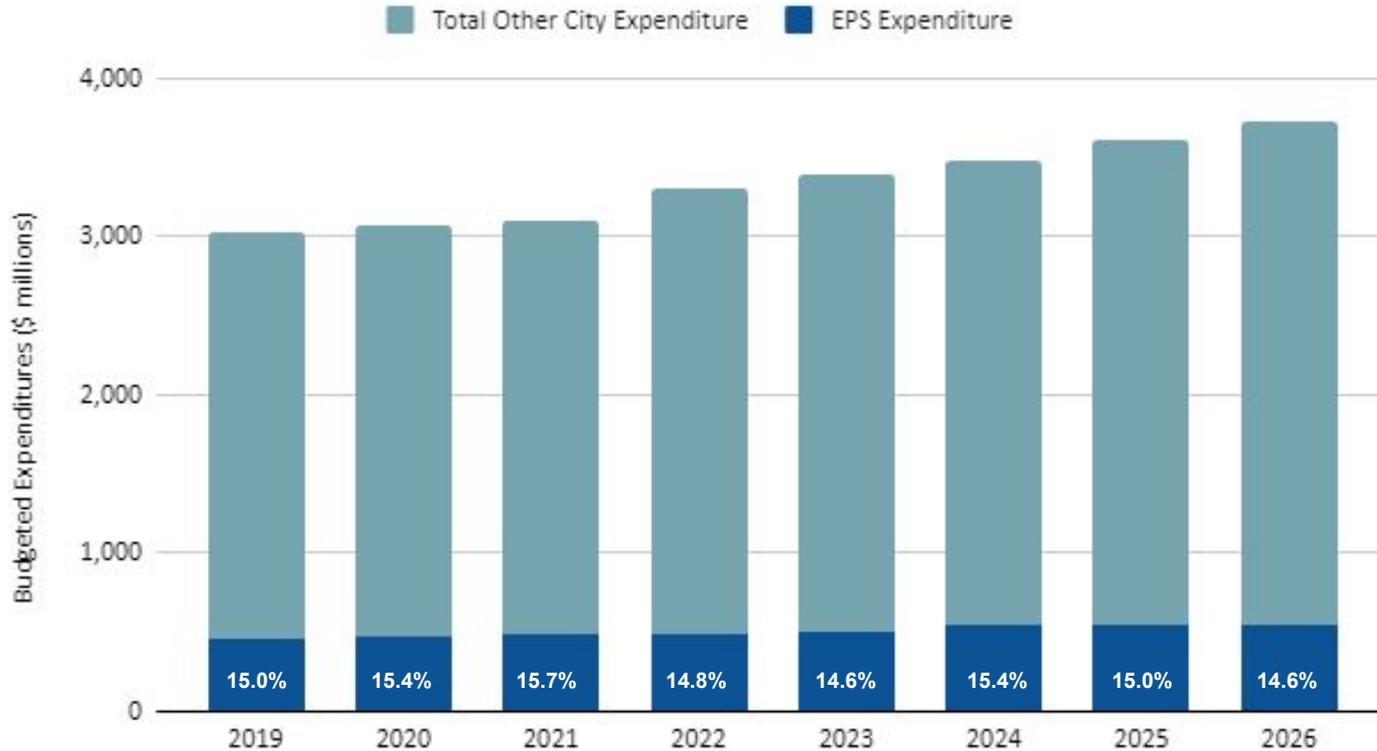
  
\$425,500

Where Your Municipal Tax Dollars Go

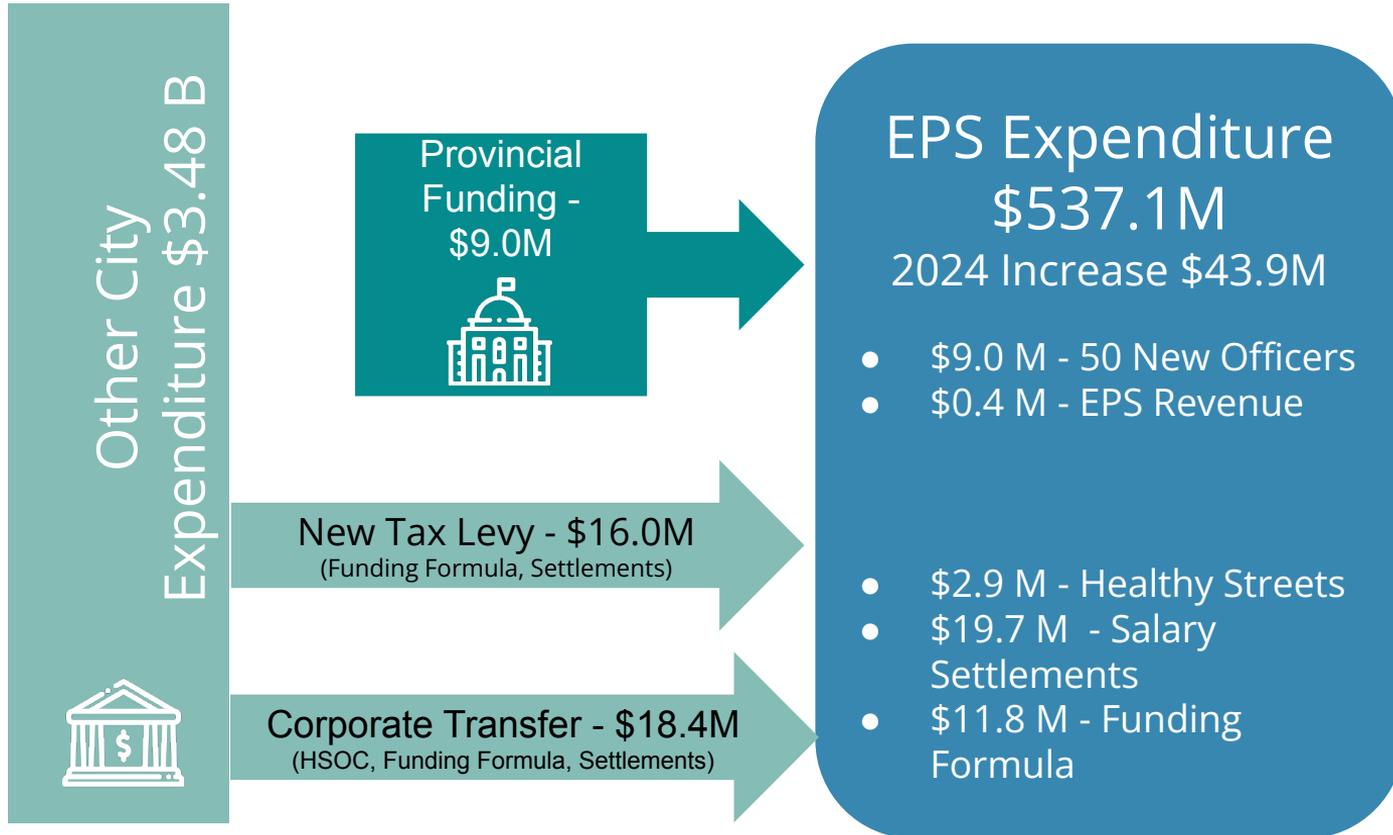
**\$8.74** PER DAY



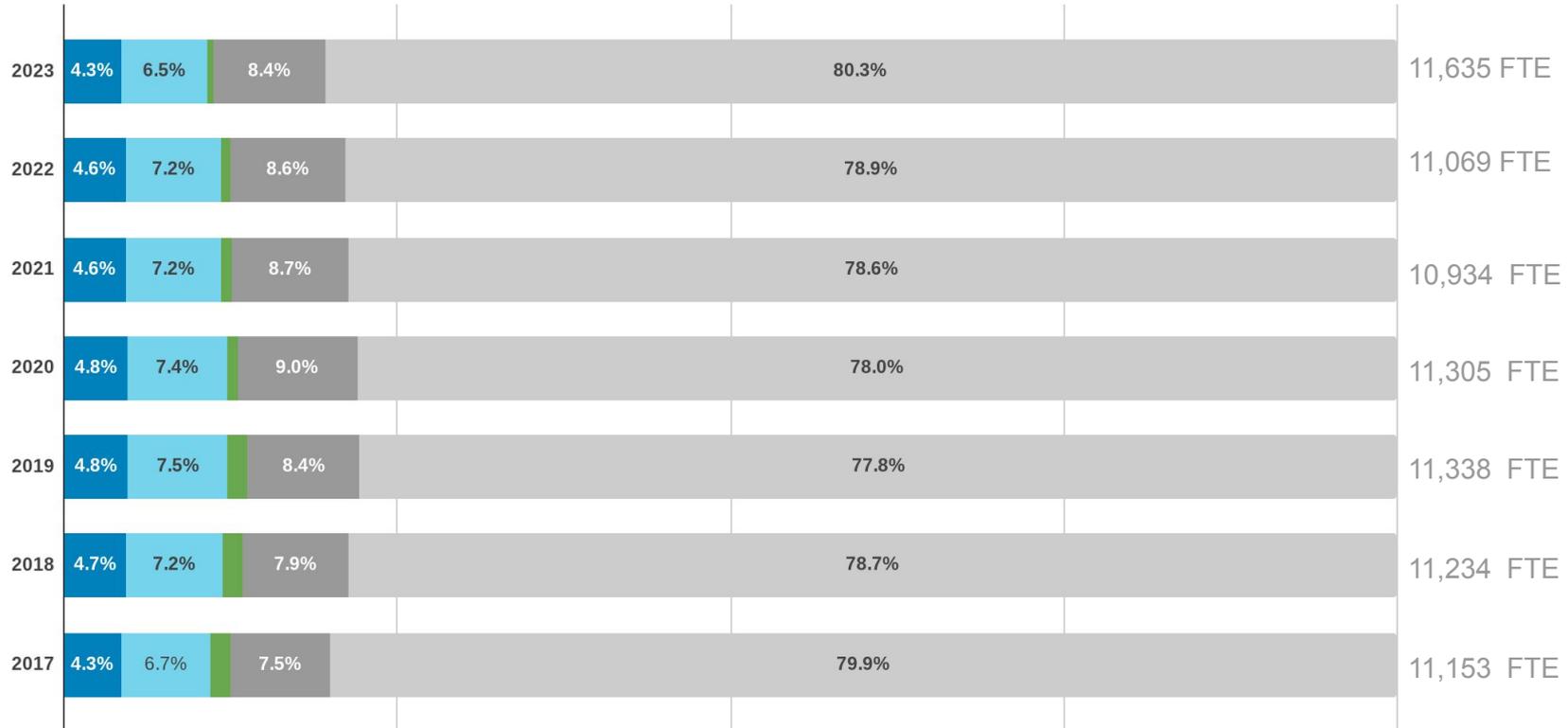
# EPS Expenditures as a Total of City Expenditures



# Edmonton Police Service Funding

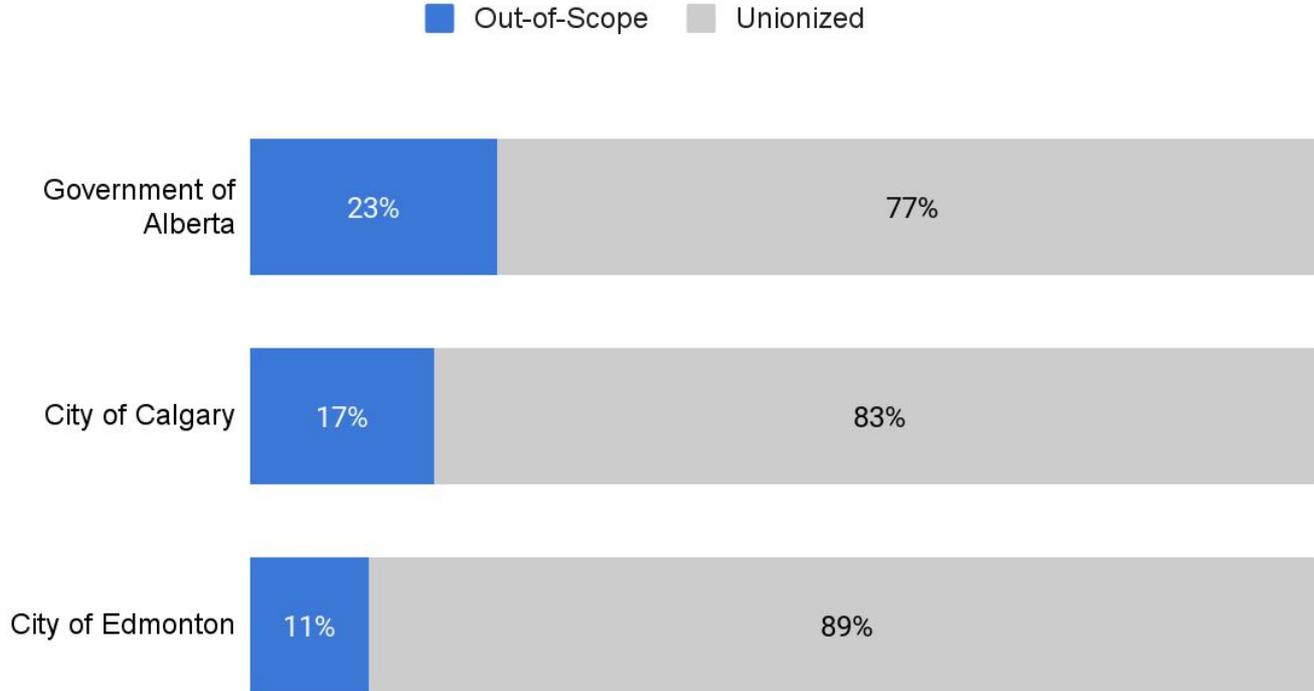


# Unionized and Out-of-Scope FTE Breakdown

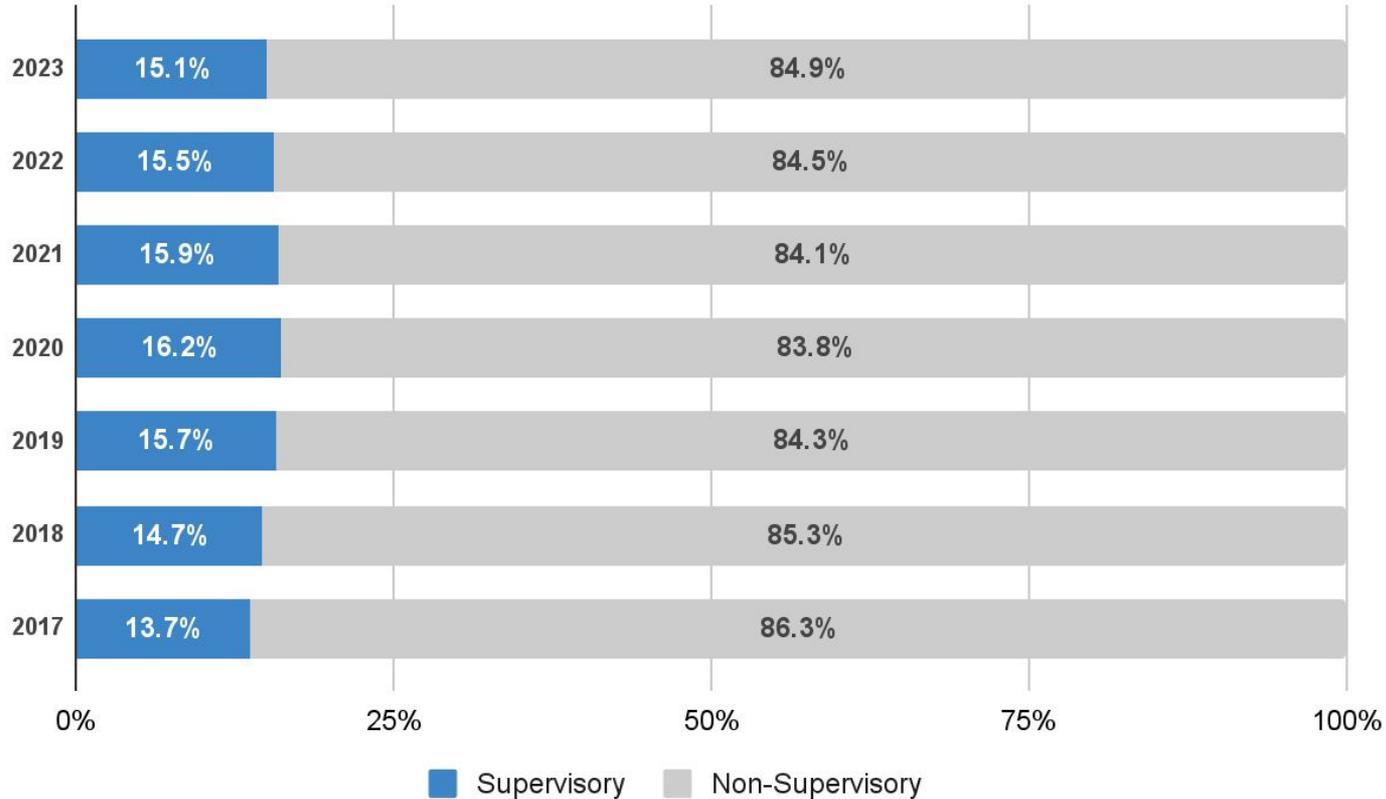


Management Professional Out of Scope Unionized Supervisor Unionized

# Workforce Composition Comparators September 2023



# Non-Supervisory Employee to Supervisor FTE Breakdown



## Core Services

- Required under legislation?
  - Eg. the *Municipal Government Act*, the *Occupational Health and Safety Act* and the *Emergency Management Act*
- Practically necessary?
  - Universal vs discretionary
  - Reliance on the municipality for the service
  - Demand for a service
  - Population served
- A council priority?
  - Eg. Arts and Culture, Community Safety & Well-being and Economic Resilience and Growth

# Core & Non-Core Spectrum Concept

Public Services

City Planning

Waste Collection

Housing & Homelessness

Animal Welfare

Infrastructure

Bylaw Enforcement

Environment & Climate

Automated Enforcement

Preventative Maintenance

Bus Service

Transit Safety

Vehicle for Hire

On-Demand Transit

Census

Clearly Core

Non-Core

Supporting Services

Budget Development

Procurement/Contracts

LRT Infrastructure

Land Development (RE)

Payroll

Legal Services

Equity & Social Inclusion

Business Planning & Performance

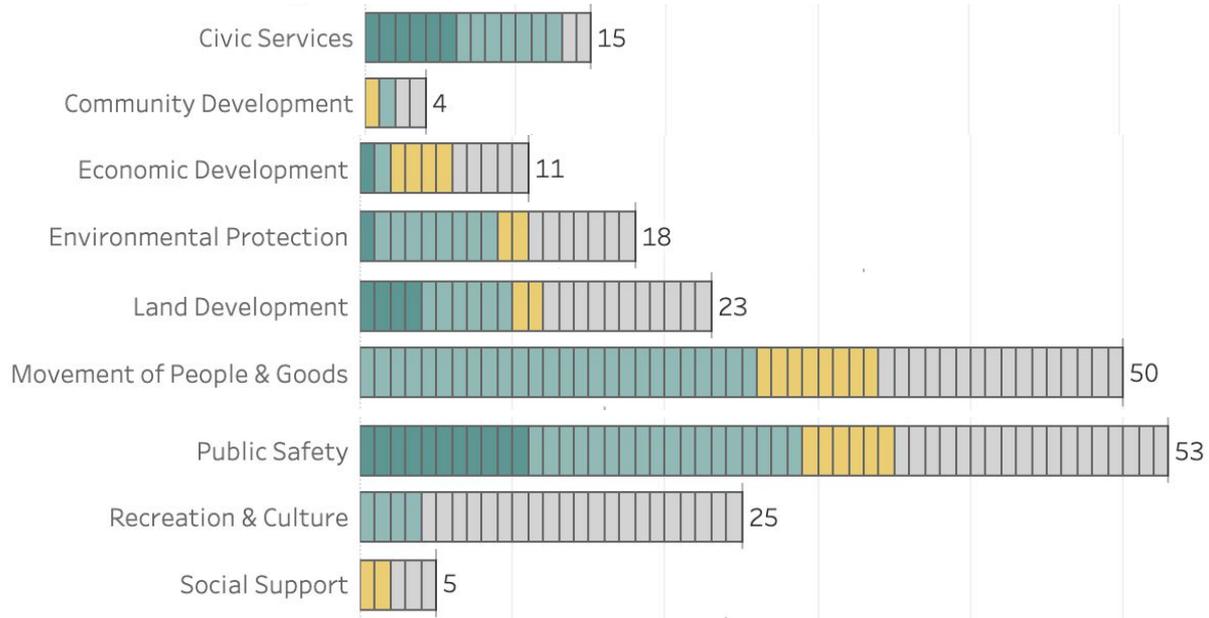
Emergency Activation

GIS Services

Natural Areas

Organizational Development

# Public Programs & Services



# Supporting Programs & Services



# Balancing collaboration and responsibilities



# OP-12 Reallocations and Savings - Ongoing

Ideas and Status (\$ millions)		Incremental				Total 2023-2026	Allocated Over Cycle	Available Over Cycle	Available Annual Ongoing
		2023	2024	2025	2026				
Community Sandboxes Service Level Adjustment	Ongoing	\$0.8	-	-	-	<b>\$3.2</b>	\$3.2		
Frontline Seasonal Staff Temporary to Permanent	Ongoing	\$1.8	-	-	-	<b>\$7.3</b>	\$7.3		
Scona Pool Operational Savings (Post Demolition, 2024 & Beyond)	Ongoing	-	\$0.5	-	-	<b>\$1.5</b>		\$1.5	\$0.5
Review of insurance program (Legal Services)	Ongoing	-	\$1.0	-	-	<b>\$3.0</b>		\$3.0	\$1.0
Transition Branch Manager position to Climate Action	Ongoing	\$0.1	\$0.1	-	-	<b>\$0.7</b>	\$0.7		
Adjustment to Merit	Ongoing	\$1.3	\$0.6	\$0.1	(\$0.4)	<b>\$6.8</b>		\$6.8	\$1.9
<b>Total</b>		<b>\$4.0</b>	<b>\$2.2</b>	<b>\$0.1</b>	<b>(\$0.4)</b>	<b>\$22.5</b>	<b>\$11.2</b>	<b>\$11.3</b>	<b>\$3.4</b>

# OP-12 Reallocations and Savings - One Time

Ideas and Status (annual dollars)		2023	2024	2025	2026	Total	Allocated	Available
Valley Line Southeast Savings (Reserve) - \$4.7M will fund Cellular Service LRT Tunnels - \$5.1 M will fund snow removal in 2024	One time	\$34.0	-	-	-	<b>\$34.0</b>	\$9.8	\$24.2
Edmonton Public Library funding duplication	Capital	\$12.3	-	-	-	<b>\$12.3</b>		\$12.3
<b>Total</b>		<b>\$46.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$46.3</b>	<b>\$9.8</b>	<b>\$36.5</b>

# Ongoing operating funding options and implications

01	Increase Property Taxes	<ul style="list-style-type: none"><li>• Risk of impacting Edmontonians ability to afford property taxes</li></ul>
02	Increase User Fees	<ul style="list-style-type: none"><li>• Subjected to price elasticity of demand</li><li>• May impact ridership for transit or membership levels for recreation facilities</li><li>• Must be reasonably related to the cost of the service - must be able to justify</li></ul>
03	Unfund a Funded Service Package	<ul style="list-style-type: none"><li>• Limits the ability to react to service demands.</li></ul>
04	Reduce or Eliminate Existing Services	<ul style="list-style-type: none"><li>• May impact quality of services currently being delivered to Edmontonians, and/or create subsequent unintended impacts</li></ul>
05	CSWB Funds remaining in 2024, 2025 and 2026	<ul style="list-style-type: none"><li>• Depletes the remainder of CSWB funding available for emerging initiatives in the future</li></ul>
06	EPCOR Dividend	<ul style="list-style-type: none"><li>• New ongoing funding starting 2024 included in financial strategies</li><li>• Enhance services without increasing taxes</li><li>• Reduce taxes</li></ul>
07	OP-12	<ul style="list-style-type: none"><li>• Available for reallocation or reduction of tax levy</li></ul>

# One-Time Funding Options and Implications

01	Council Contingency	<ul style="list-style-type: none"><li>Available to Council to fund initiatives on a one-time basis without impacting the tax levy</li></ul>
02	OP12	<ul style="list-style-type: none"><li>LRT Reserve available on a one-time basis without impacting tax levy</li></ul>
03	Financial Stabilization Reserve	<ul style="list-style-type: none"><li>Not available given tax-supported budget deficit</li><li>Intended for emergent financial situations in accordance with policy.</li></ul>

# Capital Funding Options and Implications

01	Pay As You Go	<ul style="list-style-type: none"><li>Unallocated funding</li><li>No ability to address urgent capital needs or cost pressures</li></ul>
02	Tax-supported Debt	<ul style="list-style-type: none"><li>No debt room available for new 100% tax-supported projects</li></ul>
03	OP12	<ul style="list-style-type: none"><li>Any available OP-12 source</li></ul>

## Available Funding Sources

- Council Contingency: \$525 thousand each year (one-time items only)
- EPCOR Dividend (Held in Financial Strategies): \$8.0 million ongoing
- OP-12: \$3.4 million ongoing
- OP-12: \$36.5 million one time
- CSWB Funding:
  - ◆ \$1.355 million ongoing in 2024
  - ◆ \$2.504 million ongoing in 2025

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# Concluding remarks and transition to private discussion