

Edmonton

Spring 2022 Supplemental Operating Budget Adjustment

April 19, 2022 City Council

Financial and Corporate Services
FCS01143

Overview

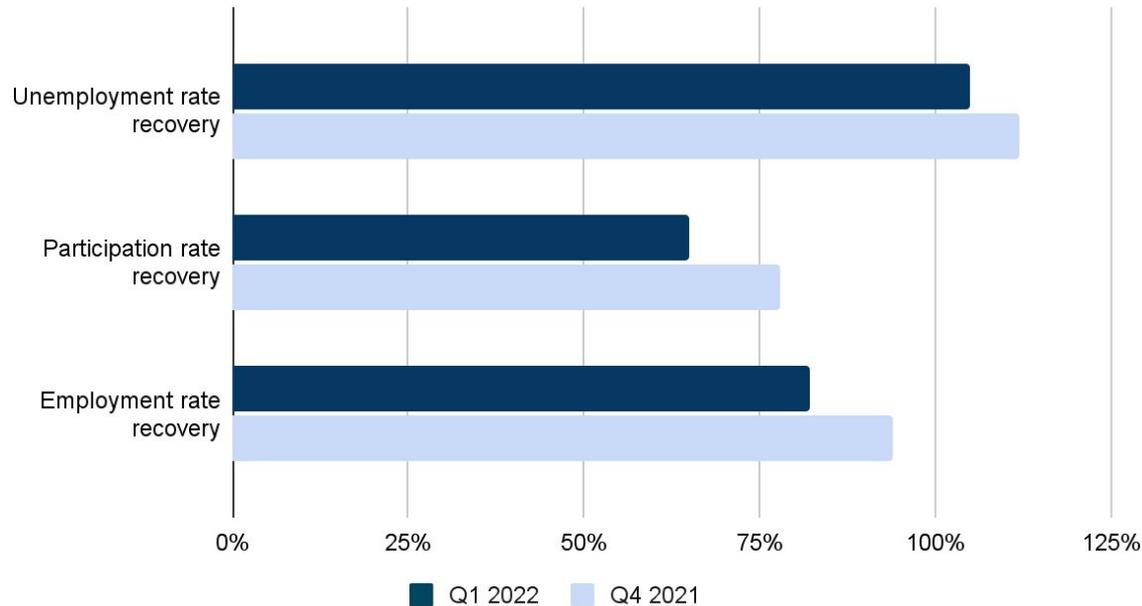
Objective: to finalize the 2022 budget

- Economic update
- Budget Adjustment Summary
- Municipal Tax and Education Property Tax Summary
- Enhanced Snow Clearing - Pilot
- Transit COVID Funding Support

Discuss City Manager Expenditure and Agreement Authority

Economic Update - Edmonton's regional labour market recovery

Edmonton CMA labour market recovery, select indicators

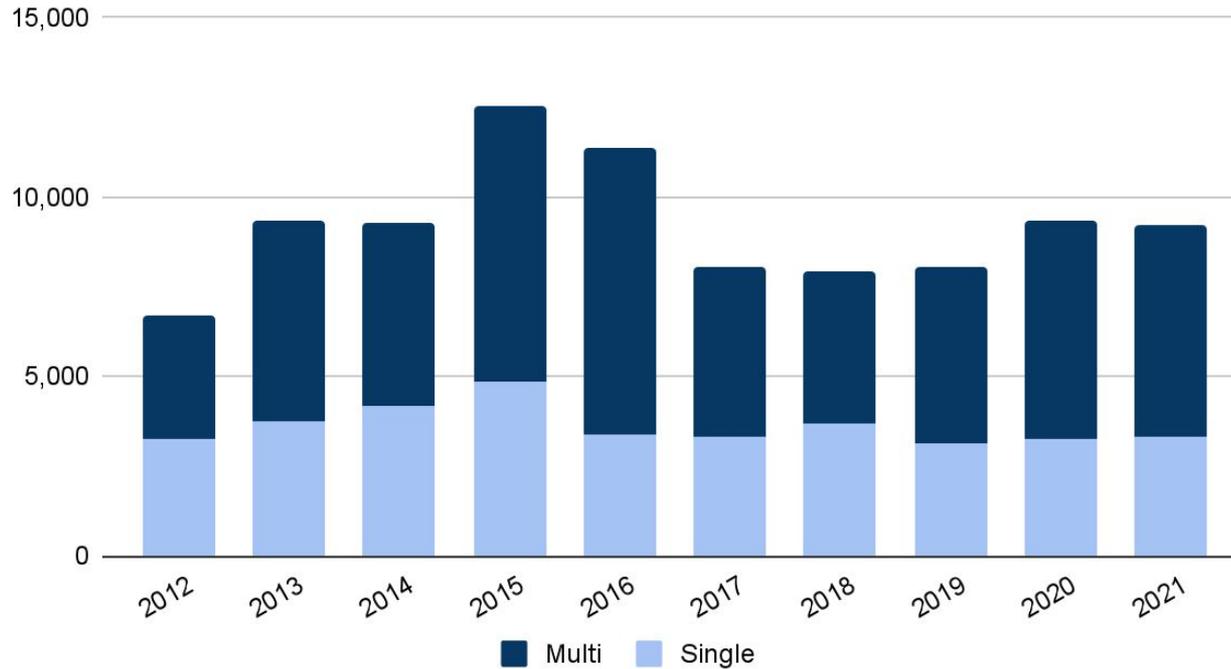


Source: Statistics Canada, calculations by City of Edmonton

Note: quarterly values are measured against their crisis troughs and 2019 annual averages

Economic Update - Residential Construction

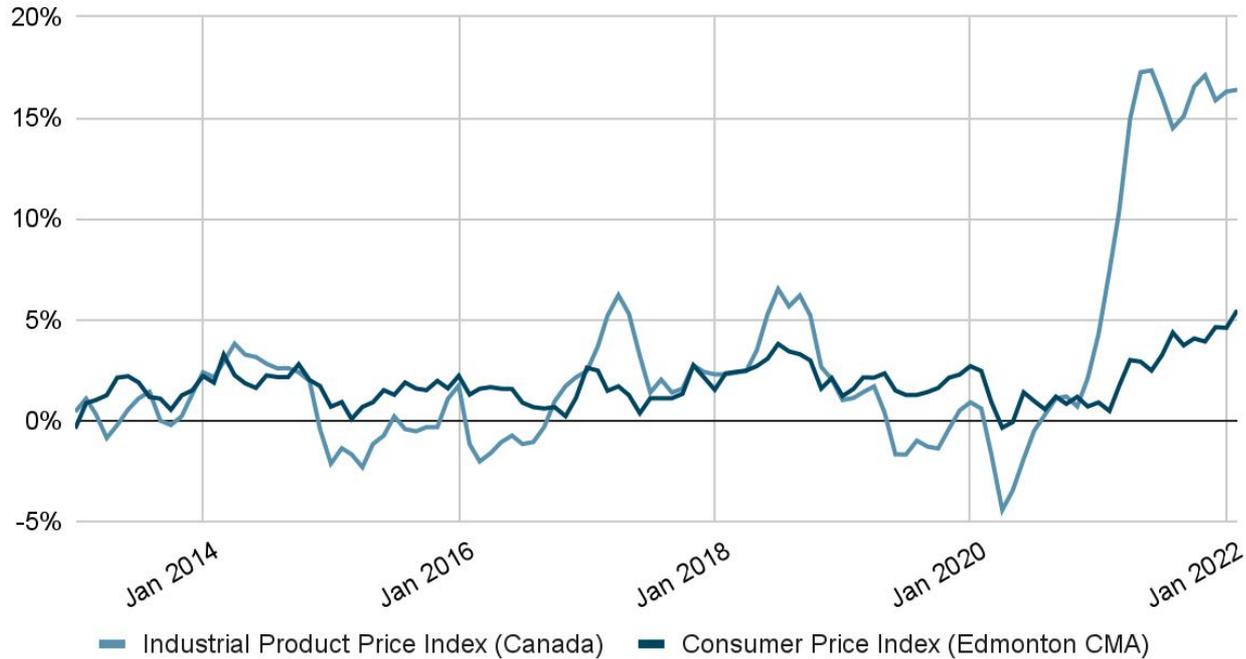
Edmonton New Home Completions



Source: Canada Mortgage and Housing Corporation
*Multi includes semi-detached, row and apartment units

Economic Update - Price pressures

Year-over-year price growth comparison

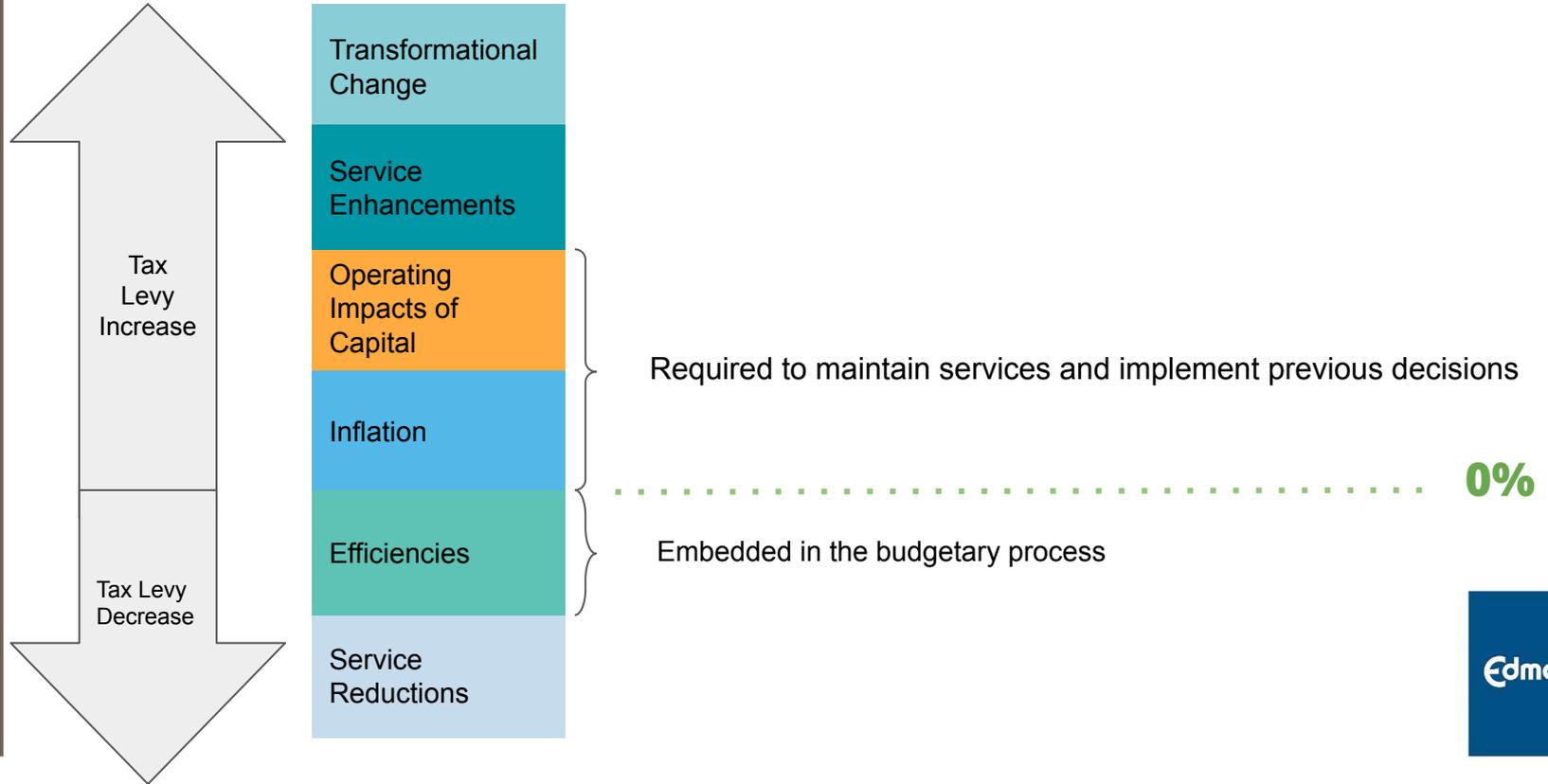


Source: Statistics Canada; figures represent year-over-year calculations in monthly index readings

Setting Context - Budget Process



2023-2026 Tax Increase and Tax Tolerance



2022 Budget Adjustment Summary

Incremental Changes	2022
Tax Increase (Fall 2021 SOBA) - Approved	1.91%
Proposed (Spring 2021 SOBA):	
Change to Assessment Growth - additional tax revenue	\$8.2 M
Adjustment to Financial Strategies	(\$8.2) M
Tax Increase (Spring 2021 SOBA) - Proposed	1.91%

- Recommendation: Transfer additional assessment growth to financial strategies and maintain the approved tax increase of 1.91% for 2022
- Financial strategies can be used to fund operating budget needs - fuel, utility, salary settlements, COVID impact etc.

2022 Property Tax Impacts

FALL 2021 SOBA & PROVINCIAL BUDGET

	Municipal (Fall 2021 SOBA)	Education (Provincial Budget)	Overall
Residential	1.91%	(0.51%)	1.27%
Non-Residential	1.91%	(4.92%)	0.73%

Enhanced Snow Clearing - Pilot

- During fall 2021 budget deliberations Council made the following motion:
 - *That Administration pilot an enhanced snow clearing standard for Priority 4 roads (residential) until April 30, 2022. This enhancement would include blading down to pavement and sanding, especially at intersections within communities and after major snow and ice events, using the existing 2022 budget, which will be reassessed at the Spring 2022 Supplemental Budget Adjustment*
- Jan 1 - Feb 28 year-to-date costs - **\$14.3M**
- March 1 - April 30 - cost not expected to be significant

Enhanced Snow Clearing - Pilot (cont...)

Recommended Funding Strategy

- Transfer funds from Financial Stabilization Reserve (FSR) to offset estimated budget impact to the end of April (Spring 2022 SOBA)
- Fiscally responsible - fund increased service levels from prior

	Amount
FSR Balance prior to recommendation	\$141.9M
Funding for Enhanced Snow Clearing	(\$14.3)M
FSR Balance after recommendation	\$127.6M
<i>Minimum Balance</i>	<i>\$112.9M</i>

Transit COVID Funding Support

- **Purpose:** Address operating shortfalls associated with transit
- **Total available:** \$159M
- **City of Edmonton's allocation:** \$66.97M (42% of total)
- **Eligible uses:** Transit revenue reductions, transit capital, PPE, enhanced cleaning, transit employee compensation, vulnerable populations
- **Funding timelines:** Must be used for eligible purposes from Oct 1, 2021 - Mar 31, 2023
- City has sufficient eligible expenditures to utilize funds

Transit COVID Funding Support (cont ...)

Previously Approved Transit Funding Strategies

- Transit budget impacts - greater than \$66.97M (Oct 1, 2021 - Dec, 31, 2022)
- Offsetting internal funding strategies
 - Expense management
 - One-time revenues
 - Appropriated FSR (COVID funds)

Transit COVID Funding Support (cont ...)

Recommended use of Transit COVID Funding Support

1. Transfer funds to Appropriated FSR (COVID Funds)
2. Apply funds to offset previous transit budget impacts from from Oct 1, 2021 to Dec, 31, 2022
3. Return previously approved internal funds used to offset transit impacts to Appropriated FSR (COVID Funds)

* *Funds to be used to address future COVID budget pressures (COVID)*

* *Funding is one-time*

COVID-19 - Expenditure and Agreement Authority

- Request for City Manager COVID expenditure and agreement authority
 - **Up to \$8 million total** - spending from COVID funds in Appropriated FSR (Recommendation 2)
 - **Up to \$2 million** - enter into funding agreements with external organizations to support Edmontonians experiencing or at risk of homelessness as a result of the COVID-19 pandemic (Recommendation 3)

**Only for 2022 fiscal year*

Next Steps

2022 Budget

- April 28: 2022 Property Tax Bylaws
- June 7: Spring 2022 Supplemental Capital Budget Adjustment - City Council meeting

2023-2026 Budget

- May 9: Verbal Budget Update - Tax Tolerance and Capital Funding
- June 7: 2023-2032 Operating and Capital Investment Outlooks

Thank you
Questions?

2023-2026 INSIGHTS at a Glance

500+ → **~265**

January

Today

~130

2023-26 Insights
WITH Financial
Impact

~120

Cost
Increase

~10

Cost Decrease/
Revenue
Generation

TOTAL INCREASE IN
2023-2026:

**To be
Determined**

Edmonton

2023-2026 INSIGHTS at a Glance

500+ → **~265**

January

Today

~130

2023-26 Insights
WITH Financial
Impact

~120

Cost
Increase

~10

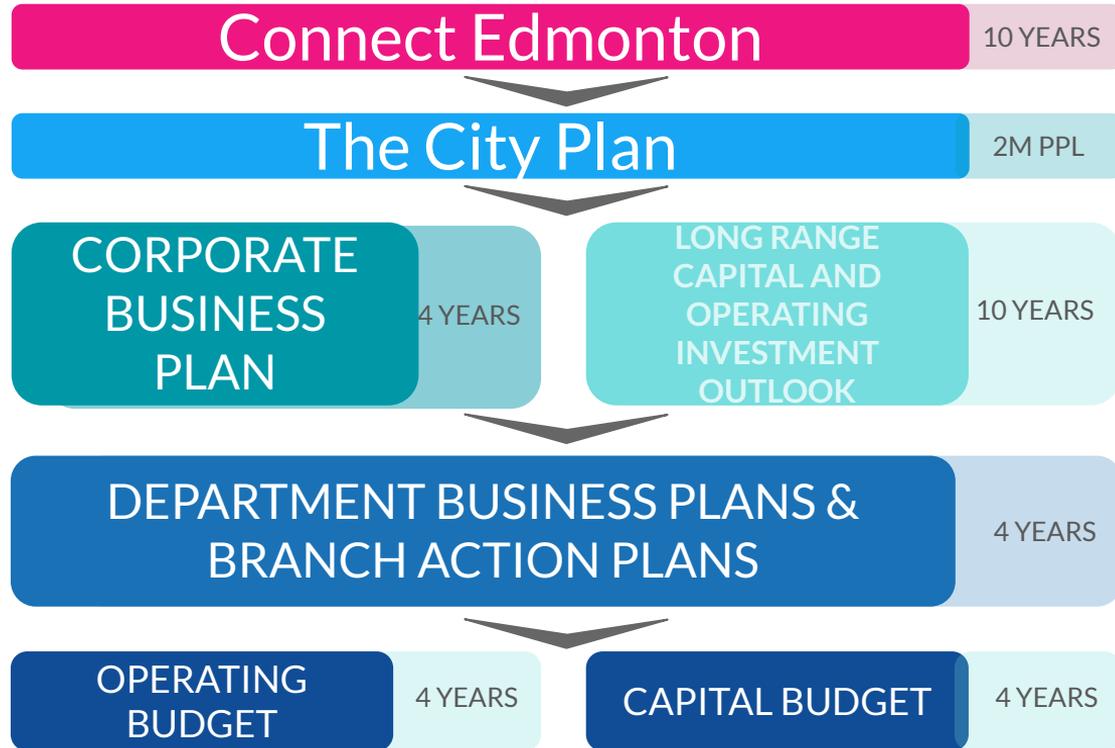
Cost Decrease/
Revenue
Generation

~\$230M

TOTAL INCREASE IN
2023-2026

Edmonton

Budget and Corporate Strategy



Overall Budget Process



2019-2022 BUDGETS

2022 COVID BUDGET STRATEGY
One-Time Adjustments

2022 OPERATING ADJUSTMENT
Ongoing Adjustments

2022 CAPITAL ADJUSTMENT

2023-2026 PLANNING

OPERATING INVESTMENT
OUTLOOK

CAPITAL INVESTMENT
OUTLOOK

CORPORATE BUSINESS
PLAN

2023-2026 BUDGETS

2023-2026 OPERATING
BUDGET

2023-2032 CAPITAL PLAN &
2023-2026 CAPITAL
BUDGET



What Are The Framework Elements?



CONNECTEDMONTON

OUR DIRECTION



THE CITY PLAN

OUR CHOICES



THE CORPORATE BUSINESS PLAN

OUR ACTIONS



BUDGET

OUR RESOURCES



ENTERPRISE PERFORMANCE MANAGEMENT

OUR PERFORMANCE



ENTERPRISE RISK MANAGEMENT

OUR ASSURANCE

Setting Context - Budget Process

