

Budget Process Update

Item 7.5
March 12/13, 2024
City Council

Reviewing Council's direction

There are three motions for Administration to address:

1. **Operating Budget Amendment 12**

- Made at the November 30, December 1/2/7/9/12/13/14/15 and 16, 2022 meeting of City Council
- Remove \$15 million from the base operating budget for 2023 - 2026 (total of \$60 million) and identify \$240 million of options to support affordable housing, public transit, climate change and core services

2. **\$10,000,000 for Spring Supplemental Operating Budget Adjustment**

- Made at November 21/22/27/28/29, 2023 meeting of City Council
- Bring forward \$10 million of the \$240 million for reallocation or reduction for the tax levy as part of the Spring Supplemental Operating Budget Adjustment

3. **Subsequent motion 18 from the Fall 2023 SOBA**

- That Administration as part of its regular OP12 updates, include information on Program, Budget and Service Delivery and Planning with the intent to provide insight to improve the budget process ahead of the Fall 2024 Supplemental Operating and Capital Budget Adjustments

Budget Process Update

City Council
Mar 12/13

Spring SOBA @ Council
Apr 23

Tax Bylaw @ Council
Apr 30

Fall SOBA @ Council
Nov

OP12 Decision

- Council may chose omnibus option or individual items
- Direction is required to:
 - be incorporated into the Spring SOBA (to either lower the tax levy or provide options for re-allocation for 2024)
 - Return to the Fall SOBA to implement for future years

SOBA Decision

- Council sets final tax levy requirement
- Risks:
 - SOBA is one day
 - Debating reductions & additions are time consuming
 - Tax Bylaws are firm the following week

Tax Bylaw

- Finalizes mill rate for 2024

Fall SOBA

- Adjustments for 2025 and 2026

Items excluded from Omnibus Option

- **Items not desired based on Council discussion, or not easily implemented**
 - Examples: Eliminate Edmonton Heritage Council and Sports Council annual funding
- **Items that have zero dollar impacts in 2024, including TBD**
 - May be considered for future SOBAs
- **Revenue items**
 - Risk to allocate budget until revenues are realized
 - Fines influence behavior and therefore not sustainable
 - Examples: Increase fees for commemorative programs, invest in parking enforcement to drive increased revenues
- **Items that can be actioned alongside others**

Note: all items removed from omnibus option remain available for individual selection

Omnibus Option - Public Items

Item #	Option Name	Risk of achieving savings	Funding Source	Total Financial Impact (000s) for 2024-2026	2024 (\$000s)
P-1	Cancel waste calendar mailout	Low	Utilities	(530)	(130)
P-5	Review Policy C607 - Retroactive Municipal Tax Relief and reduce amount of tax forgiveness	Medium	Tax Levy	(600)	(200)
P-7	Deploy broader cost recovery options with the Alberta Health Services supply chain	Medium	Tax Levy	(750)	(250)
P-8	Discontinue outsourcing laundry company for cleaning bed linens	Low	Tax Levy	(240)	(80)
P-9	Stop bringing in external contract providers to do immunizations for Edmonton Fire Rescue Services staff	Low	Tax Levy	(24)	(8)
P-10	Reduce non-legally required engagement	Low	Tax Levy	(196)	(65)
P-11	Reduce public engagement for infrastructure projects	Low	Tax Levy (requires adjustment to Pay As You Go)	(195)	(65)
Total - Items from Public Options				(2,535)	(798)

Omnibus Option - Private Items

Item #	Option Name	Risk of achieving savings	Funding Source	Total Financial Impact (000s) for 2024-2026	2024 (\$000s)
PR-3	In Private	In Private	Tax Levy	(720)	(120)
PR-4	In Private	In Private	Tax Levy	(195)	(65)
PR-5	In Private	In Private	Tax Levy	(207)	(69)
PR-12	In Private	In Private	Tax Levy	(24,000)	(6,000)
PR-14	In Private	In Private	Tax Levy	(13,900)	(1,300)
Total - Items from Private Options				(39,022)	(7,554)
Total - Items from Public Options				(2,535)	(798)
GRAND TOTAL - OMNIBUS OPTION				(41,557)	(8,352)

Private pursuant to section 24 (advice from officials) of the Freedom of Information and Protection of Privacy Act

Remaining Items

Items for Fall 2024 SOBA

- Stop collecting natural holiday trees
- Reduce funding the Living Hope Strategy
- Reduce the number of employee engagement survey check-ins per year
- Defer staffing a sixth Fire District until the 2027-2030 budget
- 4 Private items

Estimated 2025 total: \$1.4M (public)
\$4.0M (private)

Absolute Value: \$3.7M (public)
\$13.8M (private)

Revenue Ideas for future SOBAs

Allocation of revenues will start after implementation and one full year of proof of concept

- 13 Public items
- 7 Private items

Estimated 2025 total: \$2.3M (public)
\$10.6M (private)

Absolute Value: \$5.6M (public)
\$55.2M (private)

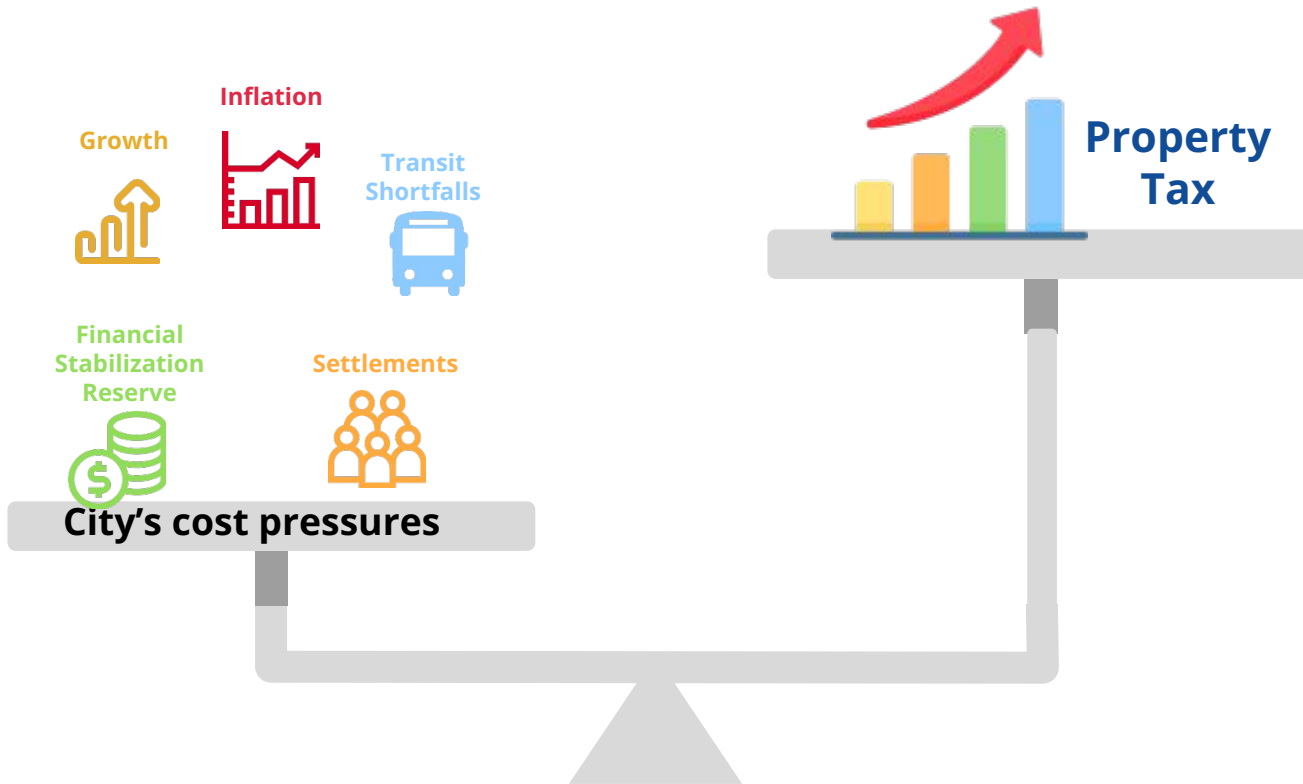
Complex Items for More Analysis

- More in depth analysis including financial and workforce impact are required
- Items will be brought forward as information is available in future SOBAs
- 12 Public items
- 24 Private items

Status of OP12

Ideas and Status (\$ millions)	Funding Source:	Incremental				Total 2023-2026	Reallocated by Admin	Reallocated by Council	Released to Tax Levy	Unallocated	Removed/ Not Available
		2023	2024	2025	2026						
Community Sandboxes Service Level Adjustment	Ongoing	0.8	-	-	-	3.2	3.2				
Frontline Seasonal Staff Temporary to Permanent	Ongoing	1.8	-	-	-	7.3	7.3				
Scona Pool Operational Savings	Ongoing	-	0.5	-	-	1.5		1.5			
Review of insurance program (Legal Services)	Ongoing	-	1.0	-	-	3.0		3.0			
Transition Branch Manager position to Climate Action	Ongoing	0.1	0.1	-	-	0.7	0.7				
Adjustment to Merit (2023 - Off-Set \$15M Reduction)	Ongoing	-	1.9	0.1	(0.4)	5.5	1.3	5.5			
On-Demand Bus Fuel Saving	Ongoing	-	0.2	0.1	-	0.7		0.7			
Social Development - various	Ongoing	-	3.3	0.5	0.5	11.4	5.1	6.3			
Development Incentive Program Grant	Ongoing	-	0.8	-	-	2.3		2.3			
EPCOR Dividend	Ongoing		8.0			24.0		13.0	11.0		
Valley Line Southeast Savings (Reserve)	One time	34.0	(34.0)	-	-	34.0		30.3		3.7	
A1 Soccer (Release to FSR)	One time	-	5.0	(5.0)	-	5.0		5.0			
Restraint Measures	One time	11.8	(11.8)			11.8	11.8				
Renewable Energy Credits (2024-2025)	Multi-Year	-	3.3	-	(6.6)	6.6		6.6			
Reduction of funding for internal corporate initiatives	Multi-Year	-	0.5	-	-	1.5	1.5				
Edmonton Public Library funding duplication	Capital	12.3	(12.3)	-	-	12.3		1.0		11.3	
Items Identified in Budget Process Report (Att 4)	Ongoing		8.4	8.2	0.1	41.6				41.6	
Items removed at council direction	Removed	-	2.5	0.1	3.8	11.4					11.4
Unavoidable pressures managed by departments	Cost Avoidance	23.3	2.6	(1.3)	2.4	100.8					100.8
Total (as of March 2024)		84.1	(20.0)	2.7	(0.2)	284.6	30.9	75.2	11.0	56.6	112.2

Unfunded Growth and Inflation Pressures



Reallocation of Funds

\$8.4 Million



Financial Stabilization Reserve



Settlements



Financial Strategies

6.6%
Property Tax

Discussion