



Edmonton

Operating Budget Amendment 12 Update

Item 7.1
February 21, 2024
City Council



Reviewing Council's direction

There are two 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 \$60 million from the base operating budget 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



Safety - Employee and public safety a top priority



Outcomes-Based Approach - We will consider risk and opportunity and take a strategic approach to achieve intended outcomes



Long Range Focus - Reductions and reallocations will be mindful of the long term impacts



Honour Relationships - Relationships with communities, stakeholders, employees and unions will be transparent, fair and respectful



Demonstrate Commitment - We are committed to the work of truth and reconciliation, anti-racism, and community safety and well-being



City Building - The City Plan will guide the choices we make to be a healthy, urban, climate resilient city that supports a prosperous region



Continuous Improvement - We continually evaluate our efforts in order to be agile and responsive to changing and complex needs of the community

Stream #1 - Review past work

ANNUAL (\$ millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
2% Initiative	\$16	\$46	\$80	\$127	\$127	\$127	\$127	\$127	\$127	\$127	\$1,031
2019-2022 Budget Reductions	0	0	0	0	21	31	35	38	38	38	202
4/3/2/1% (2019-2022)	0	0	0	0	13	18	30	43	43	43	189
2020 Budget Reductions	0	0	0	0	0	30	34	37	37	37	174
2021 Budget Reductions	0	0	0	0	0	0	50	59	59	59	228
2023-2026 Budget OP-12 Amendment	0	0	0	0	0	0	0	0	15	15	30
Known pressures - unbudgeted	0	0	0	0	0	0	0	0	23	26	49
Total	\$16	\$46	\$80	\$127	\$162	\$206	\$276	\$304	\$342	\$345	\$1,904
Tax Increase Equivalent	1.24%	2.17%	2.34%	3.01%	2.15%	2.66%	4.07%	1.62%	2.12%	0.13%	21.51%

Stream #2 - Review organizational structure

Specific intervention and re-alignment related to:

- Communications and engagement functions
- Employee and legal services functions
- Climate action
- Anti-racism and reconciliation

Ongoing work to:

- Conduct service reviews to maximize service delivery efficiency,
- Review vacancies and any potential new positions and
- Complete targeted organization design initiatives with departments and branches to streamline efficiencies and maximize value for Edmontonians and employees.

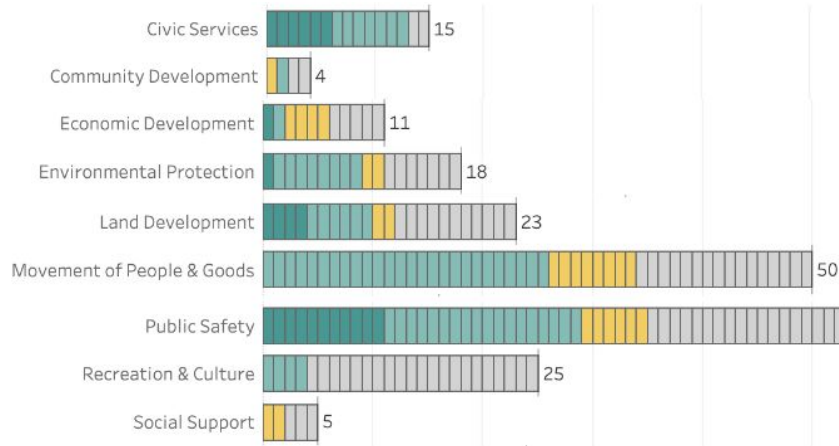
Stream #3 - Answer key questions

To guide the OP12 effort, the Executive Leadership Team developed the fundamental questions that should be asked of senior leaders as the core/non-core service determination occurred:

1. Are there efficiencies within this service?
2. Are the services being delivered at the desired standard or level? (For instance, in some cases the City may be delivering a service to a higher standard than what is/was required)
3. Could the delivery model be adjusted to increase cost effectiveness?
4. Are there revenue opportunities with the service?
5. If the service is considered non-core, should this be a service the City continues to deliver?

Stream #4 - Define core services

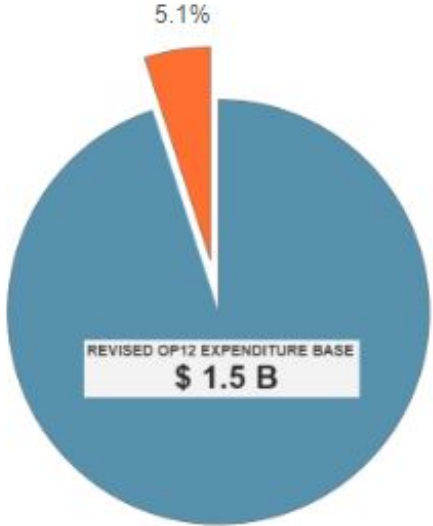
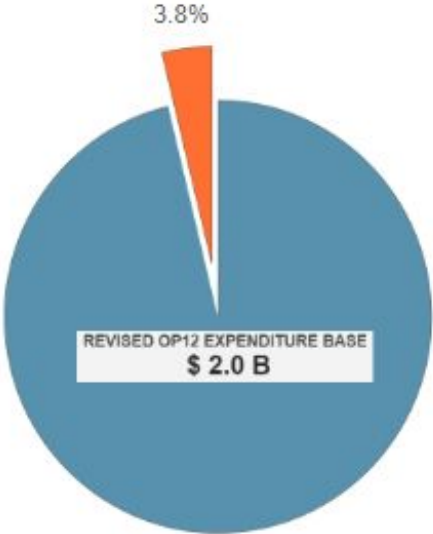
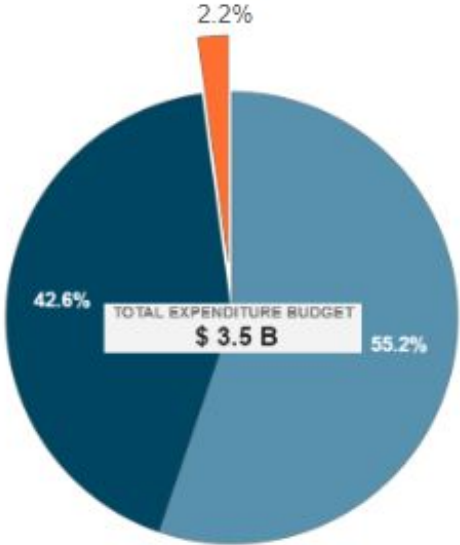
Public Facing Services



Internal/Enabling Services



Stream #5 - Confirm the scope

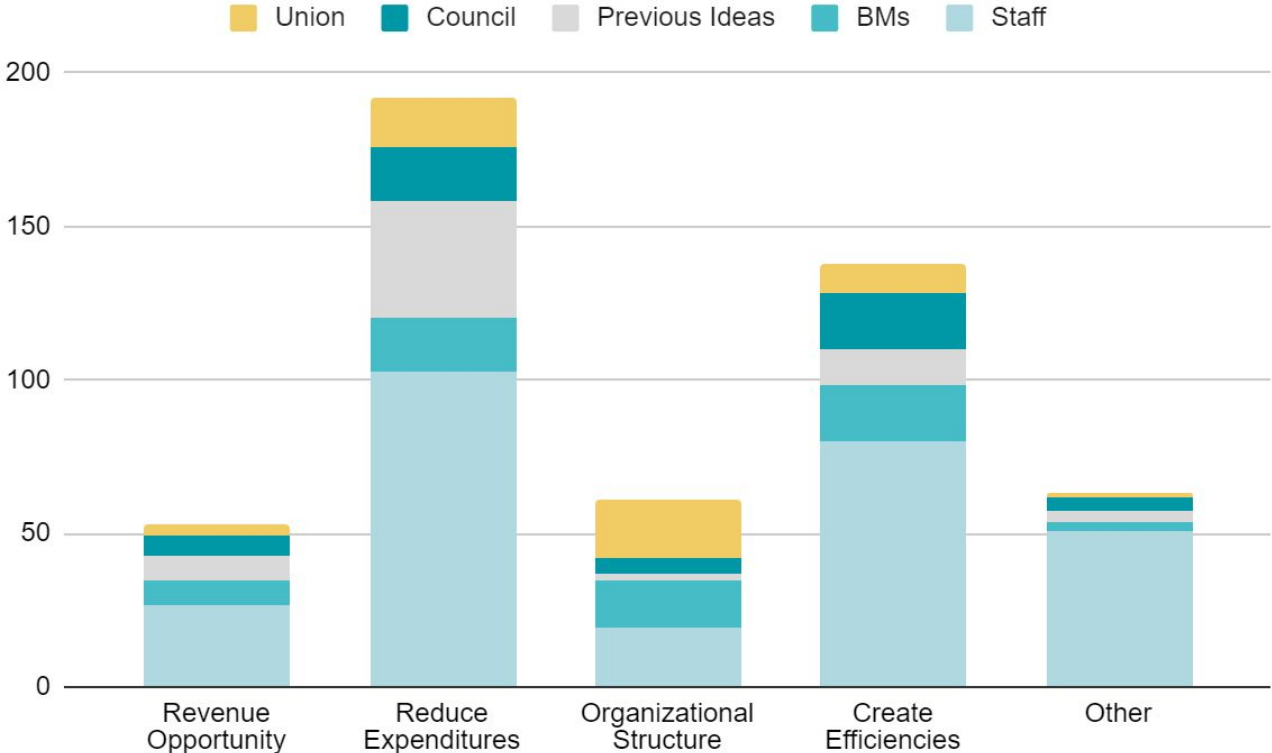


Stream #6 - Solicit ideas from Council, unions and Staff

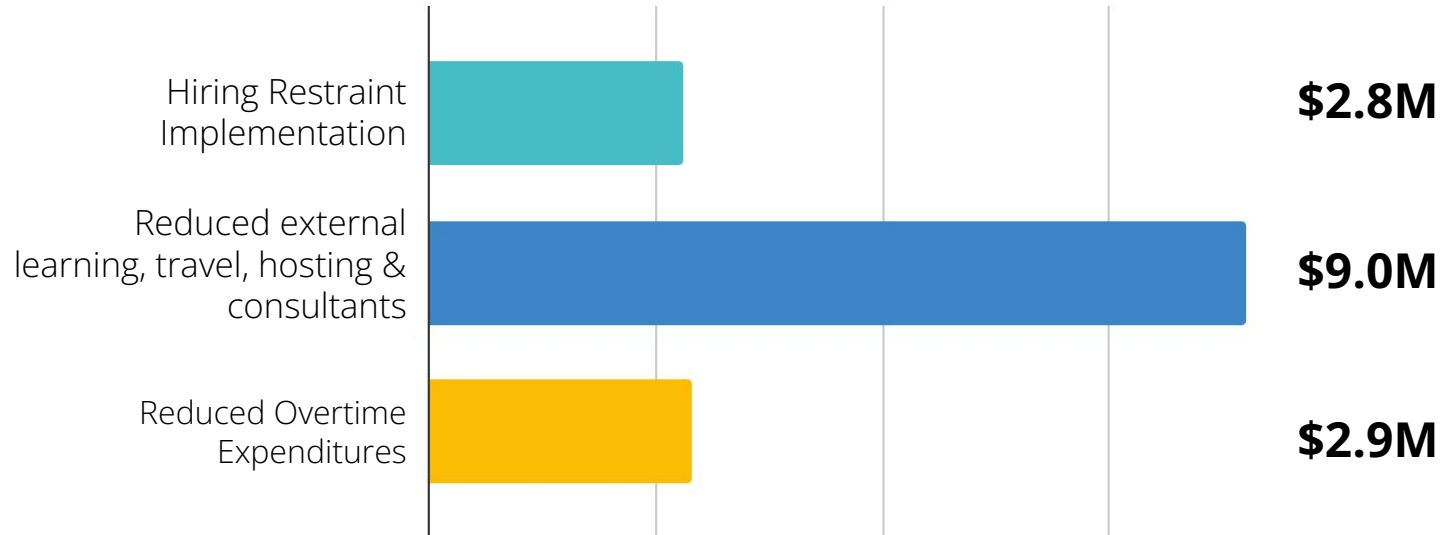
Step 1: Collect & Consolidate 507 ideas

Step 2: Filter 73 ideas

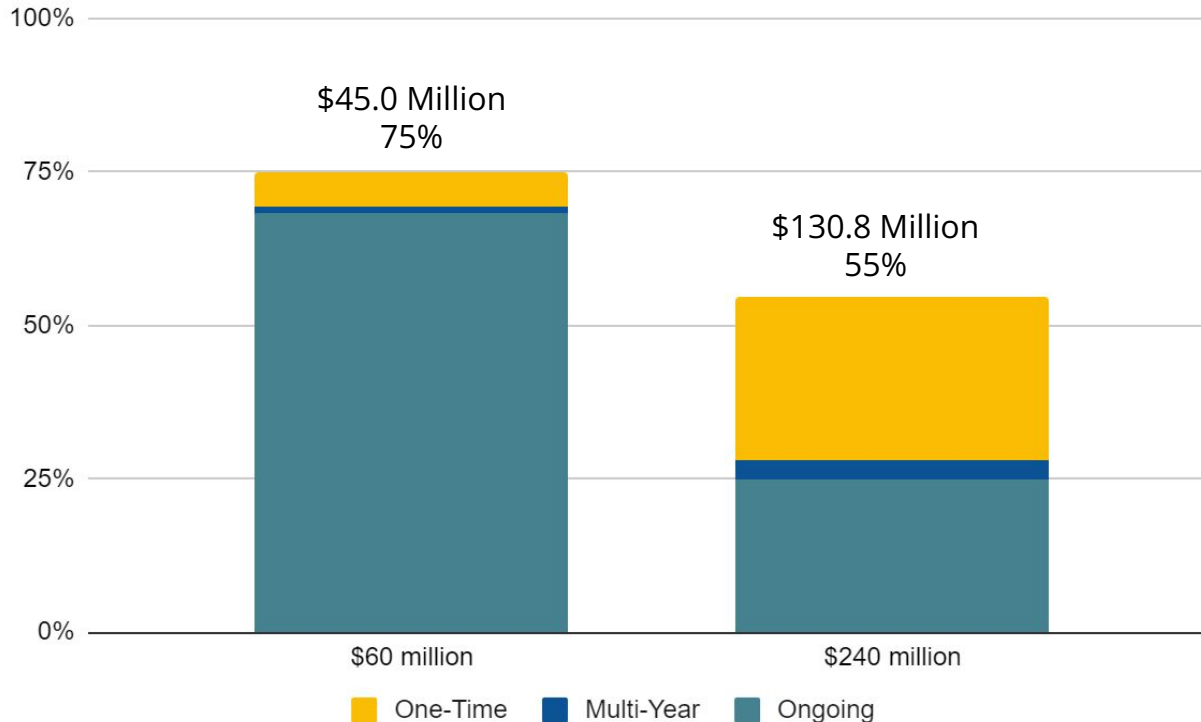
Step 3: Categorize 434 ideas



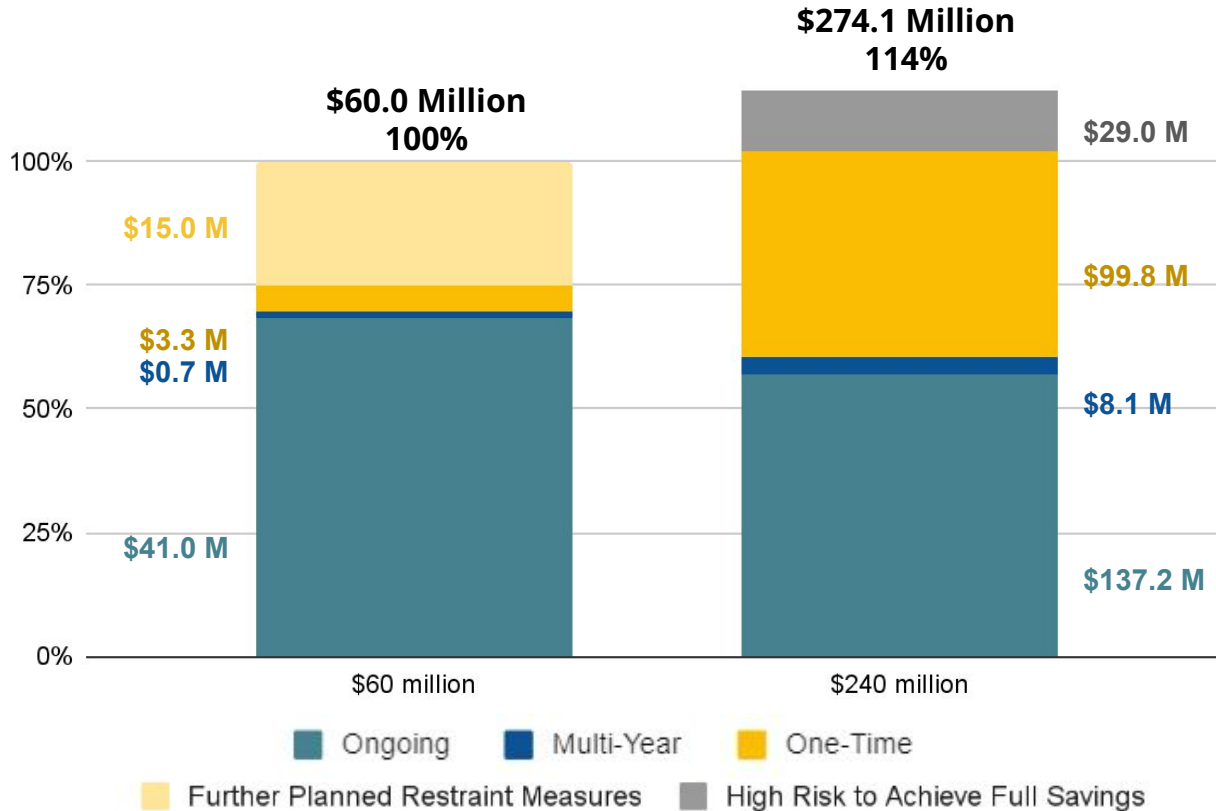
Stream #7 - Introduce restraint measures



Update on \$60M Reduction and \$240M Reallocation (2023-2026) - December 2023



Update on \$60M Reduction and \$240M Reallocation (2023-2026) - January 2024



Hierarchy of City priorities

Level	Category	Priority Details (in no particular order)
1	Declared Emergencies	Climate Emergency
		Housing and Homelessness Emergency
2	OP12 Priorities	Climate Change
		Housing
		Transit
		Core Services
3	Council's Strategic Priorities	Mobility Network
		Community safety and well-being
		15-minute districts
		Arts and culture
		Economic growth
		Climate adaptation and energy transition
		Conditions for service success

Budget Process Update

City Council
Feb 21

City Council
March 12/13

Spring SOBA @ Council
Apr 23

OP12 Update

- Provides \$240 million of options
- Meeting only for clarification/discussion, no decisions requested by Administration
- Rebooked from Jan 30/31 which compressed timelines

OP12 Decision

- Council may chose individual items or
- Through a budget process update report, Administration will present combination options for Council consideration totalling \$10 million
- Direction is required to be incorporated into the SOBA to:
 - lower the tax levy or
 - provide options for re-allocation (\$10 million motion)

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

Discussion

