

Financial and Corporate Services

Edmonton

**Budget Process
Recommendations for 2027-2030**

March 18, 2025
FCS02819

Subsequent Motion #4 (Fall 2024 SOBA)

That Administration initiate a **zero-based (line-by-line)** budget process for the development of the 2027-2030 Budget, including:

1. establishment of a **temporary Council Budget and Finance Committee**, including the Mayor as a member of the Committee, that reports directly to Council;
2. **regular check-ins** by the Committee with Council;
3. **branch-by-branch presentations** on the proposed **budget** to the Committee, including all Agencies, Boards, and Commissions, starting in early 2026, which include:
 - a. **benchmark comparisons** with other municipalities for **costs** and **performance levels** while considering total **size of inventory** (ex: laneway kms or roads, hectares of green space, number of civic buildings, etc.)
 - b. any available **audit information** and/or **progress** for each branch.

– Council Motion (December 2, 2024)

What we Heard: What Council Wants to See



- Collaborative approach
- Foundational budget
- Focus on efficiencies and prioritization
- Program outcomes
- Service levels
- Benchmark comparisons
- Branch by branch presentations
- Consideration of a hybrid approach

What we Heard: What Council Does Not Want to See



- Outsourcing or layoffs
- Cost-savings motions
- Assumptions on the continuation of services

Underlying Drivers



**Executive
Committee**

(Foundation)



**Branch
Presentations**

(Phase 1)



**Results Based
Budgeting**

(Phase 2)

Committee Structure

Governance

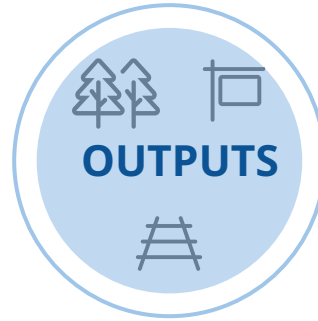
Budget & Finance Committee	Executive Committee
<p>It is anticipated that the direct mandate of this committee would include the following:</p> <ul style="list-style-type: none">● Financial Governance,● Communications and public engagement;● Budget, financial and economic management of the City	<p>The Executive Committee's mandate includes oversight of financial and corporate issues its scope encompasses:</p> <ul style="list-style-type: none">● Governance,● Communications and public engagement;● City budgets;● City business, financial and economic management;● City personnel matters;● Assessment and taxation;● Information Technology;● Intergovernmental Affairs;● Financial and economic issues related to real estate and housing; and● Implementation of City infrastructure projects.
<p>It is anticipated that the indirect touch points of this committee could include the following:</p> <ul style="list-style-type: none">● City personnel matters;● Assessment and taxation.	

Budget Methodology Shift

Transparency to Effectiveness



Transparency



Effectiveness



Incremental

Branch Presentations

Results Based

Current

Phase 1

Phase 2

Branch Presentations Phase 1

Transparency

Department/branch/section line by line presentations in 2026

- Branch overview
- Funding model and key cost drivers
- Staffing composition
- Outputs and deliverables
- Services and service levels
- Benchmark comparisons with other municipalities for
 - costs and performance levels
 - while considering total size of inventory (ex: laneway kms or roads, hectares of green space, number of civic buildings, etc.)
- Any available audit information and/or progress for each branch

Agencies, Boards and Commissions Effectiveness

GRANT

- Formal application
- Eligibility criteria
- Selection process



SUBSIDY

- Outside of formal funding programs
- Funding to Agencies, Boards & Commissions

SPONSORSHIP

- Funding in exchange for promotional recognition

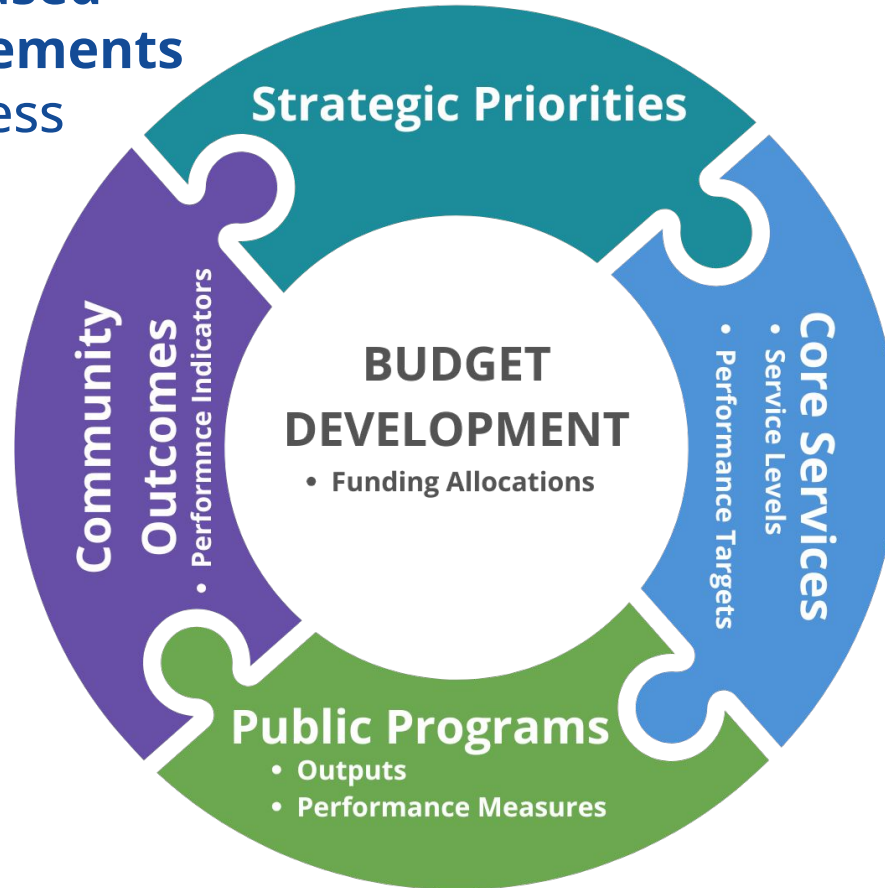


REBATE

- Funding designed to encourage specific practices

Municipal Funding Arrangements Policy A1476A requires annual reporting on outcomes to Council

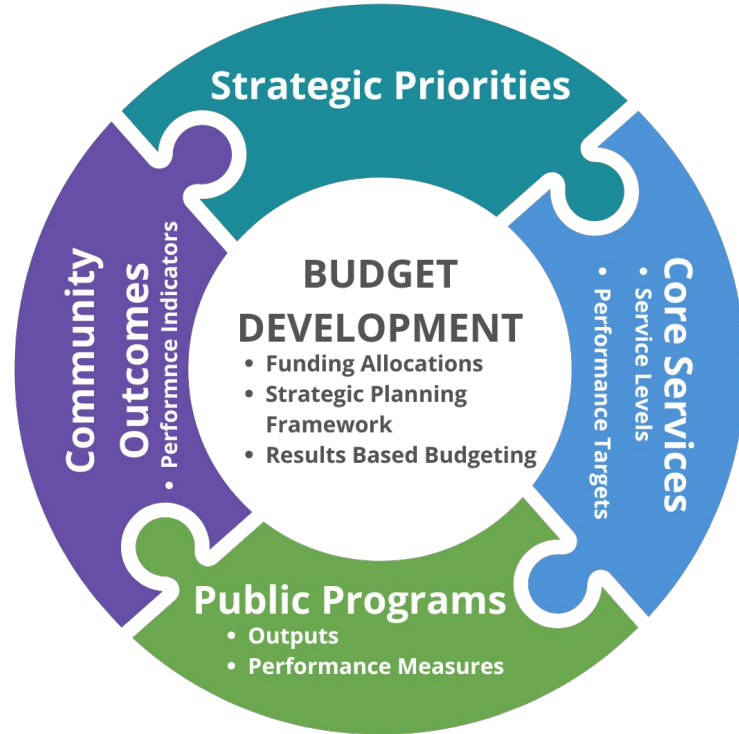
Results Based Budget Elements Effectiveness



Results Based Phase 2 Effectiveness

Departments/branches/sections build on information used in 2026 presentations and add:

- Community outcomes
- Measurable progress of strategic priorities
- Program outputs (performance measures and results)
- Service levels (performance targets and results)



Implementation Plan Effectiveness



Initial Branch Presentations

Complete Branch Presentations that explore Sections and Services

Seek to confirm the appropriate level of information.

Analysis

Identify 1-3 priority areas to be test case for the next level of analysis.

Minimum one test case should have structural budget issues.

Confirm with the Budget & Finance committee the level of information is correct

Department Presentations

Complete Department Presentations that explore the Branches, Sections and Services with new Council

Identify priority areas of analysis for 2026.

Deliver the 2027-2030 Budget

Confirm ELT and Council priorities for 2027-2030

Complete detailed analysis for the identified 2026 priorities for inclusion in the 2027-2030 Budget

Budget deliberations including Department Presentations

Direction Setting

Propose and confirm the work plan for the 2027-2030 SOBAs

Confirm areas of focus by year

Incorporate findings into the annual SOBA processes

Completion

Finalize with a summary of results

Develop methodology to budgeting that will keep council informed based on lessons learned

Recommendations

1. Using Executive Committee in place of establishing a temporary Budget and Finance Committee;
2. Administration delivering detailed branch presentations throughout 2026 for Civic Departments and Corporate Programs;
3. Agencies, Boards and Commissions will complete annual reporting on outcomes achieved with City funding through implementation of the Municipal Funding Arrangements Policy A1476A, and will present to Council through that process; and
4. Transitioning towards a results-based budget over the course of the 2027-2030 budget cycle.

Questions