

Fall 2025 Supplemental Budget Adjustment

November 25, 2025 City Council

Financial and Corporate Services

FCS03158 - Fall 2025 Supplemental Operating Budget Adjustment

FCS03159 - Fall 2025 Supplemental Capital Budget Adjustment

FCS03160 - Fall Carbon Budget Update

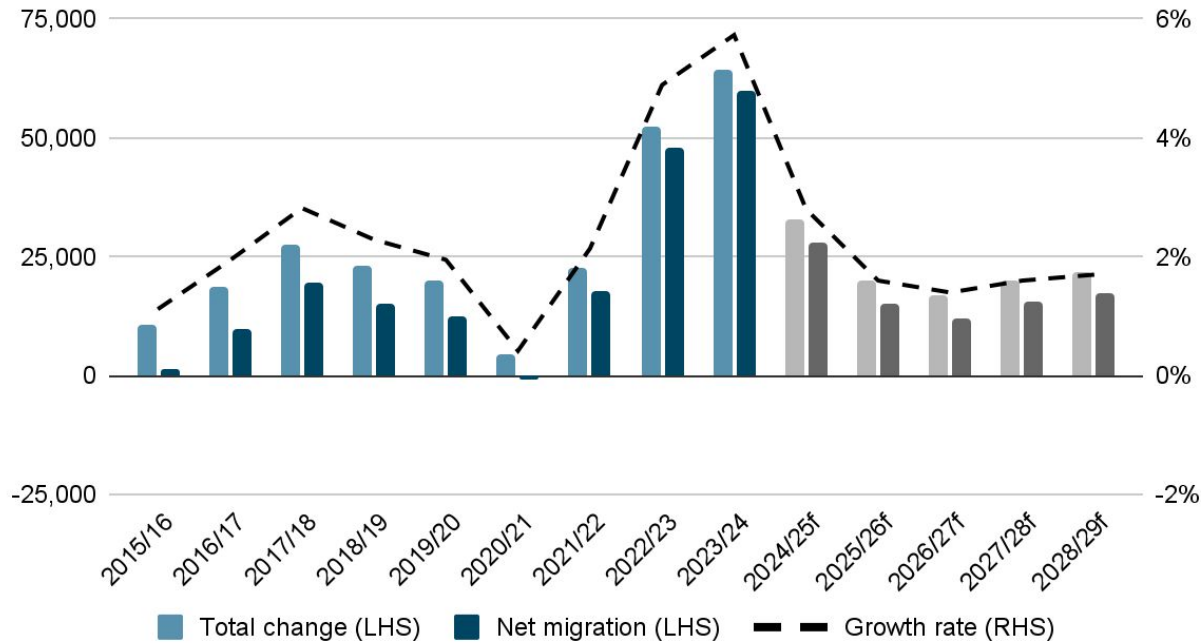


Fall 2025 Economic Update

Edmonton

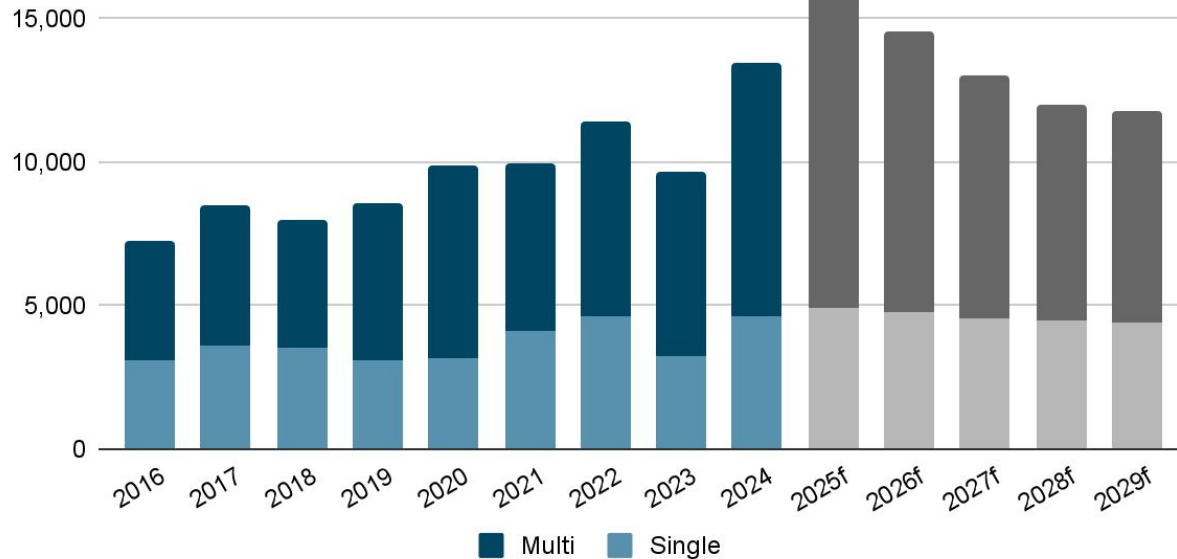
Economic Update

Population Change - Edmonton



Economic Update

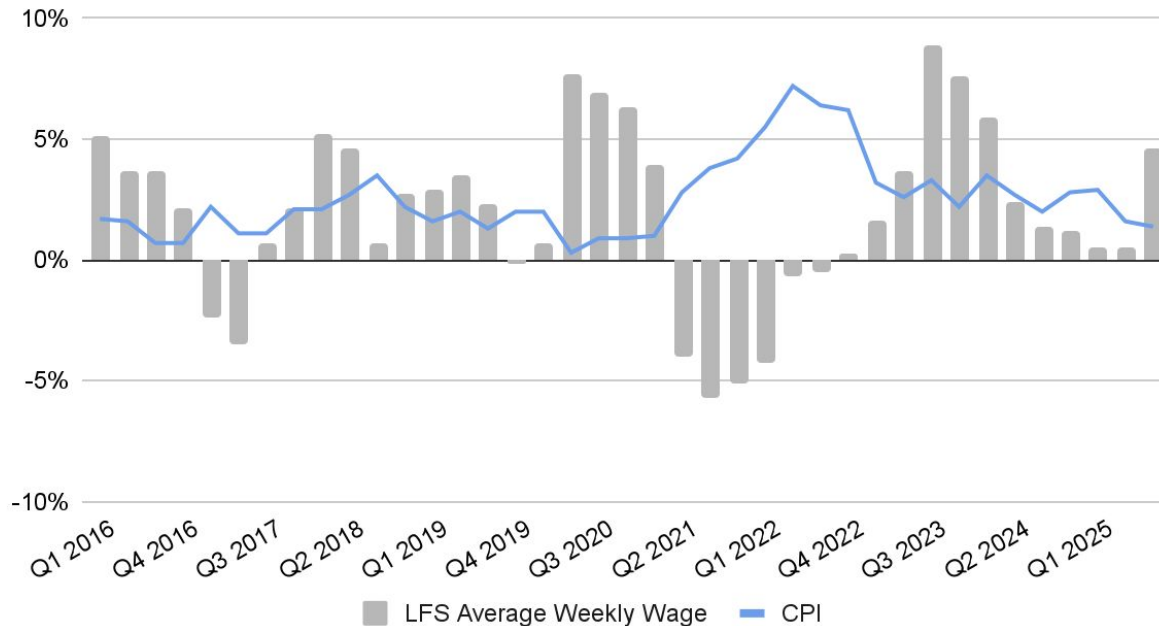
Housing Starts - Edmonton



Sources: Canada Mortgage and Housing Corporation, City of Edmonton, and Stokes Economics
Notes: "f"=forecast; and multi includes semi-detached, row/townhouses, apartments, and other remaining dwelling types

Economic Update

Consumer Price and Labour Force Survey (LFS) Wage Annualized Inflation - Edmonton CMA



Source: Statistics Canada

Note: average weekly wages are three-month moving averages



Listening to Edmontonians

Edmonton

2023-2026 Budget Engagement

2023-2026 Budget Engagement Key Themes

1

Improve community safety

2

Edmontonians face financial pressures due to rising living costs

3

Transit safety and connectivity are key

4

Edmontonians want to connect and celebrate their city

5

Long-term climate solutions are needed

6

Participants are concerned about overlapping government responsibilities

7

Participants empathize with those disproportionately affected by service reductions or fee increases

2025 Service Satisfaction Survey

Service Investment Trends



A greater proportion of Edmontonians in 2025 (compared to 2024) think the City should make a higher level of investment in the following programs or services:

- Spring and summer road maintenance (59%; **+9pts**)
- Building and development permits and inspections (26%; **+5pts**)



A similar proportion of Edmontonians in 2025 (compared to 2024) think the City should make a higher level of investment in the following programs or services:

- Winter road maintenance (61%)
- Homelessness response and support (59%)
- Community safety (57%)
- Public transit (49%)
- Fire Rescue Services (49%)
- Infrastructure delivery (49%)
- Pathway maintenance (42%)
- Traffic safety, flow and controls (38%)
- Parks, sports fields and green spaces (36%)
- Climate action (35%)
- Bylaw enforcement (34%)
- Waste collection (31%)
- City-owned-and-operated attractions (30%)
- City-owned-and-operated recreational facilities (26%)
- Land-use planning (24%)
- Animal control and pet licenses (19%)
- Business licensing (16%)



A smaller proportion of Edmontonians in 2025 (compared to 2024) think the City should make a higher level of investment in the following programs or services:

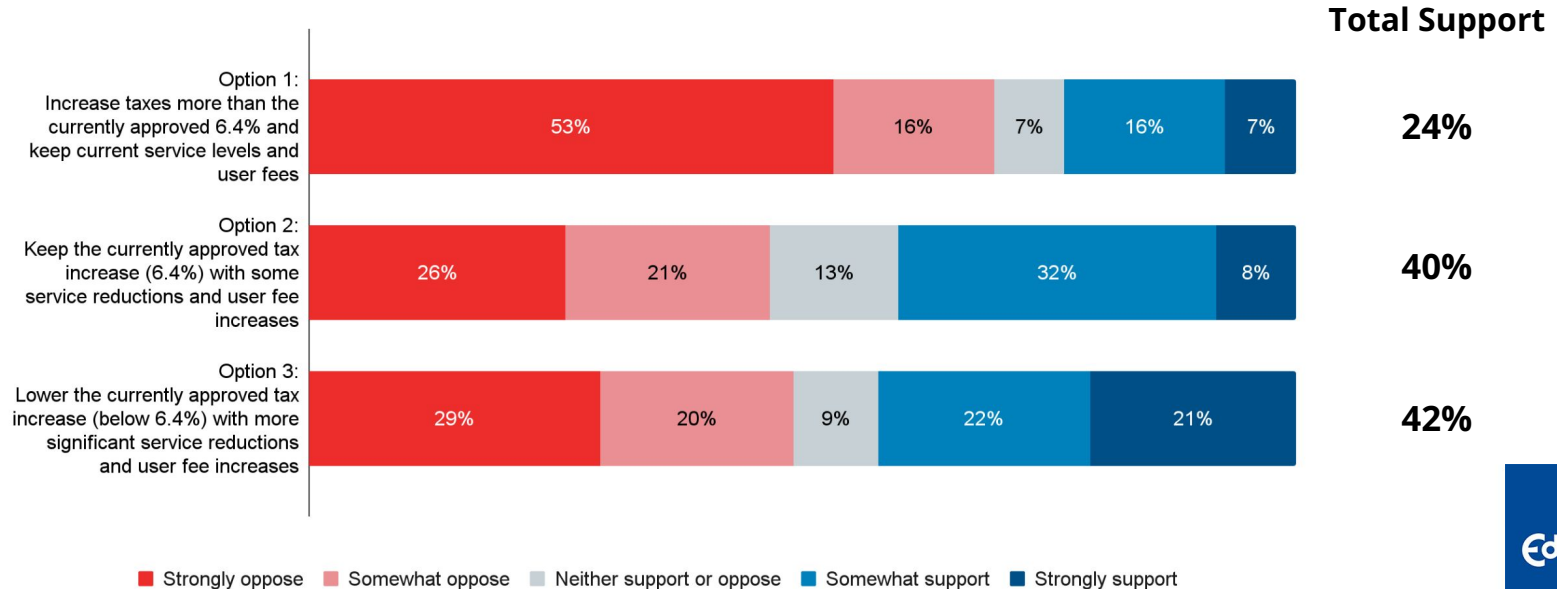
- Affordable housing for low-income households (54%; **-7pts**)

↑ Statistically higher
↓ Statistically lower
Compared to previous year at 95% Confidence level



Fall 2025 Public Opinion Research

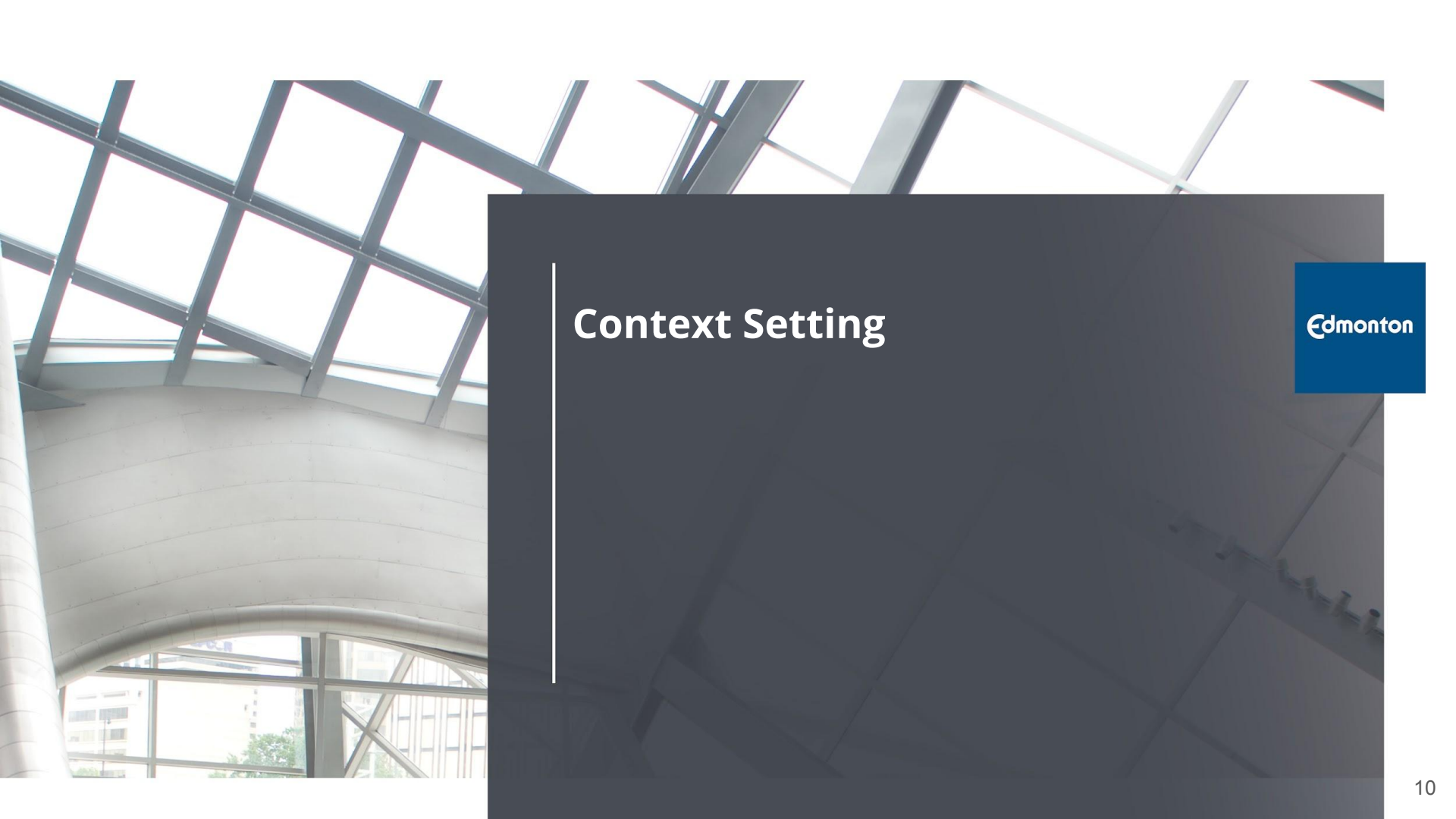
42 per cent of the survey respondents support Option 3 to lower the currently approved tax increase with more significant service reductions and user fee increases. A similar proportion (40 per cent) support Option 2 to keep the currently approved tax increase with some service reductions and user fee increases.



Base: All respondents (n=666)

Q1: Council will discuss service changes for 2026, as well as a property tax increase of 6.4%. Thinking about what would be best for your household, to what extent do you support or oppose the following options?





Context Setting

Edmonton

Structural Budget Variances (SBVs)

| <i>Annual net budget variance \$000s favourable/(unfavourable)</i> | Total Identified (Q3 2025) | Tax Increase Equivalent | Addressed through Fall 2025 SOBA | Left to Address | Tax Increase Equivalent |
|--|----------------------------|-------------------------|----------------------------------|-----------------|-------------------------|
| Inflationary | (2,360) | 0.1% | 2,160 | (200) | 0.0% |
| Revenue Shortfalls | (17,428) | 0.7% | 0 | (17,428) | 0.7% |
| External Factors | (19,926) | 0.8% | 4,500 | (15,426) | 0.7% |
| Administration or Council directed | (12,550) | 0.5% | 6,773 | (5,777) | 0.2% |
| Total | (52,264) | 2.2% | 13,433 | (38,831) | 1.7% |

Short Term/Medium Term/Long Term

Short Term (2025)

Focus: Stabilize and understand the SBV while restoring FSR balance.



Medium Term (2026)

Focus: Adjust the organization's cost and revenue model to align service levels and budget.



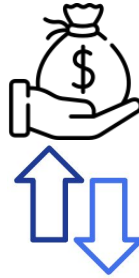
Long Term (2027-2030)

Focus: Institutionalize resilience and prevent future SBVs.

Financial Risks

Address structural budget challenges and safeguard city services for Edmontonians

Structural Budget Variances

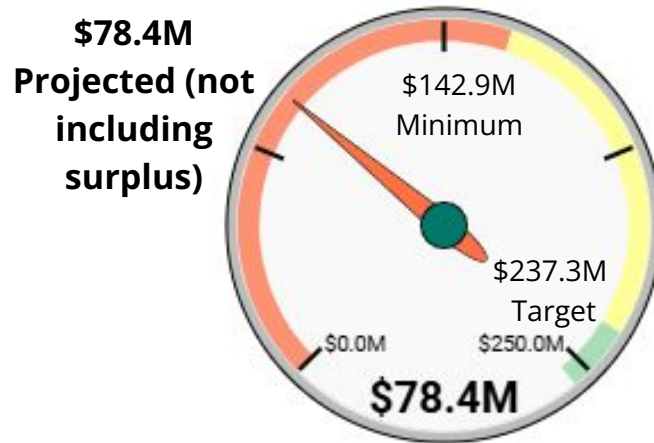


Tax Levy Reductions

Opt for short-term tax relief at the expense of long-term financial stability and the risk of even deeper service cuts in the future

Reserve Update (\$M)

Financial Stabilization Reserve (unappropriated)



- Above target balance
- Above minimum balance & below target balance
- Below minimum balance

Strategy - Dedicated Universal Renewal Fund

FSR

5 year repayment

(2029)

PayGo

Repay and
replenish

(2030)

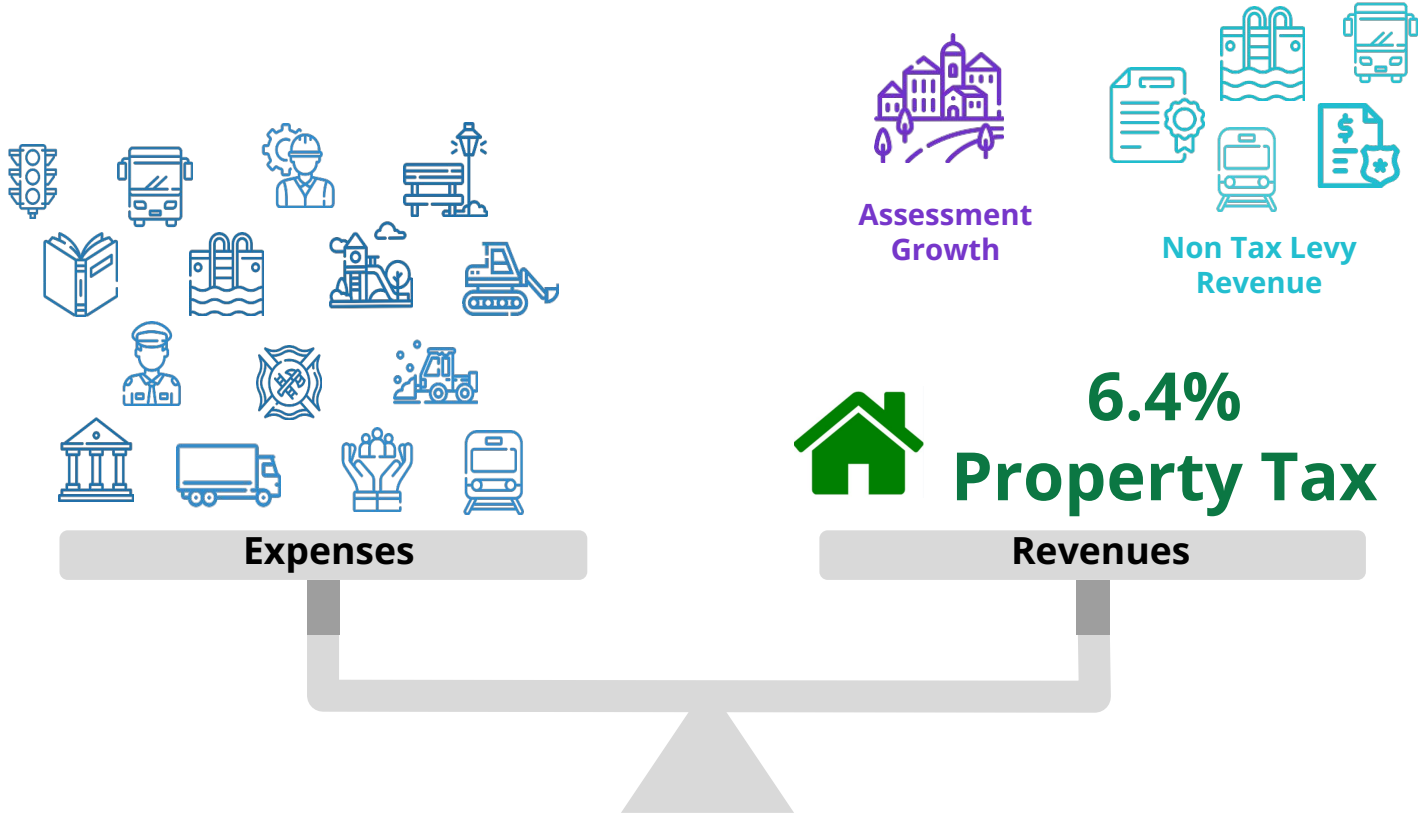
**Dedicated
Renewal Fund**

(2031)



Adjusting the Budget: 2026 Operating Budget Adjustments

Balancing the Budget - Proposed Balance



2026 Proposed Adjustments

| Incremental Net Tax Levy Impact | | 2026 |
|--|--------------------|-----------------------|
| Approved Tax Increase (Spring 2025 SOBA) | | 6.4% |
| | <i>\$ millions</i> | <i>Tax change (%)</i> |
| Changes to economic forecasts | (50.0) | (2.1) |
| External Factors/Changes to Legislation | 18.7 | 0.8 |
| Operating Impacts of Capital | 2.7 | 0.1 |
| Impacts Managed Internally | 4.8 | 0.2 |
| Adjustments to Financial Strategies | 24.8 | 1.1 |
| Recommendations in Fall SOBA | | 0.0% |
| Fall 2025 SOBA Proposed Tax Levy Increase | | 6.4% |

2026 Proposed Adjustments

Changes to Economic Forecasts

| Incremental Net Tax Levy Impact | 2026 | |
|--|--------------------|-----------------------|
| | <i>\$ millions</i> | <i>Tax change (%)</i> |
| Increased Taxation Revenues | (23.3) | (0.99) |
| Increased Franchise Fees | (9.1) | (0.39) |
| Increased EPCOR Dividend | (5.0) | (0.21) |
| Increased Supplementary Tax Assessment Revenues | (4.5) | (0.19) |
| Increased Taxation Penalties | (3.6) | (0.15) |
| Increased Revolving Industrial Servicing Fund | (2.7) | (0.11) |
| Increased Business Licensing Revenues | (2.1) | (0.09) |
| Debt Adjustment - Valley Line | (1.9) | (0.08) |
| Inflationary increases on parts, materials and contract work | 2.2 | 0.09 |
| Changes to economic forecasts | (50.0) | (2.13) |

2026 Proposed Adjustments

External Factors/Changes to Legislation

| Incremental Net Tax Levy Impact | 2026 | |
|--|--------------------|-----------------------|
| | <i>\$ millions</i> | <i>Tax change (%)</i> |
| EPS Body Worn Video and Digital Evidence Management | 6.9 | 0.29 |
| EPS Funding Formula | 6.2 | 0.26 |
| Insured Claims and Settlements and Insurance Premiums | 3.0 | 0.13 |
| Change in WCB Premiums | 1.5 | 0.06 |
| Bill 49 and ESS Framework changes (Office of Emergency Management) | 0.9 | 0.04 |
| Enhanced Transit Communications Network | 0.2 | 0.01 |
| External Factors/Changes to Legislation | 18.7 | 0.80 |

C604B Edmonton Police Services Funding Formula

2025 Fall SOBA Funding Formula Recalculation

- Funding formula is recalculated as part of every Fall SOBA
- 2026 allocation as of 2024 Fall SOBA recalculation: \$10.9M

2026 Proposed Impacts (Increase of \$6.2M)



- Prior to the end of Council deliberations in Dec 2025, funding formula will be recalculated a final time to consider impact of Council decisions

2026 Proposed Adjustments

| Incremental Net Tax Levy Impact | 2026 | |
|--|--------------------|-----------------------|
| | <i>\$ millions</i> | <i>Tax change (%)</i> |
| Vandalism Costs | 2.1 | 0.09 |
| Spring Sweep Program - leased equipment | 1.1 | 0.05 |
| Animal Care and Control Centre Services and Supplies | 1.0 | 0.04 |
| Parking Enforcement Contract Costs | 0.2 | 0.01 |
| In Private (see attachment #4) | 2.4 | 0.10 |
| Impacts Managed Internally - Additions | 6.8 | 0.29 |

2026 Proposed Adjustments

No impacts to Tax Levy

- Ed Tel Dividend - \$12.5 million one-time offset with Transfer to FSR
- LAPP Contribution Rate - 1% Reduction (one-time) - \$9.5 million offset with Transfer to FSR
- Wind down of LRT Reserve
- Creation of Old Strathcona Public Realm Strategy Reserve (Council Directed)

Impact on a Typical Homeowner

Where Your Municipal Tax Dollars Go

\$315 PER MONTH



Edmonton

Unfunded Service Packages (For Council Consideration)

Incremental Net Tax Levy Impact

2026

| | \$ millions | Tax change (%) |
|---|-------------|----------------|
| Council Directed | 40.0 | 1.70 |
| Maintain Existing Services | | |
| <i>DATS Service Level Enhancement</i> | 3.0 | 0.13 |
| <i>Bus Cleaning Service Delivery Model</i> | 1.2 | 0.05 |
| <i>Custodial Living Wage Impacts</i> | 0.6 | 0.02 |
| Maintain Existing Services Total | 4.8 | 0.20 |
| Agencies, Boards and Commissions | | |
| <i>Explore Edmonton - Operational Support</i> | 11.0 | 0.47 |
| <i>2026 Funding Increase for GEF Seniors Housing Capital Expenses</i> | 4.7 | 0.20 |
| Agencies, Boards and Commissions Total | 15.7 | 0.67 |
| Unfunded Service Packages | 60.5 | 2.57 |

Ongoing Operating Funding Options



Increase
Property Taxes



EPCOR Dividend



Fall 2025 Supplemental Capital Budget Adjustment

Edmonton

2023-2026 Capital Budget

(\$millions)

| Adjusted 2023 - 2026 Capital Budget | 2023 to 2026 | 2027 & Beyond | Total |
|---|----------------|----------------|-----------------|
| Tax Supported Operations | 8,984 | 2,219 | 11,203 |
| Waste Utility | 158 | 5 | 163 |
| Blatchford and Downtown District Energy Utilities | 77 | 71 | 148 |
| Total Adjusted Capital Budget | \$9,219 | \$2,295 | \$11,514 |

Fall 2025 - High-Level Impact Summary

(\$millions)

| Category (\$ millions) | Total Budget Requests | Less: Funded with Transfers (from) / to Existing Profiles | Net Impact to Capital Budget |
|---|--------------------------|--|---------------------------------|
| New Profiles Recommended for Funding | \$121.1 | (\$64.2) | \$56.9 |
| Scope Change - Increases | \$44.7 | (\$7.8) | \$36.9 |
| Recosting - Increases | \$5.1 | (\$0.6) | \$4.5 |
| Recosting - Decreases | (\$0.1) | - | (\$0.1) |
| Transfers Between Profiles | \$15.1 | (\$15.1) | - |
| Total Fall 2025 SCBA Adjustments | \$185.9 | (\$87.7) | \$98.2 |

Walker and Athlone - Delivery Recommendation

Walker Fire Station

- 2 Bay, No drive through
- Site Specific: ETS bus stop relocation
- Partial compliance to Climate Resilience (C627)
- Dispatch centre addition

Athlone Fire Station

- 2 Bay, No drive through
- Site Specific: contaminated soil remediation, soccer field relocation, ETS bus stop relocation
- Partial compliance to Climate Resilience (C627)

Corporate Funding Pool

The Corporate Funding Pool is comprised of the following Funding Sources:



Funds are held to address future budget needs and manage emerging items

Status of Available Capital Funding (\$millions)

| | 2023-2026 |
|--|-----------------|
| Funding after Spring 2025 SCBA | \$(1.6) |
| <i>Adjustments since Spring 2025 SCBA:</i> | |
| 2025 Investment Earnings Update | 11.5 |
| Funding Prior to Fall 2025 SCBA | \$ 9.9 |
| <i>Recommendations in the Fall 2025 SCBA:</i> | |
| Rossdale Power Plant Roof Replacement | (6.5) |
| Windermere District Park Phase I | (4.1) |
| School Sites Base Level Development | (3.2) |
| Argyll Velodrome Demolition | (3.2) |
| Funding Subsequent to Fall 2025 SCBA | \$ (7.1) |

Pre-committed 27-30 Funding (\$millions)

| | Pre-Approval 2027-2030 |
|---|---------------------------|
| Previously Approved Projects | \$29.4 |
| Fall 2025 SCBA Recommendations | |
| Windermere District Park Phase I | 5.6 |
| School Sites Base Level Development | 1.5 |
| Athlone Fire Station | 10.2 |
| Walker Fire Station | 2.9 |
| Walker Fire Station emergency communications (dispatch) center | 10.0 |
| Pre-committed 27-30 Funding | \$ 59.6 |

Emerging Items (for information)

- School Sites - Base Level Development
(Provincial School Construction Accelerator Program)
 - 2026: \$3.65M
 - 2027: \$34.75M
- Windermere District Park Phase II
 - 2027+: \$12.5M

Council Directed Items

Unfunded Council Motions:

- 25 Growth buses \$25.22M
- Roadways widening \$5.15M

Council Requested Report:

- Arterial Road Paving Renewal Analysis

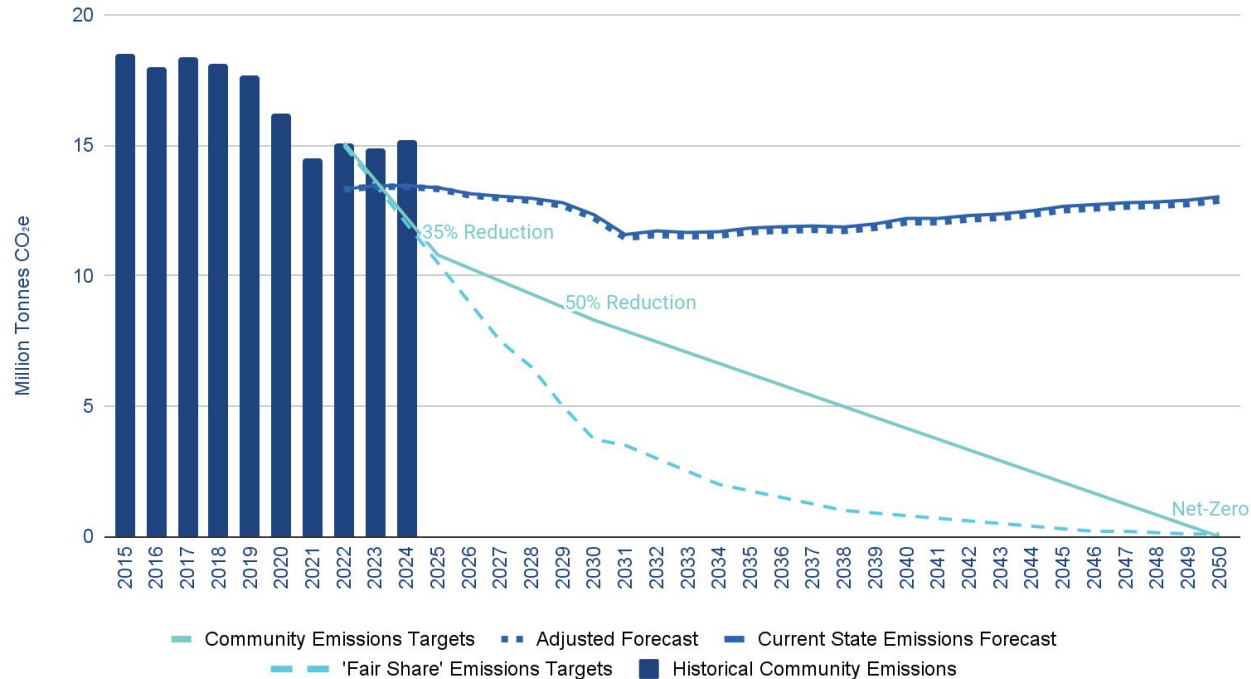
| | Option 1 | Option 2 | Option 3 |
|-----------------------------------|---------------------------|---------------|--------------|
| Funding Required | \$5 million | \$7.5 million | \$10 million |
| Re-Paving Length Centerline-km | 9.8 | 15.4 | 18.5 |
| Useful Life Extension | Approximately 10-15 years | | |



Fall 2025 Carbon Budget - Update

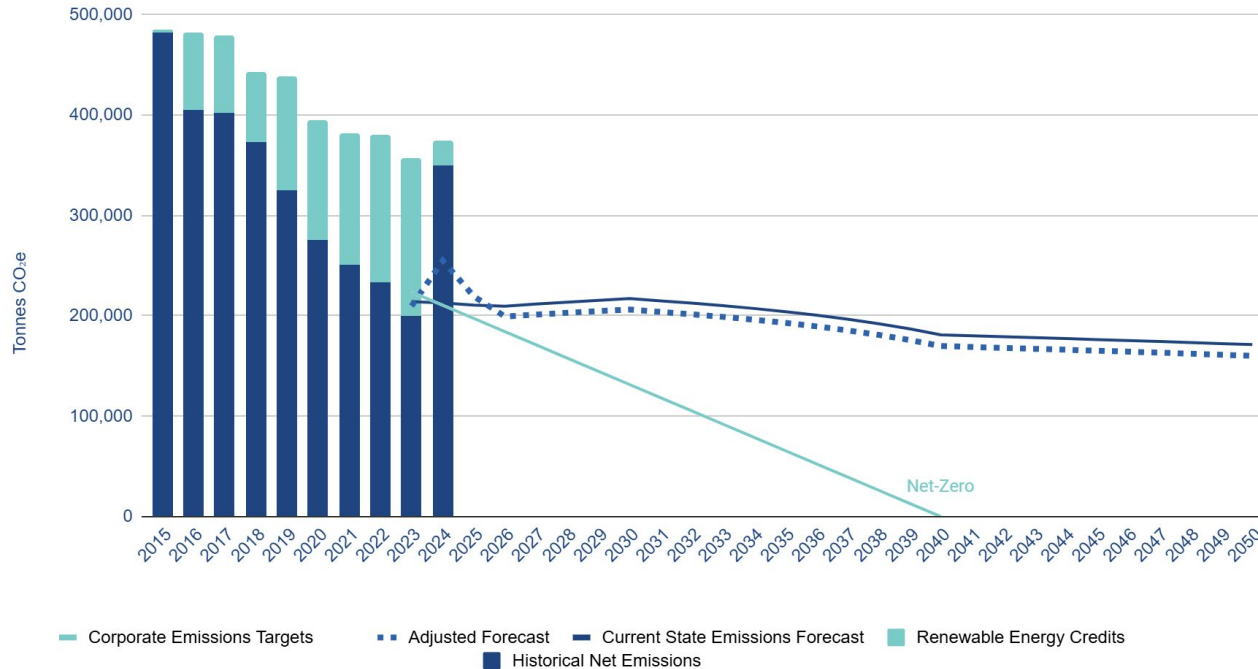
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Community Carbon Budgeting



| | Carbon Budget 2025-2050 (Available GHG Emissions) | Year Carbon Budget is Depleted (Based on Adjusted Forecasts) |
|--|--|---|
| Community Carbon Budget <i>(targets that align with the Paris Agreement)</i> | 133 million tonnes CO ₂ e | 2036* |

Corporate Carbon Budgeting



| | Carbon Budget 2025-2040 (Available GHG Emissions) | Year Carbon Budget is Depleted (Based on Adjusted Forecasts) |
|--------------------------------|---|---|
| Corporate Carbon Budget | 1.25 million tonnes CO ₂ e | 2032* |

Approved Budget Requests with Quantifiable GHG Emissions Impacts

| Name of Budget Request (Capital profile or Operating service package) | 2026 Quantified Emissions Impact (tonnes) <i>Brackets indicates GHG Reductions</i> | Community /Corporate /Both | Proposed 2024 Fall Budget Request (\$000s) |
|---|---|----------------------------|--|
| Facility: Service Support - Renewal (installation of solar canopy to power EV chargers and HVAC improvements at Westwood) | -68 | Corporate | 1,800 |

Thank you
Questions?

The logo for the City of Edmonton, featuring the word "Edmonton" in white text on a blue square background.

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