



# Fall 2020 Supplemental Operating Budget Adjustment

*City Council  
November 16, 2020*

Edmonton

# Council's Four Goals



HEALTHY  
CITY



URBAN  
PLACES



REGIONAL  
PROSPERITY



CLIMATE  
RESILIENCE

# Reimagine A New Way Forward

## Reimagined City Building

- Recover in accordance with Big City Moves, implement The City Plan and integrate Corporate Business Plans.
- Establish Targets with City Council.

## Reimagine Services

- Identify cost savings from completed Program and Service Reviews.
- Conduct reviews of the 5 largest service areas. Ensure program and services support recovery with The City Plan.

## Modernizing the Workforce

- Create a high performing and agile workforce.
- Align compensation with market rates.
- Develop flexible work practices and spaces.

## Relationship Based City

- Focus on people, partnerships and relationships.
- Identify opportunities and emerging practices.

## Financial Viability

- Implement a Priority Based Capital and Operating Budget Model.
- Evaluate cost recovery levels and cost distribution tools.
- Evaluate land development and market viability.

# City Building

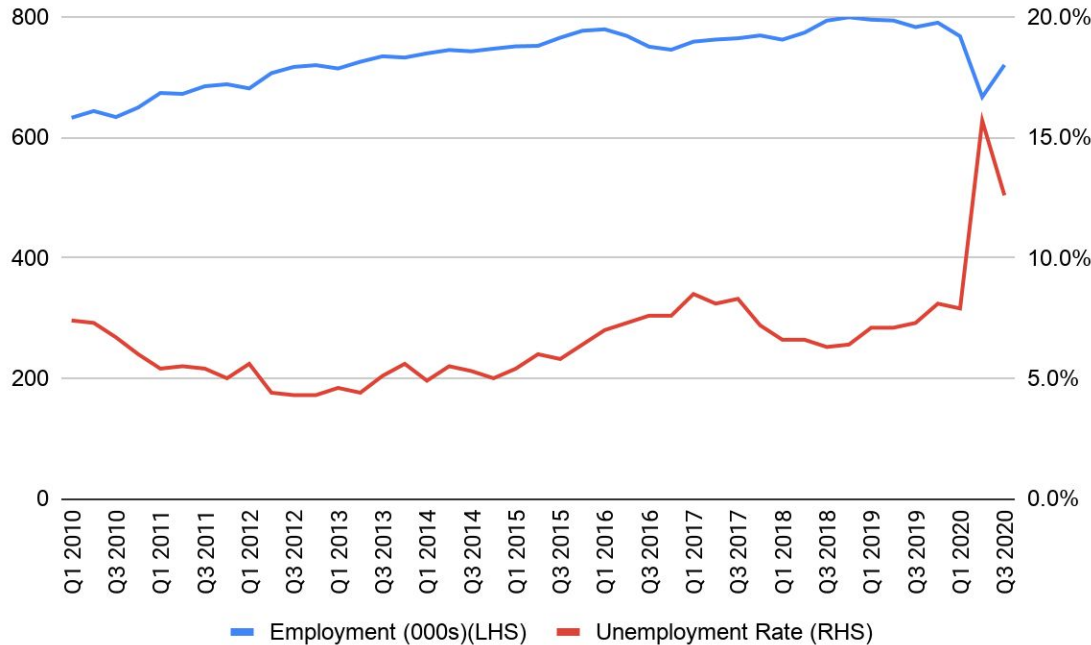




# Economic Update

# Edmonton CMA Labour Market

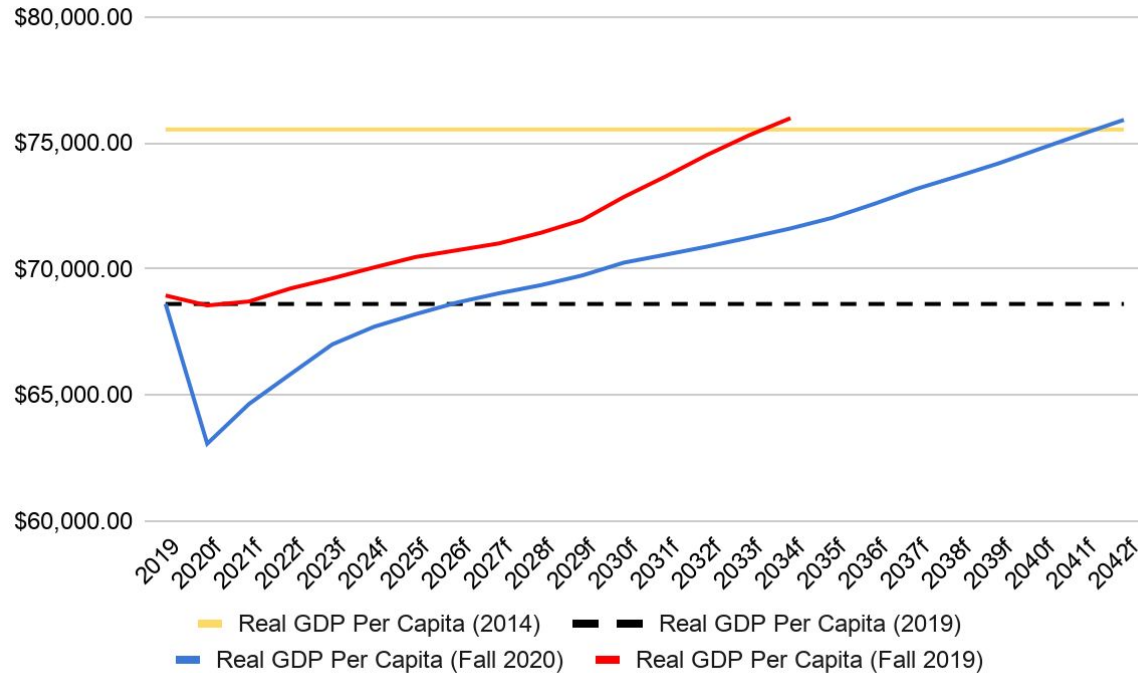
## CMA Employment & Unemployment Rate



Source: Statistics Canada, 3-month moving average (3-mma) for Edmonton CMA

# Path to Recovery Will Be Gradual & Uneven

## Edmonton Real Gross Domestic Product Per Capita



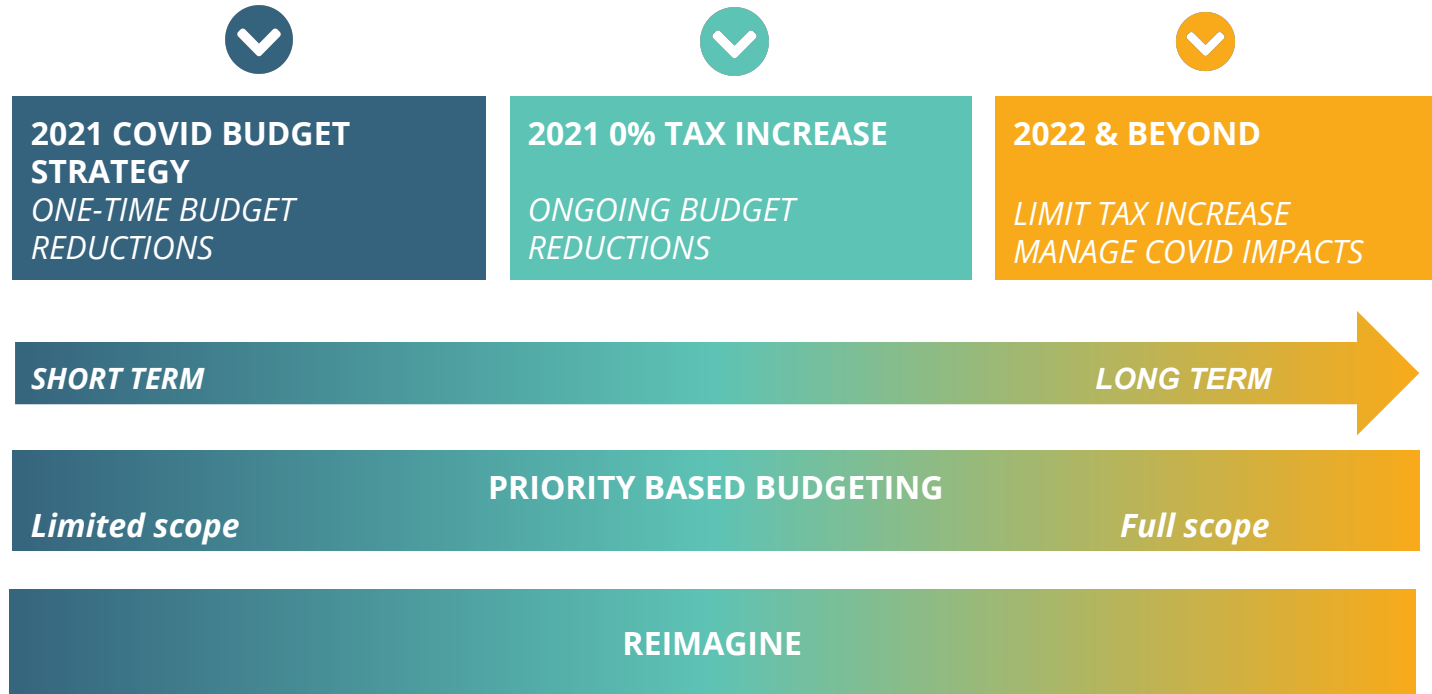
Source: City of Edmonton and Stokes Economics; forecast(f)



# **Fall 2020 Supplemental** Operating Budget Adjustment



# Operating Budget Approach



# 2021 0% Tax Increase

Incremental Changes (\$000's)	2021	2022
<b>Tax Increase (Spring 2020 SOBA) - Approved</b>	<b>3.2%</b>	<b>2.4%</b>
<b>Proposed (Fall 2020 SOBA):</b>		
Debt Servicing	0.7	(10.7)
Franchise Fees (Water and Power)	2.5	(1.5)
Gas Franchise Fee	(11.0)	-
Tag & Fine Revenue	1.2	-
Timing of Smart Fare - Operating Savings	(2.0)	2.4
Assessment Growth Decrease	15.0	-
Edmonton Global Shareholder Contribution	1.0	1.0
Other items (including Council memberships)	0.3	14
Dr. Anne Anderson High School & Community Centre - Program Costs	0.2	-
<b>Tax Increase before Reduction Strategies and Financial Strategies</b>	<b>3.7%</b>	<b>1.9%</b>
Reduction strategies (Attachment 3)	(56.5)	(6.4)
Adjustment to Financial Strategies	(7.5)	-
<b>Tax Increase (Fall 2020 SOBA) - Proposed</b>	<b>0%</b>	<b>1.6%</b>

# Municipal Property Tax Components 2021

	2021 Approved	Fall 2020 SOBA	2021 Adjusted
Municipal Services	3.1	(3.6)	(0.5)
Edmonton Police Services	0.9	(0.3)	0.6
Valley Line LRT	0.8	(0.2)	0.6
Alley Renewal	0.3		0.3
Assessment Growth	(1.9)	0.9	(1.0)
<b>Tax Increase</b>	<b>3.2%</b>	<b>(3.2%)</b>	<b>0%</b>

## Fall 2020 Supplemental Operating Budget Adjustment

Impact of Proposed 2021-2022 Municipal Tax Increase on  
Typical Homeowner (\$387,000 Assessed Value)  
Annual Property Taxes

	2020 Budget	2021 Budget	Annual Impact	2022 Budget	Annual Impact
Municipal Services	1,663	1,633	(30)	1,656	23
Police Services	558	568	10	574	6
Alley Renewal	244	249	5	252	3
Valley Line LRT	73	88	15	97	9
Total Property Tax Bill	2,538	2,538	-	2,579	41

# Emerging Items



## Explore Edmonton

- Explore Edmonton has experienced a significant drop in revenue as the COVID-19 pandemic
- Requirement for additional multi-year one-time support from the City
- Funding strategies to be discussed with Executive Committee on November 30, 2020, prior to budget deliberations

# 2021 Proposed 0% Tax Increase

## Principles



**SAFETY** - The public's safety is a top priority.



**LONG RANGE FOCUS** - Address the short term issues but be mindful of the impact on the municipal corporation's long-term financial sustainability.



**LOCAL ECONOMY** - Continue to support stabilization of the local economy.



**HONOUR RELATIONSHIPS** - Workforce and partnership funding strategies will be fair and respectful.



**CITY BUILDING** - Consider how to align resources to focus on the City's objectives.



**DEMONSTRATE EMPATHY** - Limit tax increases for Edmontonians.



**COMBINATION OF TOOLS** - Reductions will be addressed through various strategies with focus on internal efficiencies prior to impact to citizens, staff, and partners.

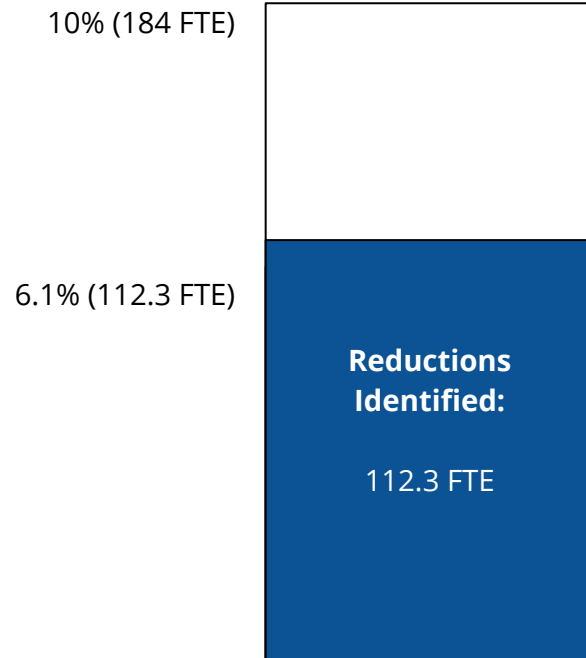
## 2021 0% Tax Increase

**\$56.5  
million**

WORKFORCE STRATEGIES	\$18.2 M
SERVICE LEVEL REDUCTIONS	\$13.2 M
INCREASED REVENUE / RECOVERY	\$1.2 M
FUNDING TO PARTNERS	\$6.4 M
FACILITY CLOSURES	\$1.4 M
EXPENSE REDUCTIONS	\$6.4 M
EFFICIENCIES	\$9.7 M

# Council Motion

## Progress to Date



- Identified 112.3 Supervisor FTE for Potential Reduction
- Of the Proposed Supervisor FTE Reductions:
  - 24% are Middle/Senior Management
  - 76% are Front Line Supervisors



# Priority Based Budgeting (PBB) Process

## Overview



# Operating Criteria (Basic Program Attributes)

## Overview

**Mandated to  
Provide Service**



**Reliance on City to  
Provide Service**



**Portion of  
Community or  
Organization Served**



**Change in Demand  
for Service**



**Cost Recovery of  
Service**



# Strategic Scoring

## Corporate Business Plan



*Services were scored to evaluate their alignment to the Corporate Business Plan (Public and Support Objectives).*

### STRATEGIC OBJECTIVE: MAKE TRANSFORMATIONAL IMPACTS IN OUR COMMUNITY



#### HEALTHY CITY

Edmonton is a neighbourly city with community and personal wellness that embodies and promotes equity for all Edmontonians.



#### URBAN PLACES

Edmonton neighbourhoods are more vibrant as density increases, where people and businesses thrive and where housing and mobility options are plentiful.



#### REGIONAL PROSPERITY

Edmonton grows prosperity for our Metro Region by driving innovation, competitiveness and relevance for our businesses at the local and global level.



#### CLIMATE RESILIENCE

Edmonton is a city transitioning to a low-carbon future, has clean air and water and is adapting to a changing climate.

### SERVICE OBJECTIVE: DELIVER EXCELLENT SERVICES TO OUR COMMUNITY

#### RECREATION & CULTURE

Edmontonians are physically and emotionally healthy.

#### SOCIAL SUPPORT

Edmontonians have what they need to succeed.

#### CIVIC SERVICES

Edmontonians contribute to civic society and are engaged in promoting the quality of the community.

#### PUBLIC SAFETY

Edmontonians are safe and secure in our community.

#### COMMUNITY DEVELOPMENT

Edmontonians are connected to their neighbours.

#### MOVEMENT OF PEOPLE & GOODS

Edmonton has an accessible and varied transportation system moving people, goods and services efficiently.

#### LAND DEVELOPMENT

Edmonton is developed to support growth and social, cultural, economic and environmental well-being.

#### ECONOMIC DEVELOPMENT

Edmonton has a diverse and prosperous economy that thrives locally and globally.

#### ENVIRONMENTAL PROTECTION

Edmonton protects its natural environment, minimizes its environmental impact and mitigates climate change.

### SUPPORTING OBJECTIVE: MANAGE THE CORPORATION FOR OUR COMMUNITY

#### PEOPLE, RELATIONSHIPS & PARTNERSHIPS

The City of Edmonton's service delivery is informed by people and is optimized by relationships and partnerships.

#### PROJECT & ASSET MANAGEMENT

The City of Edmonton's projects are well managed and assets are maintained for accountable service delivery.

#### STRATEGY & BUSINESS

The City of Edmonton's corporate processes are robust and helpful for integrated service delivery.

#### TECHNOLOGY & DATA

The City of Edmonton's technology and data are leveraged to enable quality decision-making and enhance innovative service delivery.

#### EMPLOYEE EXPERIENCE & SAFETY

The City of Edmonton's staff are safe and supported to achieve their aspirations and deliver excellent services.

#### ENVIRONMENTAL STEWARDSHIP

The City of Edmonton's operations and service delivery sustains and conserves the environment.

#### FINANCIAL MANAGEMENT

The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.

# Quadrant Elements

## QUADRANT 1

**High operational AND strategic alignment**

- Fire Rescue Emergency Response
- Bus & LRT
- Snow and Ice Control
- Corporate Safety and Health

## QUADRANT 2

**Medium operational AND strategic alignment**

- Affordable Housing Strategy
- Paratransit
- Information Security
- Building Great Neighbourhoods

## QUADRANT 3

**Medium operational AND strategic alignment**

- Fire Hydrant Maintenance/Repair
- Parking Services
- Tenant Advisory Services

## QUADRANT 4

**Lower operational AND/OR strategic alignment**

- Golf operations
- Coin Processing
- RV Park Operations

# Quadrant Summary

## QUADRANT 1

⚙️	# Services	29
💰	Total Budget	\$548.3 M
▼	Total Reductions	\$22.8 M
▼	% of Budget Reduced	4.2%
▼	# Services Impacted	19

## QUADRANT 2

⚙️	# Services	75
💰	Total Budget	\$450.2 M
▼	Total Reductions	\$18.7 M
▼	% of Budget Reduced	4.2%
▼	# Services Impacted	31

## QUADRANT 3

⚙️	# Services	52
💰	Total Budget	\$92.4 M
▼	Total Reductions	\$4.5 M
▼	% of Budget Reduced	4.9%
▼	# Services Impacted	19

## QUADRANT 4

⚙️	# Services	26
💰	Total Budget	\$66.8 M
▼	Total Reductions	\$3.8 M
▼	% of Budget Reduced	5.7%
▼	# Services Impacted	12

## Next Steps

- November 19 - Council Budget Information Session
- December 3 - Budget public hearing
- December 7 - COVID-19 2021 Financial Impact and Funding Strategy
- December 9 & 11 - Budget deliberations



# QUESTIONS?