



Fall 2020 Supplemental Operating Budget Adjustment

Edmonton

*City Council
November 16, 2020*

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

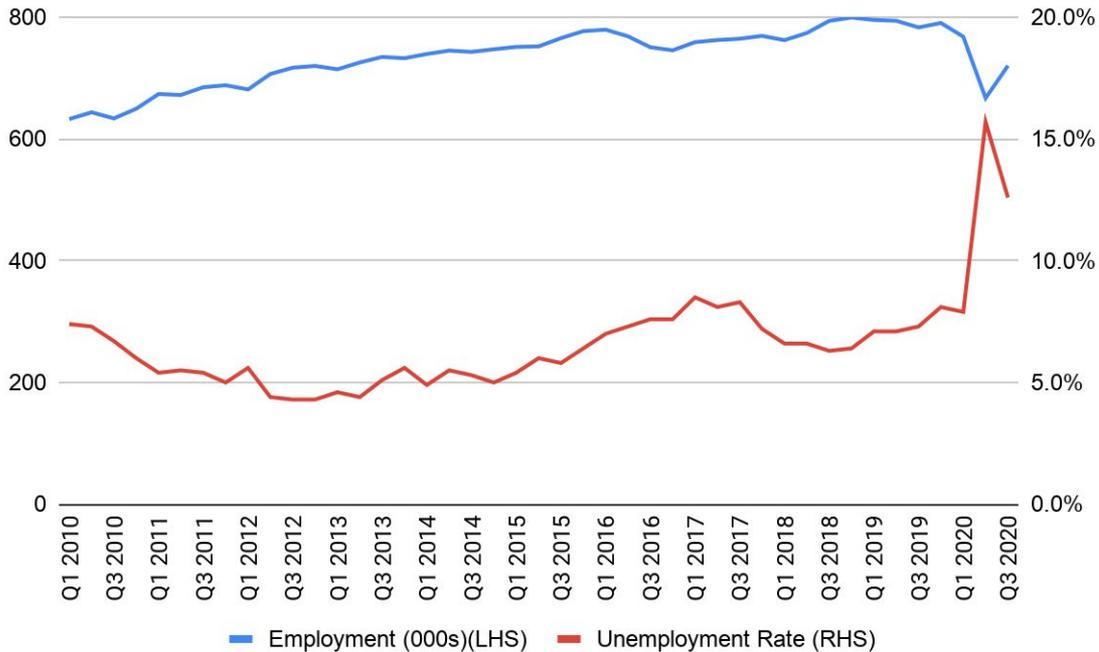




Economic Update

Edmonton CMA Labour Market

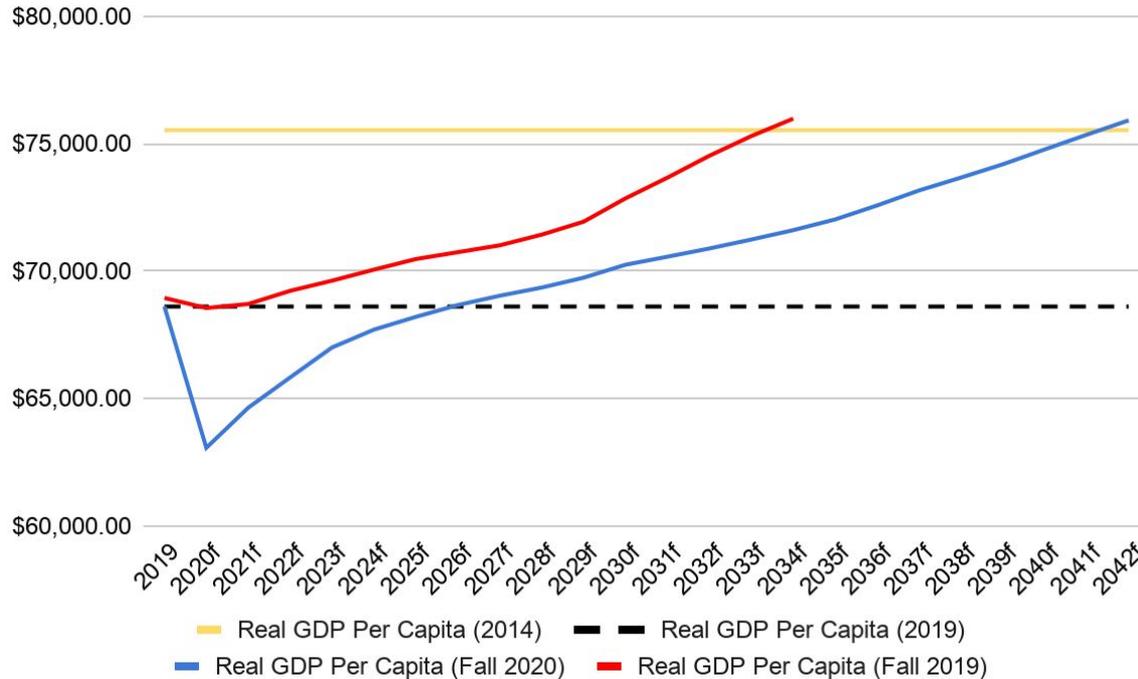
CMA Employment & Unemployment Rate



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

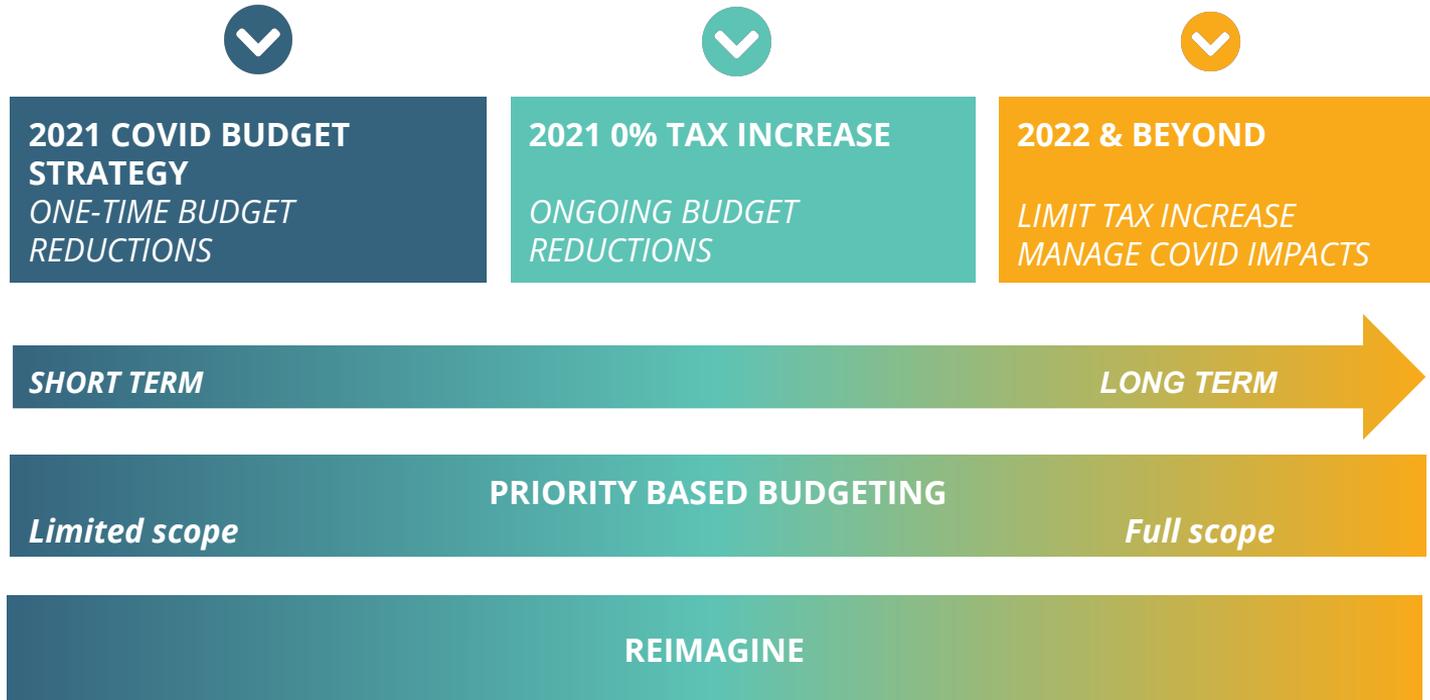


Source: City of Edmonton and Stokes Economics; forecast(f)



Fall 2020 Supplemental Operating Budget Adjustment

Operating Budget Approach



2021 0% Tax Increase

Incremental Changes (\$000's)	2021	2022
Tax Increase (Spring 2020 SOBA) - Approved	3.2%	2.4%
Proposed (Fall 2020 SOBA):		
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	-
Tax Increase before Reduction Strategies and Financial Strategies	3.7%	1.9%
Reduction strategies (Attachment 3)	(56.5)	(6.4)
Adjustment to Financial Strategies	(7.5)	-
Tax Increase (Fall 2020 SOBA) - Proposed	0%	1.6%

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)
Tax Increase	3.2%	(3.2%)	0%

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.

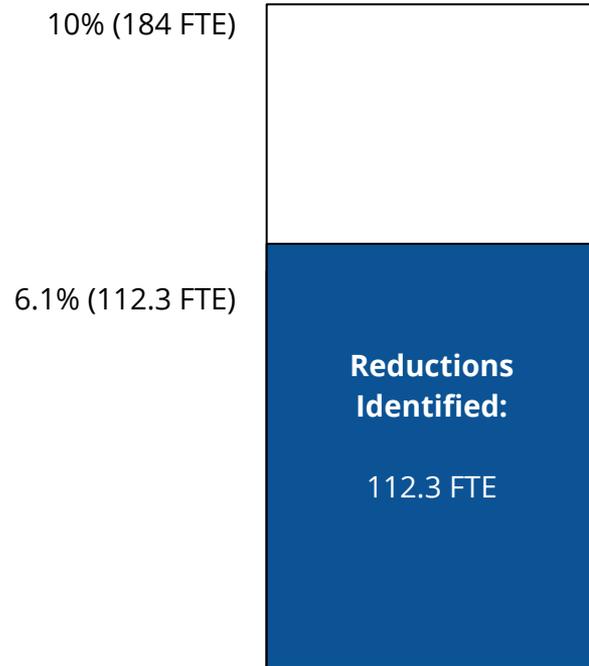
2021 0% Tax Increase

**\$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?