

THE WAY WE FINANCE

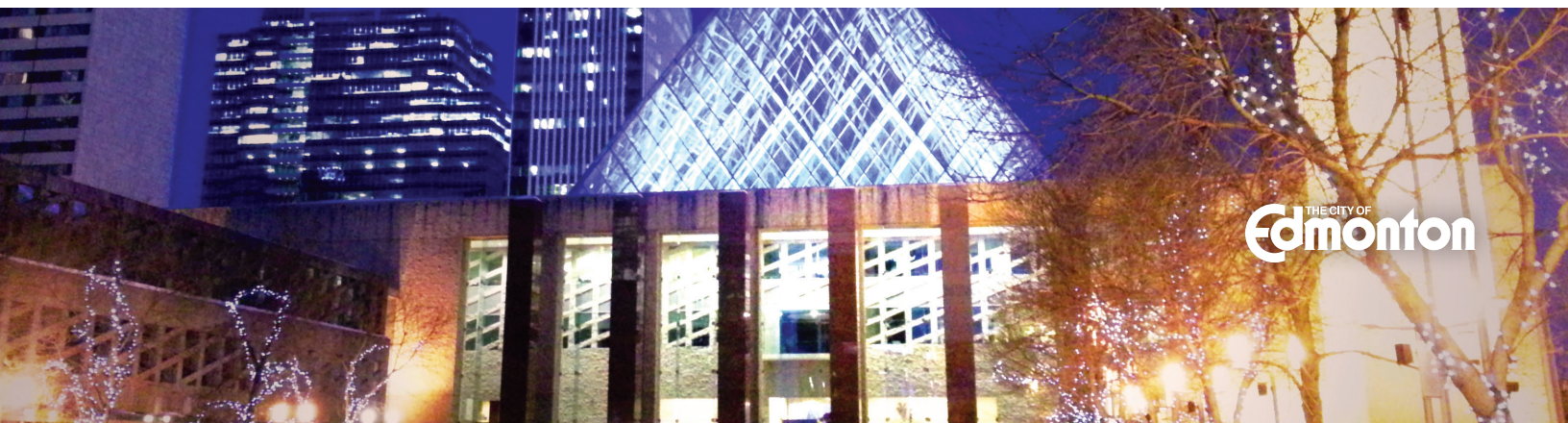
CITY COUNCIL APPROVED BUDGET

AS APPROVED AT DECEMBER 5, 2013

2014
EXECUTIVE SUMMARY

TRANSFORMING | **EDMONTON**

BRINGING OUR CITY VISION TO LIFE



THE CITY OF
Edmonton

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I am pleased to present, on behalf of City Council, the 2014 Operating Budget for the programs and services that Edmontonians want and use every day, and that enhances our high standard of living.

Through this budget, Council demonstrates a commitment to value for money, to improved efficiency and the effective and efficient use of public dollars. Council is confident that we have achieved a balanced budget.

Council limited the property tax increase for 2014 to 4.9%. That is made up of a 3.4% increase for all civic operations, boards and commissions including funding operations of a number of new facilities and enhanced services, and an additional 1.5% tax dedicated to continuing to build the neighbourhood renewal program.

The approved budget of almost \$2 billion maintains the services, programs and infrastructure that support 836,000 people within our growing city. As the strong central city in our region, Edmonton's budget also provides the social and hard infrastructure for a regional population of 1.2 million.

Setting this year's budget and keeping the tax increase under tight control was not without challenges. We must take care of the most basic parts of what makes a city great. Much of this budget is driven by the investments made in infrastructure in recent years to provide much-needed services to our city's growing population. We also need to provide for employee salaries and benefits, which have risen due to Edmonton's competitive labour market. Citizens will also see in this budget that we must allow for inflation-driven costs for fuel, materials, electricity and natural gas.



In the end, the priorities reflected in this budget are strongly aligned with the vision for city building that I and my Council colleagues articulated during the October 2013 election campaign.

We want to assure tax payers that we make conscientious use of the dollars you entrust us with. We will work hard to earn your confidence, to demonstrate that your dollars are well invested in your city.

Don Iveson
Mayor

A stylized, handwritten signature of Don Iveson in black ink.

EDMONTON IS THRIVING

The population, employment and economic growth are all outpacing municipalities across the country and most parts of the world.

Approximately 19,000 people are expected to move to Edmonton in 2013 – or about 52 new people each day. This annual population growth of 2.2% is directly related to a strong economy and a high quality of life.

Edmonton has one of the most youthful workforces in Canada, attracted to an enviable 4.5% unemployment rate at the start of 2013. Add in natural growth as families start and stay in Edmonton, and our city is experiencing resilient growth.

The City's strong liquidity position, responsible fiscal management and a debt burden well within provincial limits, and the more stringent city policy, are largely responsible for the City of Edmonton's strong credit rating by an independent international agency. Standard & Poor's gave Edmonton an AA+ rating for the third year in a row, also citing the healthy economy as a factor. The

rating is just one notch below the highest possible mark and indicates a stable outlook for the City of Edmonton.

Edmonton's GDP growth rate topped the country in 2012 at 5.9% and held strong in 2013 with a forecast growth of 4.2%. Edmonton and Calgary are predicted to be tied with the fastest growing economies of all Canadian metro centres in 2014, at 3.1%. With economic growth, Edmonton is expected to experience consumer price inflation for the year averaging between 2.5% and 3.0%. The City is projecting municipal price inflation for 2014 of 3.0%.

Rapid population growth, economic strength and cost inflation can create challenges for the City. Edmontonians have come to expect a very high standard of living, where the City supports a wide range of amenities, civic services, convenience, accessibility, mobility, and vibrant leisure opportunities.



Meeting these expectations in a growth environment requires good planning and continuing investment in core services and programs.

The City of Edmonton also supports people beyond the estimated 836,000 people within our municipality. The institutional infrastructure found in Edmonton such as research parks, government agencies, universities, and recreation and culture facilities are instrumental in attracting to the region highly educated and mobile workers required for today's high technology economic development. Activities such as the 2014 ITU Triathlon Grand Final and the FIFA Women's World Cup in 2015, and cultural events such as those that have earned Edmonton the moniker of Festival City, showcase Edmonton and the region to the world, and make the Edmonton metropolitan area a more attractive place to live and do business.

Within the metro region of over 1.2 million, Edmonton houses and provides for those that are less fortunate, tackling substantive issues such as homelessness, programs for new immigrants, and broad-based social support. As a major service centre to the North, the City's services, and physical and social infrastructure also support a significant shadow population of workers and residents based outside of Edmonton. The strong City at the centre of the metropolitan region ensures a vibrant and sustainable Alberta Capital region.

Whether viewed from an international sports channel or enjoyed at home from a recreation centre, a river valley trail or a trendy shopping district, Edmonton is clearly a vibrant, booming community.

KEY DATES

June/July, 2013

Administration provided a forecast of the 2014 Operating Budget including impacts of capital and cost pressures to City Council.

October 30, 2013

Electronic release of the proposed 2014 utilities budget for drainage and waste services.

November 1, 2013

Electronic release of the proposed 2014 operating budgets for civic programs, boards and commissions.

November 5, 2013

City Council receives the printed proposed 2014 utilities budget for drainage and waste services.

November 6, 2013

City Council receives the printed proposed 2014 operating budget for civic programs, boards and commissions.

November 25, 2013

Non-statutory public hearing on proposed 2014 operating and utilities budgets.

December 2 - 5, 2013

City Council budget deliberations.

December 5, 2013

Budget Approved.

January 2014

Assessment notices are mailed to property owners.

Spring 2014

Education Tax Requisition received from the Province of Alberta and Council approves final tax rate.

May 2014

Property tax notices are mailed to property owners.

June 30, 2014

Deadline to pay property taxes.



BUDGETING FOR RESULTS

The City aims to strike a balance of affordable taxes for property owners and reasonable user fees, while achieving program results and maintaining priority services for the general public.

Edmontonians provide valuable input on operational priorities using a variety of channels, including comments through the city's online reporting tools, calls to 311, public consultation on specific programs, contact directly with the Mayor and Councillors throughout the year, and through the budget public hearing.

OPERATING AND CAPITAL BUDGETS

In June and July Administration updated City Council on the forecast for the 2014 Budget. Of the identified projected cost increases, the most significant were new operating costs related to previous City Council decisions to build new infrastructure that will come into operation in 2014. This is commonly referred to as the operating impacts of capital and was projected in June to amount to a \$40 million increase. With each 1% of tax increase projected to generate approximately \$11.4 million, this would have required a 3.5% tax increase to



The City Centre Redevelopment will be one of the largest urban renewal projects in Canada and when completed will house more than 25,000 people.



cover these costs alone. A council decision to phase the cost impact over 2014 and 2015 and a further administrative review of the start time for new operations and potential efficiencies has reduced the impact for 2014. Other less significant cost increases were identified for personnel, fleet, and non-personnel inflation and revenue increases were identified for increased assessment, and both volume and rate increases for user fees.

City Council's deliberations on the 2014 Operating Budget included an approval of 3.4% general tax increase for all civic operations, boards and commissions, and a 1.5% tax increase for the Neighbourhood Renewal Program. Personnel costs account for 58% of the operating expenditures of the City - a percentage that has remained relatively constant over the past ten years. Personnel cost increases are included in the approved 2014 budget to cover new personnel related to operating new facilities and infrastructure; to provide an

allowance for potential contract settlements; to advance staff hired at less than the job rate toward that rate; and for benefit cost increases. In addition to personnel costs, the approved budget covers operating costs such as fuel to power vehicles and equipment; road materials to fix potholes; and electricity and natural gas to light and heat our buildings. In the development of this budget, all department submissions were subject to enhanced scrutiny and inflationary increases were limited to those services with documented increased supplier costs. Administration also evaluated opportunities for additional revenue, productivity enhancements and alternative service delivery and where appropriate adjustments related to these have been included in the 2014 approved budget. The approved 2014 budget continues to advance Council's priorities for Edmontonians while keeping taxes affordable and user fees reasonable.

A separate Capital Budget determines the investment in Edmonton's infrastructure: the construction of buildings like recreation centres, fire stations and libraries; transportation assets like LRT lines, roads and bridges; and neighbourhood parks and playgrounds. The 2012-14 capital budget was approved by Council In December 2011 with supplementary capital budget adjustments brought forward in the spring and fall.

The budgeting for operations and capital is separate because they are delivered in different ways - daily operations, compared to long-term projects - and because there are revenue sources available for capital programs that do not apply to operating programs.



The City has a great foundation of services, programs and infrastructure provision funded through the base budget.

IMPACTS OF CAPITAL

The City continues to invest significantly in new infrastructure with \$9.3 billion budgeted from 2004 to 2014. This investment includes building new community recreation centres and waste utility projects; replacing drainage infrastructure, renewing roads, curbs, streetlights and sidewalks in Edmonton's mature neighbourhoods; and expanding our transit system. This level of investment is unprecedented in this city's history.

This magnitude of investment in new infrastructure requires corresponding funding for the associated operating costs, which can be as substantive over the useful life of the asset as the initial capital cost. Whether it is increased maintenance and rehabilitation costs for new roads or paying staff at new recreation centres, these costs are on-going and flow directly from the decisions to expand City infrastructure.

In 2014 the City is projecting a net requirement for additional annualized operating cost of \$38.0 million for the infrastructure projects that will be completed and be put into service in 2014. This includes operating costs associated with construction or renovations for Clareview and Meadows recreation centres, Clareview, Meadows and Mill Woods libraries, Lewis Farms fire station and the North LRT extension as well as debt servicing costs.

The Council approved budget principles require budgeting the full year of operating cost for capital coming on line in any given year, whether or not a full year of cost will be incurred i.e. if a new facility were to open part way through the year it would not incur a full year of cost. The funds that are budgeted and not required in the year are identified and made available to City Council to resource one-time initiatives. However, City Council in recognizing



Edmonton's River Valley Park System is 22 times larger than New York City's Central Park, making it North America's largest continuous urban park. It provides sanctuary for flora, fauna and nature lovers in the heart of the city.



the significant operating impacts of capital for 2014 have directed Administration to phase the operating impacts of capital over 2014 and 2015. The net requirement for operating impacts of capital included in the approved 2014 budget is \$31.2 million.

OPTIMIZING SERVICE DELIVERY

The City does and will continue to look for innovative service delivery alternatives that can positively impact the value to citizens and reduce the costs of municipal services. Over time, Administration has implemented a number of service delivery alternative approaches and continues to look at opportunities to improve the effectiveness and efficiency of programs.

The City has a great foundation of base funding for services, programs and infrastructure. However, it is good to continually assess the relevancy and efficiency of this foundation to ensure

the City's scarce resources are put to the optimum use. This has led to greater focus on ensuring that funding is allocated based on results to be achieved and that priority initiatives are given first consideration. Some examples of recent improvements include: reductions in overtime across the organization due to proactive management; more efficient scheduling of fleet vehicles to reduce maintenance costs; reducing emergency call outs for nuisance alarms; standardization of legal forms; in-sourcing of computer support activities; and consolidation of work space for civic tribunals resulting in shared administration services. Continuous improvement efforts like these help to reduce the base budget increases and offset the operating impacts of capital in the 2014 budget.



BRINGING OUR VISION TO LIFE

Edmonton's City Council has developed a City Vision - a creative description of our City's future that paints a picture of how we imagine our city will look in 2040.

The journey toward that 2040 vision starts with the City of Edmonton's strategic plan, "*The Way Ahead*". This ten-year planning framework is guiding the transformation of our city and ensuring that we continue to work towards the development of the city that we describe in the City Vision.

THE WAY AHEAD SETS OUT SIX 10-YEAR GOALS



TRANSFORM EDMONTON'S URBAN FORM



SHIFT EDMONTON'S TRANSPORTATION MODE



IMPROVE EDMONTON'S LIVABILITY



PRESERVE AND SUSTAIN EDMONTON'S ENVIRONMENT



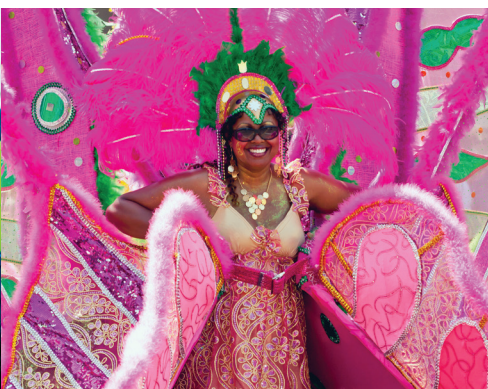
ENSURE EDMONTON'S FINANCIAL SUSTAINABILITY



DIVERSIFY EDMONTON'S ECONOMY



Terwilleger Recreation facility is the first major recreation facility built by the City in over 30 years.



Transforming Edmonton requires establishment of expected outcomes, thoughtful planning, priority setting, resource allocation, deliberate action, and measuring performance. The day to day work needs to connect with the strategic purpose. To that end and with extensive consultation, the City has developed directional plans to guide the City's work to achieve five of the six 10-year goals with one still

under development. *The Way We Grow*, *Move, Live, Green*, and *Prosper* are all approved with *The Way We Finance* to go to Council for approval in 2014.

Reporting to citizens about things that matter to them is an important component of accountability. This past year the City implemented Citizen Dashboards to report on the performance of services that promote

the outcomes associated with "*The Way We Move*" and "*The Way We Live*". Dashboards for "*The Way We Grow*" and "*The Way We Green*" will be online in 2013 with "*The Way We Prosper*" and "*The Way We Finance*" to follow in 2014. Please visit the Citizen Dashboard at <https://data.edmonton.ca/dashboard/live>.





EVERY DAY, EVERY WAY

The City of Edmonton provides a wide range of services, programs and infrastructure that Edmontonians need, want and use every day.

Every day, citizens interact with the city: they get up in the morning and turn on the tap; when they leave the house they walk on city sidewalks or drive on city roads; they may stop at a city park or take a fitness class at a city recreation centre; their garbage and recycling is picked up by city workers.

POLICE SERVICES

Community policing, crime prevention, victim support, traffic & vehicles, special crime units and initiatives

FACT: Edmonton Police Service answered more than 820,000 telephone calls through its 911 emergency line and its non-emergency complaint line in 2012.

FIRE RESCUE

Fire suppression, medical response, hazardous material response, public safety and investigations, fire prevention & education, environmental emergency response, training and dispatch

FACT: In 2012, Fire Rescue Services responded to over 37,000 total dispatched events, including approximately 24,000 medical event responses, 9,000 rescue event responses, 3,000 fire suppression event responses and 1,700 hazardous material event responses.

PUBLIC TRANSIT

Buses, LRT, DATS, LRT expansion, security, transit stations/centres

FACT: Ridership reached just over 85 million in 2013.

PARKS

Playgrounds, sports fields, river valley trails, forestry, pest management, parks maintenance, horticulture, parks planning, natural areas acquisition and preservation

FACT: Neighbourhood, Parks and Community Recreation offered 293 summer camps, maintained 4,260 ha of turf, managed 671 sports fields and 405 playgrounds and spray parks, and pruned over 41,000 trees in 2012.



As a result of stronger partnership efforts with the Edmonton Humane Society and local rescue groups, the Animal Care and Control Centre cat return to owner rates have increased by 19% and pet euthanasia rates have reduced by 38%.



WINTER ROAD MAINTENANCE

Snow clearing and ice control

FACT: Roadway Maintenance moves an average of 1.2 million cubic meters of snow every winter.

WASTE MANAGEMENT SERVICES - UTILITY

Garbage and recyclables collection, Eco Stations, neighbourhood recycling depots, Big Bin Events and Reuse Centre, waste recycling and processing facilities, partnerships with green businesses and Waste RE-Solutions

FACT: In 2014, the Kennedale Eco Station (the City's fourth), will be under construction in Northeast Edmonton. Projected Eco Station usage in 2013 is 230,000 customer visits.

CITY RECREATION FACILITIES AND ATTRACTIONS

Community facilities/recreation centres, pools, arenas, golf courses, recreation programming, Edmonton Valley Zoo, Muttart Conservatory

FACT: Welcomed over 7.3 million visits to City facilities, and provided over 78,000 operating hours in 2012 at Leisure Centres, allowing Edmontonians to enjoy year-round activities and recreation opportunities.

SUMMER ROAD MAINTENANCE

Pothole repair, design & construction, transportation planning

FACT: Street sand is picked up from approx 4,800 km of Edmonton roads each spring. Of the 150,000 - 180,000 tonnes of sand used each winter, 70 per cent is recovered and taken for recycling. Of that material, 80 per cent is re-used. The City's sand recycling program is the largest and most successful of its kind in North America.

NEIGHBOURHOOD RENEWAL

Reconstruction or upgrades of roads, sidewalks and street lights in mature communities, and other infrastructure revitalization in older neighbourhoods. There are approximately 300 neighbourhoods in Edmonton (including industrial). The Neighbourhood Renewal Program is designed to allow all neighbourhoods to receive improvements (either overlay, preventive maintenance or reconstruction) within 30 years.

FACT: There are over 150 neighbourhoods that require renewal. Of these, 100 need to be reconstructed. Between 2011 and 2018, 34 neighbourhoods are scheduled for reconstruction.



DRAINAGE SERVICES - UTILITY

Strategic and environmental planning, development services, lot grading, design & construction, tunneling, emergency repairs, operation and maintenance of 3,100 km of sanitary and combined sewers, and stormwater management systems including 2,300 km of storm sewers.

FACT: Drainage Services, through the Drainage Neighbourhood Renewal Program, has provided capital improvements for 19 neighbourhoods at risk for flooding since 2007 with another 12 scheduled to be completed by the end of 2012. By the end of 2011, \$133 million had been invested in the program with another \$147 million planned over 2012 to 2014.



PLANNING, HOUSING, BUILDINGS AND MAINTENANCE

Urban planning, housing services, Environment Office, buildings & landscape services, City properties, land management, zoning, building permits and licensing, safety codes, assessments and site servicing

FACT: Managed the planning, design and construction of approximately \$193 million of new buildings, facilities, and attractions and the rehabilitation of existing infrastructure, while also providing maintenance activities at over 900 civic, LRT, Library, foot bridges, Police, Transit, Miscellaneous, Drainage, Fleet Services and transportation facilities.



EDMONTON ECONOMIC DEVELOPMENT CORPORATION

Responsible for implementing the economic growth strategy for Edmonton and the Capital Region through its Enterprise Edmonton, Tourism, Shaw Conference Centre and Edmonton Research Park divisions

FACT: The Edmonton region has over 45,000 businesses, 95% of which have fewer than 50 employees. Together they are driving Canada's fastest-growing and 4th largest urban economy.

COMMUNITY STANDARDS

Animal care, pest management, peace officers, bylaw complaints & investigation, park rangers, program services and public education

FACT: Through dedicated education programs and clean up efforts, a 9.4% reduction in litter on city streets from last year was achieved.



Relentless Street Outreach has made over 3,850 contacts with more than 940 people who are homeless. This program has helped to successfully house nearly 50 of these individuals.



CORPORATE SUPPORT

311, edmonton.ca, recruitment, legal services, facility security, purchasing, information and technology and fleet maintenance of buses and police vehicles

FACT: The open data catalogue includes almost 400 data sets (202 tables, 115 maps, 57 charts), providing information that is important to Edmontonians and increasing openness, transparency and accountability. Over the past two years, the open data catalogue has been accessed by over 95,000 people.

TRAFFIC MANAGEMENT

Traffic safety, traffic operations, signals & street lighting

FACT: Converting Edmonton neighbourhood street lighting to LEDs will result in a savings of approximately \$4,300 per neighbourhood per year on average. For every thousand lights replaced, greenhouse gas emissions will be reduced by 243 tons per year.

CITY GOVERNANCE

Mayor and Councillor Offices, Offices of the City Manager, Auditor, City Clerk and Financial Services

FACT: Mayor and Council review, debate and make decisions on nearly 1,600 reports and issues each year through City Council or Committee meetings.

COMMUNITY AND NEIGHBOURHOOD SERVICES

Family & Community Support Services, graffiti management, grant management, partnerships and boards & commissions – homelessness, Telus Space & Science Centre, REACH, Great Neighbourhoods

FACT: Aging in Place Conducted two pilot projects benefiting over 4000 people and operated two projects with 100+ partners to coordinate 36 community initiatives.



BUDGET BY THE NUMBERS

The approved 2014 Budget advances the City's vision for Edmontonians and includes the impacts of previous Council decisions such as the cost of new staff and operations related to the implementation of new capital infrastructure.

The approved 2014 Budget also covers increases for staff who deliver the services we need and use every day, civic operating costs such as gas to power vehicles and equipment; road materials to fix potholes; and electricity and natural gas to light and heat our buildings. In order to cover the increase in costs and still stay within a reasonable tax increase inflationary increases were limited to those services that demonstrated an increase to supplier costs.

The approved 2014 Budget for the City of Edmonton is \$2,075,778,000. In order to maintain the existing level of service, account for changes in personnel costs and account for impacts of previous Council decisions the approved general tax increase is 3.4%.

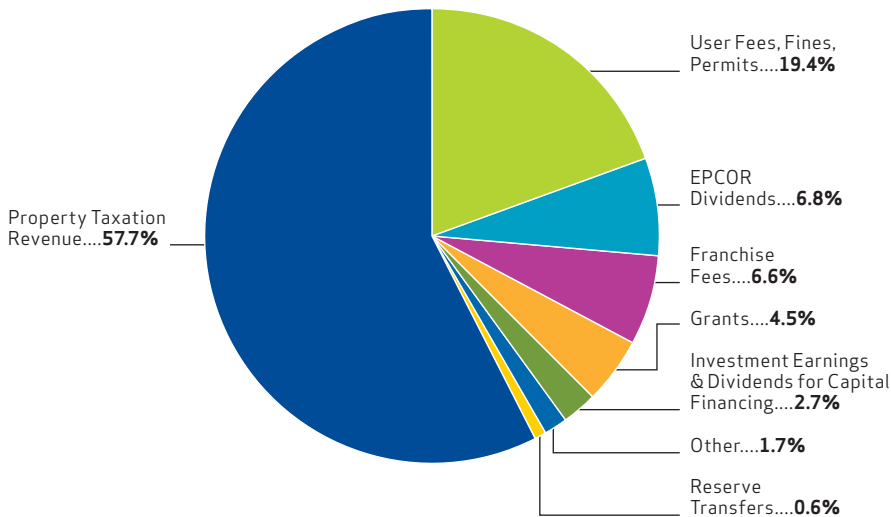
The impact of previous Council decisions includes the impacts of capital associated with the operating costs for the Clareview and Meadows recreation centres, Lewis Farms fire station, Clareview, Meadows and Mill Woods libraries and the North LRT extension. As well, it includes the debt servicing associated with the recreation centres. This alone accounts for 2.8% of the approved general tax increase.

Based on Statistics Canada survey in 2011, municipal property taxes accounted for 2.1% of average monthly household spending. By comparison, provincial and federal taxes combined accounted for 19.6% of the average monthly household expenditures.

Edmonton households receive demonstrated value for their municipal property taxes. For 2014, an average monthly municipal property tax payment of \$170 delivers services and amenities such as police, transit, parks, sports fields, community recreation centres, libraries, fire protection, roads, and much more. The approved 2014 Budget increases municipal property taxes for the typical homeowner by \$95 per year or \$7.92 per month.

Funding has been approved for a number of key packages in order to continue to move forward on the City Vision with \$18.3 million allocated to various departments. These packages include funding for improved aquatic safety standards, growth police service positions, enhanced services with the Current Planning branch and support for hosting FIFA International World Cup soccer events (one-time).

WHERE THE MONEY COMES FROM¹



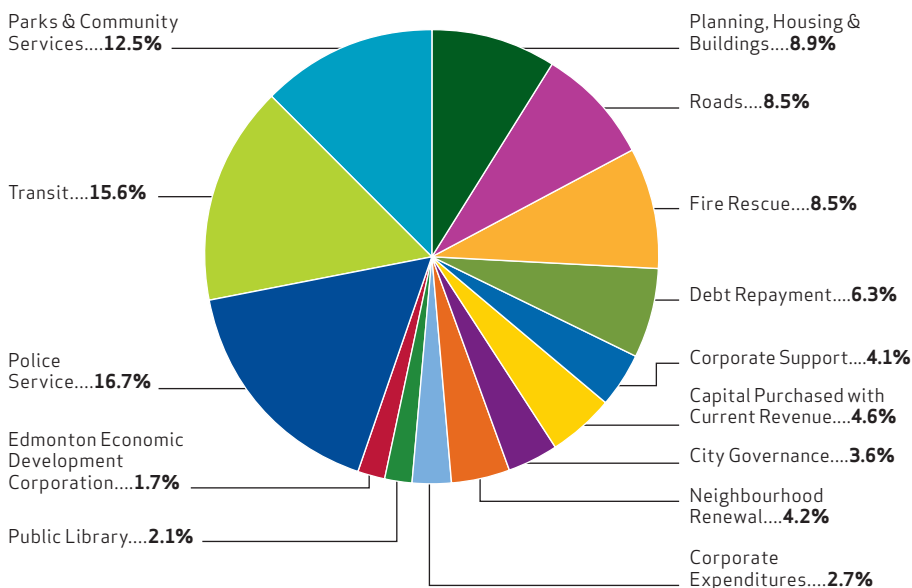
NOTE

¹ Revenues and expenditures associated with operating City utilities are not included in the charts.

The Operating Budget determines the total cost for operations. The City is not allowed to budget for a deficit and it does not plan surpluses.

Taxes collected from residential and commercial properties make up slightly more than 57% of the total revenue needed for the operating budget. Once Council sets the budget, the total needed from property taxes is determined. Each homeowner pays a share of the total tax required based on the value of his or her home, relative to all other homes; as does each business. At close to 20% of the total revenue, user fees form the next significant portion of revenue collected by the City. This revenue is generated primarily from transit fees and fees collected for the use of recreation facilities.

WHERE THE MONEY IS SPENT¹



NOTE

¹ Revenues and expenditures associated with operating City utilities are not included in the charts.

The total tax-supported expenditures for the major categories are shown in the chart to the left. Almost 45% of the City's budget is spent on providing police, transit, parks and community services. Over the last 10 years there have been no significant shifts in the spending allocation across these categories.

18 COST TO EDMONTONIANS

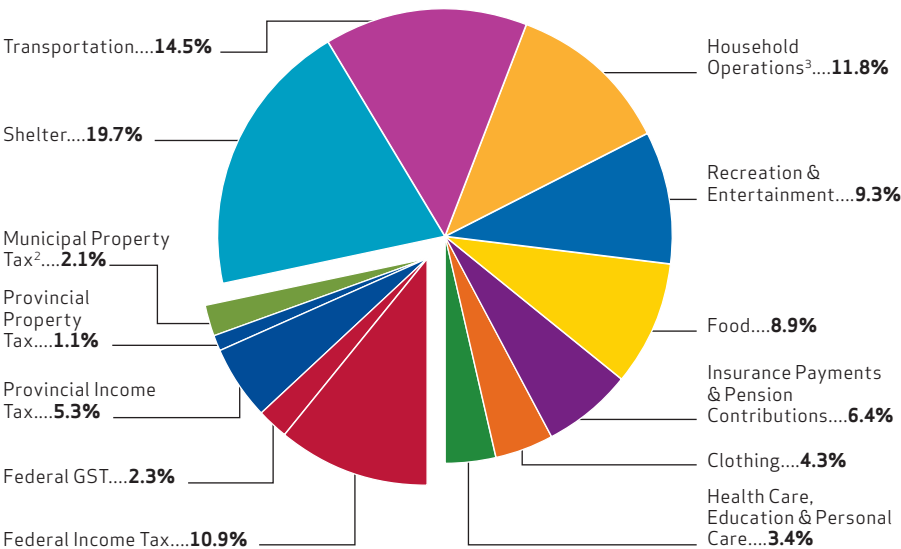
Monthly household expenses include all of the basic expenses to live and enjoy life in the City of Edmonton. For an average Edmonton household in 2011, monthly spending was approximately \$6,500, and included items such as shelter, food, transportation, insurance, health care, and entertainment. Municipal tax accounts for only 2.1%, of an average household's monthly expenses. (2011 information was used as this is the most recent available from Statistics Canada.)

This expense also includes Federal and Provincial income taxes, Federal sales taxes, and Provincial education property taxes. The average household in Edmonton paid approximately \$17,000 annually in taxes to all orders of government in 2011 (income, sales, education, and property tax). The Federal and Provincial Governments also collect additional taxes on fuel, and other consumables not included in that amount.

The approved 2014 Operating Budget increases municipal property taxes to a typical Edmonton household by \$95 for the year, or \$7.92 per month for those on a monthly payment plan. The total municipal property tax for a typical household amounts to just over \$2,000 per year, and delivers the range of civic services residents have come to expect.

Waste Management Services and Drainage Services although regulated by Council are funded through utility fees on a cost recovery basis. For an average household, the proposed Utility Budgets increase fees by \$51 for the year, or 14 cents per day.

MONTHLY AVERAGE HOUSEHOLD SPENDING¹



NOTES

1 Statistics Canada, Survey of Household Spending in 2011.

2 2011 Municipal Property Taxes are based on a typical Edmonton house at that time.

3 Household Operations include household furnishings & equipment, cell phone, telephone, internet, pet expenses, paper & plastic supplies, household & garden supplies

HOUSEHOLD IMPACT

Impact of the 2014 tax increase of 4.92% and utility rate increase on typical homeowner (\$374,500 assessed value) including all carried motions

	2013 BUDGET	2014 BUDGET	ANNUAL IMPACT
Municipal Services	\$ 1,836	\$ 1,902	\$ 66
Neighbourhood Renewal	105	134	29
Total Property Tax Bill¹	1,941	2,036	95
Stormwater Drainage ²	101	111	10
Sanitary Drainage (Collection & Transmission) ³	245	262	17
Waste Management ⁴	424	448	24
Total Utility Bill	770	821	51
Total Municipal Services	\$ 2,711	\$ 2,857	\$ 146

NOTES

1 The Municipal Services increase is based on an approved 3.42% tax rate increase and the Neighbourhood Renewal increase is based on a dedicated tax increase of 1.5% for an overall increase of 4.92%. Total Property Tax Bill is based on a home assessed at \$374,500. The typical homeowner property tax bill will be \$2,036 per year or \$170 per month. The increase may vary slightly due to market value shifts between the residential and other residential (apartment) tax classes.

2 For 2014, the Approved Stormwater Drainage Utility Fee is based on an average residential lot size of 560 m².

3 For 2014, the Approved Sanitary Drainage (Collection & Transmission) Utility Fee is based upon an annual water consumption of 184.8 m³.

4 For 2014, the Approved Waste Management Utility Fee is based on a single family residential charge of \$37.48 per month.



Edmonton's record of very robust growth is expected to continue over the next several years. Conference Board of Canada sees Edmonton leading in growth among Canada's large metropolitan areas between 2014 and 2017.

2014 APPROVED SERVICE PACKAGES

	REV	EXP	NET	FTE
ONE-TIME (NON-PERMANENT) FUNDING				
2014 International Triathlon Union Grand Final	-	1,400	1,400	-
EFCL - 2014-2018 Business Plan and Civic Engagement Strategy ¹	-	40	40	-
Edmonton Museums Network and City Museum Development	-	250	250	-
Total One-Time (Non-permanent) Service Packages Approved	-	1,690	1,690	-
ON-GOING FUNDING				
Aquatic Safety Standards & Practices	-	2,524	2,524	56.0
Tour of Alberta	-	250	250	-
FIFA 2014 & 2015 Women's World Cup Events	-	600	600	2.5
Community Facility Partner Capital Grant Program	-	1,000	1,000	-
McCauley School - Multicultural Centre	200	350	150	-
WinterCity Implementation Plan	-	495	495	-
Green Shack Program	-	275	275	7.0
Federation of Canadian Municipalities (FCM)	-	37	37	-
PCI Compliance for 311 and CLASS	-	750	750	-
Full-time Research/Constituency Assistants	-	200	200	-
Downtown Space Growth	-	600	600	-
Current Planning - Increased Service Volumes	1,400	1,400	-	14.0
Service Enhancements	500	500	-	5.0
Business Systems and eRecords	900	900	-	13.0
Urban Planning & Environment - Annexation	-	1,110	1,110	3.0
Transit Bus & LRT - Off-Peak Services	137	1,050	913	9.5
Enterprise Edmonton - Entrepreneurial Support and Startup Edmonton	-	300	300	3.0
Prisoner Transport	-	1,050	1,050	8.0
Police Services - New Positions	-	4,448	4,448	20.0
Public Library - eplGO Service Points (Storefront Model)	-	408	408	1.6
Total On-going Funded Packages	3,137	18,247	15,110	142.6
OPERATING IMPACTS OF CAPITAL & CONTRIBUTED ASSETS				
Community and Recreation Facilities	2,438	4,482	2,044	50.4
Fire Rescue Services - Lewis Farms Fire Station	-	766	766	6.5
Neighbourhoods, Parks and Community Recreation	-	3,358	3,358	15.1
Facility Maintenance Services	-	3,596	3,596	14.5
IT-Application Maintenance & Support	-	242	242	2.0
Capital Project (COBS and iNovah)	-	312	312	2.0
2014 NLRT Extension	-	5,955	5,955	26.4
Edmonton Police Services	-	100	100	-
Clareview, Meadows and Mill Woods Library Branches	15	2,147	2,132	21.8
Neighbourhoods, Parks and Community Recreation-Contributed Assets	-	379	379	4.0
Streetlight Signals Inventory Growth	-	237	237	-
Streetlight Maintenance Inventory Growth	-	104	104	-
Total Operating Impacts of Capital & Contributed Assets Approved	2,453	21,678	19,225	142.7

NOTE

¹ Held pending a report to City Council.

20 BUDGET SUMMARY

TAX-SUPPORTED OPERATIONS

(\$'000) Approved 2014

	2012 ACTUAL	2013 BUDGET	2014 BUDGET	\$ CHANGE '13 TO '14	% CHANGE '13 TO '14
REVENUE & TRANSFERS					
Taxation Revenue	1,026,181	1,110,661	1,196,908	86,247	7.8
<i>Assessment Growth</i>	-	-	-	30,140	2.9
<i>Tax Increase</i>	-	-	-	56,107	4.9
User Fees, Fines, Permits, etc.	364,971	382,628	403,377	20,749	5.4
EPCOR Dividends	141,021	141,021	141,021	-	-
Franchise Fees	124,147	131,628	137,902	6,274	4.8
Grants	105,631	102,396	94,401	(7,995)	(7.8)
Investment Earnings & Dividends for Capital Financing	66,262	54,304	55,960	1,656	3.0
Other Revenues	30,190	29,160	34,283	5,123	17.6
Transfers from Reserves ¹	32,464	38,701	11,926	(26,775)	(69.2)
Total Revenue & Transfers	1,890,867	1,990,499	2,075,778	85,279	4.3
NET EXPENDITURES & TRANSFERS					
Boards & Commissions					
Economic Development Corporation	35,292	35,386	35,846	460	1.3
Police Service	322,873	343,604	350,576	6,972	2.0
Public Library	46,206	49,308	52,007	2,699	5.5
Other Boards & Commissions	30,852	33,962	34,900	938	2.8
Total Boards & Commisisions	435,223	462,260	473,329	11,069	2.4
Civic Departments					
Community Services	404,435	421,604	452,704	31,100	7.4
Corporate Services	87,431	94,206	94,540	334	0.4
Financial Services/Corporate Strategic Planning	38,082	42,791	43,804	1,013	2.4
Mayor & Councillor Offices	4,499	4,952	5,158	206	4.2
Office of the City Auditor	1,985	2,165	2,195	30	1.4
Office of the City Manager	9,325	13,336	12,968	(368)	(2.8)
Sustainable Development	125,379	122,503	129,320	6,817	5.6
Transportation Services	468,401	488,680	505,655	16,975	3.5
Community Revitalization Levies	2,582	1,026	3,115	2,089	203.6
Corporate Expenditures & Revenues	219,767	240,647	266,764	26,117	10.9
Neighbourhood Renewal ²	60,191	69,114	86,226	17,112	24.8
One-time Items	-	27,215	-	(27,215)	-
2012 Surplus	33,567	-	-	-	-
Total Net Expenditure & Transfers	1,890,867	1,990,499	2,075,778	85,279	4.3
Total Net Requirement	-	-	-	-	-
FTEs					
Boards & Commissions					
Economic Development Corporation	272.0	265.0	271.0	6.0	
Police Service	2,220.5	2,294.5	2,320.5	26.0	
Public Library	433.9	442.3	468.4	26.1	
Other Boards & Commissions	58.0	58.0	58.0	-	
Civic Departments	8,581.3	8,833.1	9,060.1	227.0	
Total FTEs	11,565.7	11,892.9	12,178.0	285.1	

NOTES

¹ Transfers from Reserves includes 2013 One-time Items and Land Enterprise Dividend.

² \$1,541 of the 2014 Neighbourhood Renewal Budget is included in Transportation Services, for a total of \$87,767 in 2014 and \$70,655 in 2013.



Corporations donated 82,470 transit tickets to the “Donate A Ride” program in 2011. The free rides were distributed by local social service agencies to help low income individuals and families get to the services they need to improve their lives.

EXPLANATORY NOTES

(\$000)

REVENUE & TRANSFERS

Taxation Revenue

Includes revenue from assessment growth and additional revenue collected from a 4.92% property tax increase.

User Fees, Fines, Permits, etc.

Volume and rate increases for transit, recreation and planning fees and permits.

EPCOR Dividends

EPCOR is a wholly owned subsidiary of the City. This dividend amount has remained at the same level since 2012.

Grants

This change is primarily related to a decrease in application of Provincial funding as Cornerstones I program approaching completion, offset by reduced expenditures.

Franchise Fees

Fees in lieu of taxes or compensation for exclusive rights based on agreement.

Investment Earnings & Dividends for Capital Financing

Revenue earned through the City's investments is transferred to capital as a contribution to funding capital projects.

Transfers from Reserves

The City has a number of reserves for varying purposes.

Other Revenue

This category includes such items as supplementary taxes, tax penalties and tax certificates.

EXPENDITURES & TRANSFERS

Economic Development Corporation

An independent, not-for-profit corporate entity, Economic Development is responsible for providing leadership for the economic growth strategy for Edmonton and the Capital Region,

Police Service

This increase is a result of FTE growth required for the Edmonton Police Service.

Public Library

The approved 2014 Budget includes the operating impacts of new library facilities.

Other Boards & Commissions

This includes Edmonton Arts Council, Edmonton Federation of Community Leagues, Fort Edmonton, Greater Edmonton Foundation, Edmonton Heritage Council, Edmonton Homeless Commission and REACH Edmonton.

Community Services

Responsible for Community and Recreation Facilities, Community Standards, Community Strategies and Development, Fire Rescue Services, Neighbourhood Parks and Community Recreation, and Project Management and Maintenance Services. The approved 2014 Budget includes the operating impacts associated with opening 2 new recreation centres, a new fire station and the maintenance of all new facilities.

Corporate Services

Responsible for Customer Information Services, Human Resource, Information Technology, Law, Materials Management, and City Clerk services.

Financial Services & Utilities

Responsible for Corporate Strategic Planning, Financial Services and Assessment and Taxation. The Drainage and Waste Utility budgets are separate.

Mayor & Councillor Offices

Direct expenditures related to Mayor and Council.

Office of the City Auditor

The Office of the City Auditor reports directly to City Council through the Audit Committee and is responsible for all internal auditing activities within City Programs and City Agencies.

Office of the City Manager

The Office of the City Manager provides overall corporate and strategic direction to the Corporation of the City of Edmonton. Corporate Communications and Intergovernmental and External Affairs are part of Office of the City Manager.

Sustainable Development

Responsible for Urban Planning and Environment, Current Planning, Corporate Properties, Land Enterprise, Housing and Economic Sustainability.

Transportation Services

Responsible for Transportation Planning, Edmonton Transit, Transportation Operations, Roads Design and Construction, LRT Design and Construction, Traffic Safety and Automated Enforcement. The approved 2014 budget includes the impacts of capital associated with the opening of the North LRT.

Community Revitalization Levies

A Community Revitalization Levy (CRL) is the funding source the City can use to dedicate future property tax revenue in a specific area to pay for a new public facility or new infrastructure. These expenditures have increased due to a rise in the development associated with the Quarters CRL and are partially offset with CRL tax revenue.

Corporate Expenditures

The most significant component is the transfer of operating funding to capital.

Neighbourhood Renewal

An approved 1.5% tax increase to continue funding the renewal, replacement and enhancement of neighbourhood infrastructure.



The City of Edmonton operates three public utilities: Sanitary Drainage, Stormwater Drainage, and Waste Management Services. The Utilities report to Council's Utility Committee and the Utility Committee makes recommendations to City Council on the Utility budgets.

The three utilities are funded entirely through program and rate revenue and are not subsidized by taxation. All of the utilities are charged an appropriate share of corporate overhead, including a share of governance costs.

The Utilities operate under their respective Council approved Fiscal Policies. The Approved Budgets for the Utilities reflect the strategic direction and initiatives identified in their 2014-2016 Business Plans presented to the Utility Committee on June 18, 2013.

DRAINAGE SERVICES

Drainage Services provides high quality and reliable services to Edmonton residents through the Sanitary and Stormwater Utilities. The Drainage Services mandate is to:

- Maintain efficient and effective service
- Build and renew drainage infrastructure
- Improve environmental protection and maintain public health and safety
- Support economic growth and development
- Improve coordination and collaboration
- Nurture innovation and creativity

WASTE MANAGEMENT SERVICES

Waste Management Services is recognized nationally and internationally as a leader in integrated waste management solutions. The focus of the Utility is to provide responsive waste management services to all customer groups through the delivery of an integrated waste management system. The Waste Management Services mandate is to:

- Deliver efficient collection services focused on environmental protection
- Process waste to recover resources and minimize landfilling
- Provide responsive services that meet the changing needs of our customers
- Maintain our leadership status by focusing on innovation and attracting green businesses
- Engage the citizens of Edmonton to facilitate their full participation in waste reduction, reuse and recycling



For just over \$5 per day in property taxes, the average Edmonton household supports a range of operations, such as police, firefighters, transit, road and parks maintenance, and recreation programming.

APPROVED 2014 DRAINAGE BUDGET¹

(\$000)	2012 ACTUAL	2013 BUDGET	2014 BUDGET	\$ CHANGE '13 TO '14	% CHANGE '13 TO '14
REVENUE & TRANSFERS					
Rate Revenue	\$ 123,890	135,771	148,783	13,012	9.6
Program Revenue	6,401	6,409	8,784	2,375	37.1
Total Revenue & Transfers	130,291	142,180	157,567	15,387	10.8
EXPENDITURE & TRANSFERS					
Planning	5,853	7,274	7,679	405	5.6
Biosolids Disposal	7,190	10,199	12,278	2,079	20.4
Operations	21,163	24,601	24,983	382	1.6
Development Services	8,309	9,717	10,235	518	5.3
Program Support	50,891	58,113	62,112	3,999	6.9
Total Expenditure & Transfers	93,406	109,904	117,287	7,383	6.7
Net Income (Loss)	\$ 36,885	32,276	40,280	8,004	24.8
FULL-TIME EQUIVALENTS	310.4	319.9	325.9	6.0	1.9

NOTES

1 Does not include Drainage Design and Construction.

APPROVED 2014 WASTE MANAGEMENT BUDGET

(\$000)	2012 ACTUAL	2013 BUDGET	2014 BUDGET	\$ CHANGE '13 TO '14	% CHANGE '13 TO '14
REVENUE					
Rate Revenue	\$ 113,324	121,938	131,345	9,407	7.7
Operations Revenue	21,694	24,393	26,468	2,075	8.5
Biofuels Grant	3,700	6,000	-	(6,000)	(100.0)
Total Revenue	138,718	152,331	157,813	5,482	3.6
EXPENDITURE					
Collection Services	55,002	61,993	67,996	6,003	9.7
Processing & Disposal Services	83,785	84,338	89,328	4,990	5.9
Biofuels Grant	3,700	6,000	-	(6,000)	(100.0)
Total Expenditure	142,487	152,331	157,324	4,993	3.3
Net Income (Loss)	\$ (3,769)	\$ -	\$ 489	\$ 489	-
FULL-TIME EQUIVALENTS	448.0	465.8	476.7	10.9	

INFORMATION ON THE CITY OF EDMONTON'S
BUDGET IS AVAILABLE ONLINE:
www.edmonton.ca/budget2014

INQUIRIES MAY ALSO BE DIRECTED TO:
The City of Edmonton
Financial Services and Utilities
5th Floor Chancery Hall
#3 Sir Winston Churchill Square
Edmonton AB T5J 2C3
780-496-4944

