

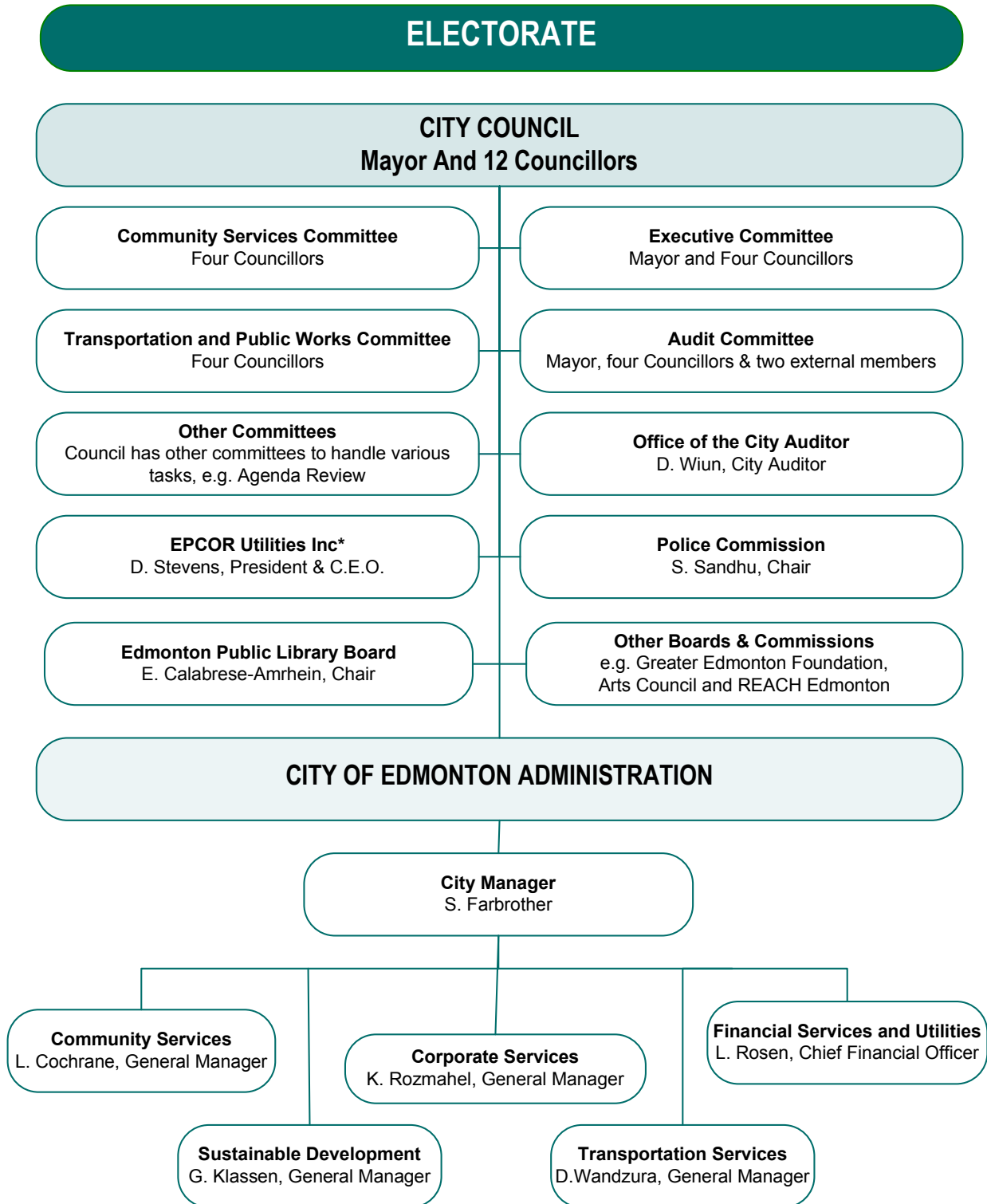
City Council

Edmonton's City Council is made up of 13 elected representatives including one Mayor and 12 City Councillors. The mayor is elected by all Edmontonians who vote in the civic election. Councillors are elected by voters in the wards they represent. Edmonton has twelve wards and each ward is represented by one Councillor who serves a four-year term.

City Council meetings are held two to three times a month. City Council has a number of standing committees that meet regularly. Meetings are open to the public.



In order to deliver services to the citizens of Edmonton, the City of Edmonton is organized into the legislative and administrative structure shown below:



* EPCOR Utilities Inc. is a wholly owned subsidiary of the City of Edmonton.

Budget Basis and Regulation

The City of Edmonton prepares its budget in accordance with Canadian public sector standards, using the modified accrual basis for accounting.

The operating budget lays out the revenues and expenses planned for the following year to deliver city services, using a program-based approach focused on service delivery and advancement towards the City's long-term goals. As directed by the *Municipal Government Act*, the City must approve a balanced annual budget.

From year to year, new services may be created when City Council identifies a clear need. Services may be enhanced or reduced to more closely align with goals and outcomes, due to costs or other factors.

There is an established budget adjustment process that provides the City with flexibility to adjust business plans and budgets to respond to changing economic, social, environmental and political circumstances. The adjustment process details are included toward the end of this section.

Non-cash budget for amortization and contributed assets is included in the 2014 budget under the section "Financial Tables".

Financial Reporting vs. Budgeting Basis

The City of Edmonton prepares its budget on a modified accrual basis while its basis of accounting (used to prepare City financial statements) is full accrual basis. Both are in accordance with Canadian Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The modified accrual basis of accounting is a hybrid of cash and accrual methods. It recognizes revenues as they become **available** and measurable, and recognizes expenditures generally when the fund liability is incurred.

The full accrual basis of accounting recognizes revenues in the period they are **earned** and become

measurable in, and recognizes expenses when incurred.

These different accounting methods are used due to differing accounting measurement objectives. The Financial statements are measuring the substance of transactions and so include non-cash transactions. The City budget on the other hand is funded on a tax levy basis and is focused on current financial resources and matching budget year revenues with costs.

The two methods treat amortization, contributed assets and the gain/loss on asset disposals differently. Under the modified accrual basis:

- **Amortization** - Not recognized as it is a non-cash expense.
- **Contributed Assets** - Do not affect the budget except in context of associated operating expenses.
- **Gain/Loss on asset disposals** - Captured in the cash flow associated, if any.
- **Reporting Entity**

The following discussion attempts to give a more complete understanding of what is included as part of the City of Edmonton Operating Budget. The following pages will explain these in greater detail:

1. **Tax Levy Supported Operations** - Civic Departments, Boards & Commissions and all Corporate Programs. These are included in the budget.
2. **Enterprises** - Fleet Services, Land Enterprise, Drainage Design & Construction. These are included in the budget and identified separately.
3. **Utilities** - Sanitary Drainage, Stormwater Drainage and Waste Management. The budgets for utilities are brought forward separately and are therefore not included in this budget.
4. **Subsidiaries** - EPCOR is the City's main subsidiary. EPCOR's Board submits its budget directly to Council and accordingly its budget is not included in this document. For budget purposes, only the amount paid by EPCOR to the City of Edmonton is shown.

1. TAX-LEVY SUPPORTED OPERATIONS

Tax Supported Operations includes all operating activities provided through Civic Programs, Corporate Programs and Boards & Commissions. These programs are primarily supported by a combination of property taxation, user fees, return on investment, and grants from other orders of government and can be categorized as follows:

A. Civic Programs

These are the programs delivering services to residents and the support programs. These constitute the majority of this budget document.

B. Corporate Expenditures & Revenues

The City's Corporate Expenditures & Revenues include revenue sources and corporate costs that are not specific to any department or service delivery program. All Corporate Expenditures & Revenues are included in this budget.

C. Boards & Commissions (B&Cs)

These are autonomous organizations with separate boards/commissions, related to the City through operating agreements, which usually include financial obligations. Boards and commissions are each governed by an establishing document.

For budget purposes, the B&C's operations are provided to Council. Revenues and expenses are included as tax-levy but identified separately in the City Budget. City Council approves the B&C's – expenses, revenues, and the net operating requirement that is subsidized by the City.

For financial reporting purposes, the B&C's revenues, expenses, assets and liabilities are consolidated with the City of Edmonton's financial statements consistent with any other tax-supported operation. Inter-organizational transactions are eliminated.

The Police Commission, Public Library and Edmonton Economic Development Corporation (EEDC) are explained below. The section "Other" in the Budget document has more detail for all other B&C's:

i. Edmonton Police Commission

This Commission is the policy-making and oversight body for the Edmonton Police Service. Made up of seven citizens who are appointed by City Council, and two City Councillors, it is responsible for overseeing the Edmonton Police Service, including allocating funds provided in its annual operating budget.

ii. Edmonton Public Library (EPL)

The EPL operates under authority of the Libraries Act of Alberta. Its operations are administered by the independent Edmonton Public Library Board, made up of nine City Council appointed citizens and one City Councillor. The Board reports to City Council.

iii. Edmonton Economic Development Corporation (EEDC)

EEDC is a not-for-profit company owned by the City, established under Part 9 of the Companies Act (Alberta) to promote economic development and tourism in Edmonton. It also operates and maintains the Shaw Conference Centre and Edmonton Research Park. Its funding includes an annual City grant.

iv. Other Boards & Commissions

Other Boards & Commissions that are part of this budget are identified separately in the Document section "Other". However, the City partners with many organizations and though not identified separately, these relationships are reflected in the City departments that support and work with the partner agencies.

- Arts Council
- Edmonton Combative Sports Commission
- Edmonton Federation of Community Leagues
- Fort Edmonton
- Greater Edmonton Foundation
- Heritage Council
- Homeless Commission
- REACH Edmonton
- Space & Science Foundation

2. ENTERPRISES

All Enterprises are self-sustaining operations not directly funded by property taxes.

A. Fleet Services

Fleet Services manages the City's fleet of over 4,700 City vehicles and equipment including transit buses, fire apparatus, police vehicles, waste trucks, snow plows, lawn mowers, roadways equipment, light duty trucks, DATS buses and sewer service trucks. Fleet Services is responsible for the City's vehicle and equipment procurement, maintenance, fleet engineering, fabrication services, fuel management and fleet safety. Fleet services also serves two external clients, EPCOR and Alberta Health Services, in the maintenance and management of their fleets.

Fleet Services operates by charging fixed rates (vehicle replacement fund), variable rates (vehicle maintenance), and directly charging for fuel and other ancillary services. These charges are applied to user departments (mostly tax-supported) for services provided with the ultimate objective being full life-cycle costing of the City's fleet and equipment. Fixed fees are transferred to the Fleet Services Replacement Reserve, with any annual surplus remaining in the Fleet Services accumulated surplus.

B. Land Enterprise

Land Enterprise is the City's land development and sales operation. It manages the land requirements of the corporation and positions the City to actively promote development from the perspectives of sustainability, revitalization, and urban form. The operations of the Land Enterprise is governed by City Policy C511- Land Development Policy. Annual surplus or deficits are added to or reduced from the Land Enterprise Fund Balance. The Land Enterprise pays an annual dividend to the City of Edmonton as described in the Land Enterprise Dividend Policy (C516B).

C. Drainage Design & Construction

Drainage Design and Construction provides sanitary and storm-water drainage system design, construction and

project management services and is the contractor of choice for the Drainage Services Utility.

In 2010, Drainage Design and Construction was financially separated from the Drainage Services Utility because the Section's activities are non-regulated and carry significant fluctuations in volume, business risks and net income depending on the local economy.

3. UTILITIES

Utilities are not funded by tax levy. They are funded only by rates charged directly to users, and in turn they provide a return on rate base to the City. Council approves these rates.

A. Drainage Services

Drainage Services provides for the management of Sanitary and Stormwater Utility for the residential, commercial, industrial, and institutional customers of Edmonton. The program operates based upon the principles provided in the regulations of the Alberta Utilities Commission (AUC). Utility rates are established to provide for the operating and capital requirements of the drainage systems. Both Utilities are operated as public utilities under a full cost recovery model.

The operations of the Utility are governed by the Drainage Services' Utility Fiscal Policy (C304C).

B. Waste Management Services

The Waste Management Utility was established under a public utility model in January 2009. Major services (collection, processing and disposal) are delivered as a fully integrated waste management system. The program operates based upon the principles provided in the regulations of the Alberta Utilities Commission (AUC).

The operations of Waste Management Utility are governed by the Waste Management Policy (C527), and the Waste Management Utility Fiscal Policy (C558).

4. SUBSIDIARIES

These are companies owned by the City.

EPCOR is the City's main subsidiary. Others like the City of Edmonton Non-Profit Housing Corporation are included within the respective department while Edmonton Economic Development Corporation (EEDC) is covered under Board & Commissions.

EPCOR Utilities Inc. (EPCOR)

EPCOR Utilities Inc. (EPCOR) is a wholly owned subsidiary governed by an independent Board of Directors. Headquartered in Edmonton, EPCOR builds, owns and operates electrical transmission and distribution networks, and water and wastewater treatment facilities and infrastructure in Canada.

The Board submits its budget directly to Council and accordingly its budget is not included in this document. For budget purposes, only the amount paid by EPCOR to the City of Edmonton is shown.

For financial reporting, EPCOR's operational results are reported in the annual financial statements using the modified equity method of accounting. Accounting principles are not adjusted to conform to the City's as a local government and inter-organizational transactions and balances are not eliminated.

5. INVESTMENTS, RESERVES & DEBT

A. Investments

The City maintains investments as established under City Policy C212D. A significant portion of these investments is managed within the Ed Tel Endowment Fund, in accordance with City Bylaw 11713. Investment earnings as well as Ed Tel dividends are directed to Capital under the Pay-As-You-Go program, consistent with the budget strategy to shift volatility of certain revenue streams to Capital.

B. Reserves

Reserves give the City of Edmonton financial sustainability and flexibility to address emerging issues. Governed by City Policy C217B, Reserve establishment and transfers to and from these accounts require Council approval through Budget. Tables describing all Reserve funds and Approved budgeted transfers for each individual Reserve have been provided in this document.

C. Debt

Working under debt and debt service cost limits in the MGA as well as the more conservative Debt Management Fiscal Policy (DMFP), debt is used as a financing source for the City's long-term capital plans and strategies to maintain long-term financial affordability, flexibility and sustainability.

The policy also provides for approval of multi-year debt guidelines with a corresponding debt repayment funding strategy, and added flexibility for the use of freed up debt servicing funding once debt is retired.

Debt principal repayments are accounted for as expenditures for budgetary purposes and as reductions on long-term debt liability for financial reporting purposes.

Process for Budget Amendments

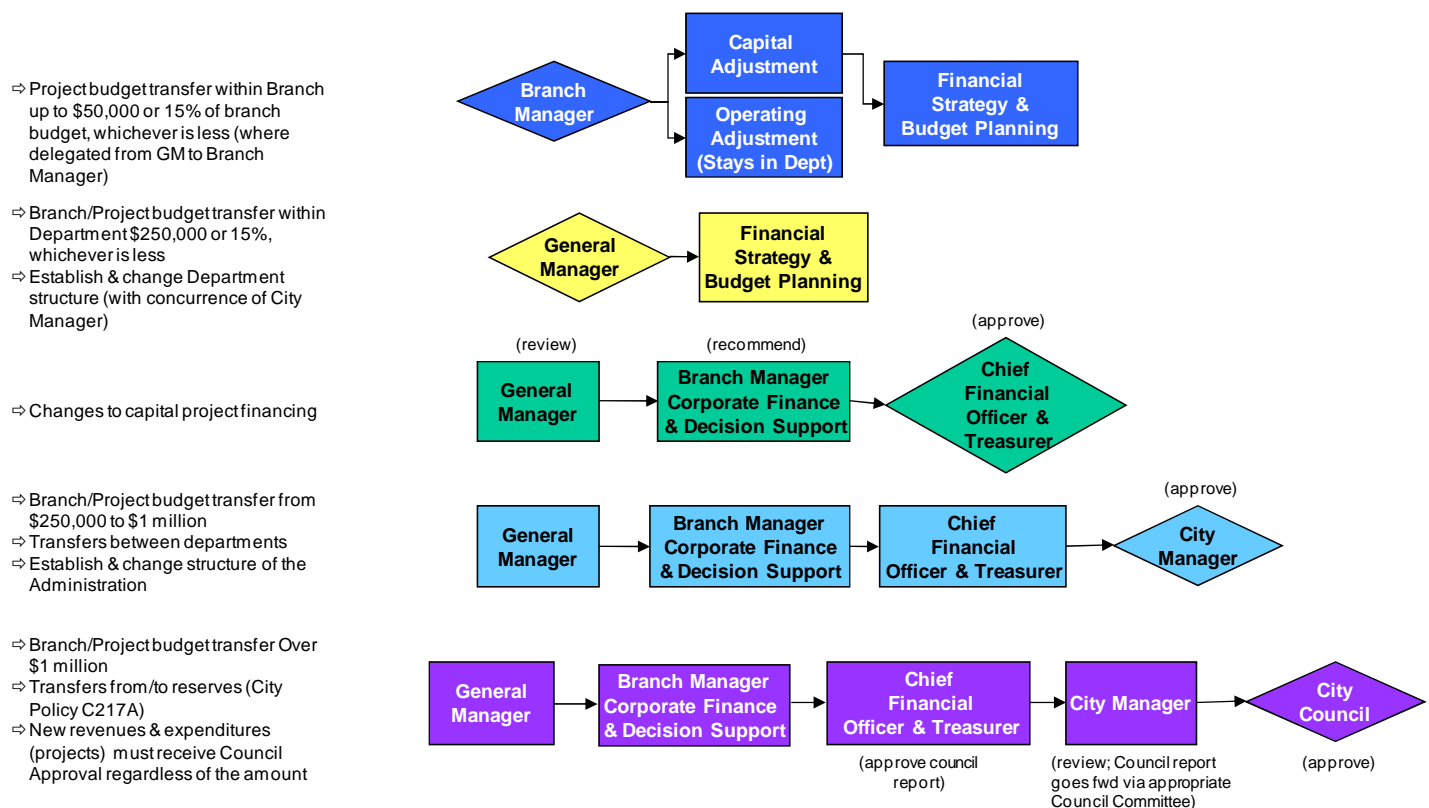
The budget adjustment process provides the City authority to amend the budget after Council has passed the year's budget. It provides flexibility to adjust business plans and budgets to respond to changing circumstances.

Per the Delegation of Authority Bylaw 12005, the City Manager can authorize budget adjustments of up to \$1 million from a budgeted Branch or project to another within civic departments. Department General Managers can authorize budget adjustments of up to the lesser of \$250,000 or 15% of the departmental budget from one budgeted Branch or project to another within the departmental budget. Branch Managers (where delegated by GMs) can authorize Project budget transfers within a branch for up to the lesser of \$50,000 or 15% of the branch budget.

Corporate reorganizations are within the approval authority of the City Manager. Department General Managers can authorize department reorganizations within their approved budgets, with concurrence of the City Manager. The following is a graphical summary of the budget adjustment process:

Budget Adjustment (BA) Authorization Chart

(Branch/Project as defined in the Budget)



Special Notes:

- ⇒ The Library Board and Police Commission have the authority to make adjustments within their total approved budget. Budget adjustments outside this authority go to City Council.

Revised July 9, 2013

From the Operating Budget perspective, the City budgets for Operating funds and Reserve funds. This document contains all the details of the Operating fund and Reserve funds. The Operating fund is captured within the Table “Approved 2014 Tax-Supported Operations”. The Reserve fund is covered in the following section.

Operating—The Operating Fund balance represents the budget required to offset future operational revenue requirements. This budget book contains the details on Operating budget fund. A summary of the Operating fund can be found in the section Tables.

There are separate operation budgets within the Operating Fund which are summarized below:

- Tax supported operations
 - Civic/Corporate Expenditures & Revenue
 - Boards and Commissions
- Non-tax supported operations
 - Drainage Design & Construction
 - Fleet Services
 - Land Enterprise
- Investment funds
 - Ed Tel Endowment Fund
 - Sinking Fund Excess Earnings

Reserves—Reserve funds are governed by City Policy C217B which states that the establishment and transfers to and from these accounts require Council approval through the Budget.

The City has various types of Reserves to serve a wide variety of purposes as follows:

- Stabilization - funds set aside for emergent, generally unanticipated needs.
- Planned Stabilization - planned transfers to deal with a known stabilization requirement in the future.
- General Operating and Capital - used to fund general operating and capital requirements.
- Specific Purpose - used to fund one-time or unique activities.
- Regulatory/Third Party Requirements - subject to external restrictions.

Transfers can be made to reserves from the operating budget and from other reserves. Transfers can also be made from the reserve to the capital budget, operating budget, and other reserves. One of the largest reserves at the City is the Financial Stabilization Reserve (FSR). One hundred percent of any annual general government operating surplus will be placed in the FSR.

Reserve amounts not used during the year remain in the reserve for future years use.

Certain reserves are interest bearing and accumulate interest on a monthly basis. Interest earnings from investment of the reserve balance are applied back to this reserve as they are earned. Interest earnings are intended to be applied to a reserve only if there are external requirements based on legislation or agreements, or if the reserve is intended to fund future capital expenditures. This allows the reserve to accumulate interest at the City's short-term investment earnings rate to maintain purchasing power over time.

Following is a list of the City of Edmonton reserve funds and a description for each of which have an Approved change to the 2014 reserve balance. The details of the 2014 Approved changes are listed on the following pages.

Reserve Fund Description
2% Neighbourhood Renewal
Approved at the March 11, 2009 City Council meeting, the Neighbourhood Renewal Reserve will contain tax funding dedicated to the Neighbourhood Renewal Program (2%-2009 and 2010 and 1.5%-2011 and 2012) net of annual expenditures, as approved through the annual City budget process. Generally all tax levy funds approved for the year are utilized for neighbourhood renewal expenditures in the year. No interest is applied to this reserve.
Affordable Housing
This reserve was established to assist the Housing Branch in delivering Affordable Housing units as outlined in the Council approved "Road Map" for the Cornerstones Plan implementation. Due to the unpredictable spending pattern of expenditures and involvement of other orders of government, this reserve permits unexpended funds to be retained and applied to support future funding requirements. No interest earnings are applied to this reserve.
Aggregate Site Development
The purpose of this reserve is to cover costs associated with aggregate site preparation; gravel pit equipment replacement; reclaiming and maintaining lands presently used for material recycling; and to purchase land for future site locations. A surcharge is assessed on recycled aggregates (gravel, concrete, asphalt, and sand from snow dumpsites) to cover expenditures for replacement of equipment and site preparation. The net amount of revenues and expenses for the year relating to this program is applied to or drawn from the reserve. Interest earnings are applied to the reserve.
Belvedere CRL
Belvedere CRL (Station Pointe) is financed through borrowing Bylaw 14883 which was passed in 2008 that enabled the City to undertake infrastructure improvements and land development along Fort Road. In January 2012, Bylaw 15932 was passed to allow for the Belvedere Community Revitalization Levy to fund this project. The accumulated net deficit balance is due to timing of debt service payments and approval of the CRL. The deficit will be funded from future CRL revenues and net proceeds from sale of land.
City Fleet Replacement Fund
Approved at the October 14, 2009 City Council Meeting, this reserve is used to fund replacement of fleet vehicles at the end of their life cycle. Funds to replenish the reserve come from an annual fixed charge. No interest earnings are applied to this reserve.
Commonwealth Stadium
Approved in 1995 and established with \$750,000 from the Public Works Department Vehicle Equipment Reserve as a result of the agreement between the City of Edmonton and the Edmonton Eskimo Football Club for the operation of the Commonwealth Stadium on an entrepreneurial basis. Annually \$200,000 of tax-levy funding is allocated to the reserve for development of new revenue, marketing strategies or capital programs. The City's portion of concession earnings are held in this reserve for capital concession capital projects. Effective January 1, 2007, 15% of net concession revenues from city events or co-sponsored events is contributed by the Eskimos annually to the reserve for replacement of Concession equipment. Interest earnings are applied to this reserve.
Current Planning Enterprise
On June 23, 2010, Council approved the Current Planning revised business model. This included the establishment of the Current Planning Reserve. The new business model provides enhanced accountability, full cost recovery and a financial reserve. The reserve is used to provide revenue levelling, stabilize resources across extended periods of time and fund initiatives to enhance planning services. Council approved the Current Planning Reserve Policy C570 in 2012 which provides direction for sound fiscal management of the Current Planning Reserve. No interest is applied to this reserve.
Development Incentive Reserve
This reserve was approved during the 2010 budget deliberations to facilitate the implementation of City Policy C553, Development Fund Program. This reserve captures any unspent funding from the Development Incentive Program until December 31, 2014. The Development Incentive Program is designed to stimulate new infill development or redevelopment of existing buildings for commercial and/or multi-unit residential uses and fill vacant retail and commercial building storefronts with eligible commercial uses. No interest earnings are applied to this reserve.
Enterprise Portfolio
To facilitate the implementation of City Policy C479 - Fiscal Policy for the Enterprise Portfolio by managing revenue fluctuations and fund business development opportunities for all facilities managed by the Community and Recreational Facilities branch. Interest earnings from investment of the reserve balance are applied back to this reserve as they are earned.
Façade and Storefront Improvement
This reserve facilitates implementation of City Policy C216A - Retail and Commercial Façade and Storefront Improvement Program. This program provides matching grants to building owners who invest in approved projects to improve the appearance and function of street level retail and commercial buildings in targeted areas within eligible Business Revitalization Zones throughout the City. The program is funded through on-going annual tax levy funding and the net program timing difference for the year is applied to the reserve. No interest earnings are applied to this reserve.
Financial Stabilization - Appropriated
The Financial Stabilization Reserve (FSR) - Appropriated tracks amounts that have been appropriated from the FSR for specific purposes in current or future years. No interest is applied to this reserve.

Reserve Fund Description

Financial Stabilization - Unappropriated

The FSR was established in 1997 to provide flexibility in addressing financial risks associated with revenue instability and unforeseen costs on a transitional basis, and to ensure the orderly provision of services to citizens. As per policy C217B - Reserve and Equity Accounts, a minimum balance of 5% with a target balance of 8.3% of current general government expenses (excluding non-cash amortization) has been established. The source of funding for the FSR has generally been tax-supported operating surplus. Therefore, it is primarily in positive economic times that the reserve has increased. No interest is applied to this reserve.

Fort Edmonton Train Maintenance

As a condition of an ongoing agreement between the City of Edmonton and the Fort Edmonton Historical Foundation, annually a maximum of \$5,000 from the Fort Edmonton operations is set aside in this reserve to fund major maintenance expenses of the steam railway system within the Park.

Funds in Lieu - Residential

This reserve was approved in 1985 based on Council's direction to separate the residential portion from the commercial/industrial portion in the Parkland Purchase Reserve. Funds received from developers and from the sale of parkland in residential areas is used to purchase and develop parkland in residential areas. The funds are generated as a result of the (up to 10%) parkland dedication required in accordance with the Municipal Government Act (MGA). The MGA requires that such funds be used for "a public park, a public recreation area, school authority purposes, or to separate areas of land that are used for different purposes". The funds collected are restricted by Council policy to usage within the same neighbourhood. Interest earnings are applied to the reserve. There is no requirement under the MGA or through Council direction that interest earnings be accumulated by neighbourhood, but rather accrue to the reserve in total.

Heritage Conservation

The Heritage Conservation Reserve supports City Policy C450B - Policy to Encourage the Designation and Rehabilitation of Municipal Historic Resources in Edmonton. This policy sets process for the designation of historically significant structures and the payment of required compensation such as grants, tax cancellation, rebate of property taxes, or a payment equal to the value of the amount of taxes payable on the designated historic building and substantial rehabilitation. This reserve also provides funding for maintenance grants, promoting heritage, and special heritage projects including limited demonstrative restoration projects. Annually, an amount is approved in the operating budget for this program and unspent funds are transferred into the reserve at the end of the year. Conversely, if there is a deficit in the program, draws are made on the reserve. No interest earnings are applied to this reserve.

Industrial Servicing Fund

The purpose of this reserve is to facilitate implementation of City Policy C533, Revolving Industrial Servicing Fund. This reserve will be used as a funding source to provide rebates to Front End Developers that undertake construction of cost shareable infrastructure. Front End Developers are eligible for a rebate if they do not recover their shareable front end costs through normal processes, providing they construct End-User Development that increases the taxable property assessment by \$10 million or more (excluding machinery and equipment). The source of funding for this reserve will be 50% of the incremental property tax revenue from these End-User Developments. Interest earnings are applied to the reserve.

Local Improvements Reserve

Approved at the October 31, 2012 City Council meeting, this reserve will accumulate the annual difference between local improvement revenues and debt servicing related to local improvements. The reserve will not earn interest.

LRT

An annual funding level of \$5.0 million is provided from tax levy directed to LRT. This funding is used to cover any deficiency of Federal Fuel Rebate over SLRT debt charges annually with any residual added to the reserve. The reserve is to be made available for funding city-wide LRT expansion.

Motor Vehicle Insurance

The City self-insures the first \$1.0 million of each automobile liability claim with any amount in excess of this self-insured retention amount being insured by external commercial insurers. Pursuant to Section 825, Part 7 of the Alberta Insurance Act, the Corporation must maintain a separate insurance fund. The amount is approved annually by the Superintendent of Insurance for the Province, and the City is required to sign a statutory declaration indicating that a separate insurance fund of the required sum is maintained. The amount of \$2.5 million, in addition to the amount set aside to satisfy third party liability and accident benefit claims, is the current approved requirement. Since the City records an ongoing liability for claim estimates, the established limit in the reserve has remained stable. The reserve balance is invested in the longer-term Balanced Fund. Its Interest earnings form part of the corporate investment earnings budget.

Natural Areas

Approved March 2, 1999, the Natural Areas reserve was established to facilitate the acquisition and conservation of environmentally sensitive natural areas. Bylaw 15164, approved July 22, 2009 expanded the purpose of the reserve to facilitate the repayment of debt incurred in the purchase of natural areas. The expected sources of funding is \$1 million transferred annually from tax levy through the budget process. Interest earnings are applied to the reserve.

Northlands Capital

As provided by the agreement (January 1, 2004 - December 31, 2013) between the City of Edmonton and Edmonton Northlands, the City is entitled to share in certain operating profits of Rexall Place, under a formula as outlined in the agreement. The profits are to be held in the reserve to assist in funding facility capital improvements as defined in the agreement. Interest is applied to this reserve.

Parkland Reserve

Starting in 1974, this reserve receives funds from developer levies, the sale of municipal reserve lands in industrial and commercial areas, proceeds from the sale of municipal reserve land in the river valley communities (where land was originally purchased with Parkland Reserve funds) and money received from the rental of city property on park land. The Municipal Government Act (MGA) requires that such funds must be used for "a public park, a public recreation area, school authority purposes, or to separate areas of land that are used for different purposes". The funds collected can be used anywhere in the City for the required purposes. Interest earnings are applied to the reserve.

Reserve Fund Description
Perpetual Care
The Perpetual Care Reserve is used for preservation, improvement, embellishment, and maintenance in perpetuity of the Municipal Cemeteries. 15% of specific cemetery revenue is applied to the reserve at the time revenue is recognized. Interest is applied monthly and is utilized for funding of the cemetery operating program. This reserve is currently being reviewed as part of the Cemeteries Master Plan.
Quarters CRL
City Council approved Bylaw 15800, Schedule "A" - The Quarters Downtown Community Revitalization Levy (CRL) Plan on June 20, 2011. Incremental tax levy increases will be used to cover debt servicing and other project costs. Significant portions of the expenditures cannot be capitalized. The resulting deficit balance is proposed to be financed through the Financial Stabilization Reserve and repaid from future CRL revenues.
Reserves For Future Expenditures (Library)
Reserves for future expenditures relating to Library Operations include amounts set aside by the Library Board for specific purposes. This will include amounts for Library facility projects, 2013 Library centennial projects and the Clareview Library Branch. No interest is applied to this reserve.
St. Francis Xavier Reserve
The St. Francis Xavier Reserve was established August 5, 2011 as a condition of an on-going agreement with the City of Edmonton and the Edmonton Catholic School Board to fund life/cycle maintenance for the St. Francis Xavier Sports Centre. Tax-levy funding is approved annually in the amount of 78% of annual estimated maintenance costs, to fund the City's portion of major life cycle maintenance. Interest earnings are applied to this Reserve.
Tax Supported Debt
Initially this reserve was approved on October 29, 2002 to accommodate timing differences between debt servicing requirements and receipt of taxes for the \$250 million 5 year program of tax-supported debt. As approved at the October 31, 2012 City Council meeting the purpose of the reserve was changed to accommodate timing differences between debt servicing and receipt of taxes for all City tax-supported debt. A minimum balance of \$1.0 million is to be maintained and any unappropriated balance above this is made available to fund capital projects. The minimum balance is to be used to manage any interest rate or cash flow fluctuations. The inclusion of all tax-supported debt for the City will reduce the impact on operations of the timing differences between debt servicing and receipt of taxes for all City tax-supported debt.
Telus Field Capital
As provided by the License Agreement between the City of Edmonton and the Katz Baseball Corporation, the net rents and fees collected under the License Agreement are retained in a separate reserve account to be used for future structural repairs to Telus Field.
Tree Management
A requirement of City Policy C456A - Corporate Tree Management. Funds are placed in the reserve to replace the trees and shrubbery with a view to protect the urban forest, upon removal in the course of construction or repairs to City-owned property. Funds are transferred out of the reserve to cover the operating costs incurred to replace trees and shrubbery.

Supplementary Information

Reserve Funds

Following is a list of the City of Edmonton reserve funds and the approved changes to the 2014 reserve balance as at December 5, 2013. The description of the reserves are listed on the preceeding pages.

Reserve Fund in Alphabetical Order	2014 Approved Opening Balance	Transfer (to) from Operating Budget	Transfer (to)/from Capital Budget	Interest	2014 Approved Ending Balance
2% Neighbourhood Renewal	-	-	-	-	-
Affordable Housing	11,072	757	-	-	11,829
Aggregate Site Development	10,108	1,375	(600)	14	10,897
Belvedere CRL	(2,993)	1,216	-	-	(1,777)
City Fleet Replacement Fund	18,121	(20,589)	22,601	-	20,133
Commonwealth Stadium	1,534	64	-	-	1,598
Current Planning Enterprise	25,876	1,500	(2,500)	-	24,876
Development Incentive Reserve	1,466	(500)	-	-	966
Enterprise Portfolio	5,981	152	-	-	6,133
Façade and Storefront Improvement	1,668	(40)	-	-	1,628
Financial Stabilization - Appropriated	21,348	(80)	-	-	21,268
Financial Stabilization - Unappropriated	84,216	-	-	-	84,216
Fort Edmonton Train Maintenance	94	-	-	-	94
Funds in Lieu - Residential	8,263	-	(5,703)	133	2,693
Heritage Conservation	3,111	(1,000)	-	-	2,111
Industrial Servicing Fund	(4,319)	(4,545)	-	(43)	(8,907)
Local Improvements Reserve	(116)	148	-	-	32
LRT	22,494	4,168	-	-	26,662
Motor Vehicle Insurance	2,500	-	-	-	2,500
Natural Areas	8,619	126	-	98	8,843
Northlands Capital	1,159	-	-	13	1,172
Parkland Reserve	11,139	-	(4,000)	-	7,139
Perpetual Care	5,421	200	-	-	5,621
Quarters CRL	(3,453)	(1,558)	-	-	(5,011)
Reserves For Future Expenditures (Library)	839	-	(574)	-	265
St. Francis Xavier Reserve	473	-	-	-	473
Tax Supported Debt	7,813	-	-	-	7,813
Telus Field Capital	310	-	-	25	335
Tree Management	2,057	-	-	-	2,057
Total	244,801	(18,606)	9,224	240	235,659

The table below contains the listing of Council Motions that departments were directed to address during the 2013 Budget process and how each motion has been dealt with in the 2014 Approved Operating Budget.

Council Motions	Date	Responsible Department	Net Operating Requirement (000's)	Action
1. Councillor's Office Assistants	July 3, 2013			
That Administration include a funded package in the 2014 operating budget for full-time research/constituency assistants, and include information on updated research on staffing levels and numbers in other similar Councillors' offices in Canada.	City Council Meeting	Corporate Services/ Financial Services & Utilities	\$200	Put forward as service package
2. Make Something Edmonton Initiative	September 9, 2013			
That Administration continue work with the Edmonton Economic Development Corporation and the City Image and Reputation task force to operationalize the Make Something Edmonton Initiative, and bring back recommendations to continue implementation of the Make Something Edmonton Initiative, including setting up an agency or other entity, and with a service package developed and funding to be requested for allocation in the 2014 budget.	Executive Committee	Financial Services & Utilities		*Funding for this initiative will be managed within the funding envelope provided to the Corporate Communications Branch for the City, Image and Reputation Initiative during the 2013 budget process. As a result, a service package will not be provided.

*Note: The City of Edmonton is actively working with the Edmonton Economic Development Corporation and the City Image and Reputation task force to develop a framework to manage the Make Something Edmonton Initiative. The group will come forward to Council with further information when the framework is complete.

Strategic Plan (Council-approved)	
<i>The Way Ahead (2009-2018) Updated 2011</i>	
Corporate Directional Plans (Council-approved)	
<i>The Way We Grow: Municipal Development Plan (approved May 2010)</i>	
<i>The Way We Move: Transportation Master Plan (approved September 2009)</i>	
<i>The Way We Live: Edmonton's People Plan (approved July 2010)</i>	
<i>The Way We Green: Edmonton's Environmental Strategic Plan (approved July 2011)</i>	
<i>The Way We Finance: Edmonton's Financial Sustainability Plan (under development)</i>	
<i>The Way We Prosper: Economic Development Plan (approved March 2013)</i>	
Active Plans Approved By Council	
(does not include ASPs, NSPs, Bylaws, City Policies or Council Initiatives)	
Name of Plan/Owner	Date Approved By Council
Transportation Services	
1 LRT Network Plan	Jun-09
2 Cycle Edmonton: Bicycle Transportation Plan	2009
3 Sidewalk Strategy (PED CONNECTIONS)	2009
4 Pavement Investment Strategy	Mid 1990's
5 Concept Plan for SE LRT	Jan-11
6 Concept Plan for the entire Valley line (SE to W LRT)	Feb-12
7 Concept Plan for the Northwest LRT Concept Plan	May-13
Sustainable Development	
8 Capital Region Housing Plan: Strategy and Implementation Plan, Appendix 5, March 2009	Feb-09
9 CO2RE Strategy (updated)	Oct-02
10 Contaminated Gas Stations Task Force Strategy	Jul-10
11 Edmonton Area Community Plan on Housing and Supports	May-05 , updated Fall 2012
12 Edmonton's Industrial Land Strategy	Aug-02
13 First Place Program	Nov-06
14 Food and Urban Agriculture Strategy	Nov-12
15 Fort Road Old Town Master Plan	Nov-02
16 Natural Areas Acquisition Strategy	Jul-05
17 North Saskatchewan River Valley and Ravine System Redevelopment Plan	1990
18 Quarters Urban Design Plan	Apr-09
19 Ribbon of Green Concept Plan	1990
20 A Plan of Action for the Capital Region River Valley Park	Jul-07
21 Roadways and Parks Naturalization Master Plan	1994
22 West Rosedale Urban Design Plan	Aug-11
23 Urban Parks Management Plan 2006-2016	Jun-06
24 Urban Sustainability Action Plan	Aug-04
Community Services	
25 10-year Arena Capital Development Strategy 2009-2019	Jul-07

Community Services, con't	
26 Art of Living	Sep-08
27 Artificial Turf Plan (2009-2015)	Updated Fall 2012
Name of Plan/Owner	Date Approved By Council
Community Services (continued)	
28 Cemeteries Master Plan	Oct-12
29 Child Friendly Edmonton Strategy	Nov-06
30 Elevate Report - Community Sustainability Task Force	Jun-12
31 Fort Edmonton Park 2010 Master Plan Update	May-10
32 John Janzen Nature Centre Development Plan	Jun-05
33 Joint Use Agreement: Facilities and Lands	Jun-05
34 Long-term Strategy for Funding Operating Costs for Seniors Centers	Jul-07
35 Medium Term Recreation Facility and Sports Field Plan	Jul-07
36 Muttart Conservatory Master Plan and Land Use Plan 2001	Jul-01
37 Neighbourhood Park Development Program Renewal	Updated 2008
38 Neighbourhood Revitalization Framework	Dec-06
39 Outdoor Aquatic Strategy 2008-2017	Jan-08
40 Edmonton Fire Rescue Services Quality Management Plan (QMP)	July-03, updated Aug-10
41 Fire Rescue Master Plan (Update)	Jul-12
42 Queen Elizabeth Park Master Plan	Aug-14
43 Racism-Free Edmonton Action Plan	Sep-08
44 REACH Report	Nov-09
45 Recreation Facility Master Plan 2005-2015	August 2004/5-Year Review/ Updated November 2009
46 Seniors' Center Plan (2011-2021)	May-11
47 Sports Field Strategy 2005-2015	May-05
48 Terwillegar Park Concept Plan (2009)	Feb-09
49 Urban Aboriginal Accord	Aug-05
50 Valley Zoo Master Plan Update 2005	Nov-05
51 Violence Reduction Action Plan	Nov-11
Name of Plan/Owner	Date Approved By Council
Financial Services & Utilities	
52 Combined Sewer Overflow Control Strategy	Mar-00
53 Drainage Services Master Plan 2004-2014	Jan-04
54 Edmonton City Council's Infrastructure Strategy: Building the Capital City from the Infrastructure Up	Jan-06
55 Long Range Financial Plan 2007-2016	2006
56 Sanitary Servicing Strategy	Jul-98
57 Storm Water Quality Control Strategy	Jun-08
58 Waste Management Strategic Plan	1994 Updated 2008
59 Wastewater Treatment and Collection System Operations Plan	2007

Financial Policies

City Policies are Council statements that set discretionary duties or standards of performance for the City, addressing recurring issues that provide guidelines setting out the level and manner the City will perform duties imposed on itself or those imposed on the City by legislation.

In accordance with the Municipal Government Act (MGA), the City of Edmonton's budget is balanced, with no projection of either a deficit or a surplus. Any year-end surplus remaining after specific projects' carry-forwards are approved by Council is transferred to the Financial Stabilization Reserve.

The following are key financial policies adopted by the City of Edmonton:

Business Revitalization Zone (Policy #: C462B, Adopted March 2007)

The Business Revitalization Zone structure is a mechanism for organizing business interests, resources and opinions within a commercial district comprised of a diversity of business types and numbers. The City encourages and will facilitate the efforts of a business community to improve and promote its economic and physical well-being through the creation of a Business Revitalization Zone Association.

Current Planning Reserve (Policy #: C570, Adopted November 2012)

1. In compliance with this policy, Reserve and Equity Accounts Policy C217B and the Municipal Government Act, the establishment of a Current Planning Reserve and the transfer to and from the reserve requires Council approval through the budget.
2. The Current Planning Reserve will have a minimum balance of 30% with a target balance of 75% of the current budgeted expenditure (excluding any non-cash amortization) of Current Planning Branch. The target will be reviewed and reported to Council on a periodic basis.
3. One hundred percent of any annual Current Planning Branch surplus will be placed in the Current Planning Reserve. One hundred percent of any annual deficit will be drawn from the Current Planning Reserve. In the event that the reserve does not cover the deficit, Administration may request that Council approve tax levy support which will be repaid by future periods planning revenues.
4. In the event of a balance exceeding the target, Administration will develop a strategy to reduce the fund balance over a period not to exceed three years. In the event of a balance below the minimum level, Administration will develop a strategy to achieve the minimum level over a period not to exceed three years starting with the subsequent year operating budget.
5. The Current Planning Reserve balance and policy will be reviewed annually and a recommendation will be brought forward to Council.

Debt Management Fiscal Policy (Policy #: C203C, Adopted July 2008)

1. Debt is an ongoing component of the City's capital financing structure and is integrated into the City's long-term plans and strategies.
2. Debt must be Affordable and Sustainable. The City must maintain Flexibility to issue Debt in response to emerging financing needs.
3. Debt must be structured in a way that is fair and equitable to those who pay and benefit from the underlying assets over time.
4. Debt decisions must contribute to a sustainable and vibrant City by balancing quality of life and financial considerations.
5. The issuance of new Debt must be approved by City Council.
6. Debt must be managed, monitored and reported upon.

Drainage Services Utility Fiscal Policy – Sanitary & Land (Stormwater) Utilities (Policy#: C304C, Adopted June 2011)

1. Each Utility is to be operated in a manner that balances the desire to provide the best service at the lowest cost (public utility) while employing private sector approaches to encourage innovation and customers (private utility).
2. Each Utility will be subject to Local Access Fee, similar to private utilities for the use of public right of ways and in lieu of property taxes. The Local Access Fee will be up to 8% of Qualifying Revenues, as determined by City Council.
3. The Utility is exempt from Dividend payment to the City of Edmonton.
4. Similar to private utilities accounting approach.
5. Where government transfers are not provided for the exclusive use of the Utility, access to government transfers is dependent upon the completion of a business case that take into account the overall needs of the community. The goal is to ensure that any government transfers have been best leveraged to achieve the City's overall priorities.
6. Where the Utility is contemplating the provision of non-regulated services and such services require significant capital investment and/or net operating costs, a business case is to be prepared such that the Utility Committee may make recommendations to City Council regarding the initial and/or ongoing funding of such activities from sources other than Rate Revenue.
7. Each Utility is to contribute towards achieving the City's Strategic Plan.

ETS Fare Policy (C451F, Adopted December 2010)

The Transit Fare Structure shall:

1. Be based on the Corporate Business Plan and the Long Range Financial Plan guidelines.
2. Include regular Bus and LRT fares, Concession fares, DATS fares, Special Event fares, and Charter Rates.
3. The Transit System Fare Policy will be reviewed at least once per Council Term

Fiscal Policy for the Enterprise Portfolio – Community Services (Policy# C479, Updated November 2000)

The enterprise portfolio model was endorsed by City Council on June 24, 1997 as the preferred option for the ownership and management of selected city facilities. The purpose of the enterprise portfolio is to:

1. Generate synergies through economics of scaled and through collaboration (as opposed to competition) among the constituent facilities and lines of business;
2. Achieve effectiveness and efficiencies as a combined portfolio that would be less achievable as separate entities;
3. Create a cap of the tax levy support required for the operation and development of constituent facilities excluding corporate initiatives as defined in City Procedures.
4. Provide flexibility, incentive, and accountability for the portfolio to innovate and to seek new revenue streams, partnerships, and business opportunities within its mandate;
5. Allow for re-investment of any surpluses generated, to achieve the long-term sustainability of the portfolio;
6. Safeguard existing municipal investment in the infrastructure, and optimize accessibility for citizens and users. The enterprise portfolio shall operate as one financial and managerial unit in accordance and compliance with other financial policies.

The purpose of this policy is to: Formalize the fiscal management and operating principles of the Enterprise Portfolio to ensure long-term viability, growth, stability, and entrepreneurial spirit within the municipal environment.

Investment Policy (Policy # C212D, Adopted September 2009)

Section 250 of the Municipal Government Act sets out the approved investment vehicles for all Alberta municipalities; additional Council-approved investment policies exist in The City of Edmonton Investment Policy (#C212D), updated most recently in September 2009. The City of Edmonton will invest, or cause to be invested, funds under its control in permitted capital markets to maximize returns at a prudent level of risk.

Land Enterprise Dividend Policy (Policy #: C516B, Adopted November 2008)

The Land Enterprise will pay an annual dividend to the City of Edmonton based on the actual net income of the land development activity of the Land Enterprise. The Dividend will be based on 25% of actual net income of the land development activity of the Land Enterprise and paid in the second quarter of the following year. City Council will review this policy every three years or more often if material economic changes occur or at Council's discretion.

Recreation User Fee (Policy# C167A, Adopted September 2008)

The City of Edmonton provides a variety of recreation, culture, leisure and sporting opportunities for residents and visitors. While the delivery of recreation services addresses a basic human need and reflects the values of our community and the desire to present Edmonton as a vibrant centre, a user fee policy provides a balanced approach for establishing fees in consideration of the following objectives:

1. Reducing the reliance on property taxes, by recovering an appropriate portion of the costs for various services from the user(s) that primarily benefit from them.
2. Providing a fair and equitable process that encourages accessibility and participation.
3. Ensuring that fees contribute to the public's effective and efficient use of City resources.
4. Identifying the relative pricing provided to various user segments.

Establishing meaningful and realistic goals that provide enough flexibility to meet evolving social values and changing fiscal pressures.

Reserve and Equity Accounts (Policy #: C217B, Adopted October 2009)

1. In compliance with this policy and the Municipal Government Act, the establishment of all Reserve and equity accounts and the transfers to and from these accounts require Council approval through the budget.
2. The financial stabilization Reserve must have a minimum balance of 5% with a target balance of 8.3% of current general government expenses (excluding non-cash amortization.) One hundred percent of any annual general government surplus will be placed in the financial stabilization Reserve. Any balance above the target will be applied evenly to the three subsequent years' operating budgets or applied to significant one-time operating expenses or capital priorities. In the event of a balance below the minimum level, a strategy will be adopted to achieve the minimum level over a period not to exceed three years, including replenishing the Reserve with any unplanned one-time revenues, previously committed one-time contingent funds or appropriated items that are no longer required for their original purpose. Other Reserve and equity account balances will be reassessed and where appropriate, amounts transferred to the financial stabilization Reserve.
3. Reserve and equity account balances will be reviewed on a periodic basis, with recommendations made to City Council.

Waste Management Utility Fiscal Policy (Policy # C558, Adopted June 2011)

1. The Utility is to be operated in a manner that balances the desire to provide the best service at the lowest cost (public utility) while employing private sector approaches to encourage innovation and using a cost structure that sends the proper price signal to the customers (private utility).
2. The Utility is exempt from a Local Access Fee as the Utility does not have exclusive rights to the waste collection and disposal market, nor does it have exclusive use of the roadways.
3. The Utility is exempt from Dividend payment to the City of Edmonton.
4. Similar to private utilities, the Utility will account for the cost of service under a full cost accounting approach.
5. Where government transfers are not provided for the exclusive use of the Utility, access to government transfers is dependent upon the completion of a business case that takes into account the overall needs of the community. The goal is to ensure that any government transfers have been best leveraged to achieve the City's overall priorities.
6. Where the Utility is contemplating the provision of non-regulated services and such services require significant capital investment and/or net operating costs, a business case is to be prepared such that the Utility Committee may make recommendations to City Council regarding the initial and/or ongoing funding of such activities from sources other than Rate Revenue.
7. The Utility is to contribute towards achieving the City's Strategic Plan.

Accrual Basis- A method of accounting in which Revenue is recognized in the period realized and expenses are recognized when incurred.

Amortization- An expense calculated and recorded for all Tangible Capital Assets annually to account for the decreasing value of the asset over time.

Annualization- Represents the financial impact of implementing an approved service package over the full fiscal year.

Appropriate- To approve funds for specific purpose or project.

Assessment- The valuation of a property for property taxation purposes. Property Taxes are calculated by multiplying the property assessment by the tax rate expressed in terms of mills (thousands). The MGA directs municipalities to prepare assessments every year.

Assessment Base- Total value of all assessed properties in the City.

Assessment Classes- All assessed properties within the City of Edmonton are divided into:

Residential Property

- single family
- other residential

Non-residential Property

- Farmland
- Machinery and Equipment

Agencies, Boards & Commissions- Autonomous organizations with separate boards/commissions, but related to the City through operating agreements, which usually include financial obligations.

Bond Rating- The rating given by external rating agencies as an assessment of the City's creditworthiness.

Branch- A distinct operating unit within the City, subset of a department.

Branch Manager- Head of a City Branch.

Budget- A financial plan and a service delivery guide for a given period of time.

Budget Adjustment- Amendment to the approved operating and capital budgets. To be made in accordance to the budget adjustment process, as outlined in Bylaw 12005, Delegation of Authority.

Budget Guidelines- Overall parameters set by City Council that must be followed in budget preparation.

Bylaws- Legislation enacted by City Council under the provisions of the Municipal Government Act.

Cash Basis- Accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

Capital Asset- A City-owned asset used in operations with an initial useful life exceeding one year.

Capital Budget- Provides the statutory approval to expend funds in the undertaking of specified capital improvements or developments and to appropriate the required financing. Approval is granted on a three-year basis for projects beginning the first year of the planned period. The budget is adjusted annually as projects advance and funding sources are confirmed.

Capital Expenditure- Cost associated with purchasing, building and significantly improving or maintaining capital assets.

Capital Financing/Funding- The funding provided to capital projects through operating budget contributions, reserves, debt, and grants from other orders of government or other sources.

Capital Investment Agenda- A 10 Year Capital Long Range Financial Plan.

Capital Priorities Plan (CPP)- Represents the City's five year plan for capital investment in existing infrastructure and new growth.

Capital Project- Expenditures relating to the acquisition, construction, upgrade or rehabilitation of a City's asset that is prioritized through the Capital Priorities Plan process.

Census- An official enumeration of a population—municipal census is held every three years and the national census is every five years.

Census Metropolitan Area (C.M.A.)- The threshold as defined by Statistics Canada where census data is being gathered for an agglomeration that has an urban core of 100,000 people.

City (The)- Refers to the City of Edmonton

City Council- A group of elected representatives with powers given by the Provincial Government to provide good government to a community under the Municipal Government Act (See MGA).

City Manager- An individual appointed by City Council to serve as the Chief Administrative Officer of the municipality.

Civic Programs- Refers to services provided by City Departments. Excludes Corporate Programs, Neighbourhood Renewal and Boards & Commissions.

Committed- Committed fund balances and reserves designates funding that has been earmarked or set-aside for a specific project or operating program.

Committees- A group of individuals delegated to perform a specific function or functions.

Community Revitalization Levy (CRL)- A community revitalization levy bylaw authorizes the council to impose a levy in respect of the incremental assessed value of property in a community revitalization levy area to raise revenue to be used toward the payment of infrastructure and other costs associated with the redevelopment of property in the community revitalization levy area.

Consumer Price Index (CPI)- Reflects the impact of inflation on the purchasing power for goods and services.

Contributed Assets- Assets that have been transferred or donated to the City by another entity. These assets provide a future economic benefit controlled by the City.

Core Infrastructure- Municipal roads, bridges, public transit vehicles & facilities, water and wastewater systems & facilities, emergency service vehicles & facilities, and infrastructure management systems.

Corporate Expenditures- Expenditures which cannot be directly associated with a specific program/

department and therefore are budgeted under the Corporate Program.

Corporate Leadership Team (CLT)- Refers to the working team consisting of the City Manager and the Department General Managers.

Corporate Programs- Contain revenues and expenditures of a nature which are not tied to a specific service delivery program but do accrue to the entire Corporation.

Corporate Revenues- Revenues which cannot be directly associated with a specific program/department and therefore are budgeted under the Corporate Program.

Cost Impacts- Cost increases due to inflation, personnel contract settlements, annualization, and historical performance. Represent re-costing of current year's budget in terms of next year's dollars.

Credit Rating- See Bond Rating.

Debenture- Debt backed by the City's credit and not any other collateral. Consists of a sale of a municipal bond to the Alberta Capital Financing Authority.

Debt- An obligation resulting from the borrowing of money. The City of Edmonton categorizes debt as follows:

- **Tax-supported debt** is debt issued to fund capital expenditures, the retirement of which is paid for using tax levy revenues.
- **Self-liquidating debt** is debt issued generally for municipal enterprise operations that is repaid through the fees generated from the operations.

Debt Service Limit- The Provincially-legislated borrowing limit by which a municipality may incur. The debt service limit is calculated at 0.35 times of the revenue net of capital government transfers. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs.

Debt Servicing- Interest and Principal payments related to debentures.

Deliberations- Annual process for Council to discuss and consider alternatives before making budget decisions.

Demographics- Various statistics used to characterize human populations.

Department- City administration is divided into departments, each responsible for a particular aspect of public service and headed by a General Manager. The City currently has 5 Departments — Community Services, Corporate Services, Financial Services & Utilities, Sustainable Development and Transportation Services.

The Ed Tel Endowment Fund- The Ed Tel Endowment Fund was established to manage the proceeds from the sale of the municipal telephone utility in 1995. Earnings from the Fund are applied to support municipal operations. The Fund is governed by City Bylaw #11713.

Edmonton Socio-Economic Outlook- A report prepared by the Economic Trends and Research, produced twice a year, with forecasts of major economic and social indicators over the next five years. Civic departments use this forecast in preparing their capital priority plans and operating budgets. They also use it in their strategic and business planning.

Education Property Tax- Taxes that fund education in Alberta pooled from all municipalities. Each year the province calculates the amount that every Alberta municipality must contribute towards the public education system. The City then applies its local education tax rate to the assessed value of each property to determine the amount of education taxes each property owner is required to pay for the year.

Effectiveness- Is (1) the ratio of standard, estimated or budgeted performance to actual performance expressed as a percentage; (2) the outcome or output received from an approach or program. Ideally it is a quantitative measure which can be used to evaluate the level of performance in relation to some standard, set of criteria, or end objective; (3) the actual accomplishment of delivering acceptable outputs, on time, within the quality requirements specified. It is the ratio of Actual Output (A.O.) divided by Expected

Output (E.O.). *Note: Effectiveness may be stated in terms of outcomes in place of outputs.*

Efficiency- Is the relationship between the planned resource requirements, such as labour or machine time, for task(s) and the actual resource time charged to the task(s). It is the ratio of the Resources Expected or forecasted to be Consumed (R.E.C.) divided by Resources Actually Consumed (R.A.C.).

EPCOR- Edmonton Power Corporation, a wholly owned subsidiary of the City of Edmonton.

Expenditures- Costs associated with the provision of municipal services.

Franchise Fees- Fees in lieu of taxes or compensation for exclusive rights, based on an agreement with the holder of a special franchise. e.g. ATCO Gas.

Full-Time Equivalents (FTEs)- The hours and associated costs one full-time employee would work in a year, or a combination of positions that provide the same number of hours.

General Manager- Head of a City Department.

Grants- Funding provided by a senior order of government to the City. The City provides grants to the community as well.

Inflation- See CPI or MPI

Infrastructure- Facilities on which the continuance and growth of a community depends (e.g. roads, sewers, public buildings, parks, storm sewers, etc.).

Infrastructure Gap- A term used to describe the funding shortfall between capital investment requirements and funding availability.

Intra-Municipal Services- Internal support to Departments to implement services and programs for citizens.

Local Improvements- The construction or replacement of roads, sidewalks, lanes and underground services for which a portion is paid by the abutting property owner.

Long Range Financial Plan- A financial document for the City, setting out financial strategies and goals, as well as projecting capital and operating requirements over the next 10 years.

Market Value Assessment- Provincial government legislation requires that properties must be assessed on an annual basis to reflect current market conditions. Starting in 1999, all properties were assessed at market or on the basis of provincial regulations and were taxed on this value by the City of Edmonton.

Mill Rate- See property tax.

Modified Accrual Basis- A hybrid of cash and accrual methods of Accounting in which Revenues are recognized when earned, measurable and available. Expenditures are recognized when liability is incurred, except for certain liabilities such as debt services (when due), and compensated absences to the extent they affect current outflow.

Municipal Enterprises- Refers to activities that do not intend to use tax dollars for operation. They are financially self-funded operations established to provide management and control of major activities of the City. Drainage Design & Construction, Land Enterprise and Fleet Services are Municipal Enterprises.

Municipal Equity- The amount calculated as the excess of Total Assets less Total Liabilities and any funding set aside for specific purposes in Reserves.

Municipal Government Act (MGA)- Provincial legislation setting out the powers and responsibilities of Alberta municipalities.

Municipal Price Index (MPI)- A measure of the average increase in the price of goods and services that the city would purchase over the year.

Neighbourhood Renewal program- A part of the Building Great Neighbourhoods initiative which outlines a cost effective, long-term plan to address the needs of

Edmonton's neighbourhoods. The program involves the renewal and rebuilding of roads, sidewalks and streetlights in existing neighbourhoods and collector roadways balancing the rebuild need in some neighbourhoods with a preventative maintenance approach in others.

Net Operating Requirement- Revenues and recoveries less expenditures is the net budget required for the year.

Non-Residential Construction Price Index- Measures the cost of construction materials and labour used for industrial, and institutional development.

One-time Items- Expenditures associated with a limited term (typically one operating period) that will not become an ongoing part of the base budget in future years.

Operating Budget- Planned revenues and expenditures that are consumed in the delivery of services during an annual operating cycle (January through December).

Outcome- Outputs quantify the amount of work completed, while outcomes (or effectiveness) report the results achieved as expressed in the eyes of the customer, or in the case of the City, Citizens.

Output- Goods or services created by inputs. E.g. units produced and hours of service provided.

Pay-As-You-Go (PAYG)- A source of funding for capital projects through contributions transferred from the current operating budget.

Payment-in-Lieu of Taxes- Payments equivalent to municipal property taxes, made by the federal and provincial governments for Crown-owned properties.

Performance Measures- Qualitative or quantitative measures or indicators of progress toward specified outcomes or goals. A means for determining how a program is accomplishing its mission through the delivery of products, services, or processes by measuring quantity, effectiveness, and/or efficiency. City Policies are Council statements that set discretionary duties or standards of performance for the City.

Policies- Council statements that set discretionary duties or standards of performance for the City.

Program- A stand alone activity or entity at the level below the branch.

Project- A single project is a non-routine capital work with a “singular” identity. The location, time and design of a single project are clearly identifiable. A composite project is the grouping of routine capital improvements.

Property Tax- Revenue generated through the collection of taxes levied on real property assessment. Authorized by the Municipal Government Act.

Reserves- Represent amounts appropriated for designated requirements as established by Council. Part of best practices management used for fund accumulation to replace capital assets and to provide financial flexibility in times of budget shortfall.

Priority Based Budgeting- A strategic management tool in which priorities are identified, services ranked based on their alignment to the priorities and resources are allocated accordingly.

Retained Earnings- Equity accounts that represent the accumulated surpluses from operations, that are not for general distribution, but rather are used to fund capital projects, leverage debt, or are reinvested in service delivery.

Revenue- Funds the City receives and records as income. Major revenue sources are: property tax, user fees, fines, permits, grants from other orders of government, dividends, franchise fees, Ed Tel Endowment fund, and investment earnings.

Self-liquidating Debentures. Debt issued by municipal utilities or enterprise operations that is repaid through the rates or fees generated by operations.

Service- Delivering a benefit to community members.

Service Package- New or enhanced services or increases resulting from growth or impact of Capital, that require funds. The Service Packages require Council approval through the annual budget process.

Shared Services- See Intra-Municipal Services.

Sinking Fund- The City of Edmonton makes annual

payments into the Sinking Fund as required by each debenture issue. These funds are invested by the Sinking Fund in securities as approved by existing legislation. The annual rate of return required by the issue is allocated to meet the future debt requirements. Earnings in excess of those requirements are maintained within the fund as unappropriated surplus, which may be used as approved by Council.

Strategic Plan- 10 Year Plan in which the City establishes its priorities. There are currently six strategic plans (The Ways), which will help the City reach its 30 year Vision.

Tangible Capital Asset- Non-financial assets having physical substance that meet all of the following criteria:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond an accounting period;
- were acquired for use on a continuing basis; and
- are not intended for sale in the ordinary course of business.

Tax Rate- Municipal property tax revenue is calculated by applying the tax rate to the projected assessment base. The tax rate is expressed in terms of mills. One mill is one thousandth of the assessment base. Additional property tax revenue is generated through an increase in the tax rate and/or growth in the assessment base.

Tax-Supported Operations- Civic Departments, Commissions, Boards and Authorities are funded in whole or in part through revenue from property tax, business tax, and payment-in-lieu of taxes.

Taxation- Process of applying a tax rate to a property's assessed value to determine the taxes payable by the owner of that property.

The Ways- See Strategic Plan

The Way We Finance (TWWF)- The Way We Finance is one of six strategic plans setting the course for the City to achieve its 10-year goals and the vision for the City in 2040. The Vision and goals provide a clear focus for City activities and are set out in The Way Ahead, Edmonton's Strategic Plan

Transfers- Refers to transfers from and to Reserves.

Uncommitted- Uncommitted Operating Fund balances and reserves designates funding that is not earmarked or set aside for a specific capital project or operating program initiative and is available for allocation.

User Fees- Payment for a service or facility provided by the City.

Utility Operations- Services funded solely by Council-approved rates charged directly to users, which provide a return on equity to The City.

Refers to Drainage Services (include Sanitary Utility and Stormwater Utility) and Waste Management Services where tax dollars are not needed to support the operations. The operations of the Drainage services are governed by Drainage Services' Utility Fiscal Policy (C304C). The operations of the Waste Management Utility are governed by the Waste Management Strategic Plan, the Waste Management Policy (C527), and the Waste Management Utility Fiscal Policy (C558).