

Responses to City Council Questions on the 2014 Proposed Operating Budget

**The following report is sorted
numerically by question
number.**

2014 Operating Budget Questions By Question

Branch: Multi-Department
Response

Asked By: Councillor Walters

Question #: 14-0010

Budget Page #:

Please provide a list of proposed 2014 budget expenditures that are directly mandated, legislated, or otherwise required by the Government of Alberta.

a. What proportion of these expenditures are offset by direct financial transfers from the Government of Alberta?

Question Answer:

In the current intergovernmental context there are a number of blurred roles between different levels of government. Further, over time the City of Edmonton has often taken the approach to step in where gaps in services have emerged in order to meet the needs and expectations of our citizens. That is, the City delivers programs and services beyond what is mandated to us by other levels of government as a result of an identified need - for example, the City's ongoing investment in addressing homelessness and affordable housing initiatives.

When trying to determine expenditures that the City is directly legislated to provide through the Municipal Government Act (MGA) there are a number of areas that could be considered. Although not comprehensive, a list of required services includes:

- The collection of school property tax
- The city must assess property and produce an assessment role
- Must have a tax appeal process
- Must have an assessment review board
- Must have auditors
- Must approve an annual budget
- Must have a municipal development plan
- Must have a transportation master plan
- Must have a public hearing for land matters

Areas of provincial responsibility include housing, health care, social services, child care, K-12 education, and post-secondary education. However, Edmonton now addresses a number of these major public policy areas. In fact municipalities and big cities in particular, are taking on more and more of the roles and responsibilities that have traditionally resided with other orders of government. Furthermore, non-governmental social service providers are increasingly approaching City Council with funding requests that have traditionally been the domain of the provincial government.

While there is specific legislation the City must adhere to the more significant cost driver for the City has been the expansion in responsibilities. The City has not sought out this increase in responsibility but has responded to significant need expressed by our citizens and the realization that cities need to provide a sufficient level of service to be attractive and competitive. This is compounded by the increasing scale and complexity of issues that a big city like Edmonton faces to meet citizens' needs in areas such as public transit, policing, affordable housing, and support for urban Aboriginal people and newcomers.

Even though the City incurs significant expenditures providing services that are legislated by the province, the City does not receive a large number of operating grants that assist in offsetting the costs. In the proposed 2014 budget the City is projecting to receive \$23.6 million for policing, \$4.4 million for the library, \$16.4 million for FCSS and \$5.7 million for housing. These grants are primarily allocated based on population and have not increased at the same rate as expenditures and have not been expanded to address the increase in responsibilities.

2014 Operating Budget Questions By Question

The City is eager to explore a re-alignment of roles and responsibilities and interests with the provincial government through existing processes such as the Big City Charter discussions, and the MGA Review. While these processes have the potential to have significant impact on what services we deliver and how, both are currently in progress and not expected to conclude in the short term.