

BUDGET AT A GLANCE

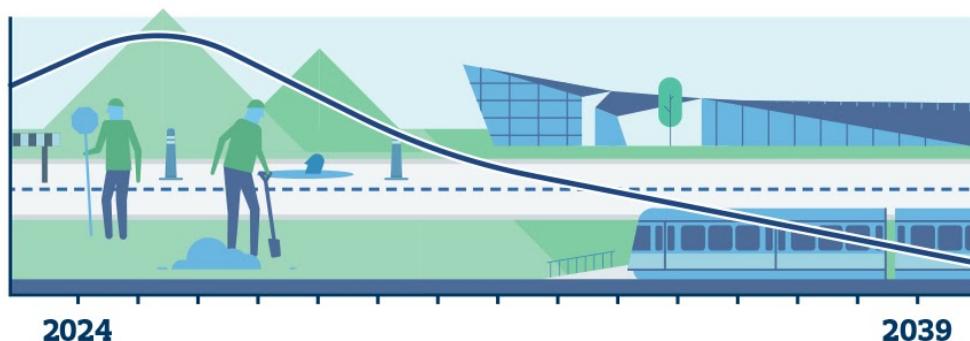
November 27, 2020

Edmonton

Debt falls after 2024

After decades of infrastructure work falling behind, the City took on debt to catch up and build for the future. But that debt level is about to drop.

Project finishes. Debt drops.



The City of Edmonton has always used debt carefully, and it is only used for financing facility and infrastructure construction. It's one of the tools in the City's toolkit for building infrastructure efficiently, for taking advantage of grant dollars and for paying today's prices, not tomorrow's, for supplies and labour. It also allows the City to share costs of infrastructure among more of the people who will use that infrastructure over time.

However, even at the low interest rates available to the City, having too much debt can be a burden on taxpayers. That's why debt must be used appropriately.

Under the Province's Municipal Government Act, the City has limits for both debt and debt servicing, which is repayment of both debt and interest. Right now, the City is at about half the limit for borrowing and one third of the limit for debt servicing. The City's own self-imposed debt servicing limits are even lower than the Province's and we are well below those limits as well.

As major projects such as the Valley Line LRT and Yellowhead Trail Freeway Conversion move toward completion, we can expect to see debt levels peak in 2024 and drop after that. Based on the current approved capital budget the levels are expected to continue dropping after 2024, but infrastructure decisions in the next budget cycle could impact future debt levels.

What's next for budget planning?

A public hearing on the budget will be held on December 3, 2020. This hearing will be facilitated remotely, so you will be able to participate from home or another convenient location.

City Council will discuss the 2021 budget on December 9 and 11.

Edmontonians can register for the hearing by calling the City Clerk at 780-496-8178 or online at edmonton.ca/meetings.