

Council approves 'restraint' budget that continues city building

Multi-year operating budget holds 2016 property tax increase to 3.4 per cent

Edmonton City Council's first multi-year operating budget limits the property tax increase for the 2016-18 years, without sacrificing the important services that keep up with Edmonton's ongoing growth.

"We made fiscally responsible decisions to control cost increases in certain areas, find reductions, and to reallocate existing funds to civic services that residents told us are their top priorities," said Mayor Don Iveson. "Edmontonians expected us to show restraint. We delivered, while enhancing the services that are needed for our growing city, such as more police officers, firefighters and traffic safety measures."

City Council reduced the expenditure for the Edmonton Economic Development Corporation, rejected proposed budget increases in a number of areas, and re-allocated \$10 million in funding to priority projects such as the Aboriginal Partnership Initiative, the EndPovertyEdmonton Initiative, and the new Corporate Environmental Targets program.

Household Impact

The City of Edmonton's 2016-2018 Operating Budget results in a 3.4 per cent general property tax increase in 2016 for all civic operations. The tax rate is finalized in the spring after the Government of Alberta sets the Provincial Education Tax.

The approved budget provides Edmontonians all civic services for just over \$6 a day in municipal taxes for most Edmonton households. For a typical home valued at \$401,000, this represents an average municipal tax increase of about \$76 in 2016. The total municipal tax bill would be about \$2,299 for 2016, or \$192 per month for people who pay their taxes through the monthly payment plan.

The budget held department expenditures to approximately the cost of inflation, while staffing new infrastructure approved in previous budgets, and continued city-building initiatives such as dedicating 0.8 per cent of the tax increase to operate and maintain the Valley Line LRT expansion.

Fiscally prudent tax-saving measures

City Council removed 1.5% from the 4.9% property tax increase in the original proposed budget, by suspending the annual tax increase to build the Neighbourhood Renewal Program Fund for the next two years. The popular renewal program for mature neighbourhoods will continue, but it will be funded through infrastructure grant money from the Alberta government's Municipal Sustainability Initiative (MSI), savings from other capital projects, and through the revenue already in the fund, built up over the last 8 years.

City Council also created a new formula — based on municipal inflation, plus population growth — to set budget increases for the Edmonton Police Service (EPS). The formula provides predictable funding, while restraining increases to the civic area that uses the largest amount of tax dollars. Despite the reduction in the EPS proposed budget, City Council added funding to programs that aim to prevent crime, such as the REACH 24/7 integrated crisis response team.

"City Council has been creative to make sure Edmontonians get the most out of each dollar spent, during this time of economic uncertainty," said Mayor Don Iveson. "But this budget restraint does not prevent us from continuing much-needed investment in neighbourhood infrastructure, to catch up on the rapid growth of the last number of years, and the programs that serve our growing population."

Increased investments deliver on citizen priorities

The City reallocated savings found in other parts of City operations to fund programs identified as priorities for citizens, including:

- additional police officers
- additional firefighters for three new fire stations in the city
- additional traffic safety initiatives
- additional staff for the Office of the City Auditor
- enhanced public engagement for traffic management measures
- environmental targets initiatives
- roadway maintenance and snow and ice control enhancements
- the EndPovertyEdmonton initiative
- gender-based violence prevention
- the REACH 24/7 Integrated Crisis Response team
- the WinterCity initiative
- coyote and other wildlife management
- increasing adult transit fares by 5 cents and holding at \$3.25 for 2017 and 2018
- approval for a low income transit pass, conditional on the Alberta government partnering with the City to pay for this service

2016-2018 Utilities Budget

Last week, Council approved the 2016-18 Utilities Budget which covers the revenues and costs of the City's two utilities: Waste Management Services and Drainage Services. They are funded exclusively through utility rates and utility program revenues, not property taxes.

For the 2016-2018 budget, for Waste Management Services, the typical residential customer will see rate increases of:

- \$2.31 per month in 2016
- \$2.16 per month in 2017
- \$2.56 per month in 2018

For Drainage Services, the typical residential customer will see rate increases of \$1 per month for all three years.

Good value for tax dollars

"These budgets give Edmontonians good value for their tax dollars for the range and quality of municipal programs, services and infrastructure the City delivers," said Mayor Iveson. "Council has managed to reduce the proposed tax increase while not only maintaining but, in some cases, enhancing the level of services the City provides."

For more information:

[Operating Budget Backgrounder](#)

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