

BUDGET HIGHLIGHTS 2023

Edmonton

CITY OF EDMONTON
DECEMBER 2022



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2023 Budget Highlights

2023-2026 Budget Summary

Every four years, the City of Edmonton sets multi-year capital and operating budgets in accordance with City Policy C578, Multi-year Budgeting Policy, providing for longer term and more stable planning of infrastructure projects, and municipal programs and services. In December 2022, City Council met to deliberate and approve the 2023-2026 budgets. This document provides highlights of the 2023 budget as the first year in the newly approved 2023-2026 budget cycle.

The following table summarizes the approved revenue and expenses for tax-supported operations, municipal enterprises, community revitalization operations and utilities, as well as the City's capital plan from 2023 to 2026, as approved by City Council in December 2022. Further details are available in the individual sections and the separate respective budget documents available at www.edmonton.ca/budget.

	2023 Budget			2024 Budget			2025 Budget			2026 Budget		
(\$millions)	Revenue	Expenditure	Net	Revenue	Expenditure	Net	Revenue	Expenditure	Net	Revenue	Expenditure	Net
Tax-Supported Operations	3,294.2	3,294.2	-	3,348.8	3,348.8	-	3,483.2	3,483.2	-	3,595.5	3,595.5	-
Municipal Enterprises	101.3	73.9	27.4	63.2	52.0	11.2	115.1	99.0	16.1	87.4	70.7	16.6
Community Revitalization Levies (CRLs)	50.9	50.9	-	53.3	53.3	-	60.5	60.5	-	66.2	66.2	-
Waste Services Utility	229.0	223.4	(5.6)	235.5	230.9	(4.6)	239.1	237.4	(1.7)	243.4	241.8	(1.6)
Blatchford Renewable Energy Utility	3.1	3.0	(0.1)	2.9	3.5	0.6	3.3	4.2	0.9	4.9	4.9	0.0
Total Approved Operating Budget	3,678.5	3,645.4	21.7	3,703.7	3,688.5	7.2	3,901.2	3,884.3	15.3	3,997.4	3,979.1	15.0
Tax Supported Operations	2,089.1	2,089.1	-	1,980.2	1,980.2	-	1,765.0	1,765.0	-	1,358.3	1,358.3	-
Waste Services Utility	41.6	41.6	-	44.8	44.8	-	27.1	27.1	-	21.0	21.0	-
Blatchford Renewable Energy Utility	6.6	6.6	-	4.1	4.1	-	6.9	6.9	-	9.8	9.8	-
Total Approved Capital Budget	2,137.3	2,137.3	-	2,029.1	2,029.1	-	1,799.0	1,799.0	-	1,389.1	1,389.1	-
Total	5,815.8	5,782.7	21.7	5,732.8	5,717.6	7.2	5,700.2	5,683.3	15.3	5,386.5	5,368.2	15.0

Note: Capital budget for Municipal Enterprises and Community Revitalization Levies (CRLs) are included under Tax-Supported Operations.

2023 Budget Highlights

Tax-Supported Operations - Operating Budget

The following table summarizes the 2023-2026 tax-supported operating budget by major revenue and expense categories as approved on December 16, 2022, by City Council.

2023-2026 Budget - Tax-supported Operations by Category

(\$000)	2021 Actuals	2022 Adjusted Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Revenue and Transfers						
Taxation Revenues	1,716,657	1,777,026	1,895,825	2,020,008	2,149,122	2,271,002
User Fees, Fines, Permits, etc.	302,712	370,787	347,656	342,367	345,236	340,792
Franchise Fees	183,021	207,831	213,701	216,945	220,714	224,615
EPCOR Dividends	171,000	171,000	185,000	185,000	185,000	185,000
Transit Revenue	57,032	140,577	110,527	124,042	126,113	128,056
Transfer from Reserves	208,264	121,621	219,799	134,981	129,742	116,600
Other Revenue	122,085	114,811	126,276	126,906	127,317	127,693
Operating Grants	134,465	111,955	112,110	111,781	110,438	109,909
Investment Earnings and Dividends for Capital	119,234	73,182	83,291	86,786	89,544	91,807
Financing						
One-time Items	-	205,777	-	-	-	-
Total Revenue and Transfers	\$3,014,470	\$3,294,567	\$3,294,185	\$3,348,816	\$3,483,226	\$3,595,474
Net Expenditure and Transfers						
Personnel	1,542,546	1,597,003	1,652,680	1,676,898	1,687,614	1,702,272
Materials, Goods, and Supplies	210,434	208,630	229,718	225,481	227,295	228,411
External Services	289,255	359,162	393,740	403,866	405,082	469,287
Fleet Services	(28,951)	(36,552)	(30,356)	(29,777)	(29,433)	(29,534)
Intra-municipal Charges	83,234	71,336	63,648	63,535	63,654	63,815
Debt	300,070	317,454	347,245	386,179	433,852	480,841
Utilities and Other Charges	420,592	410,241	467,427	452,221	490,176	493,896
Transfer to Reserves	364,190	342,210	366,232	368,018	403,235	385,359
Intra-municipal Recoveries	(218,770)	(194,510)	(196,149)	(197,605)	(198,249)	(198,873)
One-time Items	-	219,593	-	-	-	-
2021 Surplus/(Deficit)	51,870	-	-	-	-	-
Total Net Expenditure and Transfers	\$3,014,470	\$3,294,567	\$3,294,185	\$3,348,816	\$3,483,226	\$3,595,474
Total Net Operating Requirement	-	-	-	-	-	-
Full-time Equivalents						
Boards and Commissions						
Explore Edmonton	586.0	556.0	556.0	556.0	556.0	556.0
Police Service	2,809.7	2,833.7	2,893.6	2,911.6	2,875.6	2,875.6
Public Library	525.3	529.6	540.2	540.2	540.2	540.2
Other Boards and Commissions	56.0	56.0	63.5	63.5	63.5	63.5
Civic Departments						
Community Services	1,133.1	1,510.1	1,583.3	1,602.6	1,616.6	1,643.0
City Operations	4,776.6	4,746.8	4,880.6	4,898.6	4,939.3	4,954.1
Communications and Engagement	390.5	392.2	393.2	393.2	393.2	393.2
Corporate Expenditures and Revenues	2.0	-	-	-	-	-
Employee Services	241.0	253.0	256.0	256.0	256.0	256.0
Financial and Corporate Services	1,019.8	988.7	997.2	1,004.2	1,005.7	1,005.7
Integrated Infrastructure Services	520.3	521.3	528.7	526.3	527.3	527.3
Mayor and Councillor Offices	50.0	50.0	50.0	50.0	50.0	50.0
Office of the City Auditor	16.0	17.0	17.0	17.0	17.0	17.0
Office of the City Manager	1,493.4	1,537.3	1,553.4	1,553.4	1,561.4	1,597.9
Urban Planning and Economy	589.3	594.3	612.3	629.3	623.9	623.9
One-time Items	-	46.4	-	-	-	-
Total Full-time Equivalents	14,209.0	14,632.4	14,925.0	15,001.9	15,025.7	15,103.4

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 the City financial statements is a full accrual basis. Both methodologies are in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

The following is a representation of the 2023-2026 Operating Budget reflected in the format used for legislated financial reporting. Budgets reflected in the consolidated City of Edmonton financial statements from 2023 to 2026 will differ due to updates to annual budgets approved through supplemental budget adjustments over the course of the four-year budget cycle, as well as adjustments required for public sector accounting requirements.

The budget figures in the financial statement presentation reflect the 2023-2026 budgets for tax-supported, enterprise, utility and community revitalization operations. Also included are external capital funding sources (shown in other revenues) in the 2023-2026 Capital Budget.

2023 Budget Highlights

	2023	2024	2025	2026
(\$000)	Budget	Budget	Budget	Budget
Net Taxes available for municipal purposes	1,906,260	2,012,395	2,129,892	2,246,870
User Fees and sale of goods and services	696,154	671,688	724,296	697,440
Subsidiary Operations*	0	0	0	0
Investment Earnings	106,656	109,116	111,333	113,313
Franchise Fees	213,701	216,945	220,714	224,615
Government Transfers - operating	108,921	108,695	107,952	107,621
Licences & Permits	79,430	79,082	83,407	82,242
Fines & Penalties	65,727	63,463	61,582	60,017
Developer & Customer Contributions - Operating	36,459	35,399	32,845	32,693
Total Revenue	3,213,306	3,296,783	3,472,020	3,564,811
Expenses				
Transportation Services				
Bus & LRT	501,504	519,929	523,412	521,855
Roadways & Parking	462,485	464,523	464,681	465,503
Protective Services				
Bylaw Enforcement	70,011	72,672	74,270	74,763
Fire Rescue	224,331	226,834	230,241	238,627
Police	521,526	527,036	525,748	529,556
Community Services				
Community & Family	61,745	63,263	60,457	60,990
Convention & Tourism	69,288	68,095	66,668	66,537
Public Library	78,636	68,354	68,338	68,302
Parks & Recreation	201,281	203,502	205,065	208,998
Planning	181,500	165,018	170,811	167,582
Public Housing	56,258	54,820	55,626	43,809
Utilities & Enterprise				
Blatchford Utility	1,915	1,941	1,962	1,987
Land Enterprise	73,873	52,033	99,013	70,736
Waste Services	208,452	208,397	208,452	208,621
Administration				
Corporate Administration	258,757	264,282	277,276	272,502
Fleet Services	164,847	162,285	164,024	162,164
General Municipal	345,468	371,285	406,630	457,090
Ed Tel	4,657	4,703	4,744	4,783
Total Expenses	3,486,534	3,498,970	3,607,419	3,624,404
Excess/(shortfall) before other	(273,227)	(202,187)	(135,399)	(59,593)
Other Revenues				
Government Transfers - capital	1,029,273	889,909	661,744	372,426
Developer contributed tangible capital assets	119,343	119,343	119,343	119,343
Developer and customer contributions - capital	19,598	15,358	13,675	17,542
Local improvements	21,178	20,576	20,576	20,576
Net position/ (loss)	916,165	842,999	679,939	470,294

2023 Budget Highlights

Notes

- The budget presentation will be adjusted in the year-end legislated financial statements as follows:
 - Adherence to public sector accounting requirements, including the elimination of internal revenues and other transactions (i.e. EPCOR and Ed Tel Endowment fund dividends), recognition of EPCOR's budgeted net income, elimination of debt principal payments, reversal of annual contributed asset depreciation and consolidation of other entities controlled by the City but not included in the budgeting process (i.e. Ed Tel Endowment Fund).
 - The original approved operating budget reported in legislated financial reporting is considered to be the budget approved by Council in December of the year preceding the budget year(s), that provides authority to spend, plus any other adjustments approved through the Spring Operating Budget Adjustment report (including carryforward items) in April of the reporting year, prior to setting the mill rate.
 - Amortization expenses, depreciation of contributed assets, and gain and loss on disposal of assets will be presented within area expense budgets within legislated financial reporting. Amortization and depreciation of contributed assets are not reflected in the tax-supported operations branch budgets as they are non-cash items that should not be considered for tax-levy purposes. Amortization and depreciation of contributed assets are shown separately within the 2023-2026 Operating Budget.
- External capital revenues used as capital project funding sources are approved through the capital budget cycle and are included in legislated financial reporting. They reflect the related capital funding sources in the 2023-2026 budget, plus capital carry forwards from the previous year.
- Net taxes available for municipal purposes reflected within the legislated financial statements include property taxation revenue for tax-supported operations, community revitalization areas and supplementary taxes. The net taxes figure is reduced by tax appeals and allowances.
- Corporate Administration reflects budgeted expenses related to support services, including Office of the City Manager, Communications and Engagement, Employee Services, and Financial and Corporate Services. This line item also includes the Office of the City Auditor.
- General Municipal includes areas more of corporate nature, including certain sections of the Fleet and Facility Services branch, Corporate Expenditures and Revenues program, and Integrated Infrastructure Services department.
- The expenses are reflected by functional areas for financial statement reporting purposes, which may differ from the City's organizational hierarchy as reflected in the budget.

Approved Tax Increases

The budget is the plan for how tax dollars and other funding is allocated to provide the services Edmontonians use every day, including maintaining the roads, bridges, pathways and public transit that move people; delivering the emergency services and social supports people count on, and activating attractions, recreation centres, sports fields and parks that make Edmonton a great place to live, work and play. This budget focuses on maintaining the excellent services that Edmontonians rely on, delivering transformational projects and the priority areas of climate action and energy transition, community safety and well-being, transit, active transportation, and affordable housing and homelessness.

The following table summarizes the changes to the approved tax increase for each year of the multi-year budget cycle. In subsequent years, Administration and Council will meet twice per year to adjust the budgets as needed.

Tax-Supported Operating Budget	Approval Date	2023	2024	2025	2026
2023 - 2026 Operating Budget					
<i>Original Approved Budget</i>	Dec 16, 2022	4.96%	4.96%	4.95%	4.39%

Adjustments made throughout the process resulted in a finalized tax increase of 4.96 per cent in 2023 and 2024, 4.95 per cent increase in 2025, and 4.39 per cent increase in 2026.



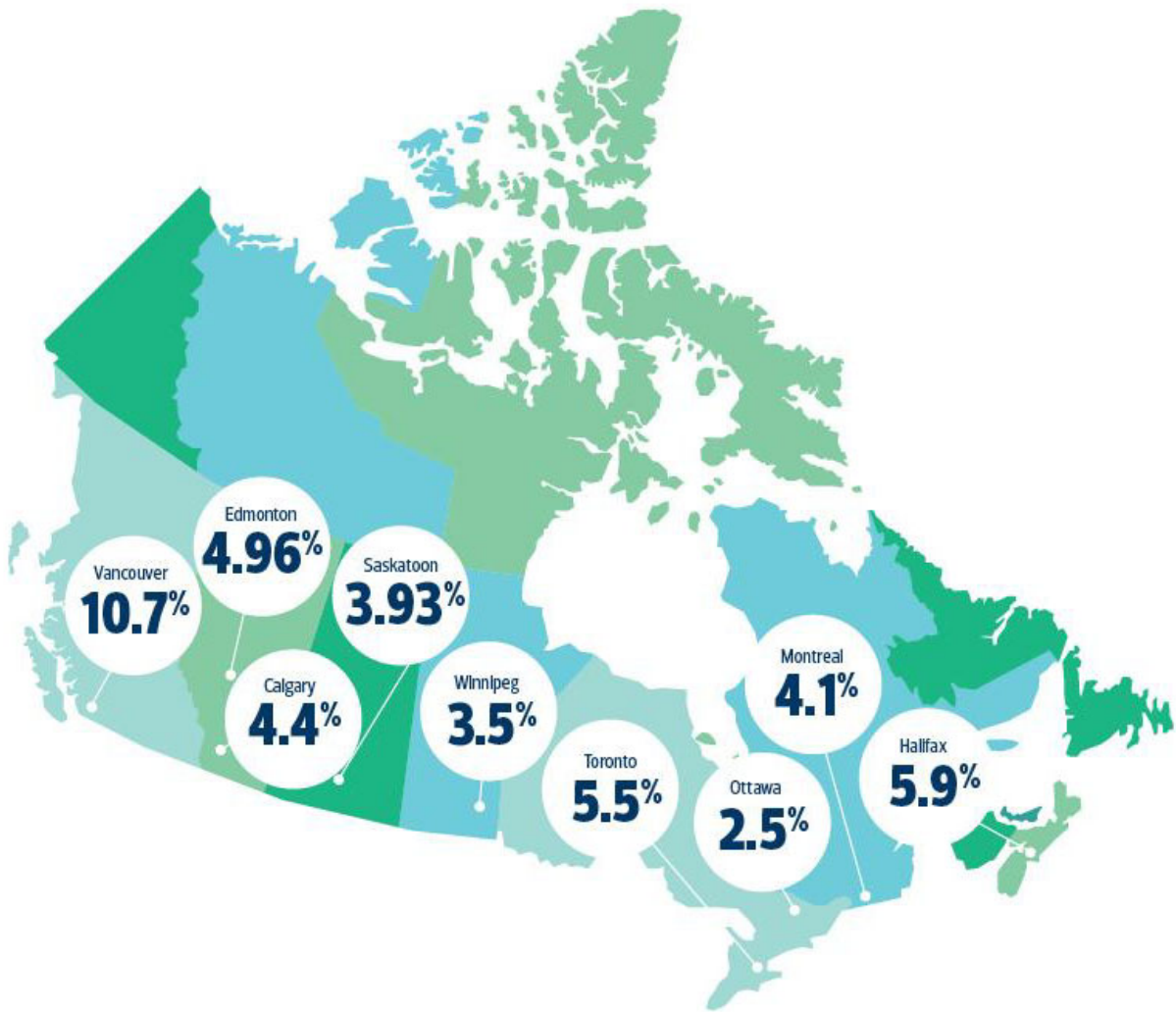
2023 Budget Highlights

As a result of these increases, Edmonton households can expect to pay about \$725 in 2023 for every \$100,000 of assessed home value, which is an increase of \$34 from 2022. These increases are a result of:

- Funding for new infrastructure and previously-approved projects.
- Maintaining and improving existing infrastructure and core services.
- Higher debt servicing costs as a result of new debt-financed capital projects and rising interest rates for previously approved debt-financed projects that are currently under construction or yet to commence.
- Identified pressures in the existing budget, including personnel increases for wage progression.
- Operating impacts of capital related to new capital projects.
- Higher energy prices, which increased natural gas and utility costs.
- Higher fuel costs resulting in increased program costs for operating vehicles.
- Mitigation of the continuing impact of the pandemic on certain revenue streams through the use of reserves in the early years of the budget, allowing time for transit and recreation facilities revenue to return to pre-pandemic levels.
- Funding for the Edmonton Police Service through an updated formula for 2023.

Over the past four years, taxes were kept low and were not enough to cover inflationary pressures, including from a growing population. The 2023-2026 Budget is focused on making investments and creating equity in our city. The 2023 tax increase falls within the middle range of tax increases amongst major Canadian municipalities. This increase will allow the City to maintain and continue to improve core public services while also carrying out previous commitments and transformational projects, allowing the City to be able to manage its capital plan for 2023.

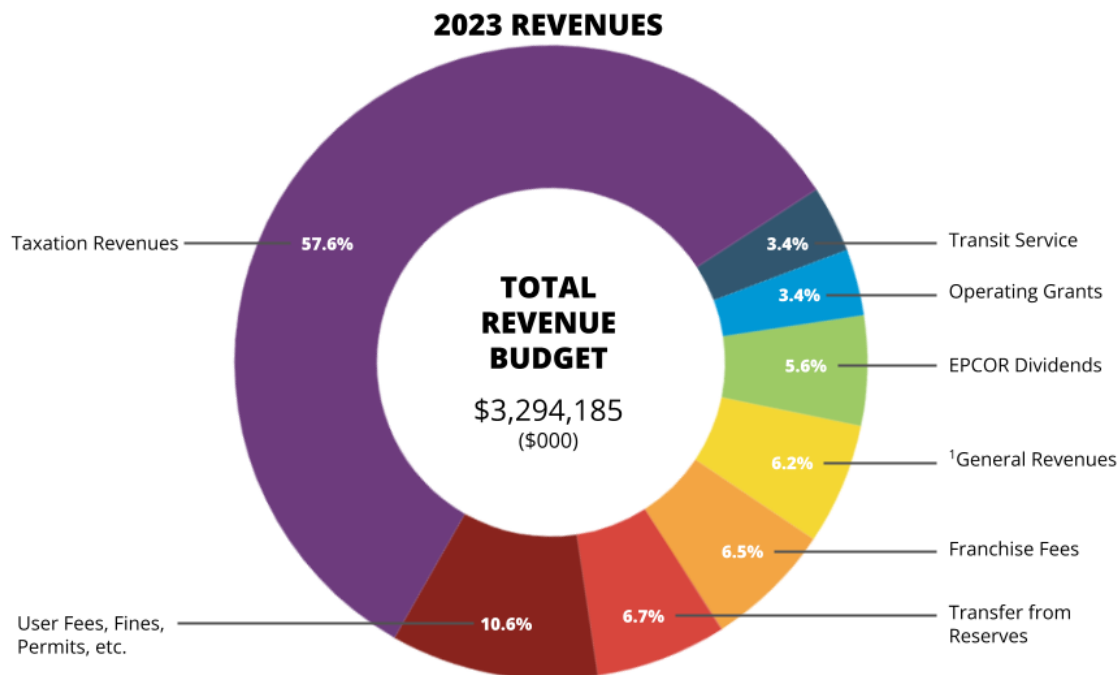
2023 Tax Increases for Major Canadian Municipalities



Where the Money Comes From

Property taxes are distributed proportionally based on an individual property owner’s property value within the residential and non-residential tax categories. Each property owner pays a share of the total tax revenue required in the operating budget, based on the value of their property relative to all other properties. For 2023, taxes collected from residential and non-residential properties make up 58 per cent of the total revenue needed for the operating budget, up from 54 per cent of total revenue in the last budget cycle. User fees fund almost 11 per cent of the budget, including recreation facility admissions, parking, building fees and other permits. Aligned to Council Policy C624 - Fiscal Policy for Revenue Generation, user fees are designed to partially recover costs from people who individually and directly benefit from using the service. Transit fee and other user fee revenue is lower in the early years of the four-year budget, but year-over-year increases are expected as services continue to recover from the COVID-19 pandemic. Lower revenue in the early years is mitigated with the use of reserves until revenues recover. The chart below reflects the revenue sources for the approved budget in 2023. There will be a similar distribution of revenue sources in 2024, 2025 and 2026.

2023 Revenue Budget



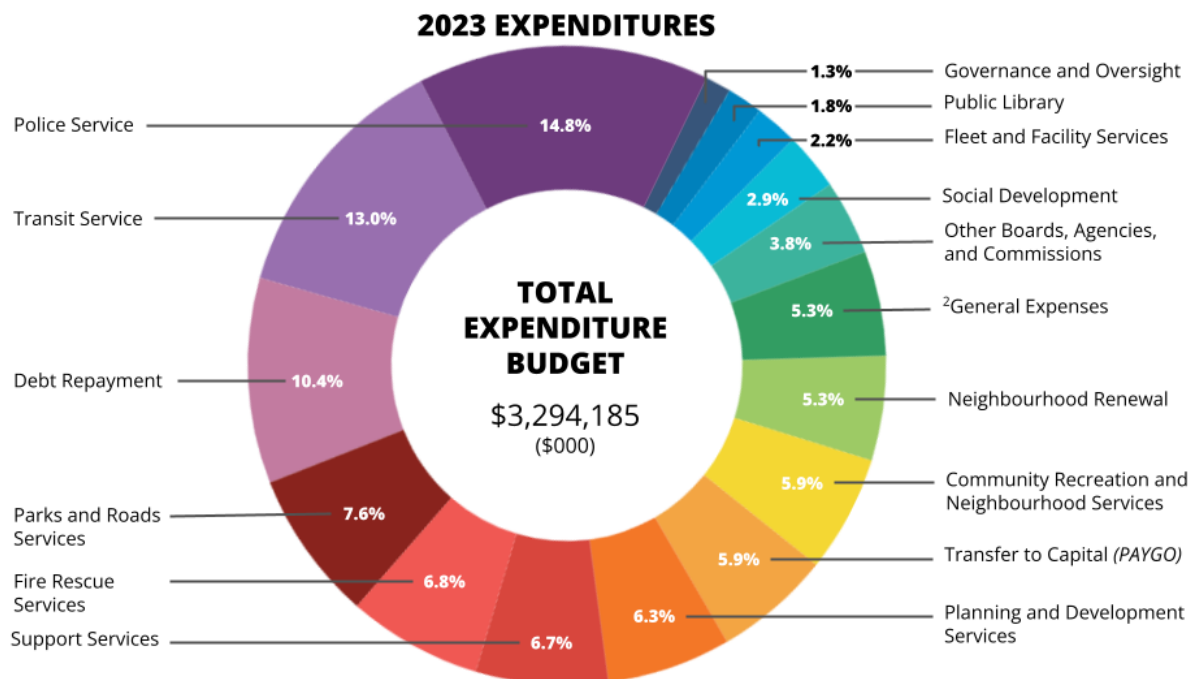
¹ **General Revenues** grouping consists of multiple revenue categories:

- **Investment Earnings and Dividends for Capital Financing** includes dividends from the Ed Tel Endowment Fund
- **Other Revenue** includes revenues from Downtown Arena (Non CRL), External Debt Recovery, Local Improvements, and other Taxation revenues

Where the Money is Spent

The chart below shows the total tax-supported expenditures for each major category. The portion of the City’s budget that is spent on providing police, transit and debt repayment accounts for 38.2 per cent. The percentages shown in the chart below reflect the spending categories for the budget in 2023. There will be a similar distribution of spending in 2024, 2025 and 2026.

2023 Expenditure Budget



² Certain Expenditure Budget groupings consist of multiple departments:

- **Governance and Oversight** includes Offices of the City Auditor, City Manager, City Clerk, and Mayor and Council
- **Planning and Development Services** includes Integrated Infrastructure Services and Urban Planning and Economy
- **Community Recreation and Neighbourhood Services** includes Community Recreation and Culture, and Community Standards and Neighbourhoods
- **General Expenses** includes Automated Enforcement, Capital Project Financing, and corporate wide expenditures
- **Support Services** includes Communications and Engagement, Employee Services, and Financial and Corporate Services

2023 Budget Highlights

Impact on a Homeowner

In 2023, based on the budget, Edmonton households would pay approximately \$725 dollars in municipal property taxes for every \$100,000 of their assessed home value, an increase of \$34 compared to 2022. These dollars help maintain the roads, pathways and public transit that move people and support Edmontonians' safety and well-being through bylaw enforcement, fire rescue, police and social programs. They fund attractions, leisure activities and parks that make Edmonton a great place to live, work and visit.

Impact of the 2023 to 2026 municipal tax increases per \$100,000 of assessment value, residential

	2022 Budget	2023 Budget	Annual Impact	2024 Budget	Annual Impact	2025 Budget	Annual Impact	2026 Budget	Annual Impact
Municipal Services	533	564	31	600	36	638	38	673	35
Police Services	158	161	3	161	0	161	0	161	0
Per \$100K of assessment value, residential	691	725	34	761	36	799	38	834	35

Note: In October 2022, Council decided that the revised Edmonton Police Funding Formula would only be adopted for the 2023 budget year, and directed Administration to return in 2023 after exploring modifications to the proposed police funding formula to determine the implications to the 2024 to 2026 budget years.

For 2023, the 4.96 per cent tax increase is comprised of 4.56 percent for municipal services and 0.4 percent tax increase for Edmonton Police Services.

For 2024 to 2026, the tax increases of 4.96, 4.95, and 4.39 percent, respectively, are as a result of increases in municipal services.

2023 Budget Highlights

Waste Services Utility - Operating Budget

Waste Services plays an integral role in the day-to-day lives of Edmontonians by collecting, processing and disposing of solid waste for residential and non-residential customers. The branch is committed to providing efficient and sustainable waste utility services.

Waste Services is operated as a regulated public utility and is governed by City Council's Utility Committee with oversight provided by an independent Utility Advisor. All residential waste services are covered through the monthly utility rate and waste disposal fees charged to residents. Property taxes are not used for any waste services residents receive. The utility operates under the Council approved Waste Management Utility Fiscal Policy C558B and the Waste Services Bylaw 18590.

Branch - Waste Services

2023 Approved Budget - Waste Services Utility by Program

(\$000)	2021 Actuals	2023		2023 Approved Budget	2024 Approved Budget	2025 Forecasted Budget	2026 Forecasted Budget
		2022 Approved Budget	Approved Budget Changes				
Revenue & Transfers							
Rate Revenue	199,145	205,949	6,458	212,407	218,247	221,986	225,465
Program Revenue	14,682	13,017	3,161	16,178	17,277	17,193	17,897
Grant Revenue	8,067	-	400	400	-	-	-
Total Revenue & Transfers	\$221,894	\$218,966	\$10,019	\$228,985	\$235,524	\$239,179	\$243,362
Net Expenditure & Transfers							
Collection Services	75,208	81,672	9,060	90,732	93,863	96,842	98,945
Processing & Disposal Services	125,803	124,505	8,188	132,693	137,014	140,613	142,808
Total Net Expenditure & Transfers	\$201,009	\$206,177	17,248	\$223,425	\$230,877	\$237,455	\$241,753
Net Income/(Loss)	\$20,885	\$12,789	(\$7,229)	\$5,560	\$4,647	\$1,724	\$1,609

Waste Services revenue is largely made up of monthly utility rates charged to single unit and multi-unit ratepayers and tip fees charged for specific types of waste materials at Eco Stations and other drop-off facilities. Program revenues come from tip fees from private haulers, sale of recyclable materials, Eco Station tip fees and investment earnings. Waste Services has a 0.9 percent rate increase in 2023. Program revenues are increasing due to an expected increase in investment earnings and Commercial Collection revenue. Overall expenditures increase from the implementation of the Communal Collection program, customer growth and higher than average inflation.

Financial Impact to Waste Services Residential Customers

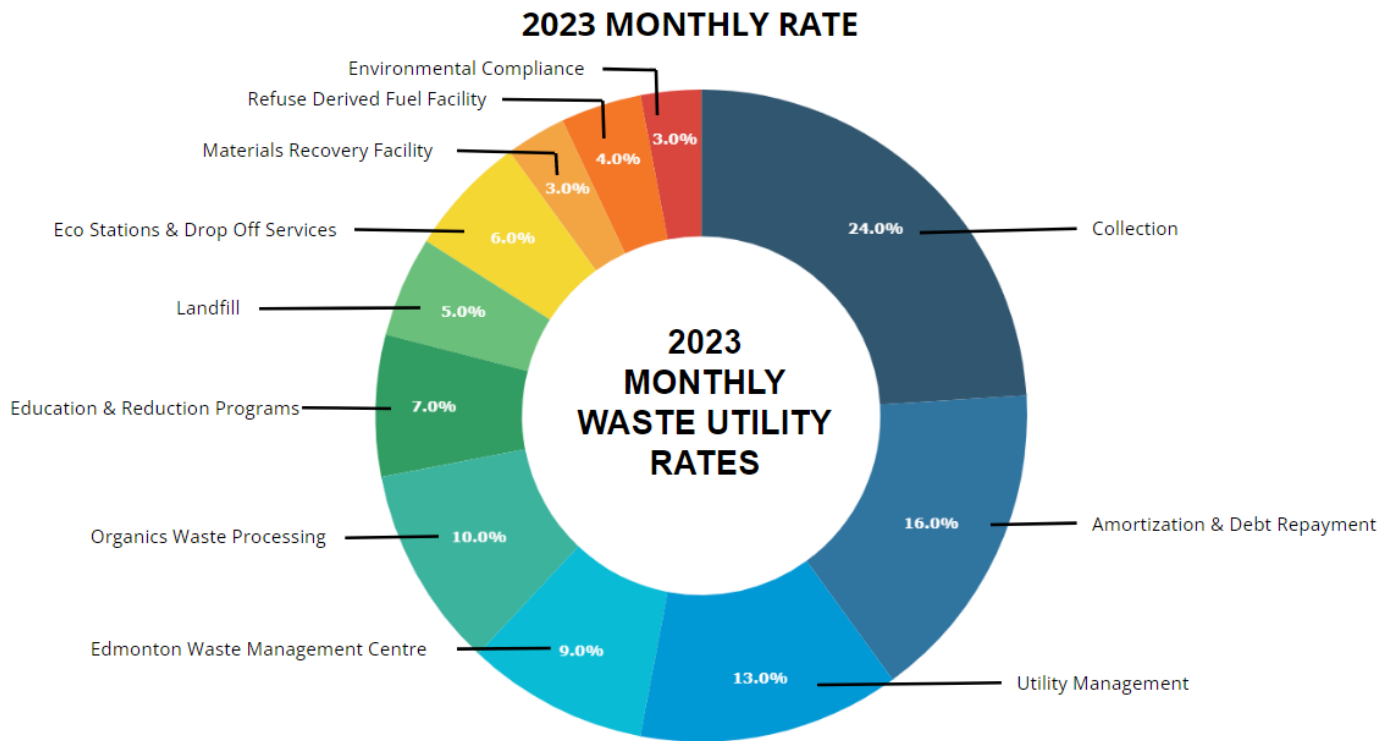
Type of Residence	2022 Actual Monthly Rate	2023 Approved Monthly Rate	Approved Monthly Rate Increase	Annual Increase
Curbside 120L Garbage Cart	\$43.32	\$43.75	\$0.43	\$5.16
Curbside 240L Garbage Cart	\$48.32	\$48.75	\$0.43	\$5.16
Curbside 360L Garbage Cart	\$58.32	\$58.75	\$0.43	\$5.16
Multi-Unit	\$30.69	\$30.97	\$0.28	\$3.36

Waste Services has a 0.9 per cent rate increase for 2023 while continuing to deliver significant and transformational change. 2022 was the first year of operation for the Edmonton Cart Rollout for over 250,000 residential households that receive curbside collection. In 2023 the City will begin the phase-in of mandatory three-stream communal collection to approximately 167,000 residential households at almost 3,400 properties. Also in 2023, the Single-use Item Reduction Charter Bylaw will come into effect on July 1st.

The monthly utility rate is used to support Waste Collection Services which provides efficient and effective waste collection and drop-off services including an Assisted Waste Collection program for residents with mobility restrictions. Residents have access to a number of facilities where large items can be dropped off for recycling, reuse or disposal including Eco Stations, Community Recycling Depots, Big Bin Events and the Reuse Centre. It also supports Sustainable Waste Processing which receives and sorts residential waste at the Edmonton Waste Management Centre, a unique collection of advanced processing and diversion facilities focused on recovering valuable resources and minimizing the amount of waste going to landfill.

2023 Budget Highlights

The following chart reflects what single unit residents receive for their 2023 monthly rate.



2023 Budget Highlights

Blatchford Renewable Energy Utility - Operating Budget

Blatchford Renewable Energy has been established to help achieve the City of Edmonton's long term goal of 100 per cent renewable energy and carbon neutrality for the Blatchford community.

Blatchford Renewable Energy owns and operates the community's District Energy Sharing System (DESS), which provides heating, cooling and hot water services. The DESS delivers energy efficiently from a centralized source using ambient (room temperature) water that is then upgraded by heat pumps which provide both heating and cooling. The DESS will tie into renewable energy sources including geexchange and sewer heat recovery.

Blatchford Renewable Energy operates as a municipal owned utility under the Blatchford District Energy Utility Fiscal Policy C597A and the Blatchford Renewable Energy Utility Bylaw 17943. The budget for the Utility reflects the strategic direction and initiatives identified in the 2023 - 2026 Blatchford Renewable Energy Utility Business Plan presented to the City's Utility Committee on November 4, 2022.

Approved Customer Rates and Infrastructure Fees for 2023

Type of Residence	Townhouse Lot	Multi-unit Lot	Residential (Townhouse and Multi-unit)	Commercial (Multi-unit)
Fixed Charge	\$1.71/day	\$12.50 /kW / month		
Variable Charge	\$0.0296/kWh	\$0.0296/kWh		
Infrastructure Fee			\$1,895.84/unit	\$21.66/m ²

2023 Budget Highlights

Capital Budget - 2023-2026

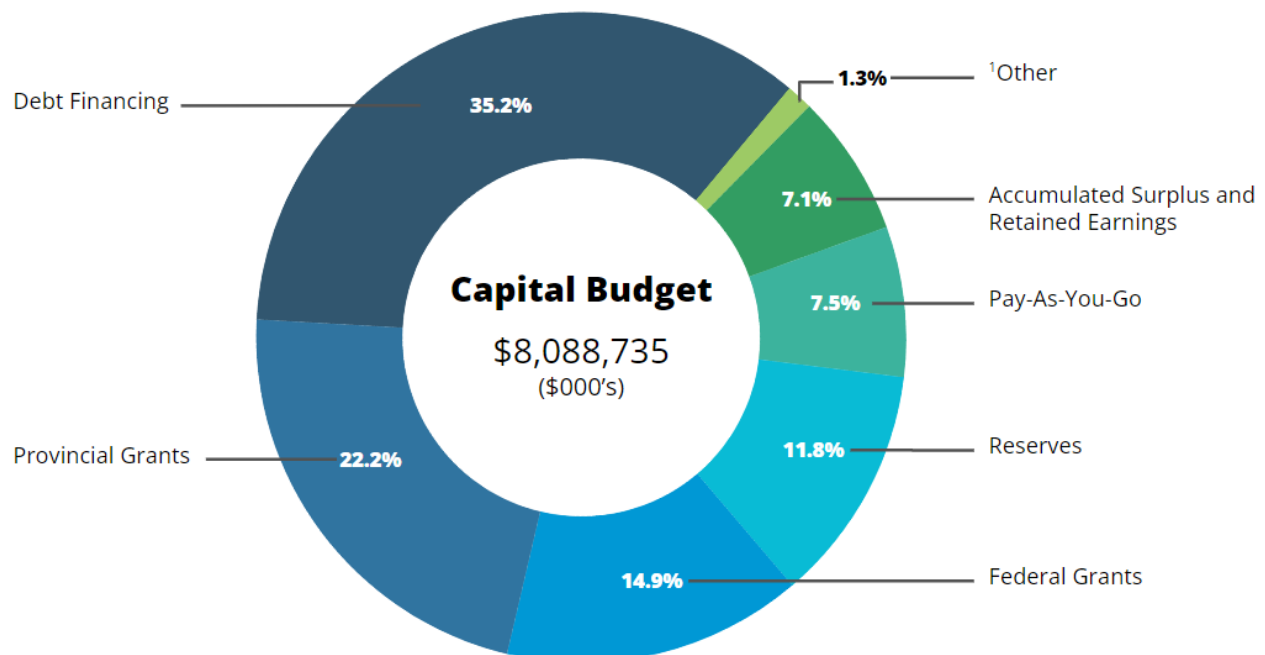
The foundation of the 2023-2026 Capital Budget is the 2023-2032 Capital Investment Outlook (CIO), a high level overview of the City’s capital investment requirements over the next 10 years.

The 2023-2026 Capital Budget aims to balance renewal and growth projects so that capital investment maximizes benefits, reduces risk and provides service levels that meet the public's expectations. Approximately 30 per cent of 2023-2026 capital investment is earmarked for renewing roads, neighbourhoods, parks, City-owned buildings and transit vehicles, with the remaining 70 per cent to support planning and delivery of new infrastructure.

(\$000)	2023	2024	2025	2026	Total 2023 to 2026	2027 & Beyond	Total Approved Budget
Tax Supported Operations	2,089,065	1,980,174	1,764,994	1,358,307	7,192,540	715,656	7,908,196
Waste Services Utility	41,575	44,758	27,137	21,016	134,486	18,615	153,101
Blatchford Renewable Energy Utility	6,618	4,140	6,900	9,780	27,438	-	27,438
Total Approved Capital Budget	2,137,258	2,029,072	1,799,031	1,389,103	7,354,464	734,271	8,088,735

The following chart provides the funding sources for the 2023-2026 Capital Budget.

CAPITAL BUDGET FUNDING SOURCES

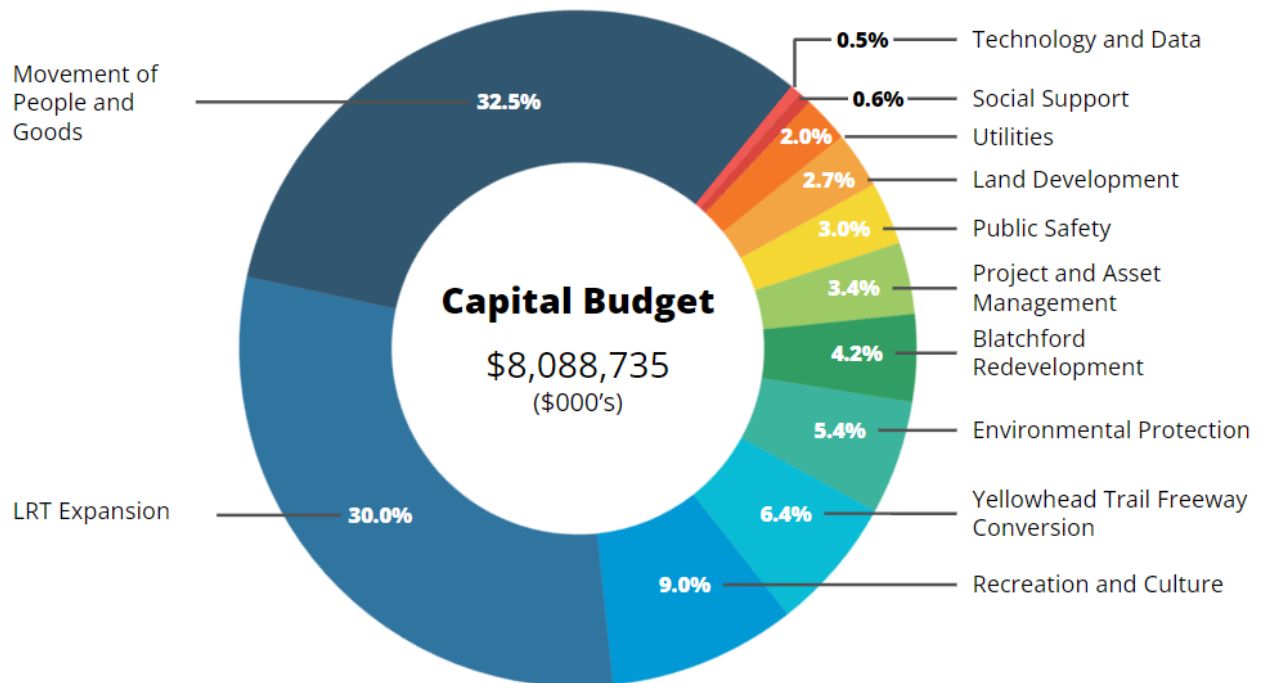


¹ Other includes partnership funding, developer financing, Edmonton Police Service Pay-As-You-Go, and Edmonton Public Library Pay-As-You-Go

2023 Budget Highlights

The following reflects the allocation of the 2023-2026 Capital Budget by corporate outcomes and three transformational projects; emphasizing investment in Movement of People and Goods, LRT Expansion and Recreation and Culture. The City's capital investments all embody a commitment to climate resilience and a focus of sustainable development in promoting green building standards, renewable energy, efficient mobility networks to reduce emissions, plus carbon budget and accounting considerations of Edmonton's climate impacts.

CAPITAL BUDGET BY CORPORATE OUTCOME



Carbon Budget - 2023-2026

Edmonton is one of the first cities in North America to present a carbon budget alongside our financial plans. This is an emerging field, and methods to determine and forecast emissions are continually evolving as knowledge and expertise grows.

Unlike the capital, operating and utility budgets, Council does not deliberate or approve the carbon budget. Rather, it is a tool to support decision-making that shows the greenhouse gas (GHG) impacts of budget requests.

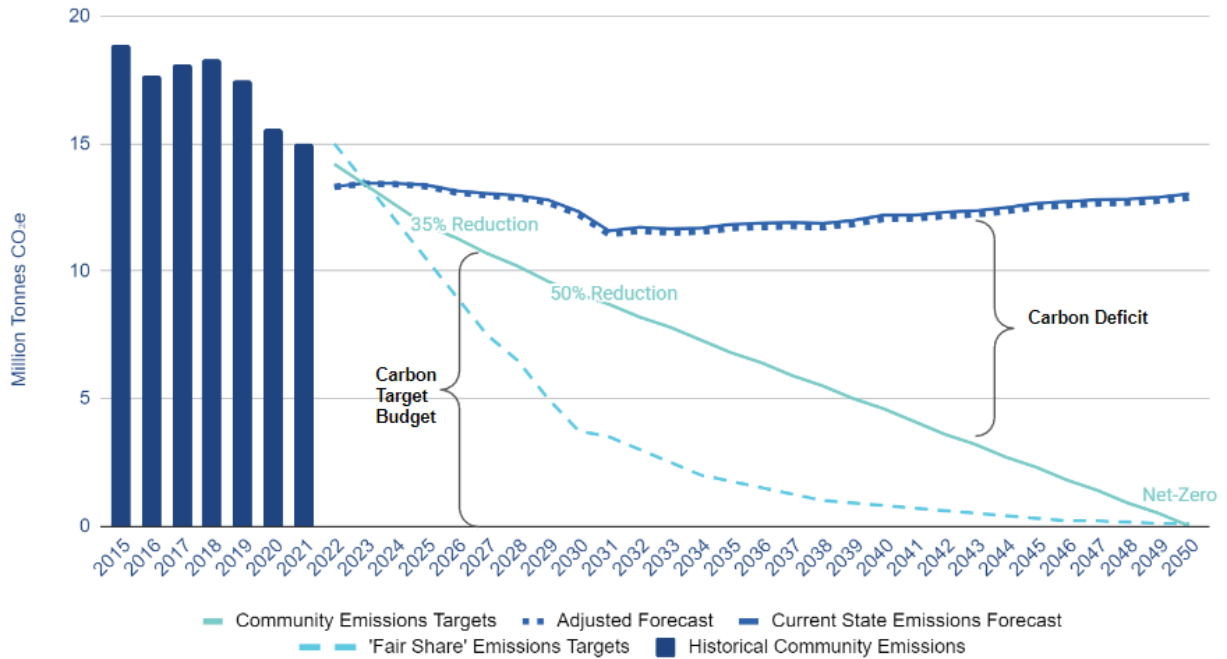
The 2023-2026 Carbon Budget takes 2021 greenhouse gas emissions as a starting point and incorporates changes due to the approved capital, operating, and utility budgets to form a revised emissions forecast, informing our transition to a low carbon city and progress towards achieving the greenhouse gas reduction targets set in the Community Energy Transition Strategy.

Edmonton has set community greenhouse emission reduction targets of 35 per cent by 2025, 50 per cent by 2030 and being emissions neutral by the year 2050 as defined in the Community Energy Transition Strategy. The City of Edmonton is demonstrating its climate leadership by setting the target to be an emissions neutral corporation in 2040, 10 years earlier than the community target.

Definitions

- Historical Emissions are the actual emissions tracked for the community and corporation based on the City's GHG inventory from 2015 to 2021. Historical corporate emissions include renewable energy certificates (RECs), which are used to keep the corporate emissions aligned with the trajectory to achieve emissions neutral by 2040.
- Current State Emissions Forecast is the 'Business-as-Planned' Scenario from The City Plan has been adopted as the current state emissions forecast, which is the most recent for community emissions. Corporate current state emissions forecast are based on the budget and business plans of the City.
- Adjusted Forecast takes the current state emissions forecast and incorporates the cumulative impact of quantifiable requests that are approved within the 2023-2026 capital, operating and utility budgets.
- Community/Corporate Emissions Targets are the amount of GHG emissions permitted based on emission targets over a period of time (35 per cent by 2025, 50 per cent by 2030 and being emissions neutral by the year 2050 for community; emissions neutral by 2040 for corporate).
- Fair Share Emissions Targets are the amount of GHG emissions permitted for the municipality of Edmonton, over a period of time, based on C40's methodology to assign a "fair" proportion of the global carbon budgets to C40 cities.
- Carbon Deficit is the gap between the annual adjusted forecast of GHG emissions and the emission targets. A deficit implies that the annual emissions are unfavourable compared to the target emissions.

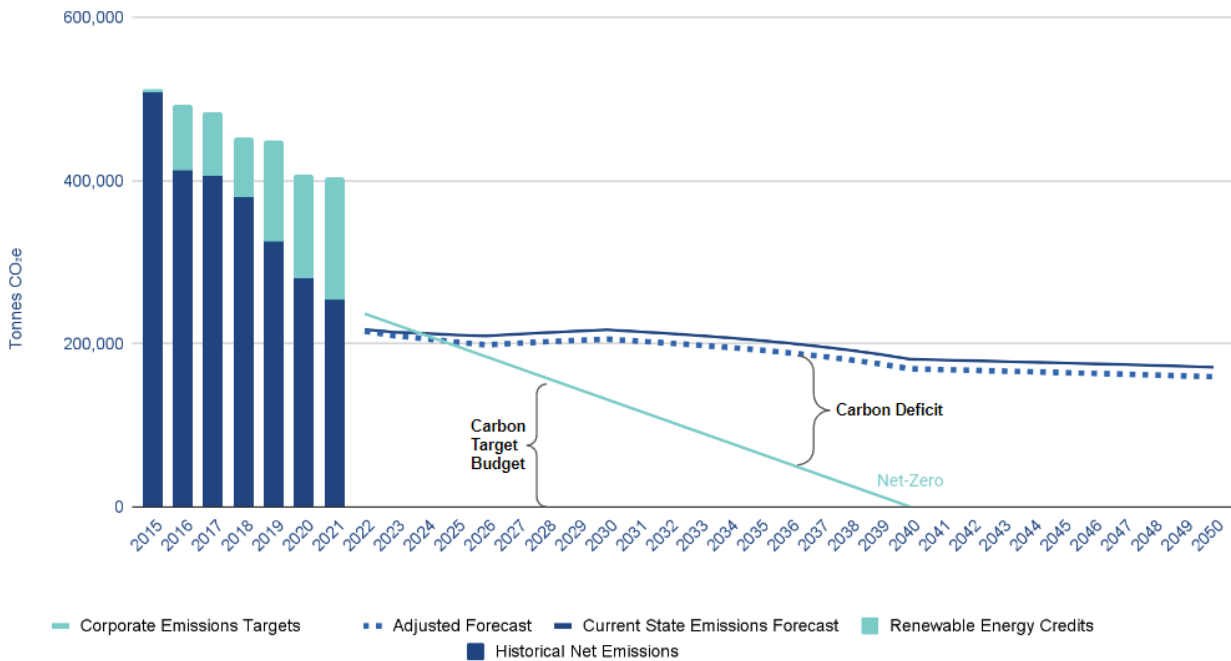
Community Carbon Budgeting 2023-2026 (based on approved budgets)



The community carbon target budget, which is the maximum total emissions allowed, is 176 million tonnes CO₂e. Based on the adjusted emissions forecast, including GHG impacts of the quantifiable capital projects and operating service packages approved in the 2023-2026 Budget, the community is forecasted to deplete the allowable emissions by 2037. Edmonton as a community will have an annual carbon deficit of 12.88 million tonnes CO₂e by 2050. This means by 2050 when emissions are expected to be neutral with no net impact on an annual basis, the community will still have GHG emissions of 12.88 million tonnes CO₂e annually.

2023 Budget Highlights

Corporate Carbon Budgeting 2023-2026 (based on approved budgets)



The corporate carbon budget, which is the maximum emissions allowed for the corporation, is 2.25 million tonnes CO₂e. Based on the current state emissions forecasts, including GHG impacts of the quantifiable capital projects and operating service packages approved in the 2023-2026 Budget, the corporation is forecasted to use the corporate carbon budget, or deplete the allowable emissions, by 2033. The City of Edmonton as a corporation will have an annual carbon deficit of 169,000 tonnes CO₂e by 2040. This means by 2040 when the corporate emissions are expected to be neutral with no net impact on an annual basis, the City will still have GHG emissions of 169,000 tonnes CO₂e annually.

The carbon budget highlights that climate change is a collective problem that will take collective action. The City is limited in its ability to directly impact Edmonton's emissions; its corporate emissions make up about two per cent of Edmonton's overall emissions. City Administration is actively working to reduce the City's emissions, but to be carbon neutral by 2050, it will take a much larger collective effort, including collaboration and support from other orders of government, private investment and the actions of all Edmontonians.

WHERE TO FIND MORE INFORMATION ABOUT THE APPROVED BUDGET

This document is an overview of the City's 2023-2026 Budget that City Council approved in December 2022. For the complete 2023-2026 Budget and other information, visit www.edmonton.ca/budget.

The schedules below reflect the 2023 operating budget amendments approved by Council through the Spring 2023 Supplemental Operating Budget Adjustment process.

2023-2026 Operating Budget Changes																
																Attachment 1
Tax Supported Operations	2023				2024				2025				2026			
(000s)	Revenue	Expense	Net	Tax Change %	Revenue	Expense	Net	Tax Change %	Revenue	Expense	Net	Tax Change %	Revenue	Expense	Net	Tax Change %
Approved Tax Supported Operations (December 2022)	3,294,185	3,294,185	-	4.96	3,348,816	3,348,816	-	4.96	3,483,226	3,483,226	-	4.95	3,595,474	3,595,474	-	4.39
Total operating budget changes in Q1 2023	63,099	63,099			6	6			70	70			100	100		
Total operating budget changes from prior years	-	-	-	0.00	(8,512)	(8,512)	-	0.00	4,488	4,488	-	0.00	4,488	4,488	-	0.00
Amended Tax Supported Operations	3,357,284	3,357,284	-	4.96	3,340,310	3,340,310	-	4.96	3,487,784	3,487,784	-	4.95	3,600,062	3,600,062	-	4.39
1. Changes to Economic Forecasts																
Change due to Assessment Growth	5,788	-	(5,788)	(0.32)	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Grants in Lieu of Provincial Taxes	(1,300)	-	1,300	0.07	-	-	-	-	-	-	-	-	-	-	-	0.00
	4,488	-	(4,488)	(0.25)	-	-	-	-	-	-	-	-	-	-	-	-
2. Administrative Adjustments																
<u>Edmonton Transit Service</u>																
Removing costs for withdrawal from Edmonton Metro Transit Services Commission	(13,000)	(13,000)	-	-	13,000	13,000	-	-	-	-	-	-	-	-	-	0.00
	(13,000)	(13,000)	-	-	13,000	13,000	-	-	-	-	-	-	-	-	-	0.00
Adjustment to Financial Strategies		4,488	4,488	0.25			-	-			-	-			-	0.00
Total Operating Budget Changes	(8,512)	(8,512)	-	(0.00)	13,000	13,000	-	-	-	-	-	-	-	-	-	0.00
Adjusted Tax Supported Operations Budget	3,348,772	3,348,772	-	4.96	3,353,310	3,353,310	-	4.96	3,487,784	3,487,784	-	4.95	3,600,062	3,600,062	-	4.39

2023 Operating Budget Changes

Attachment 1

Community Revitalization Levies (CRLs)	2023			2024			2025			2026		
(000s)	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense	Net
Belvedere CRL	6,875	6,875	-	6,874	6,874	-	6,879	6,879	-	6,884	6,884	-
Total operating budget changes from prior years	-	-	-	(2)	(2)	-	(658)	(658)	-	(4,551)	(4,551)	-
Amended Belvedere CRL	6,875	6,875	-	6,872	6,872	-	6,221	6,221	-	2,333	2,333	-
Change in CRL Revenue	375	-	375	(149)	-	(149)	(145)	-	(145)	114	-	114
Change in transfer to/from reserve	(1,414)	-	(1,414)	290	-	290	(3,508)	-	(3,508)	(114)	-	(114)
Updated forecast	1,037	(2)	1,039	(797)	(656)	(141)	(240)	(3,893)	3,653	-	-	-
Total Belvedere CRL Changes	(2)	(2)	-	(656)	(656)	-	(3,893)	(3,893)	-	-	-	-
Adjusted Belvedere CRL	6,873	6,873	-	6,216	6,216	-	2,328	2,328	-	2,333	2,333	-
Capital City Downtown CRL	34,147	34,147	-	36,568	36,568	-	42,730	42,730	-	46,652	46,652	-
Total operating budget changes from prior years	-	-	-	(1,291)	(1,291)	-	3,862	3,862	-	4,502	4,502	-
Amended Capital City Downtown CRL	34,147	34,147	-	35,277	35,277	-	46,592	46,592	-	51,154	51,154	-
Change in CRL Revenue	412	-	412	1,012	-	1,012	28	-	28	(218)	-	(218)
Change in transfer to/from reserve	(1,703)	(1,064)	(639)	4,141	-	4,141	612	-	612	(2,102)	-	(2,102)
Updated forecast	-	(227)	227	-	5,153	(5,153)	-	640	(640)	-	(2,320)	2,320
Total Capital City Downtown CRL Changes	(1,291)	(1,291)	-	5,153	5,153	-	640	640	-	(2,320)	(2,320)	-
Adjusted Capital City Downtown CRL	32,856	32,856	-	40,430	40,430	-	47,232	47,232	-	48,834	48,834	-
The Quarters Downtown CRL	9,888	9,888	-	9,907	9,907	-	10,849	10,849	-	12,659	12,659	-
Total operating budget changes from prior years	-	-	-	(279)	(279)	-	570	570	-	(267)	(267)	-
Amended The Quarters Downtown CRL	9,888	9,888	-	9,628	9,628	-	11,419	11,419	-	12,392	12,392	-
Change in CRL Revenue	(1,126)	-	(1,126)	(1,237)	-	(1,237)	(3,213)	-	(3,213)	2,190	-	2,190
Change in transfer to/from reserve	847	-	847	2,086	-	2,086	2,376	(837)	3,213	(3,950)	(1,760)	(2,190)
Updated forecast	-	(279)	279	-	849	(849)	-	-	-	-	-	-
Total The Quarters Downtown CRL Changes	(279)	(279)	-	849	849	-	(837)	(837)	-	(1,760)	(1,760)	-
Adjusted The Quarters Downtown CRL	9,609	9,609	-	10,477	10,477	-	10,582	10,582	-	10,632	10,632	-