

Proposed Operating Budget Highlights

1. The operating budget is about programs and services.

The operating budget is the plan for how tax dollars and other funding will be used to provide the programs and services Edmontonians use every day, including:

- Maintaining roads, bridges, pathways and public transit.
- Delivering the emergency services and social supports that people count on.
- Activating attractions, recreation centres, sports fields and parks that make Edmonton a great place to live, work and play.

2. It'll be finalized in December.

On November 3, City Administration released a proposed 2023–2026 Operating Budget of **\$3.2 billion in 2023 to \$3.5 billion in 2026** for Council's consideration. The document includes recommendations and other options so Council has the information they need to deliberate and finalize the budget in December.

3. Things cost more now.

Like Edmontonians, the City is still recovering from the impacts of the pandemic and other world events. We continue to deal with inflation and supply chain issues, high energy costs and rising interest rates. The City is also still dealing with reduced revenues from services like transit and recreation centres that are slowly returning to pre-pandemic levels.

4. It proposes 3.9% tax increases each year.

The City kept tax increases low to provide support to Edmontonians and businesses during the pandemic. Property tax increases were **2.6 per cent (2019), 1.3 per cent (2020), 0 per cent (2021) and 1.9 per cent (2022)**, which brings property tax increases, on average, below consumer inflation. Low or no increases aren't sustainable in the long term, without adjusting services.

- A \$400,000 household will pay around **\$100 more** each year between 2023–2026.

5. It's focused on maintaining services.

The proposed budget maintains service levels to keep taxes and user fees manageable. The City started with a base operating budget of \$3.3 billion; this is what it took to deliver services in 2022. We applied a prioritization process to the base budget to look for ways to reduce costs and increase revenues. Then we looked at additional factors that could increase costs, including:

- Fuel for City vehicles, and electricity and natural gas to heat City facilities and keep the lights on.
- **\$14.3 million** over 4 years to increase services in response to Edmonton's growth, like funding for the next municipal election.
- **\$92.8 million** over 4 years for new/enhanced services, including responding to emerging needs like funding for Downtown Vibrancy and Chinatown strategies.

6. It includes previous commitments.

The proposed budget includes previous commitments made by Council to address Edmonton's growth and advance our long-term goals, including:

- **\$57.2 million** over 4 years to operate new infrastructure, including new fire stations, new LRT lines and a new exhibit at the zoo.
- Paying down the debt used to finance capital projects, including transformational ones like LRT expansion and the Yellowhead Trail Freeway Conversion, 2 new recreation centres, and significant renewal projects in the proposed capital budget, like the High Level Bridge rehabilitation. Debt servicing will increase from **\$347 million in 2023 to \$469 million in 2026**.