



## Proposed 2014 Budget Recommends Tax Increase of 4% for City Services

The City of Edmonton's proposed 2014 Operating Budget recommends a 4% general tax increase for all civic operations, boards and commissions including funding operations of a number of new facilities and enhanced services. An additional 1.5% tax dedicated to continuing to build the Neighbourhood Renewal Program fund is also recommended.

"This budget is about the benefits new infrastructure, such as the Clareview and Meadows Recreation Centres and the Metro Line to NAIT, bring to the City and the funding required to provide those amenities," said Chief Financial Officer Loma Rosen. "This proposed budget maintains the services, programs and infrastructure that support 836,000 people within our growing city."

The budget can be found at [edmonton.ca/budget2014](http://edmonton.ca/budget2014). It was released before Administration's formal presentation to City Council on November 6 to give Council, the media and Edmontonians more time to review the proposed budget.

"Edmontonians have come to expect a high standard of living," said Rosen, "where the City supports a wide range of amenities, convenience, accessibility, mobility, and vibrant leisure opportunities in addition to core civic services. Meeting these expectations in a strong economic environment requires good planning and continuing investment in core services and programs."

The operating budget sets the revenue and spending levels for all civic services and programs that Edmontonians depend on, such as police, fire rescue, lifeguards, transit drivers, parks maintenance, snow clearing, pothole repair, librarians, and recreation centre staff. Bylaw, municipalities are not allowed to budget for a deficit and the City does not plan surpluses. The City collects the amount of tax required to balance the budget after all other revenue sources are considered.

The proposed 4% tax increase is the average across all tax classes – residential and non-residential. For a typical Edmonton home valued at \$364,000 the proposed budget would mean an annual increase of \$106 or \$8.83 per month for homeowners on the monthly payment plan. The total municipal property tax for a typical household amounts to just over \$2,000 per year, and delivers the range of civic services residents have come to expect.

### Strong economy and population growth

Rapid population growth, economic strength and cost inflation have an impact on the City budget. Edmonton's population is expected to increase by 2.2% in 2013, which is roughly 52 new people coming to Edmonton each day of the year. Edmonton's GDP growth rate topped the country in 2012 at 5.9% and held strong in 2013 with a forecast growth of 4.2%. The City is projecting municipal price inflation for 2014 of 3%.

"This proposed budget supports the investments the City made in infrastructure in recent years to provide much-needed services to our city's growing population," said Rosen. The proposed budget funds the operations and maintenance for new capital infrastructure such as new LRT expansion, new recreation centres, libraries, police and fire stations. The portion of taxes dedicated to the Neighbourhood Renewal Program will contribute to the renewal and reconstruction of 34 neighbourhoods between 2011 and 2018.

The proposed 2014 budget also covers the increased costs for inflation that affect operations such as fuel to power vehicles and equipment, road materials to fix potholes, and electricity and natural gas to light and heat civic buildings. The majority of the services the City delivers are labour intensive, with just over half of the budget paying for staffing costs in areas such as transit, police, fire rescue and community recreation.

### Reducing costs of municipal services

In the process of developing the budget, City departments were directed to look for more efficient service delivery alternatives in order to reduce the costs of municipal services and to increase non-property tax revenue opportunities while maintaining value to citizens. Over the last four years, approximately \$160 million in combined cost savings and non-tax revenue generation have reduced the impact on property taxes.

Some examples of focused improvements that were incorporated in this budget include: increased use of online access for municipal census completion; consolidation of services related to neighbourhood parks; centralization of services for financial transactions; re-negotiation of certain transportation operations maintenance contracts to reduce cost while maintaining service; in-sourcing a number of programs in human resources and information technology; and increased cost recovery for community standards programs.

Continuous improvement efforts helped to reduce the base budget increases and offset the operating impacts of capital in the 2014 budget.

### Budget deliberations

The proposed budget is the first step in Council's deliberation process on setting the 2014 Operating Budget, with final approval expected in mid-December. Administration will present the budget November 6; a public hearing on the proposed budget will be held November 25.

Edmontonians are encouraged speak to Council at the November 25 public hearing. Interested residents and organizations can register to present to Council by calling the City Clerk at 780-496-8178 or by registering online at [edmonton.ca/meetings](http://edmonton.ca/meetings).

Edmontonians will also have the opportunity to provide input through an online questionnaire, accessible from [edmonton.ca/budget2014](http://edmonton.ca/budget2014) starting next week.

**For more information, please visit:**

[edmonton.ca/budget2014](http://edmonton.ca/budget2014)

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