

City budget holds tax increase to 4.92%

Budget supports investments in new infrastructure

Edmonton City Council approved the 2014 Operating Budget, which will deliver more than 200 distinct services and programs while holding the tax increase to 4.92%, which is about 0.5% lower than the [proposed budget](#).

This budget will result in an average 3.42% property tax increase to deliver all civic services, including operations for new capital infrastructure. An additional 1.5% tax is dedicated to continuing to build the Neighbourhood Renewal Program fund for repair and reconstruction of roads, sidewalks and streetlights in mature areas.

"Council is confident that we have achieved a balanced budget," said Mayor Don Iveson. "We can assure tax payers that we make conscientious use of the dollars they entrust us with."

Of the total tax increase, 2.8 per cent, or \$31.7 million, is attributed to the costs for operating new infrastructure projects that will come into operation in 2014, including:

- Clareview and Meadows recreation centres
- Lewis Farms fire station
- Clareview, Meadows and Mill Woods libraries
- North LRT extension

"City Council's final budget supports the investments made in infrastructure in recent years to provide much-needed services to our city's growing population," said Lorna Rosen, Chief Financial Officer. "This budget maintains the services, programs and infrastructure that more than 830,000 Edmontonians expect to support our quality of life."

For a typical Edmonton home valued at \$364,000, the approved budget would mean an average tax increase of \$95 per year or \$7.92 per month for homeowners on the monthly payment plan. The total municipal property tax for a typical household amounts to about \$2,020 per year, and delivers the range of civic services residents have come to expect. The final tax rate will be set in the spring after the Province announces the Education Tax to be collected through property taxes.

As part of its deliberations on Budget 2014, Council also set the budgets for the City-run utilities. The Drainage Services budget contained \$4.7 million additional funds for an enhanced flood prevention program. The approved budgets for City-managed utilities result in a rate increase for a typical home of \$1.39 per month for Sanitary Drainage, \$0.86 per month for Stormwater Drainage and \$1.98 per month for Waste Management.

Some new investments in the 2014 Budget include:

- Additional life guards (19 full-time, 37 part-time) for recreation centres to meet new aquatic industry standards
- Hosting of international events – FIFA Women's World Cup events in 2014 and 2015, and the 2014 International Triathlon Union Grand Final – enhancing Edmonton's reputation as a great host city to the world
- Adding more staff in Current Planning to speed up the building permit and development process; increased permit and development fees will be directed to this improvement of service
- 28 additional police officers, 8 of whom will be dedicated to transporting prisoners to the new Provincial Edmonton Remand Centre
- Edmonton Public Library to continue its free membership fee for 2014, which was started in 2013 as part of the library's 100th anniversary

In addition, City Council was able to find room in the budget to dedicate funding for a number of other priorities, including:

- \$300,000 for Start-up Edmonton to support new business ventures
- Additional \$1 million for capital grants for community groups – previous recipients include soccer centres, ski clubs, Fringe Festival and seniors facilities
- \$275,000 to keep the Green Shack program running after the Province dropped the Student Temporary Employment Program (STEP) which funded the students who ran the popular summer recreation program
- \$913,000 to increase the Edmonton Transit budget to fund off-peak hour transit service

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. By law, 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 calculated. Taxes account for just over 50% of the revenue needed to pay for civic services.

The majority of the services the City delivers are labour intensive, with just over half of the budget paying for staffing costs, including the workforce in transit, police, fire rescue and community recreation. The 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.

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