

## Proposed 2016-2018 operating budget adjustment meets 2017 property tax target

*City reduces base budget by 1.5 per cent to maintain and add key programs and services*

November 18, 2016

The City today released its proposed 2016-2018 Supplemental Operating Budget Adjustment that maintains all City programs and services for \$6.61 per day in municipal property taxes for the typical household. The 2017 budget adjustment is online, giving Edmontonians time to review the details before council begins deliberations in December.

The proposed property tax of 3.1 per cent remains at the level City Council approved in Spring 2016, a decrease from the 3.4 per cent increase that was originally forecast when Council announced the three-year operating budget in 2015.

"We've delivered a proposed budget adjustment that provides good value, balances the budget and allows us to prioritize and fund an important initiative, the Neighbourhood Renewal Program within the tax levy amount that Council had previously approved for 2017," says Todd Burge, the City's Chief Financial Officer.

Neighbourhood Renewal repairs roads, sidewalks and street lights in Edmonton's more than 300 aging neighbourhoods. Despite the tougher economic climate, the City worked hard to find the \$22 million in funding for the program since it was previously expected to come from grants.

The City reduced the base budget, the percentage of the tax increase necessary just to maintain current programs and services, from 2.5 per cent in 2016 to 1 per cent in 2017. The major sources of revenue came from the Epcor dividend, \$5 million, and franchise fees, (what the City charges utility operators to provide services within the city as well as for access to Citylands,) in the amount of \$4 million. As well, reduced fuel and utility costs and contract negotiations accounted for another \$6.2 million in savings.

Additional costs of \$4.2 million were also absorbed in the 2017 budget adjustment: \$3.5 million for climate change and \$0.7 million for the increase in minimum wage.

City programs are scrutinized each year with the goal of reducing or reallocating 2%, or approximately \$28 million in operations. This year the City identified 122 initiatives that resulted in \$34.1 million in savings; well exceeding the 2017 target of \$28 million.

The City found other savings by eliminating 46 vacant FTE positions, and by freezing the 2017 management cost-of-living increase. Unionized staff salary-increases, negotiated before the province officially declared a recession, will be honoured.

The 3.1-per-cent-tax-increase breaks down as follows:

- 1 per cent for base budget to maintain programs and services
- 1.5 per cent for the Neighbourhood Renewal program
- 0.6 per cent for the Valley Line LRT

### Budget input and deliberations

Edmontonians are encouraged to learn about the budget by visiting [YEGCityBudget.ca](http://YEGCityBudget.ca). The 2017 Supplemental Operating Budget Adjustment will be presented at the November 29 Council meeting. Interested residents and organizations are invited to provide input to Council at a December 8 public hearing. Residents 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).

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### For more information:

[Proposed 2016-2018 Operating Budget Overview and Budget Primer](#)  
[Council 2% supplement](#)

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