



It's a surplus: City predicts 2016 will end under-budget by \$28.4 M

November 24, 2016

The City anticipates a surplus of \$28.4 million in spending this year, or 1.1 per cent of the \$2.5-billion 2016 operating budget.

This would be the fifth consecutive year the City delivered a budget surplus. All surplus dollars go directly into the Financial Stabilization Reserve (FSR), a fund accessible for extraordinary circumstances or emergent financial issues.

The forecast surplus, announced today, will be presented to council on Nov. 29 as part of the [Projected Year-End Financial Results - Operating](#) report.

The City does not use year-end surpluses to reduce future year's property taxes as this one-time source of money cannot be guaranteed for ongoing operations. A portion of the surplus, \$13 million, comes from the snow and ice removal budget, which saw less activity last winter and in the fall of 2016, due to warmer-than-usual weather. The snow is one of the greatest risks to budget and the FSR acts as a risk management fund for this and other volatile revenues.

However, there is the option of using surplus funds for unique programs and initiatives. In the past three years, Council designated \$3.5 million each year for Cornerstones II (2013-2015), Edmonton's plan for affordable housing.

Where operational surpluses are identified, the City closely assesses the reason behind the surplus to determine if ongoing funding in an area can be reduced or reallocated to areas of greater need. For example, one area of the projected 2016 year-end surplus shows \$8.2 million in personnel costs. That includes a variety of cost reductions: employees not hired to fill positions as quickly as expected and overtime reduction strategies. Nonetheless, a significant portion of the \$8.2 million is from vacant positions.

In the proposed supplemental 2017 operating budget, the City will save \$5.2 million by eliminating 46 full-time-equivalent positions, largely able to do so through internal efficiencies and reorganizations.

The City is prepared for modest growth in 2017. However, action taken years ago puts the City of Edmonton in a financially resilient position, as recently confirmed by Standard and Poor's AA+ rating.

Media contact:

[Leslie Beard](#)
Communications and Engagement
780-952-2033

Share:     

3rd Floor, City Hall
1 Sir Winston Churchill Square NW
Edmonton, AB
T5J 2R7
www.edmonton.ca

[Subscribe](#) | [Unsubscribe](#) | [Printer Friendly Version](#)

This email was created and delivered through [Mailout](#)