



UDI-ER Brief – Approval of Edmonton Metro Surrounding Municipality Budgets

I. OVERVIEW:

- In addition to the City of Edmonton, a number of other municipalities within the Edmonton Metro Region conducted budget deliberations over the past number of weeks.
- The municipalities discussed within this brief include: Beaumont, Fort Saskatchewan, Leduc, St. Albert, Spruce Grove and Strathcona County.
- The following is a high-level overview regarding key points resulting from each of the aforementioned municipalities' budget deliberations.

II. EDMONTON METRO SURROUNDING MUNICIPALITIES:

• BEAUMONT¹²³

- On Tuesday, December 11, 2018, Beaumont's Council unanimously approved amendments to Beaumont's 2019 budget, the 2019-2023 Capital Plan and the 2019-2023 Financial Plan.
- After factoring in growth for 2018, Beaumont will see a tax increase of **1.88** per cent.
- To align with compensation elsewhere in the region, the proposed budget called for increasing the remuneration of Council. This included the salary of the mayor increasing from \$64,500 to \$100,000 (due to conversion into a full-time role), \$32,000 to \$62,500 for the deputy mayor, and \$29,000 to \$49,500 for councillors.
- However, during deliberations, a motion was put forward and approved – thereby reducing the proposed compensation to \$43,000 for the deputy mayor and \$40,000 for councillors.

¹https://beaumontab.civicweb.net/document/10033/RFD_Adoption%20of%202019%20Budget.pdf?handle=8E3F0410FE684EEBBECB378ED00ACA14

² <https://www.thebeaumontnews.ca/news/local-news/beaumont-council-briefs-6>

³ <https://www.thebeaumontnews.ca/news/local-news/beaumont-council-briefs-7>

- **FORT SASKATCHEWAN**⁴⁵⁶

- On Tuesday, December 11, 2018, Fort Saskatchewan City Council approved the 2019 operating and capital budgets.
- The operating budget of \$78.3 million, results in a tax increase of **2.82** per cent.
- A large portion of the above-mentioned tax increase (2 per cent) is due to the City moving towards a full-time fire department.
- In addition to the budgets, Council also approved the 10-Year Capital Plan (2019-2028), for a total of \$253.4 million.
- The City is expecting to take on \$73.54 million in debt but the remainder of projects within the Capital Plan are expected to be covered by reserves (\$66.17 million), grants (\$51 million), annual capital funds (\$15.6 million), developer off-site levies (\$45.38 million), and equipment trade-ins (\$1.54 million).
- Some of these projects include new buildings, such as: a new pool (\$44 million), sports arena at the Dow Centennial Centre (\$14.4 million), renovations for the Jubilee Recreation Centre (\$13.2 million), a second fire hall (\$8 million) and a new community facility in West River's Edge (\$2.88 million). That being said, engineering structures (e.g. road rehabilitation) make up the bulk of the 10-Year Capital Plan, for a total of \$90.1 million.
- It should be noted that the money earmarked for these projects is not set in stone; Mayor Katchur stressed that items within the plan can be altered due to differing extenuating circumstances as time progresses.

- **LEDUC**⁷⁸⁹

- On Monday, December 3, 2018, Leduc City Council approved the 2019 operating and capital budgets.

⁴ <https://www.fortsask.ca/en/your-city-hall/resources/Documents/Budget/2019/Proposed/Proposed-Budget.pdf>

⁵ <https://www.fortsaskatchewanrecord.com/news/local-news/city-releases-mind-blowing-10-year-capital-plan>

⁶ <https://www.fortsaskatchewanrecord.com/news/local-news/tax-hike-stamped-at-2-82>

⁷ <https://www.leduc.ca/sites/default/files/2019%20Proposed%20Budget.pdf>

⁸ <https://www.leduc.ca/news/local-news/2-89-per-cent-tax-hike-proposed-for-leduc>

⁹ <https://www.leduc.ca/news/local-news/city-of-leduc-council-briefs-6>

- The operating budget approved at \$101 million will lead to a tax increase of **2.89** per cent.
- Originally, the proposed increase was 4.32 per cent; however, this was reduced as the budget deliberations progressed.
- There was limited flexibility with this budget and Mayor Young cited stagnant growth in the non-residential sector as a major contributing factor. City Administration acknowledged the lack of growth in the non-residential sector and indicated that they are actively working on rectifying this issue.
- Inflation was mentioned as another contributing factor behind the rigidity of the budget process. City Administration stated that inflation averaged around 2.6 per cent in 2018 but had been trending closer to 3 per cent near the end of the year.
- Councillor Terry Lazowski specified his desire to further reduce the tax increase by examining further efficiencies. Reducing the amount of planning documents produced was one salient example given by the councillor.

● **ST. ALBERT**¹⁰¹¹¹²¹³

- On Monday, December 17, 2018, St. Albert City Council approved the 2019 operating and capital budgets.
- As approved, the \$104.8-million budget will result in a tax increase of **0.4** per cent.
- Although this is an increase from the zero per cent originally proposed by City Administration, any increase has been largely mitigated by the introduction of the electrical franchise fees, earlier this year.
- Budget deliberations saw 29 motions brought forward, with seven of them passing on consent and one being withdrawn.
- Mayor Heron expressed her concern that increases to fund capital growth projects may need to occur in subsequent budgets. This is because St. Albert is still facing a big capital funding shortfall over the next decade. The growth plan is expected to increase from \$8 million (2018) to \$13.4 million (2019) and \$36.9 million by 2022.
- Projects that are currently slated to be funded in those years are the twinning of Ray Gibbon Drive (\$23.3 million before 2023), the construction

¹⁰ <https://stalbert.ca/uploads/2019/budget/Proposed-BusinessPlanAndBudget-2019-2021.pdf>

¹¹ <https://www.stalbertgazette.com/article/counting-up-the-capital-cost-20181207>

¹² <https://www.stalbertgazette.com/article/future-spending-worries-mayor-20181207>

¹³ <https://www.stalbertgazette.com/article/electrical-franchise-fee-working-heiron-20181218>

of a fourth fire hall (\$16.4 million before 2023) and an upgrade or expansion of the policing services building (\$10.5 million before 2023).

- Moving forward, with the goal of creating more certainty around the budgeting process, City Council is considering implementing both Priority-Based Budgeting (PBB) and multi-year budgeting (similar to Edmonton and Strathcona County).

- **SPRUCE GROVE**¹⁴¹⁵

- On Monday, November 26, 2018, Spruce Grove City Council approved the 2019-2021 Corporate Plan, which includes a **3.5** per cent municipal tax increase for 2019.
- Notable projects of the Plan, include:
 - Creating and implementing a local transit service within Spruce Grove with bus stops located throughout the city.
 - Creating neighbourhood parks within newly developing areas as required.
 - Preparing a City Centre Area Redevelopment Plan for council approval.
 - Upgrading the City's permitting software to streamline the administration and processing of development permits.

- **STRATHCONA COUNTY**¹⁶¹⁷

- On Thursday, December 6, 2018, Strathcona County Council approved the budget, resulting in a **0.83** per cent tax increase for residents in 2019.
- The operating budget for 2019 amounts to \$371 million.
- This was Strathcona County's first-ever multi-year budget process (four years). Therefore, this budget will run from 2019-2022.
- The Capital Budget, investing in maintaining county infrastructure and providing for new infrastructure, was approved at \$63.8 million
- For 2020, the projected tax increase is 1.13 per cent, while the planned capital budget is \$100 million.

¹⁴ <https://www.sprucegrove.org/media/3132/spruce-grove-approved-corporate-plan-final-web.pdf>

¹⁵ <https://www.sprucegrove.org/government/news/city-council-approves-2019-2021-corporate-plan-including-35-municipal-tax-increase/>

¹⁶ <https://pub-strathcona.escribemeetings.com/Meeting?Id=a77d77d5-1bfa-4cf4-a0b4-7d4a68b5dd12&Agenda=Agenda&lang=English>

¹⁷ <https://www.sherwoodparknews.com/news/local-news/council-finalizes-budget-tax-increase>

III. APPENDIX

Municipality	2019 Property Tax Increase¹⁸ (%)
Town of Beaumont	1.88
City of Edmonton ¹⁹	2.6
City of Fort Saskatchewan	2.82
City of Leduc	2.89
City of St. Albert	0.4
City of Spruce Grove	3.5
Strathcona County	0.83

¹⁸ Note: property tax increases are not finalized until the new year.

¹⁹ For more on the City of Edmonton Budget, please reference:

https://docs.wixstatic.com/ugd/ce0486_97e2998062734977891d300ea2e51972.pdf