



December 13, 2019

UDI-ER Briefing Note: City of Edmonton Fall 2019 Supplementary Budget Summary

• OVERVIEW

- On Friday, December 13, 2019, following three days of budget deliberations, Edmonton City Council approved the fall 2019 supplementary operating & capital budget adjustments.
- The vote was 11-2, with Councillor Walters and Councillor Nickel voting against.
- This will result in a property tax increase of **2.08%** in 2020 (1% going to the Edmonton Police Service, 0.8% to the LRT and the remaining 0.28% for growth in infrastructure and services).

• BACKGROUND

- In accordance with the City of Edmonton's Multi-year Budgeting Policy, Council approved the 2019-2022 operating & capital budgets in [December, 2018](#).
- However, supplemental budget deliberations still occur twice a year – once in the spring and once in the fall.
- Due to reductions in funding via the recent provincial budget, the City was faced with a shortfall of \$209 million in 2020 - \$26 million to the operating budget and \$183 million to the capital budget.
- While property taxes were originally set at 2.6% in 2020, the reduction in provincial funding increased this figure to 4.3%.
- In response, City Administration provided Council with [Options to Further Reduce \[the\] 2020 Operating Budget](#).
- Attachments to this report provided Council with reduction strategies the City could implement to either maintain a 2.6% tax increase or implement a 0% tax increase, for 2020.
- During deliberations, Council made certain spending reductions and ultimately arrived at a 2.08% increase for 2020.
- *The following table illustrates the aforementioned tax increase discussion:*

	City of Edmonton Property Tax Increase, as per the 2019-2022 Budget (%)	City of Edmonton Property Tax Increase as Impacted by the Recent Provincial Budget (%)	City of Edmonton Property Tax Increase Following Budget Deliberations (%)
2020	2.6	4.3	2.08
2021	2.6	2.9	2.59
2022	2.6	2.7	2.32

- **OPERATING BUDGET**

- For City Administration's council report (and corresponding attachments) regarding the fall 2019 supplemental operating budget adjustments, please [click here](#).
- Adjustments to the operating budget, as approved by Council, include deferring \$6.76 million for the Alley Renewal Project, decreasing council event spending for AUMA and FCM events, decreasing business travel and external training for staff, and not replacing 17 vacant city employee positions.
- For a full list of the final operating budget adjustments, please [click here](#).

- **CAPITAL BUDGET**

- For City Administration's council report (and corresponding attachments) regarding the capital budget adjustments, please [click here](#).
- Certain projects requiring capital funding were either deferred and/or reduced in scope – including the Lewis Farms Community Recreation Centre and Library. However, other projects still received funding approval – such as the 105th Avenue (Colombia Avenue) project, the planning and design of the 170th Street Footbridge, the planning, design and delivery of a portion of the Terwillegar Drive Expressway Upgrade, and the planning, design and delivery of the Stadium LRT Station Upgrade.
- For a full list of the final capital budget adjustments, please [click here](#).

- **NEXT STEPS**

- City Council is now on break for the holidays, returning the week of January 13-17, 2020.
- UDI-ER will continue to closely monitor the spring 2020 supplementary budget deliberations along with all other Council items pertinent to the land development industry.