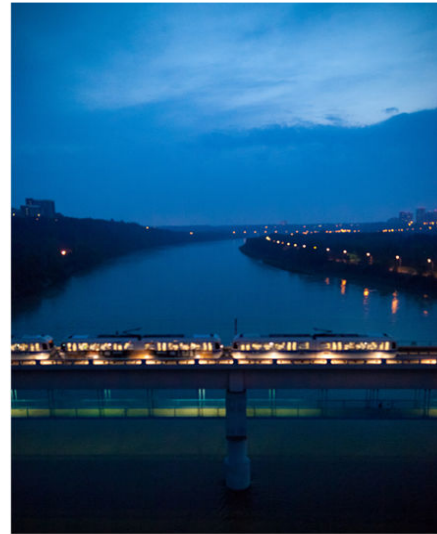
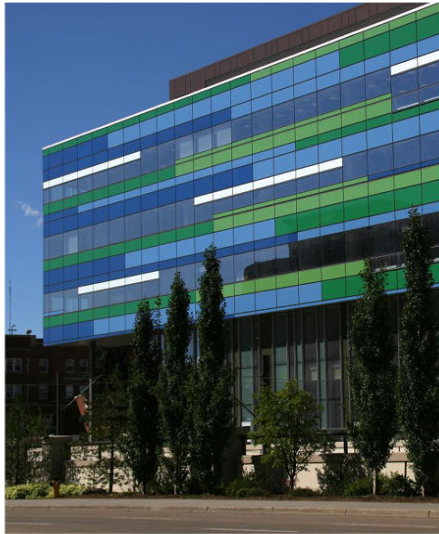


Understanding Past and Present Challenges and Opportunities

2012 Budget Public Hearing

November 23, 2011

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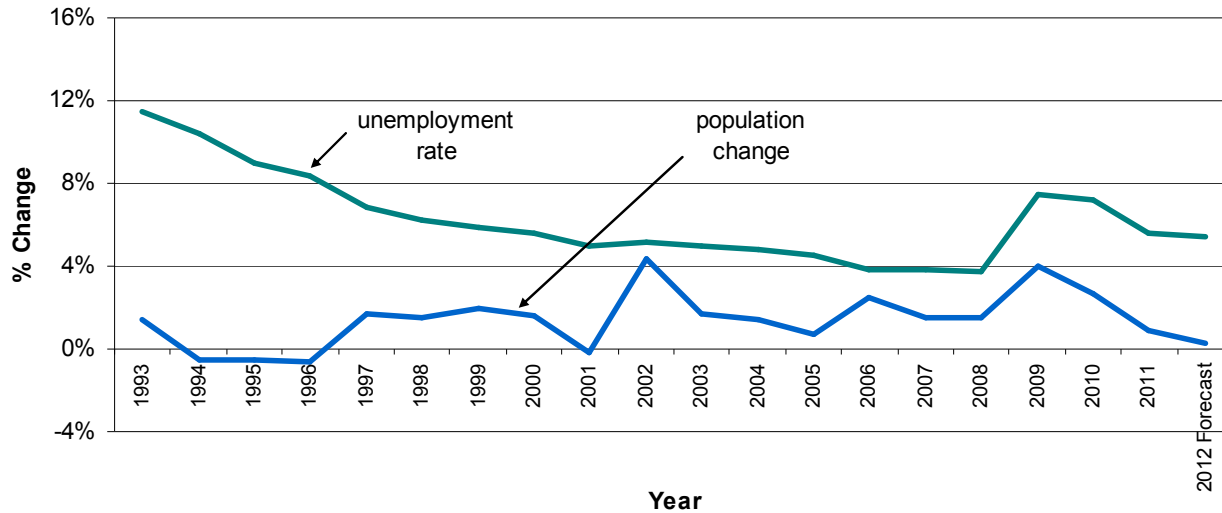


Macro Trends

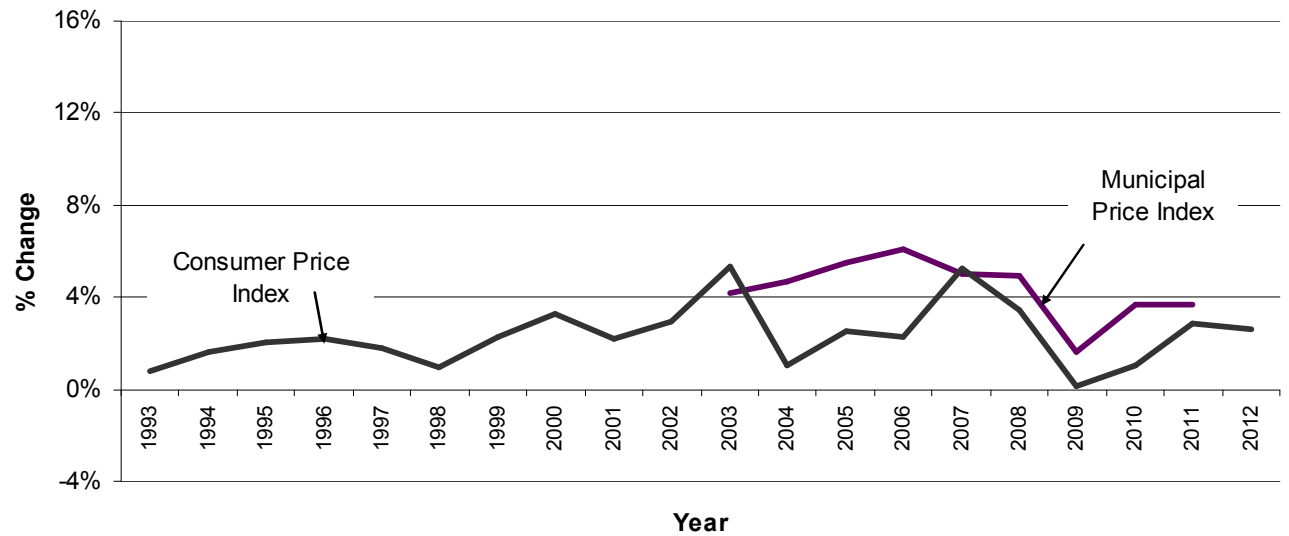
Building a Shared Understanding

EDMONTON

Edmonton's Population and Unemployment Rate



Edmonton's Economic Trends

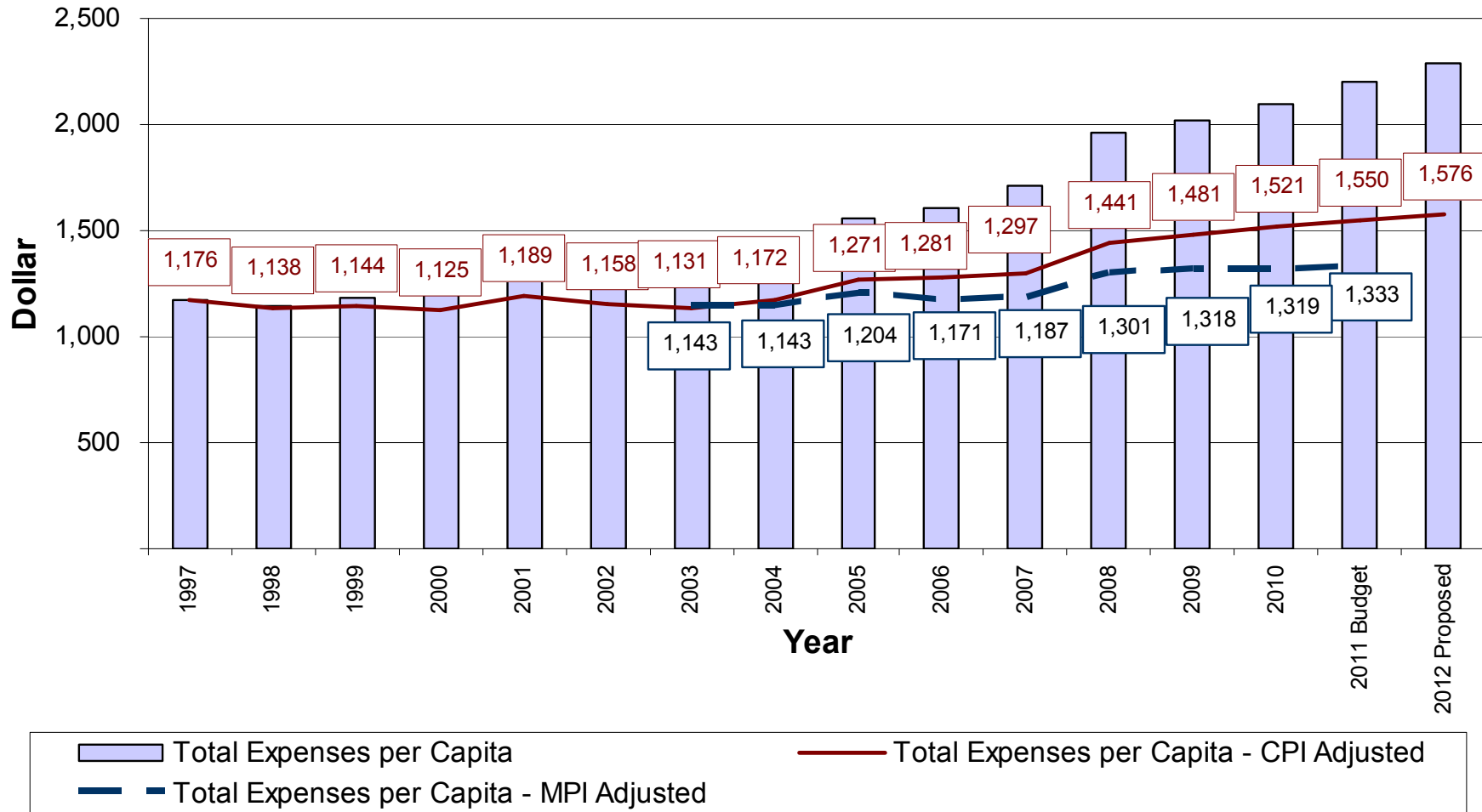


Sources:

Edmonton CMA unemployment rate – Socio Economic Outlooks
 Consumer Price Index – Statistics Canada

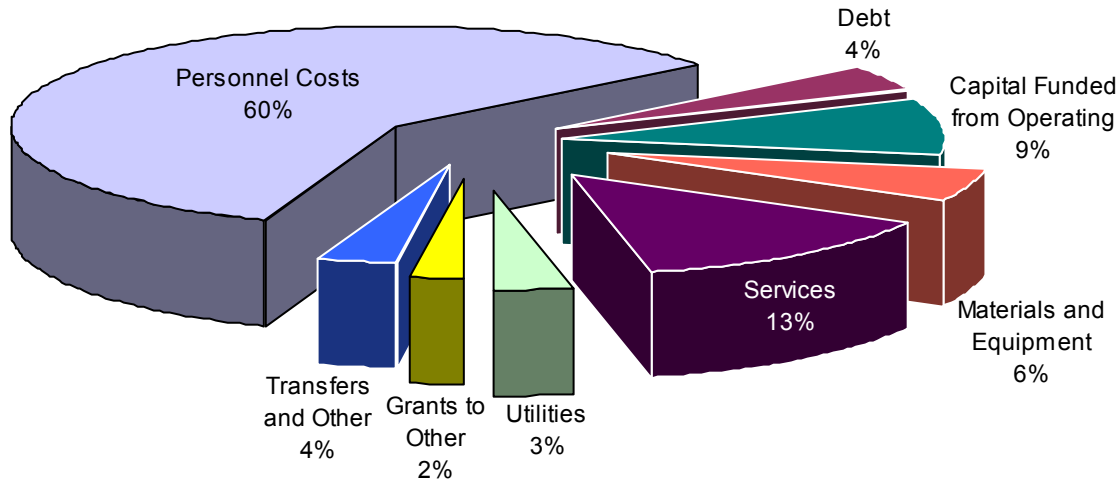
Municipal Price Index – City of Calgary Corporation
 Population – Federal/Municipal Census, straight-line extrapolation

While Expenses Per Capita has been rising, it has remained relatively flat after adjusting for CPI or MPI



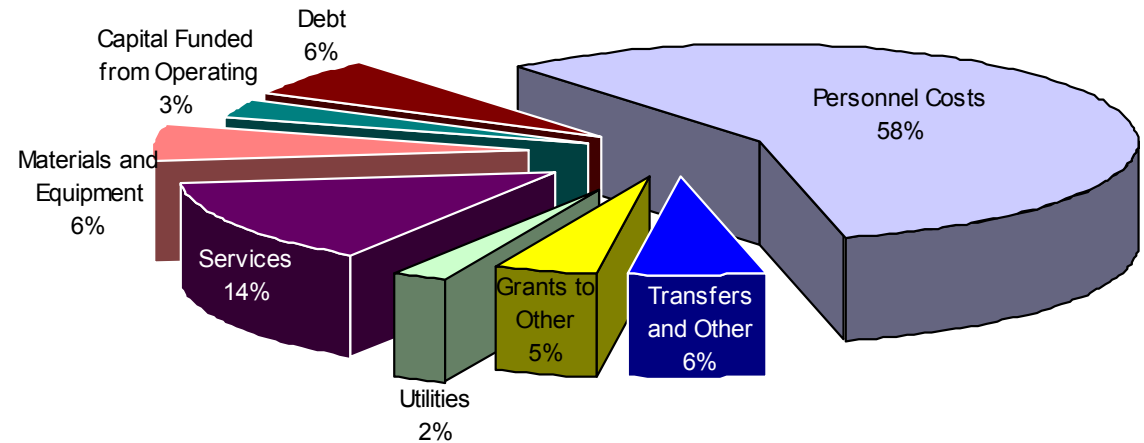
Total Tax Levy Expenses – includes Police, Library, and Boards

2003



Total Expenses: \$932 million

2012 Proposed



Total Expenses: \$1.857 billion 6

Services include external contracts, professional fees, consulting services, and other general costs.

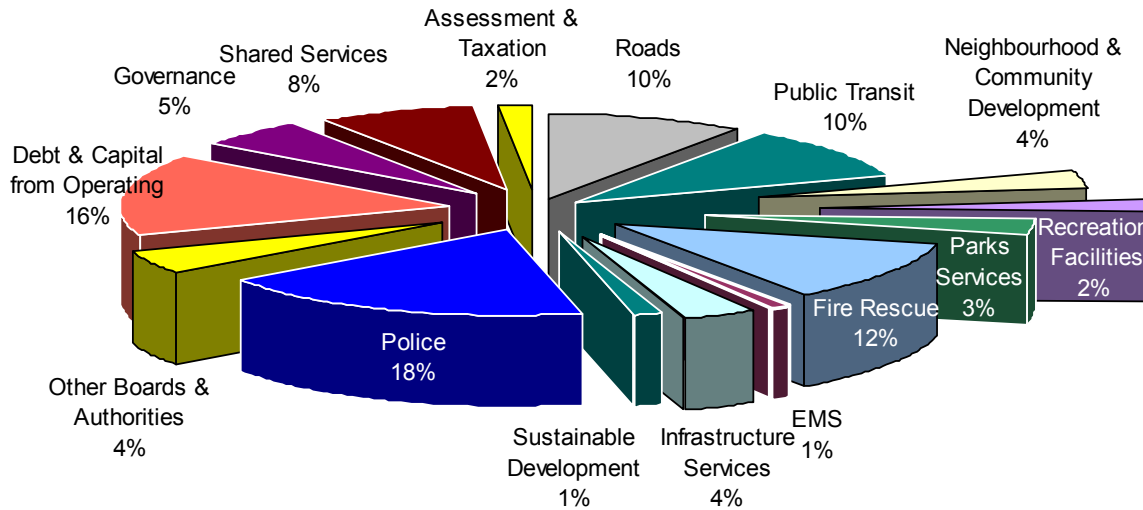
Grants to Other Organizations

1. Grants provided directly by City Council during budget
 - Deliberate investments in the Arts and Community
 - Maintained funding levels to Greater Edmonton Foundation and Telus World of Science

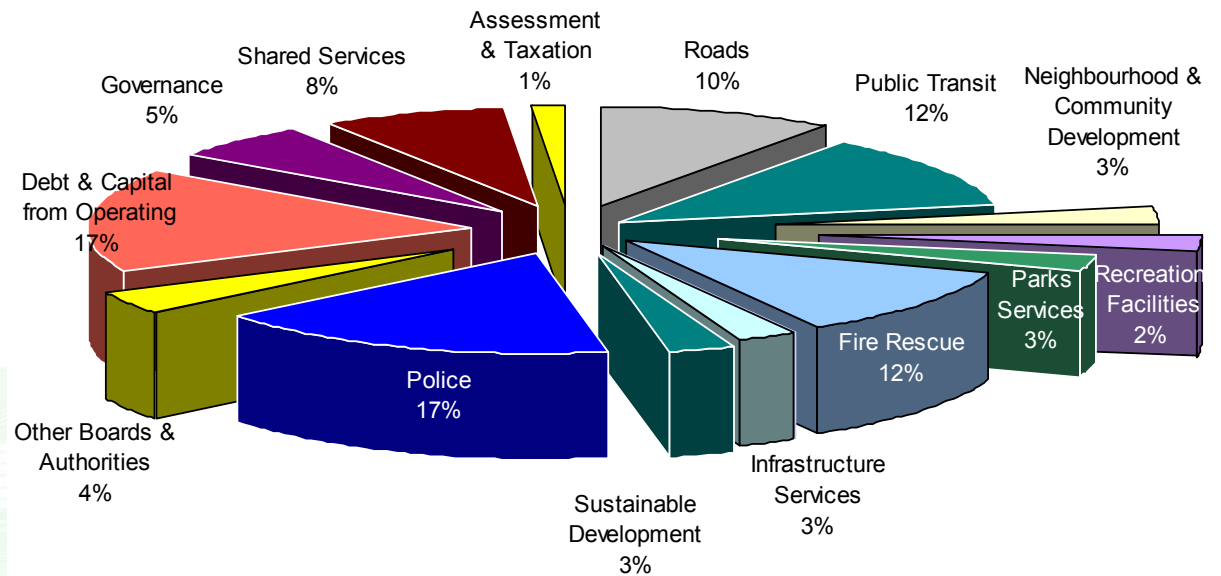
2. Grant Programs approved by City Council and administered by the City
 - Increases in FCSS and Affordable Housing/Cornerstones with partial funding from Province
 - Maintained funding levels distributed by Community Services to community groups and agencies

Council's Priority Areas (Net Tax Levy)

2003



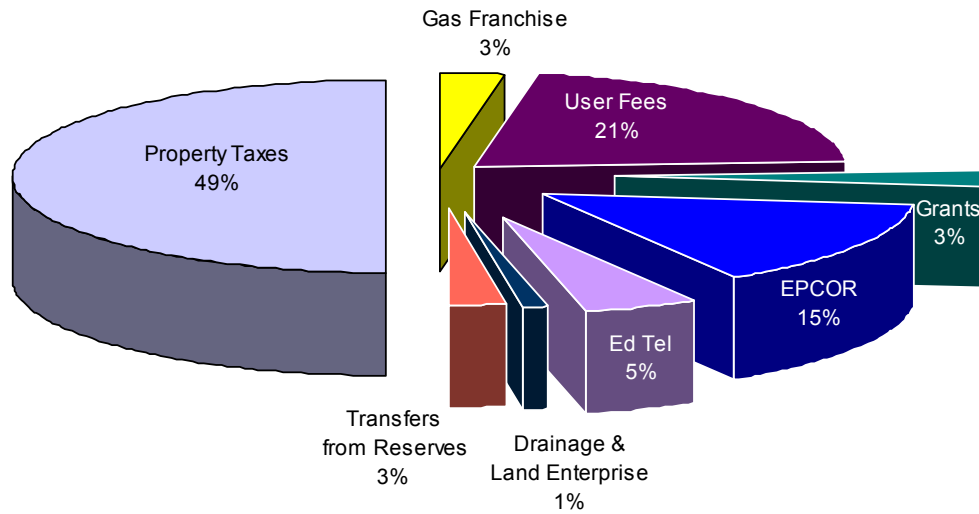
2012 Proposed



Governance includes Council, Offices of City Manager, City Auditor, and Other Costs

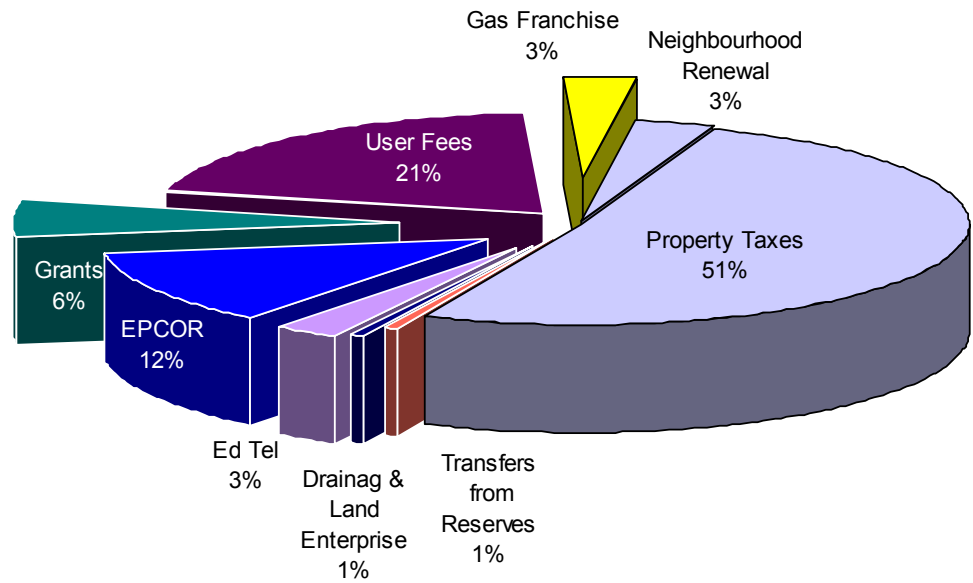
How the City Pays for the Services

2003



Total Revenue: \$953 Million

2012 Proposed



Total Revenue: \$1.857 Billion

Administrative Observations

- ❖ Unemployment rate for Edmonton CMA is declining and could potentially lead to skilled labour shortages.
- ❖ The City has not significantly changed how it delivers services, with Personnel Costs varying between 58%-60% of all expenses.
- ❖ With minor exceptions, the type of services provided to the citizens have also remained unchanged.
- ❖ The available sources of revenues to pay for these services have shifted, with greater reliance on property taxation.

Labour

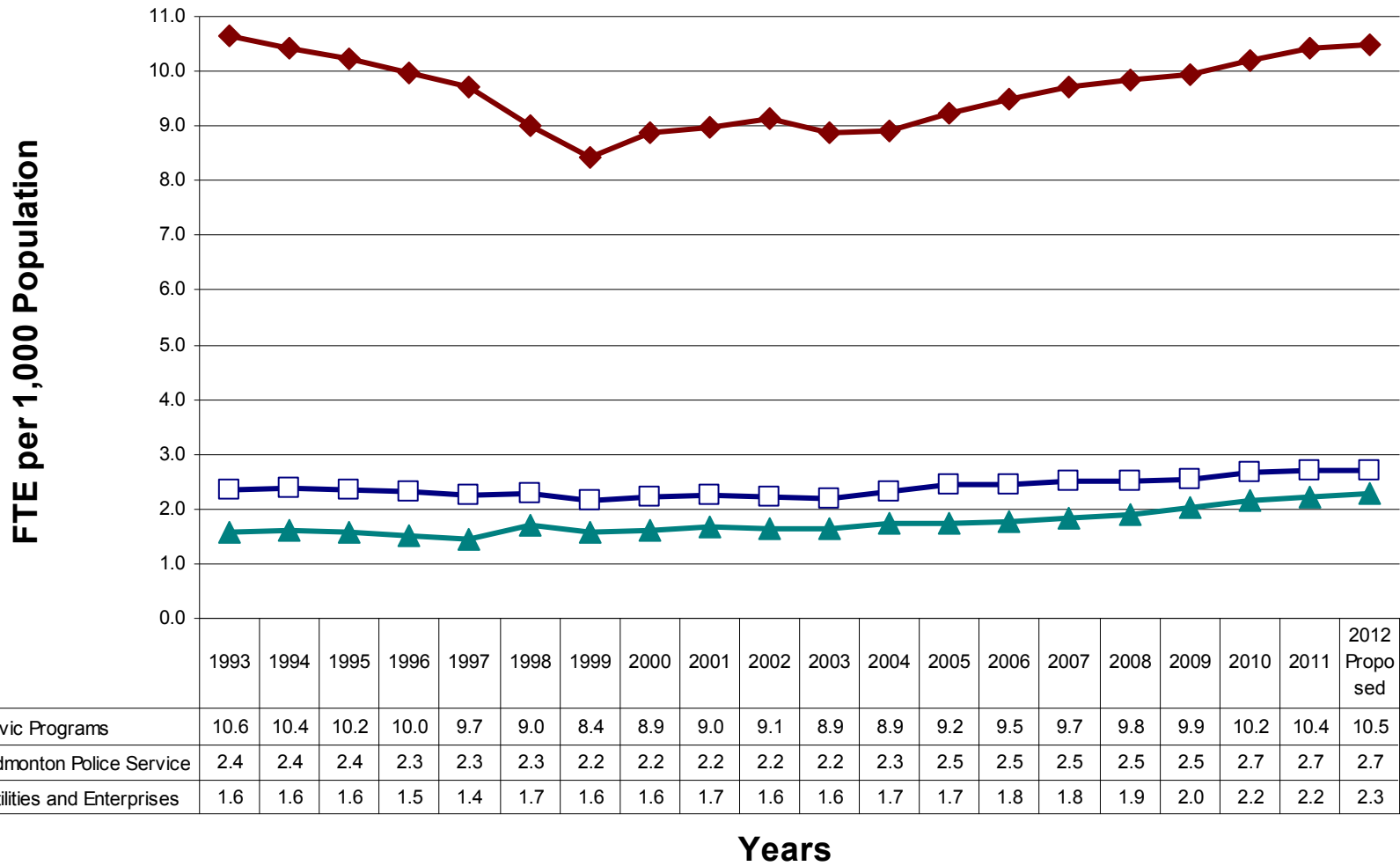
Competitive External Labour Market

Unemployment	Edmonton	Alberta	Canada	Sask.
October 2011	5.4%	5.1%	7.3%	4.1%
October 2010	6.2%	5.9%	7.8%	5.7%

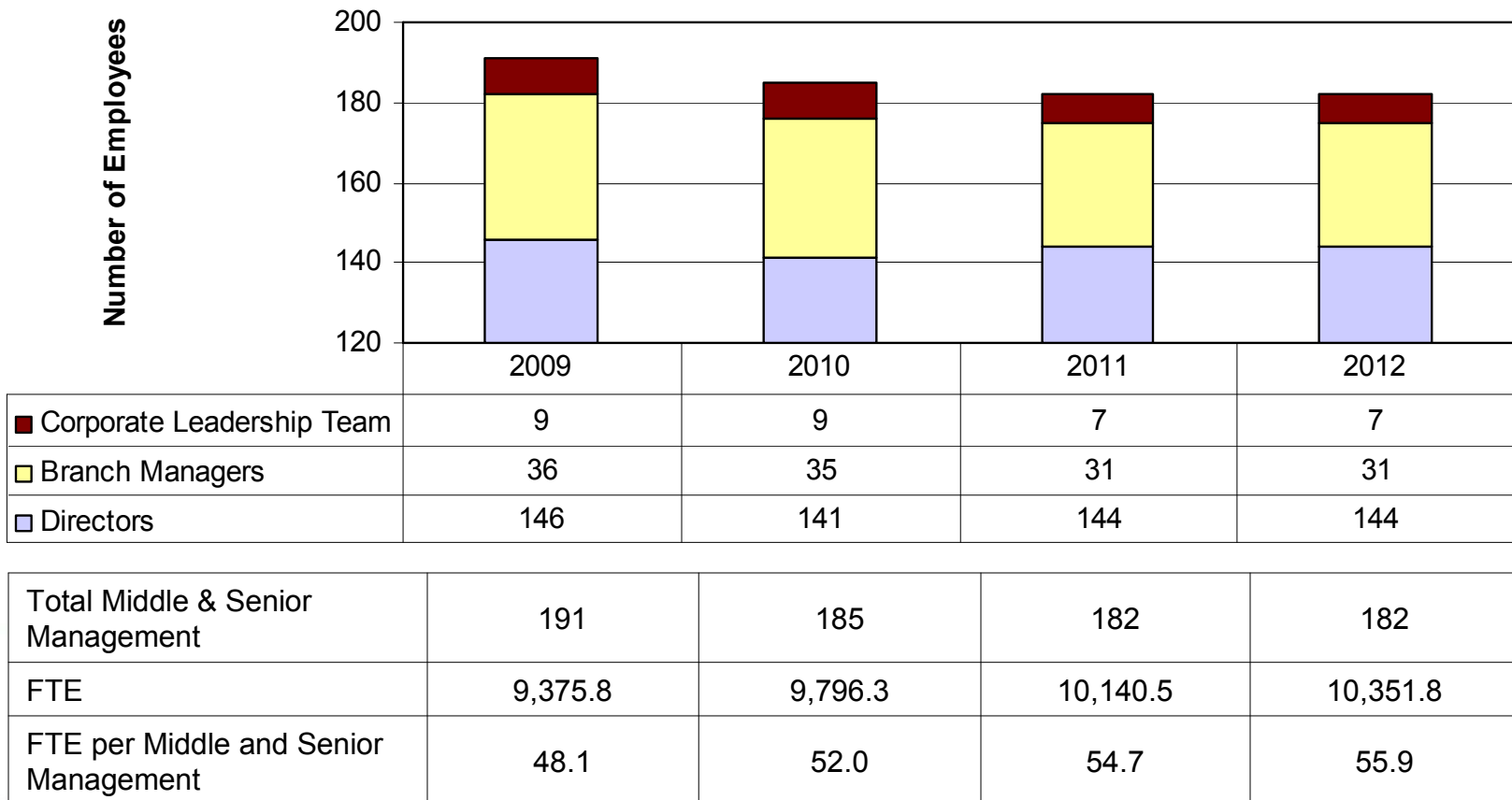
Internal Labour Indicators

	2007	2008	2009	2010	2011 (Jan - Sept)	2011 Projected Year End
Turnover Rate January - December	7.2%	8.0%	5.9%	5.5%	5.7%	7.6%
# of Retirements	191	154	144	139	158	204

Civic Programs are returning towards pre-1993 Staffing Level Utilities growth a function of diversion from landfill



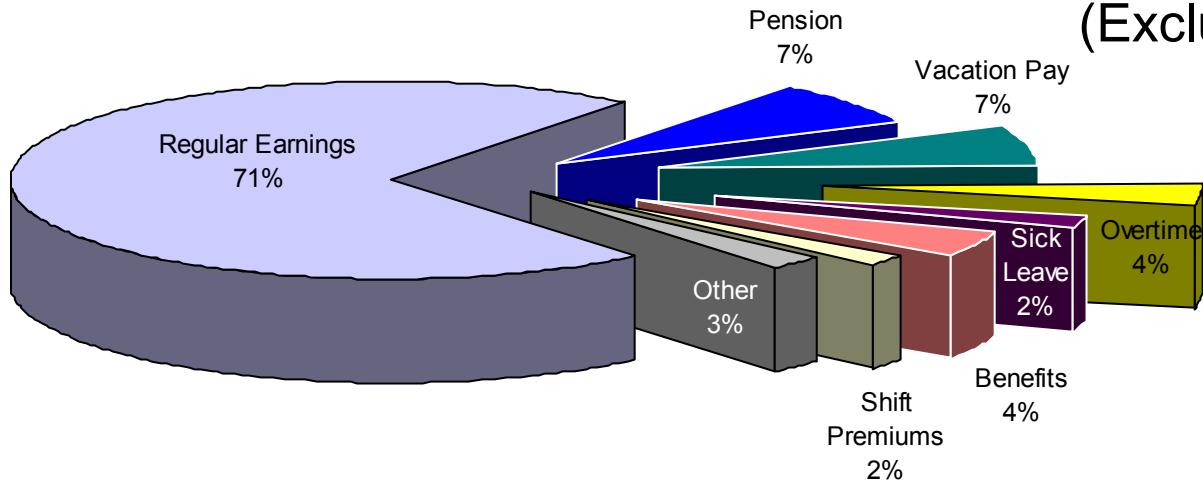
Change in Middle and Senior Management (Excludes Police and Library)



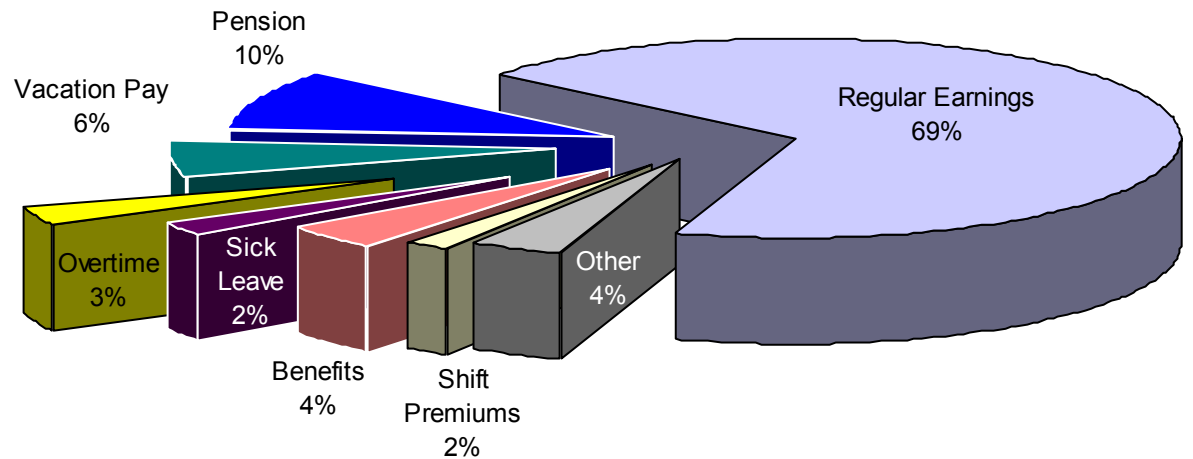
City Personnel Cost Mix

(Excludes Boards & Authorities)

2003

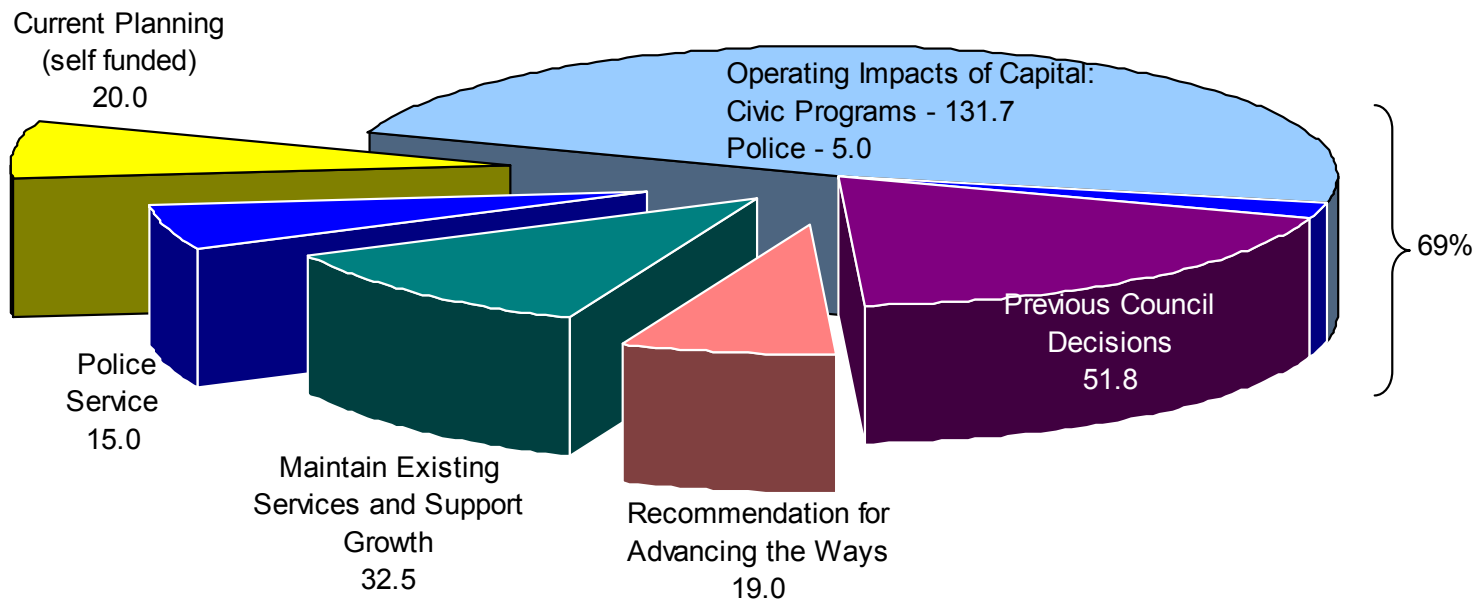


2012 Proposed



2012 Proposed Budget (excludes Utilities)

Funded Increases in FTE



Total funded request: 196.3 FTE

Annual Impact of Labour Costs

- Labour, being 58% of City's expenditures, has significant impacts to the budget
- Currently, costs for normal earning adjustments, in-range progression of staff towards market rates, and premium increases on benefits amounts to over \$40 million annually

Administrative Observations

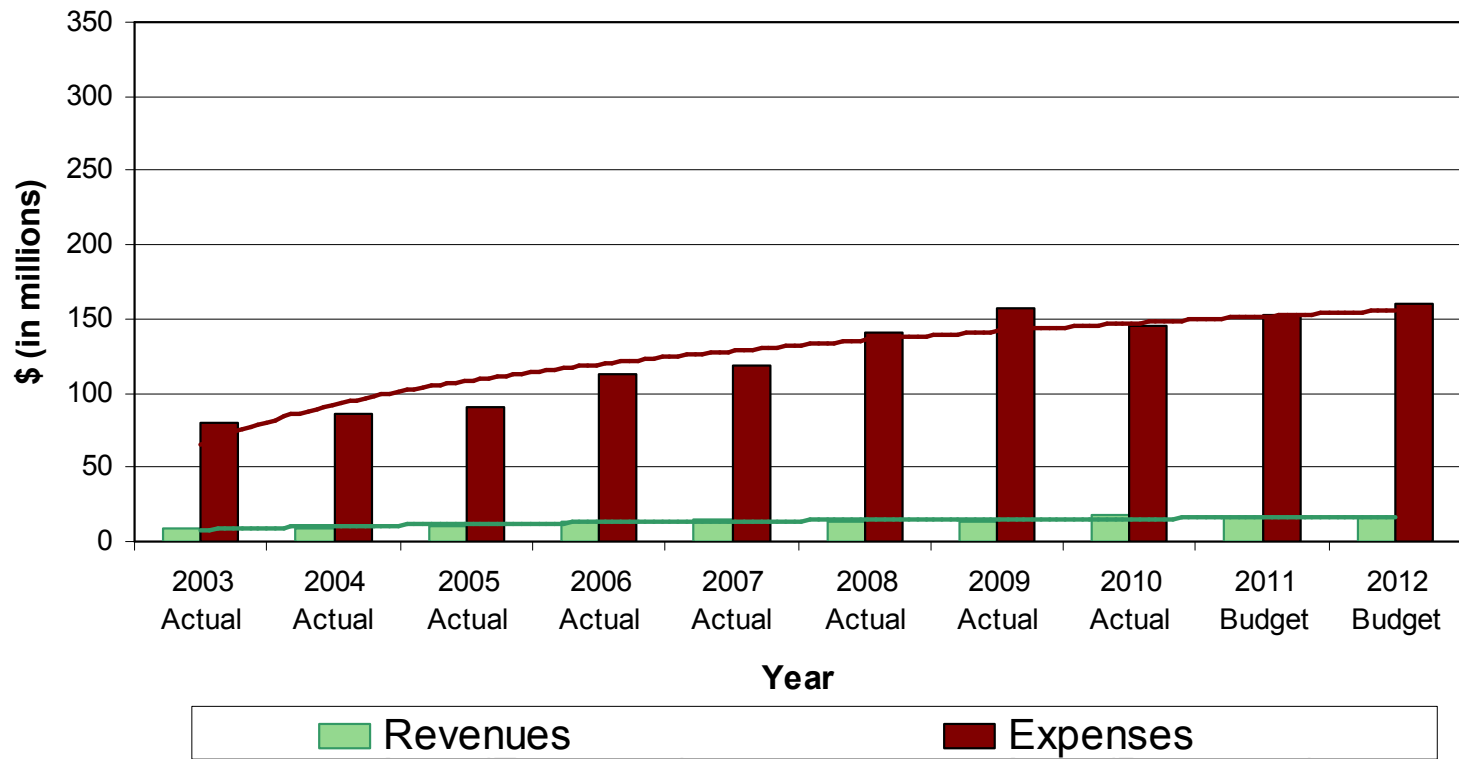
- ❖ In 1993, there were 15.6 FTE serving every 1,000 Edmontonians. In the Proposed 2012 Budget, there is 16.3 FTE serving every 1,000 Edmontonians.
- ❖ In general the increases provided to the employees have trended similar to the Alberta Average Weekly Earnings.
- ❖ While changes in earnings have been similar, the cost of LAPP has been increasing at a higher pace, particularly since 2008 as the Plan fell into an under-funded position partly due to the global economic downturn.

Looking at City's Business

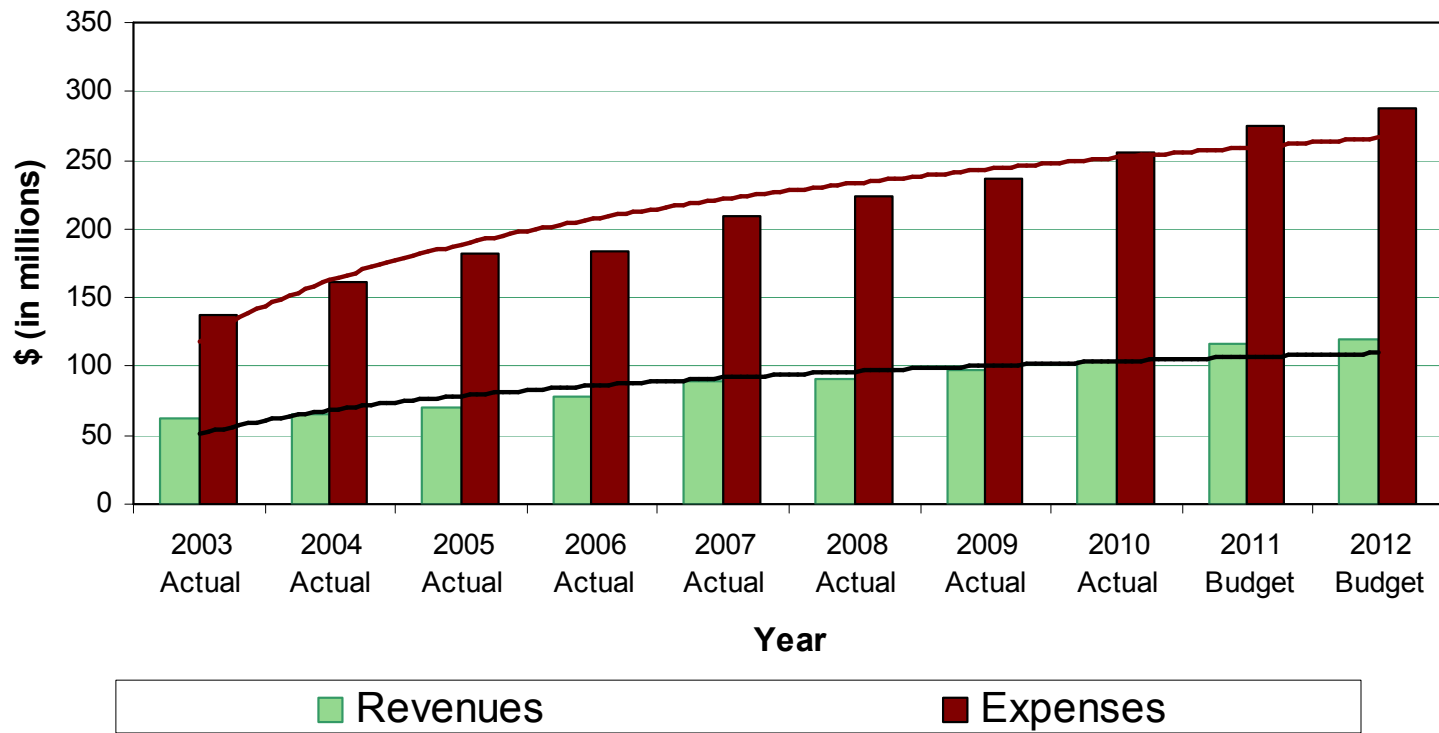
Services

With Tax Levy Gap Widening

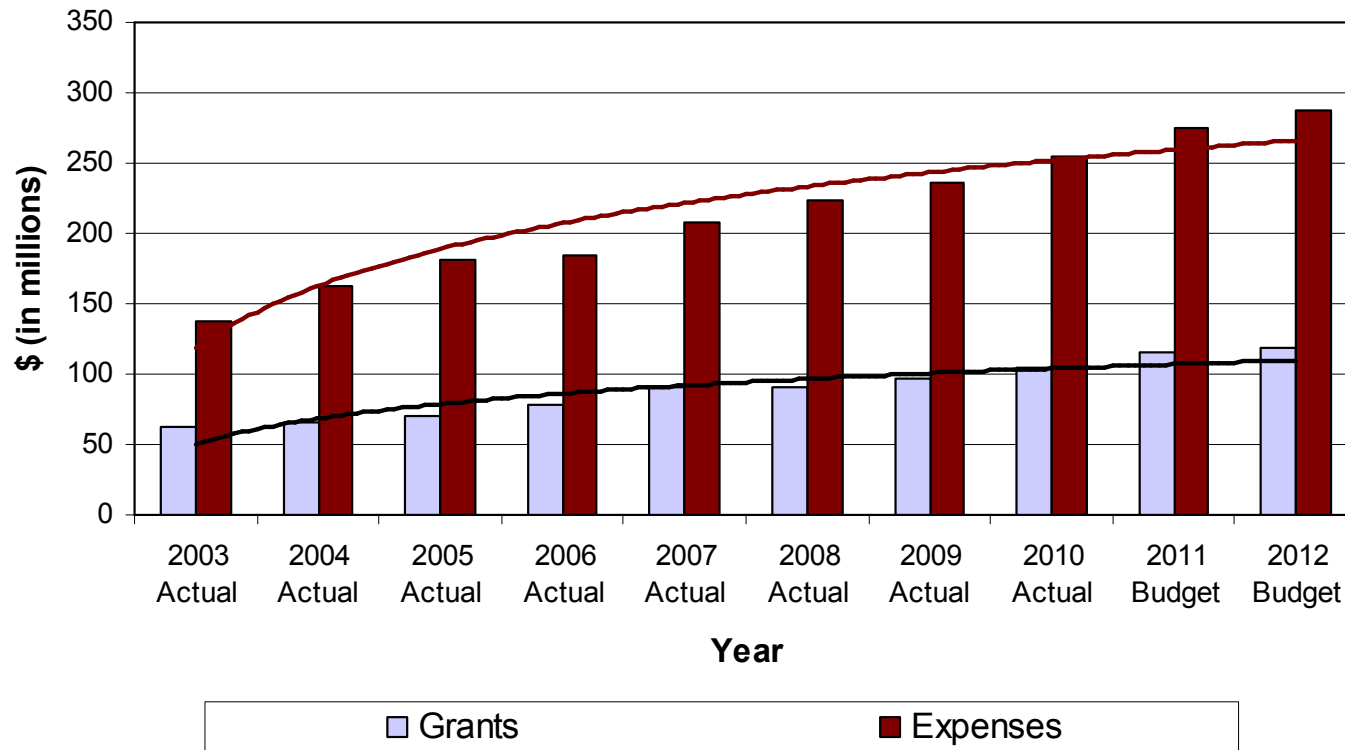
Roads Operations and Planning



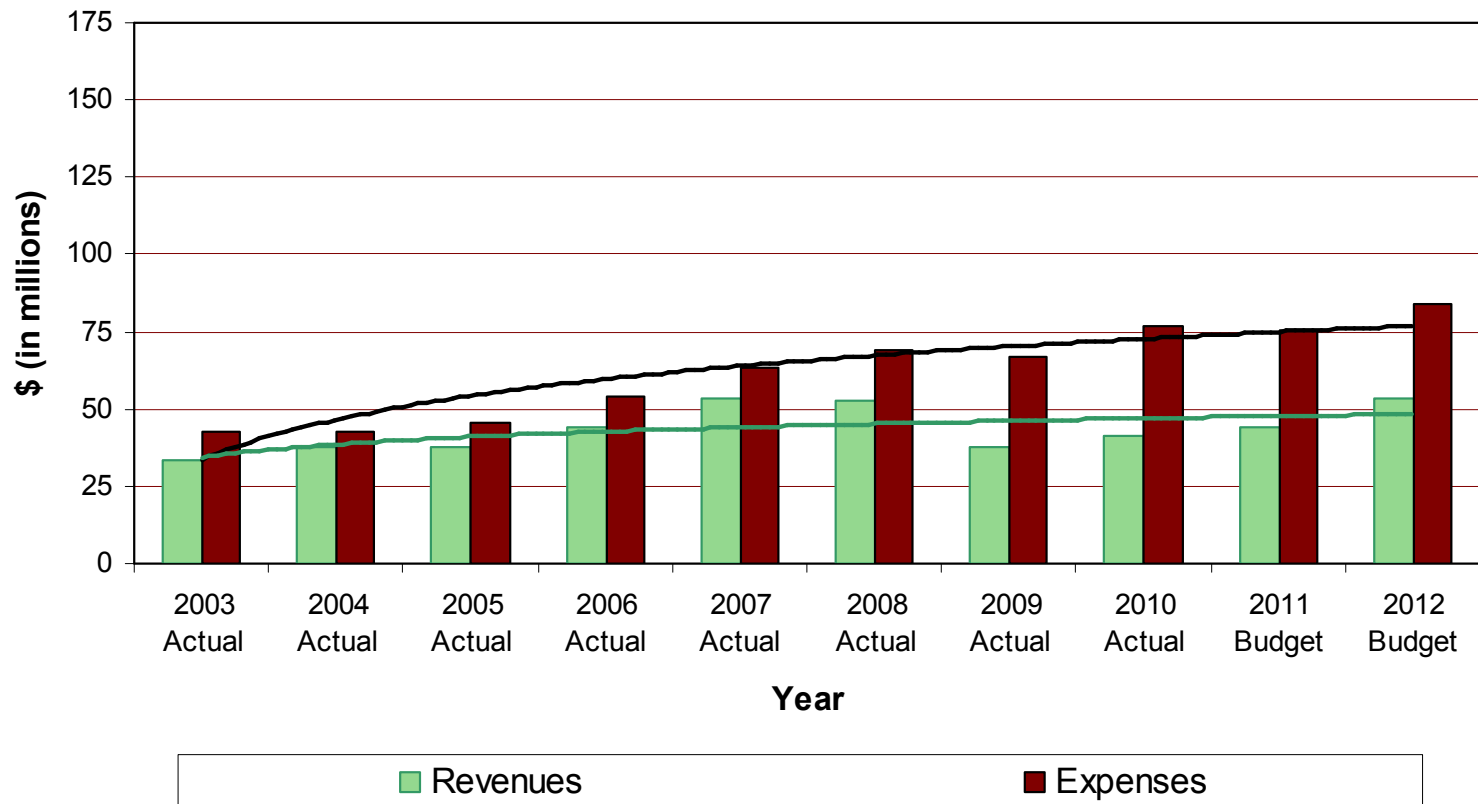
Public Transit



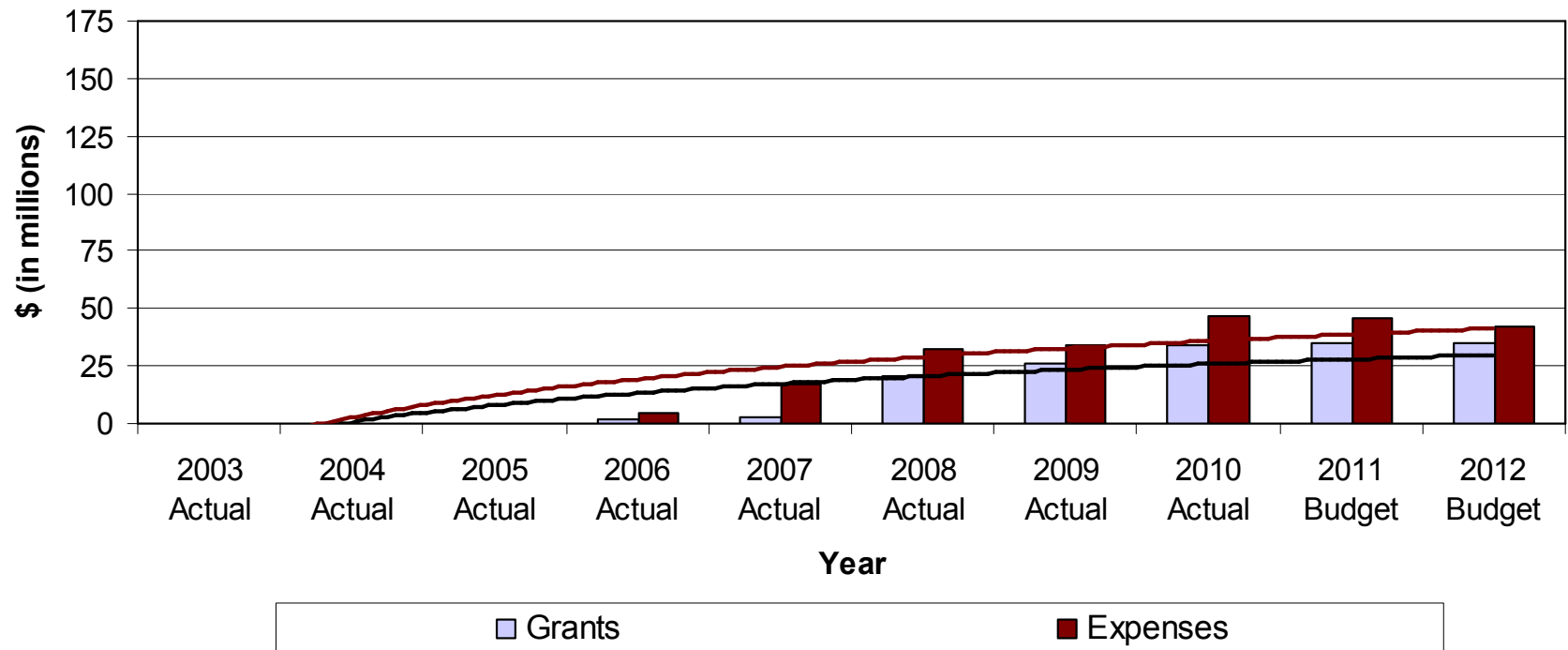
Neighbourhood & Community Development



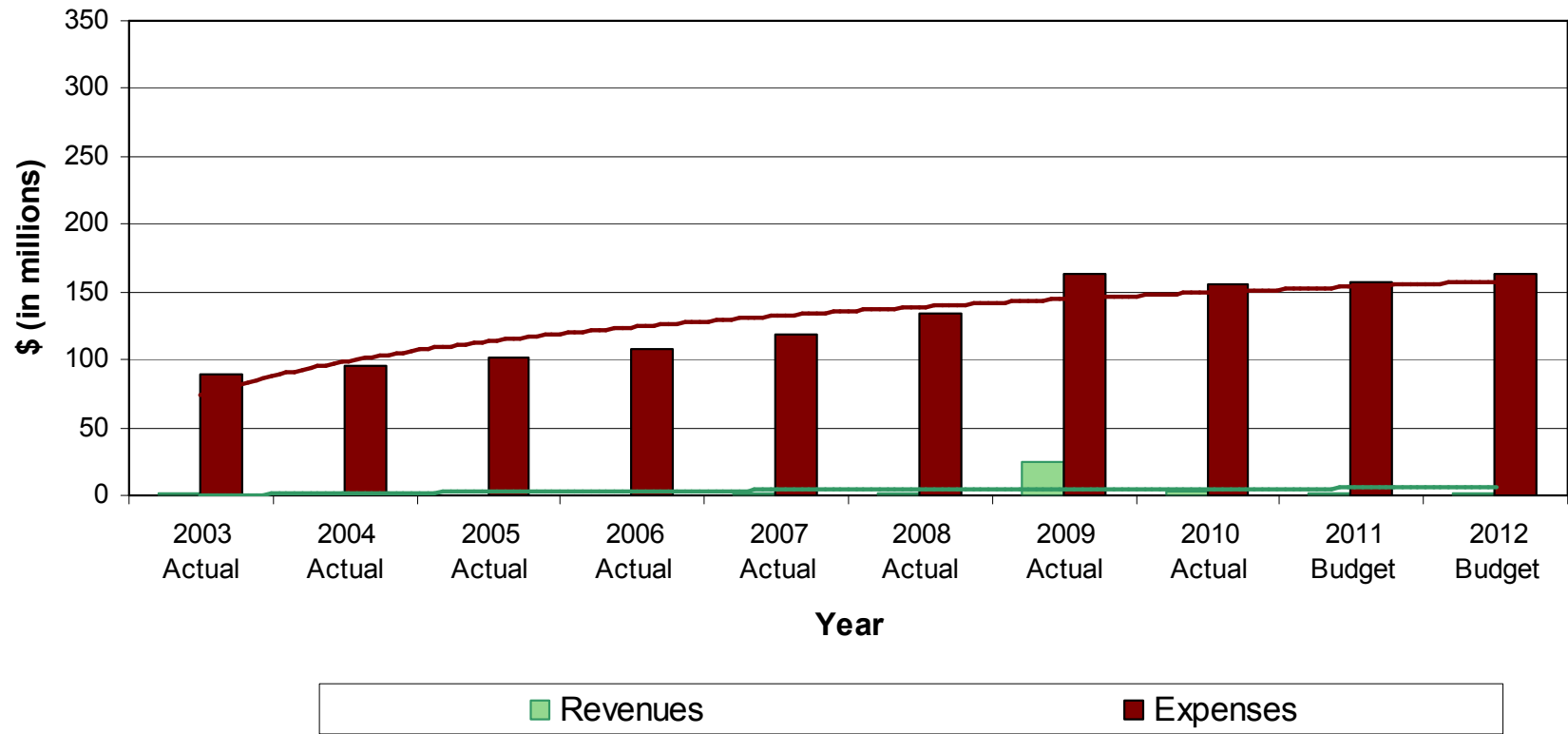
Sustainable Development (includes Corporate Properties)



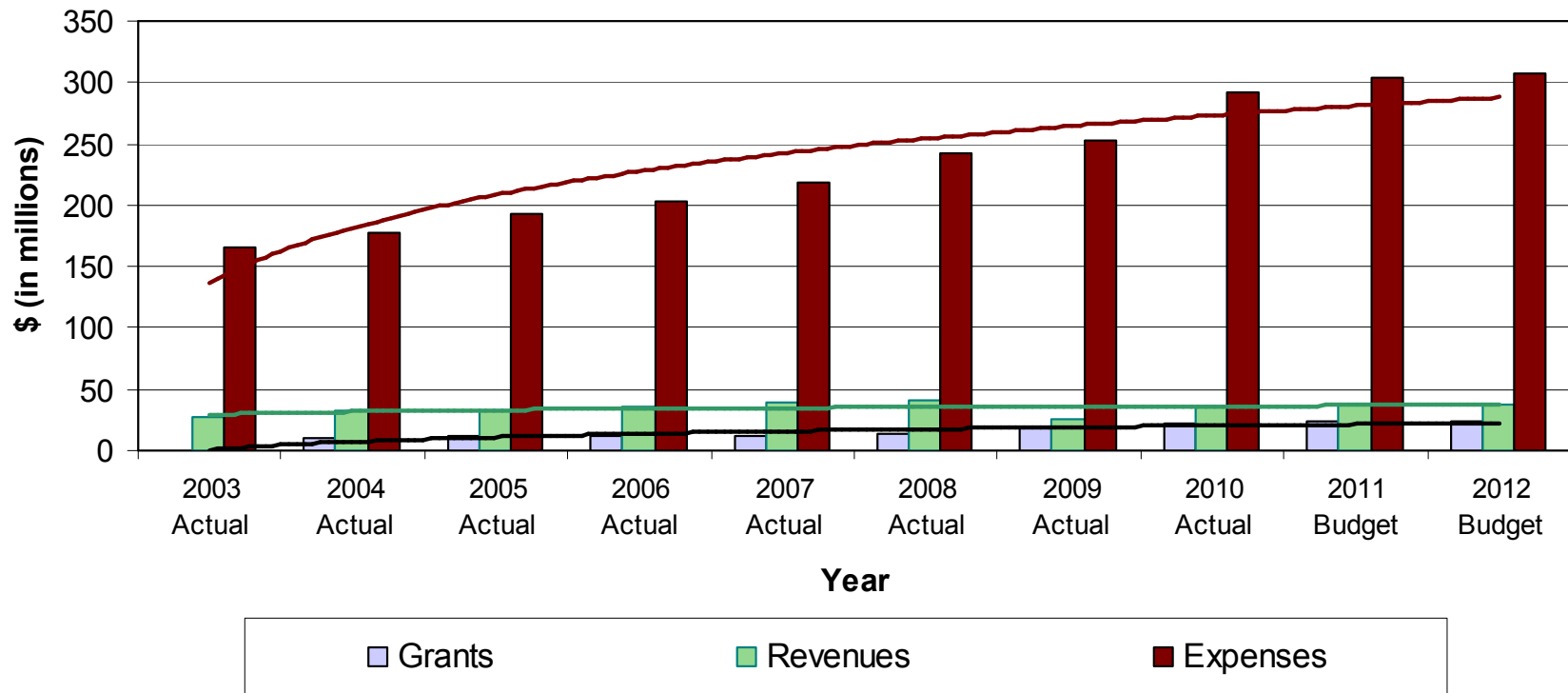
Affordable Housing



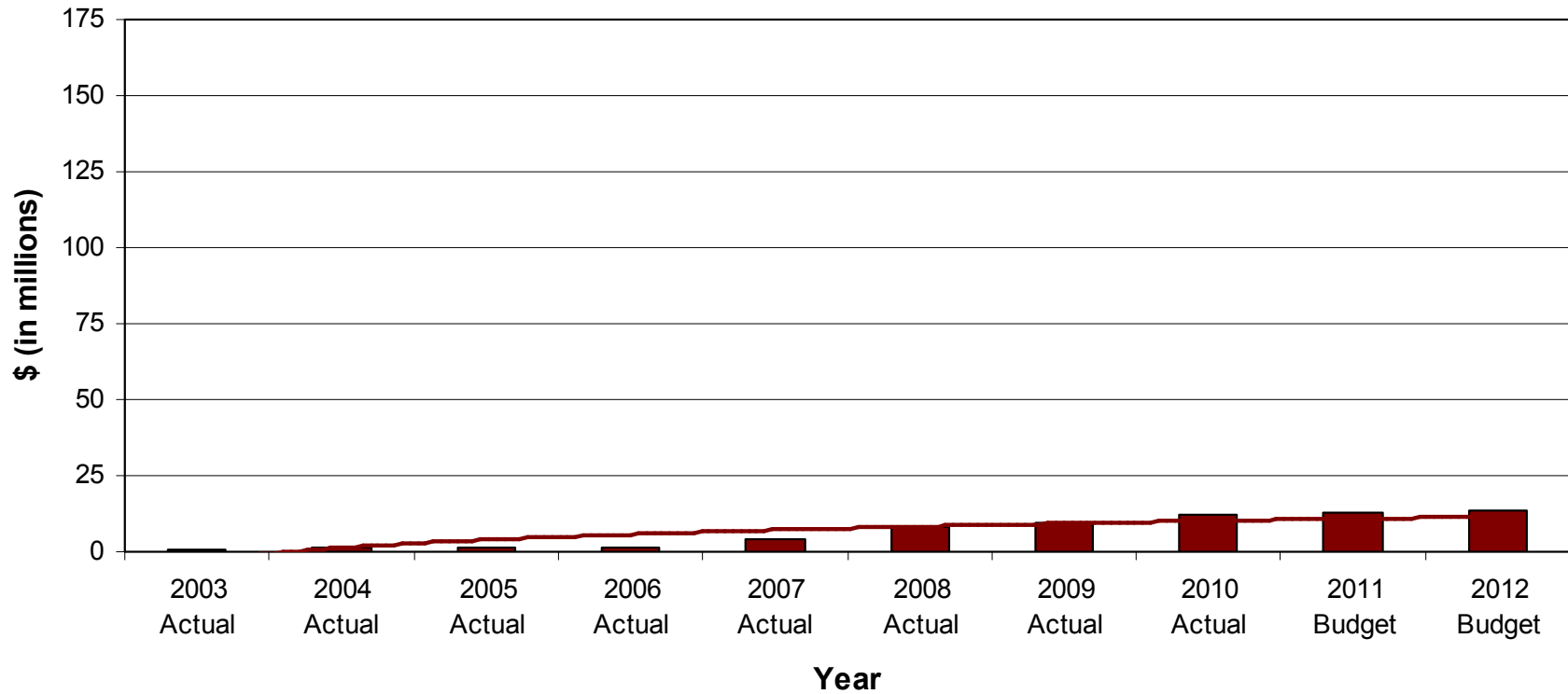
Fire Resuce



Police



Customer Information System (311)



Services- With Tax Levy Gap Keeping Pace

- Recreation Facilities
- Parks Services
- Edmonton Public Library
- Corporate Services (Human Resources, Law, Materials Management, and Information Technology)
- Financial Services

Administrative Observations

- ❖ Services that have not kept pace with rising expenses either from user fees or grants from other orders of government include:
 - ❖ Roads Operations and Planning (snow removal)
 - ❖ Public Transit
 - ❖ Social Services (Neighbourhoods, Affordable Housing)
 - ❖ Public Safety (Police, Fire Rescue)
 - ❖ Customer Information System (311)
 - ❖ Deliberate investments in Arts and Community

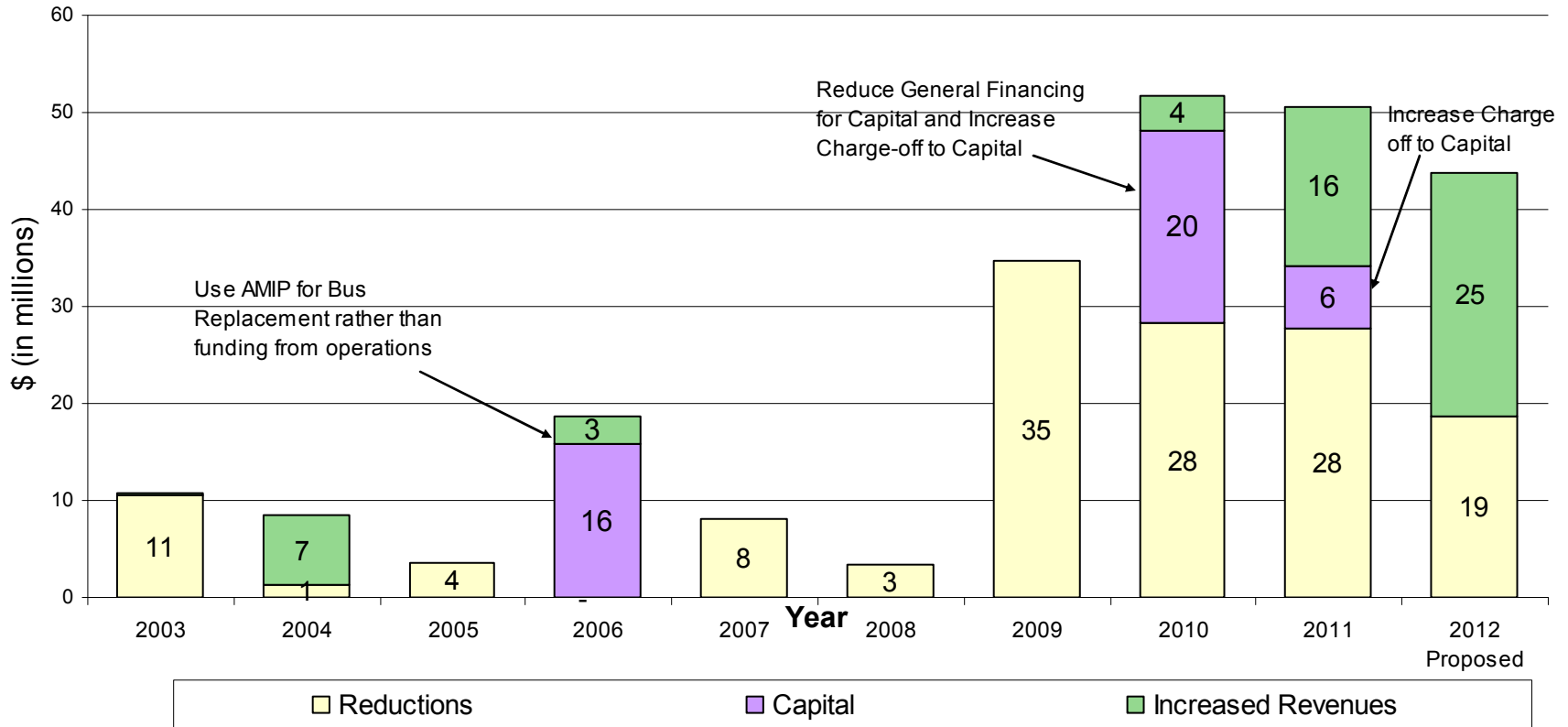
- ❖ Services whose funding has remained proportionately stable over time include:
 - ❖ Recreation Facilities
 - ❖ Parks Services
 - ❖ Public Library
 - ❖ Financial Services
 - ❖ Corporate Services (balance)

Strategies - Past and Future

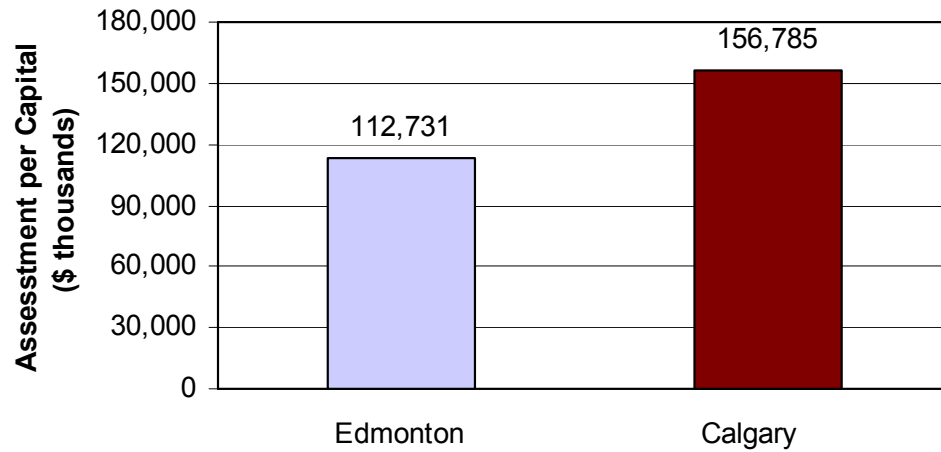
- Service and Budget Review
- Analyze services with widening gap
- Property Tax Policy
- Leverage technology
- Continuous improvement

Closing Revenue and Spending Gaps

Annual Service Budget Review/Savings Strategies

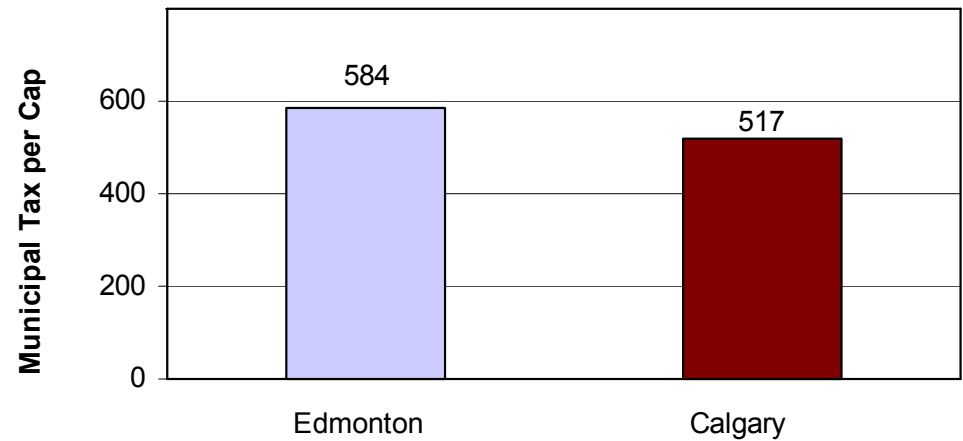


Residential Assessment Comparison



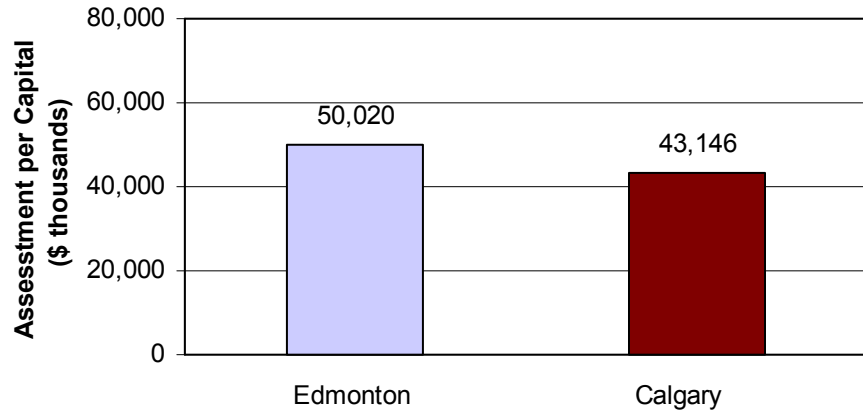
Per Capita Comparison with Calgary

Residential Tax Comparison



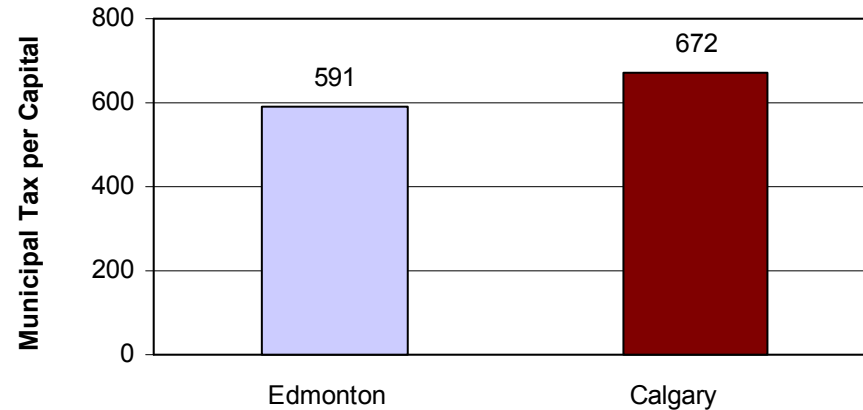
EDMONTON

Non-Residential Assessment Comparison



Per Capita Comparison with Calgary

Non-Residential Tax Comparison



Total Municipal Tax per Capita:

Edmonton \$1,175

Calgary \$1,189

Non-Residential to Residential tax ratio	2007	2008	2009	2010	2011
Edmonton	2.39	3.19	2.64	2.63	3.01
Calgary	3.44	3.35	3.11	2.99	3.59

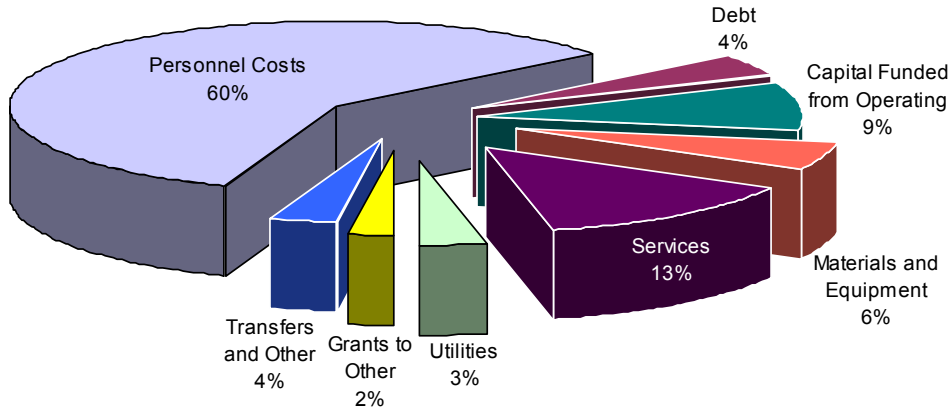
Conclusions

- Trends have been relatively consistent over the past decade
- Where Council made deliberate decisions, there has been change
- Need a long term strategy to achieve your Vision while achieving financial sustainability

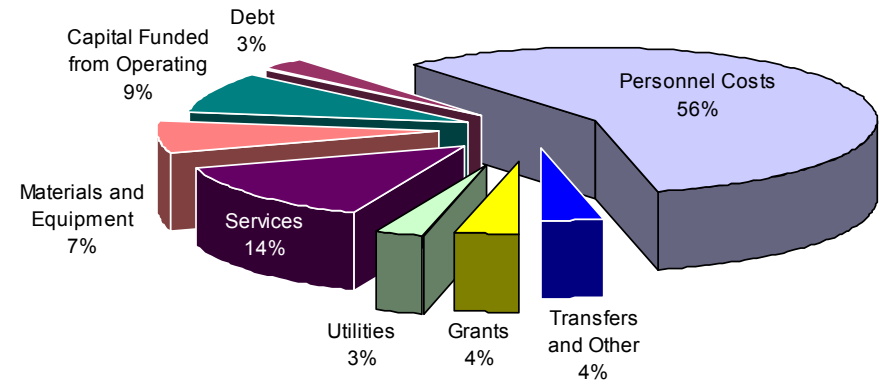
For Information Only

Total Tax Levy Expenses – includes Police, Library, and Boards

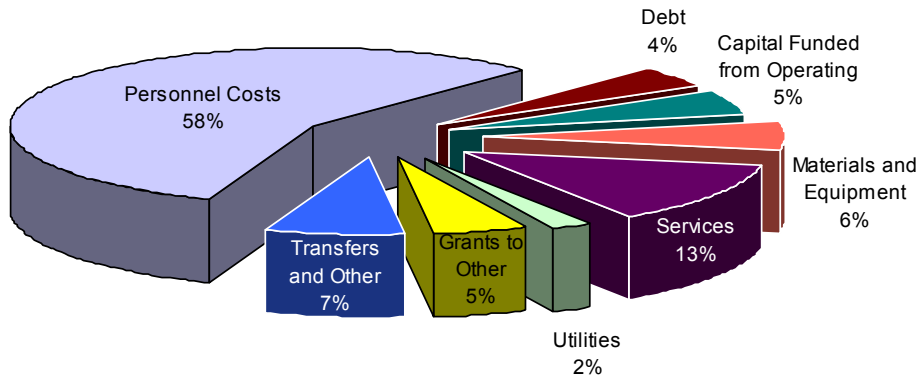
2003



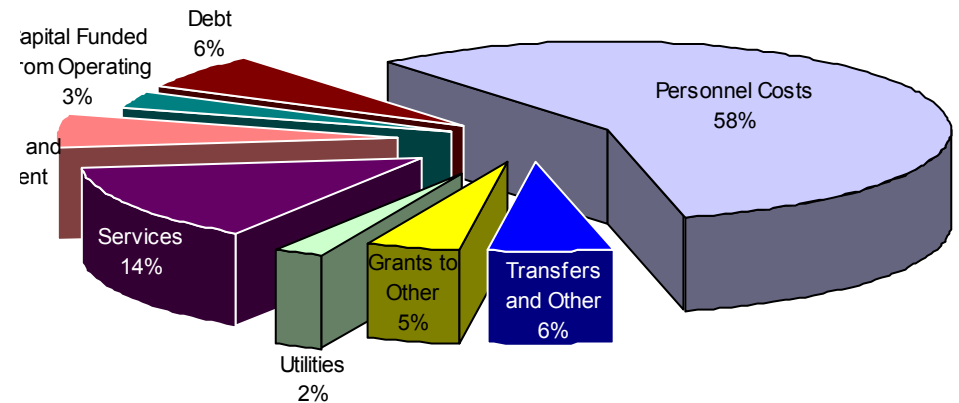
2006



2009

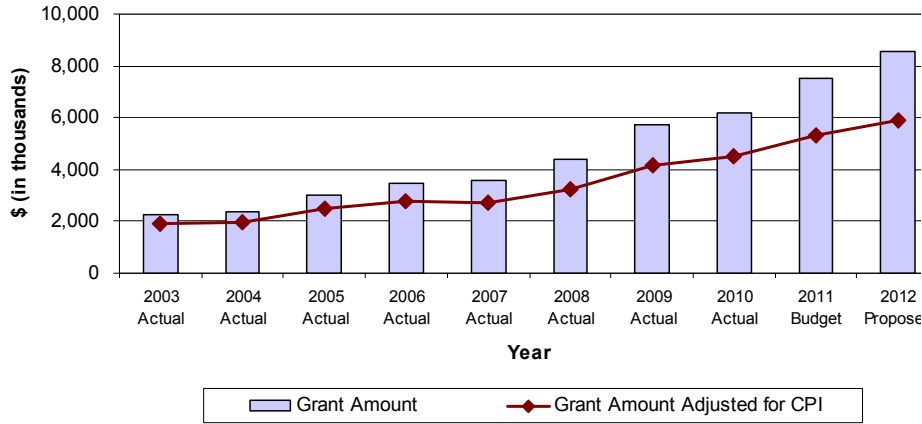


2012 Proposed

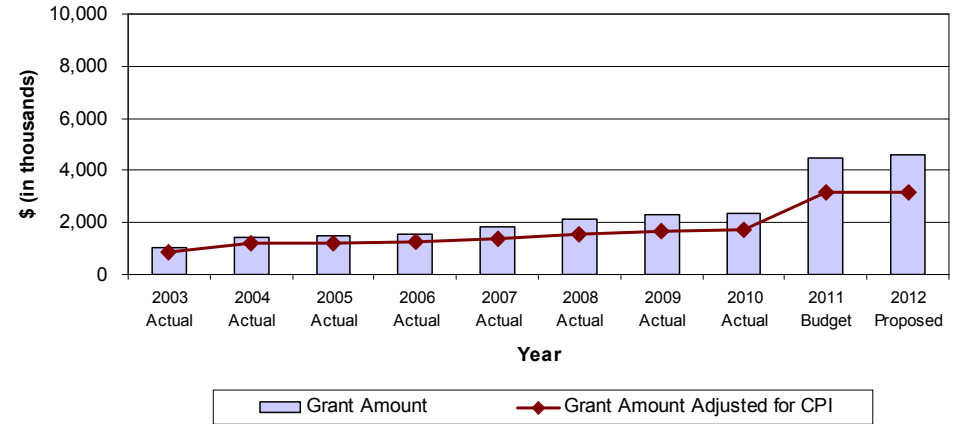


Grants Distributed by City Council

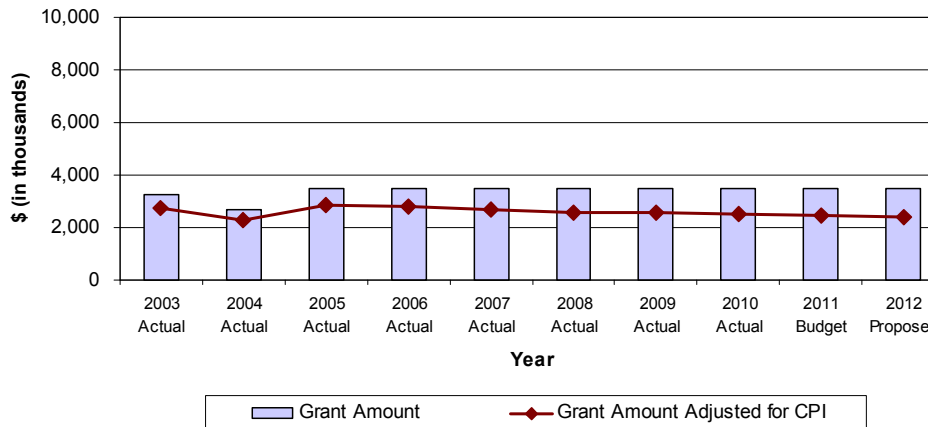
Edmonton Arts Council



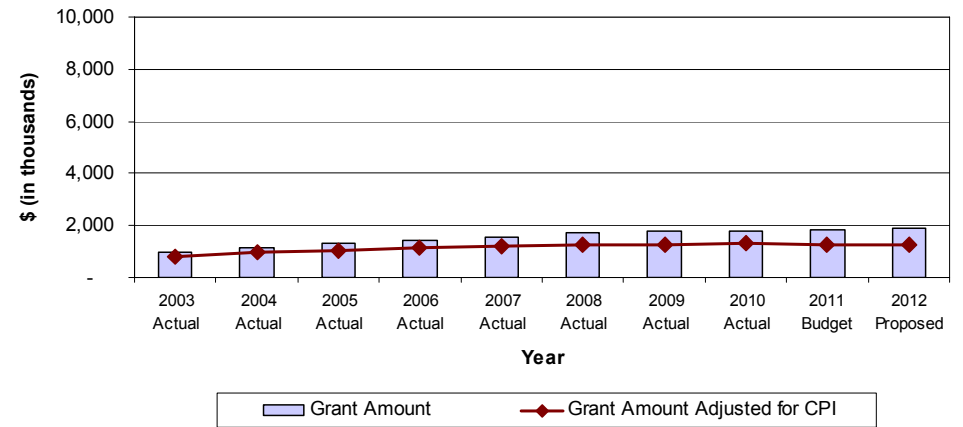
Edmonton Federation of Community Leagues



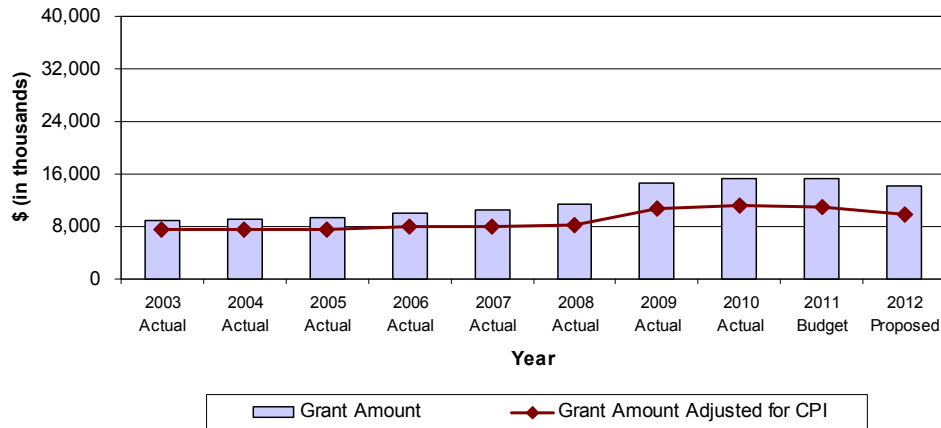
Greater Edmonton Foundation



Telus World of Science

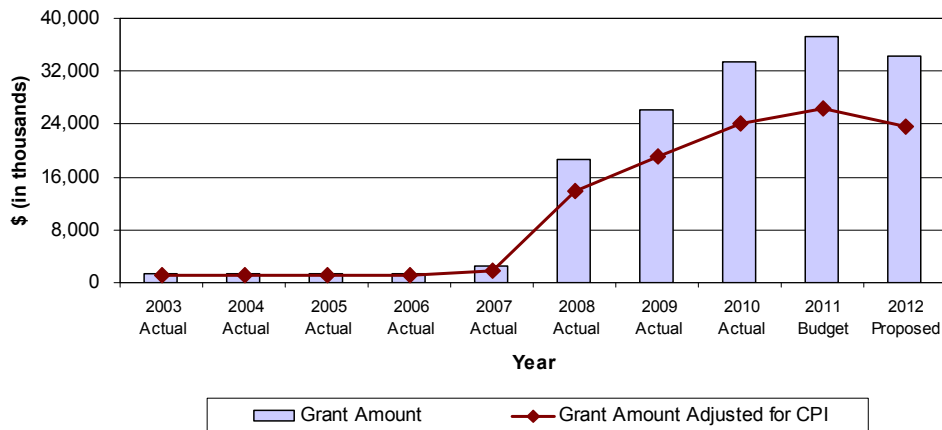


Family Community Support Services

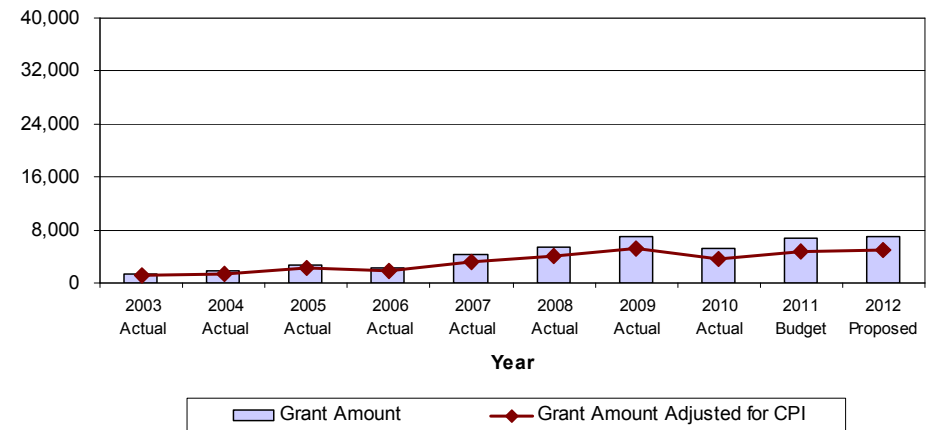


Grants Administered By City

Housing/Cornerstones

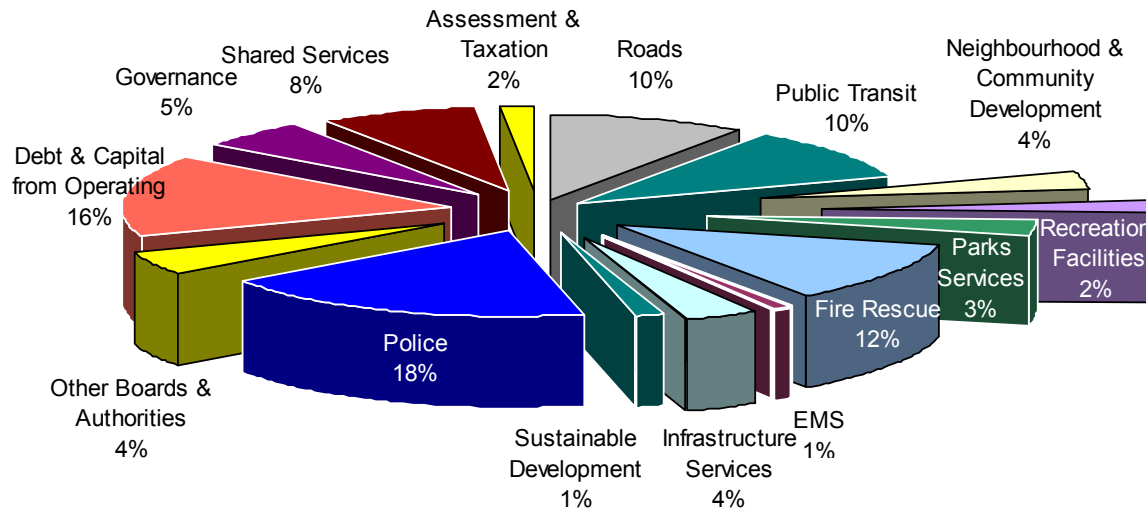


Grants Administered by Community Services

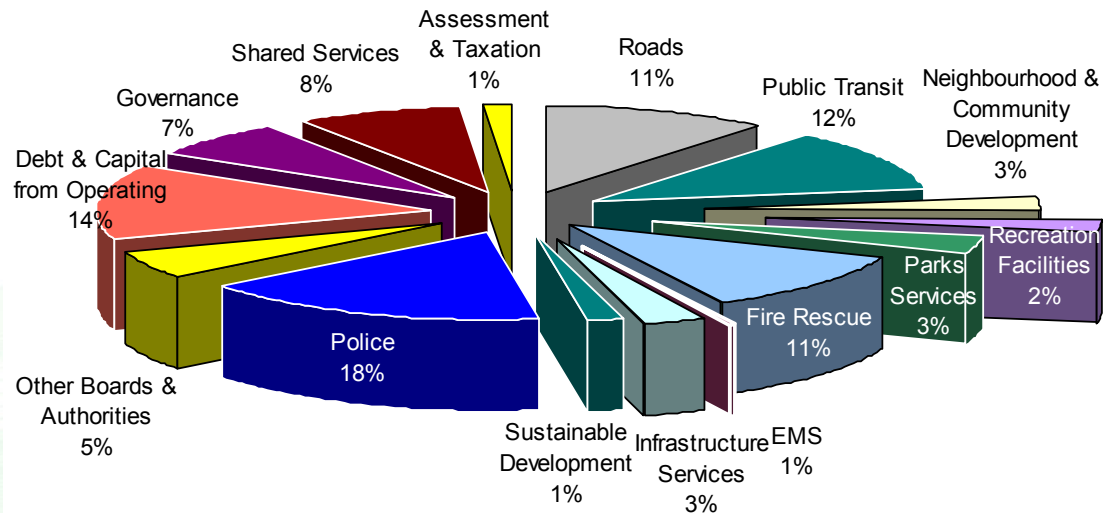


Council's Priority Areas (Net Tax Levy)

2003



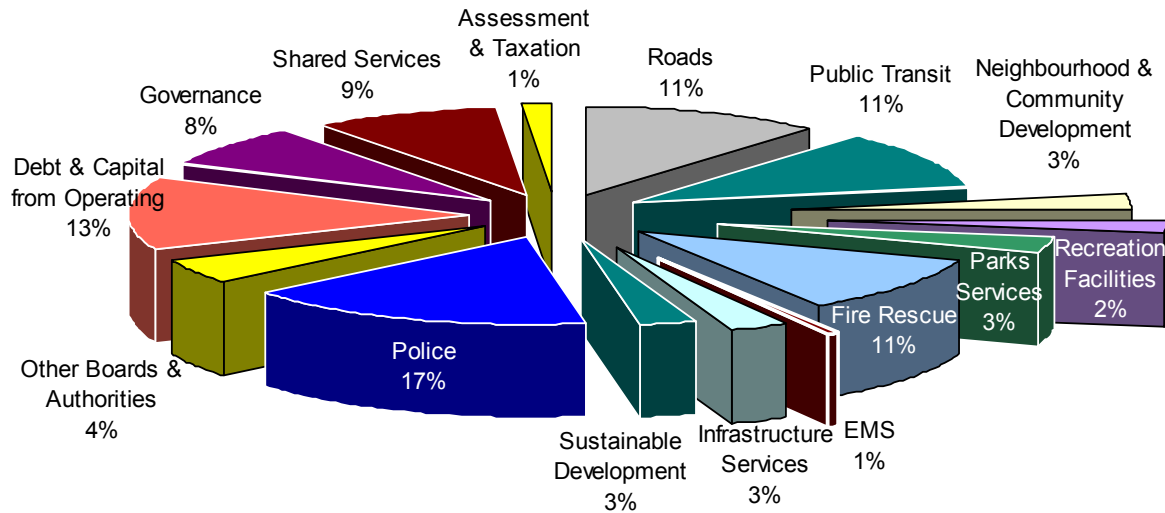
2006



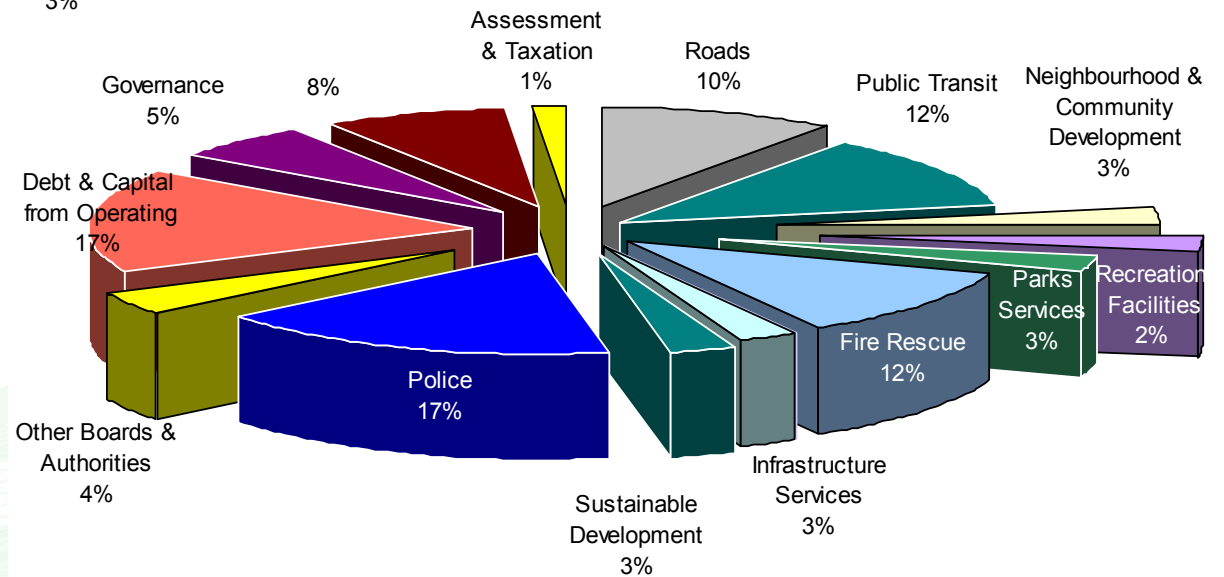
Governance includes Council, Offices of City Manager, City Auditor, and Other Costs

Council's Priority Areas (Net Tax Levy)

2009



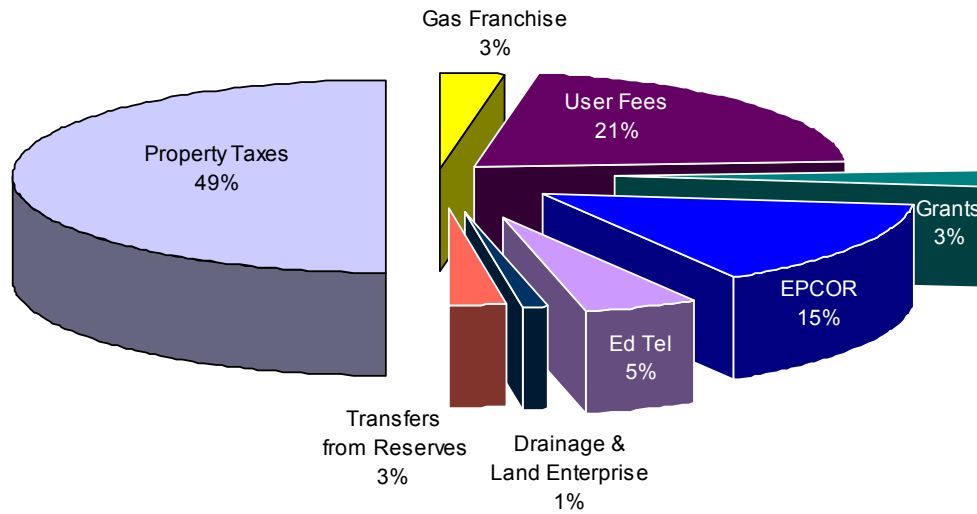
2012 Proposed



Governance includes Council, Offices of City Manager, City Auditor, and Other Costs

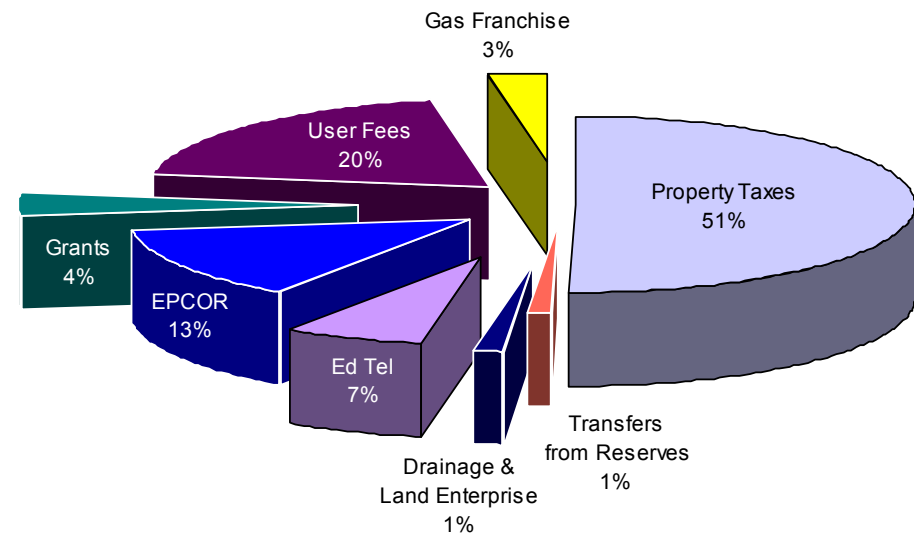
How the City Pays for the Services

2003



Total Revenue: \$953 Million

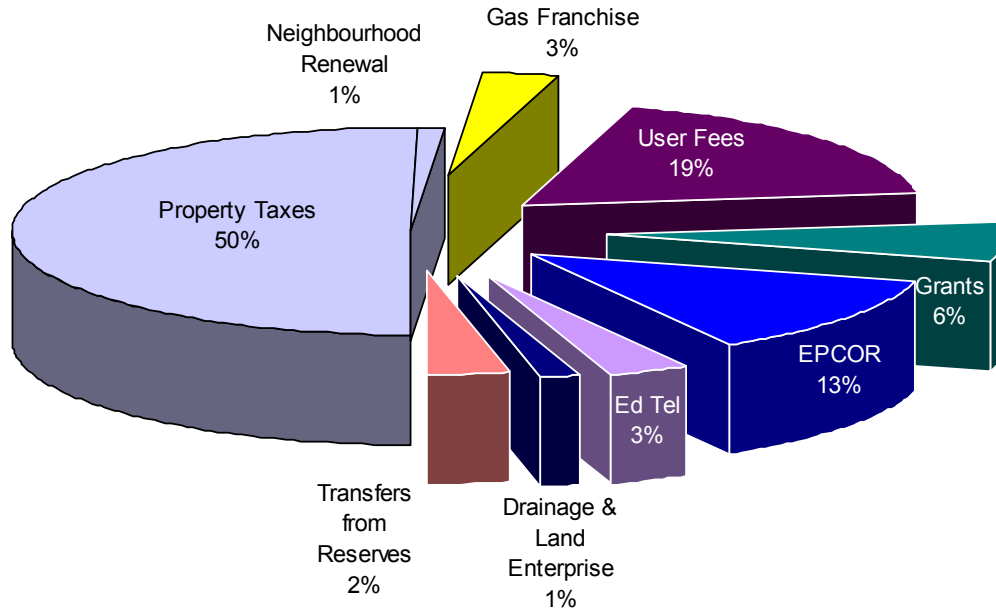
2006



Total Revenue: \$1.201 Billion

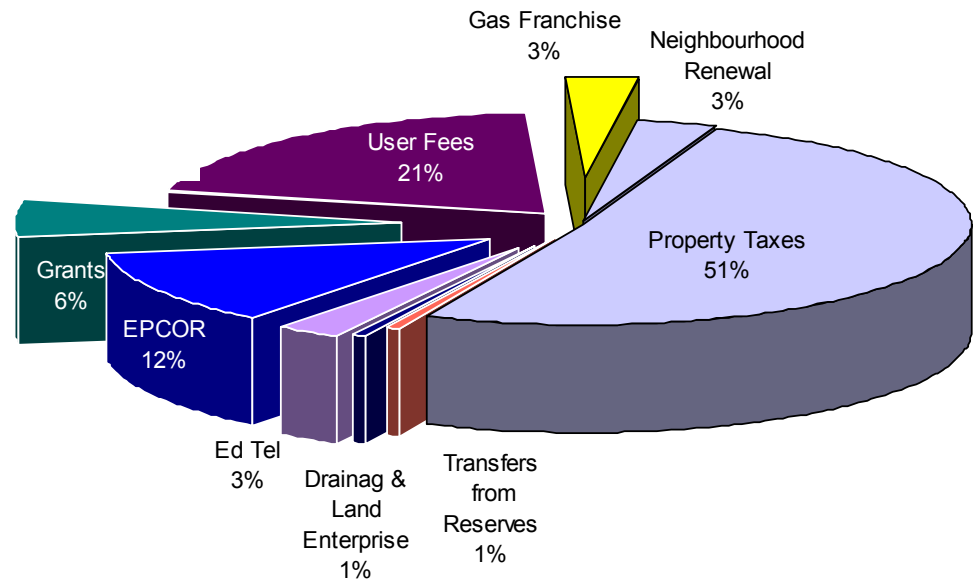
How the City Pays for the Services

2009



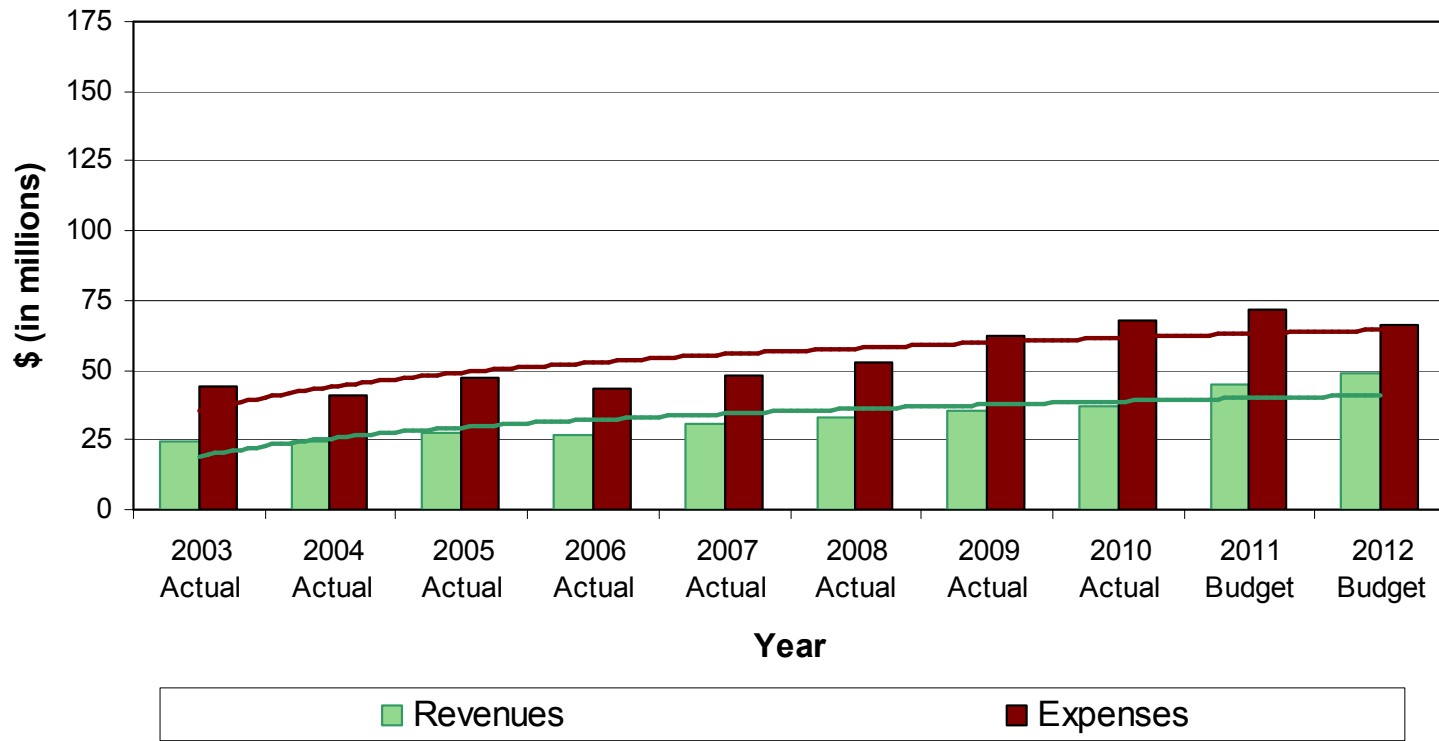
Total Revenue: \$1.610 Billion

2012 Proposed

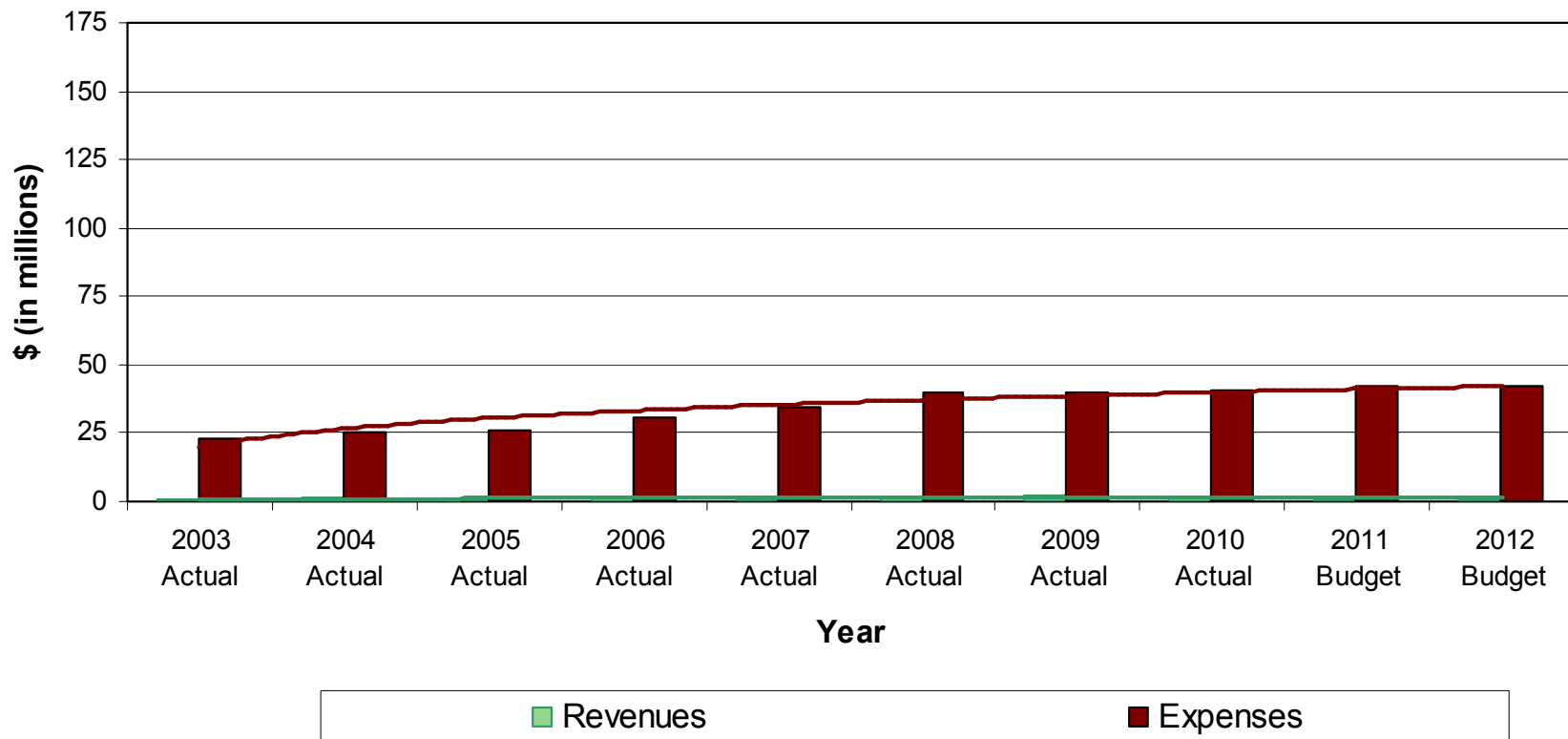


Total Revenue: \$1.857 Billion

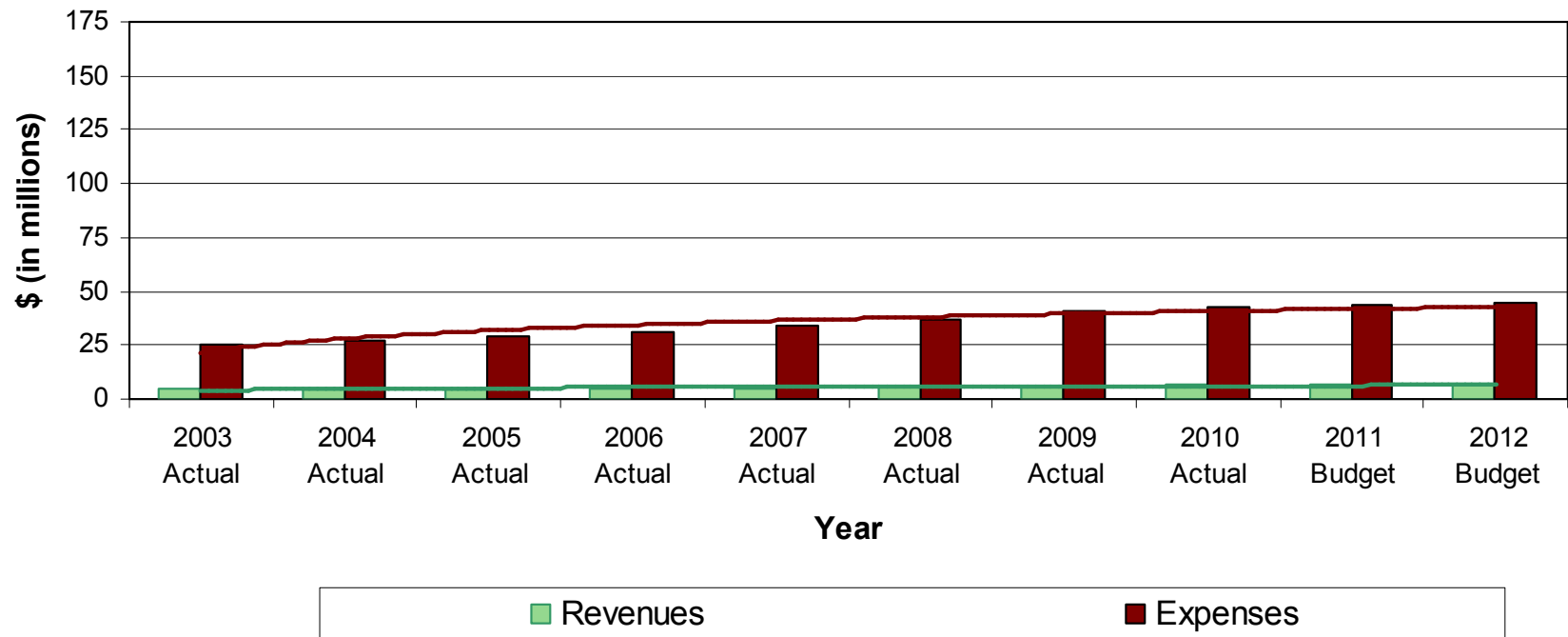
Recreation Facilities



Parks Services

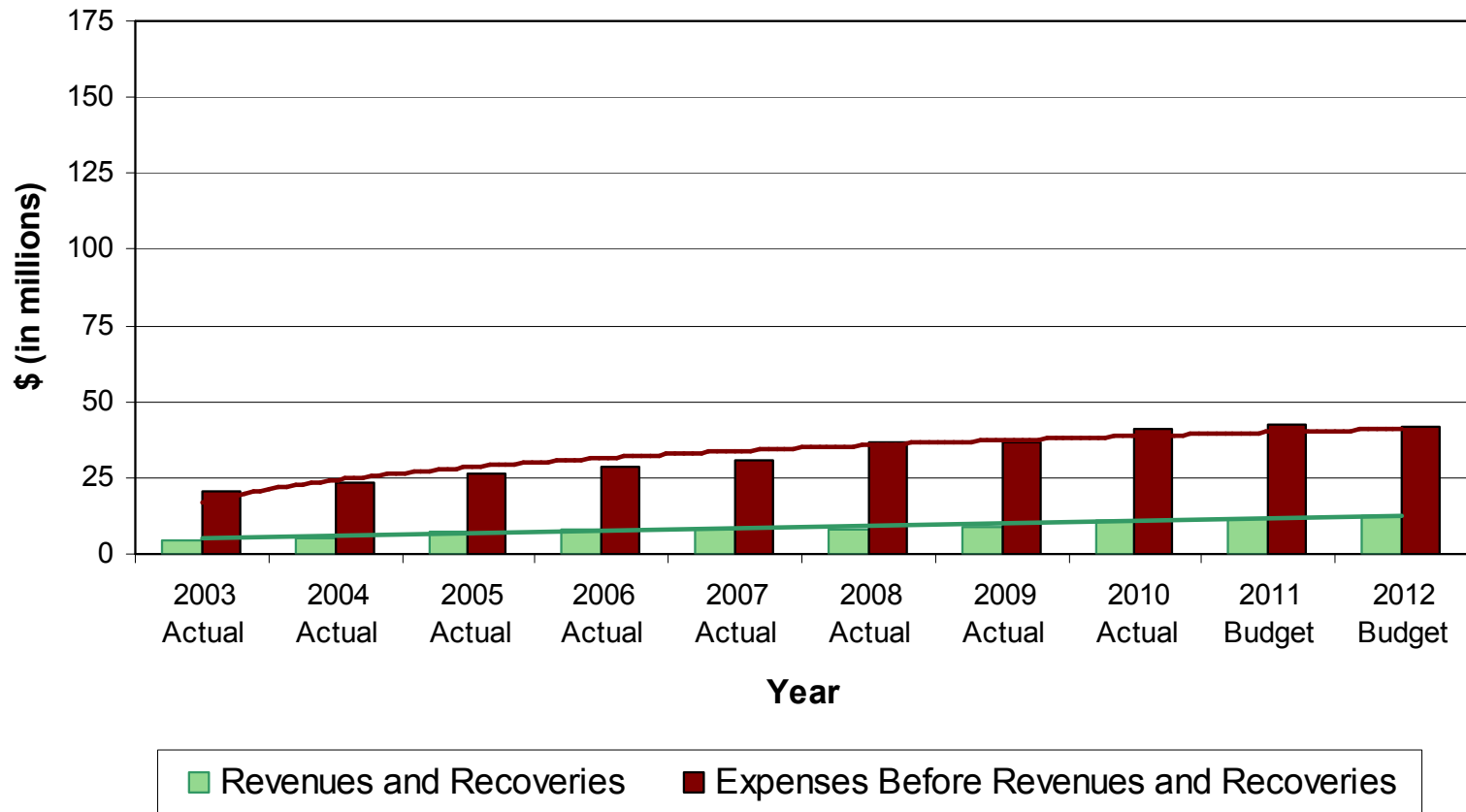


Edmonton Public Library

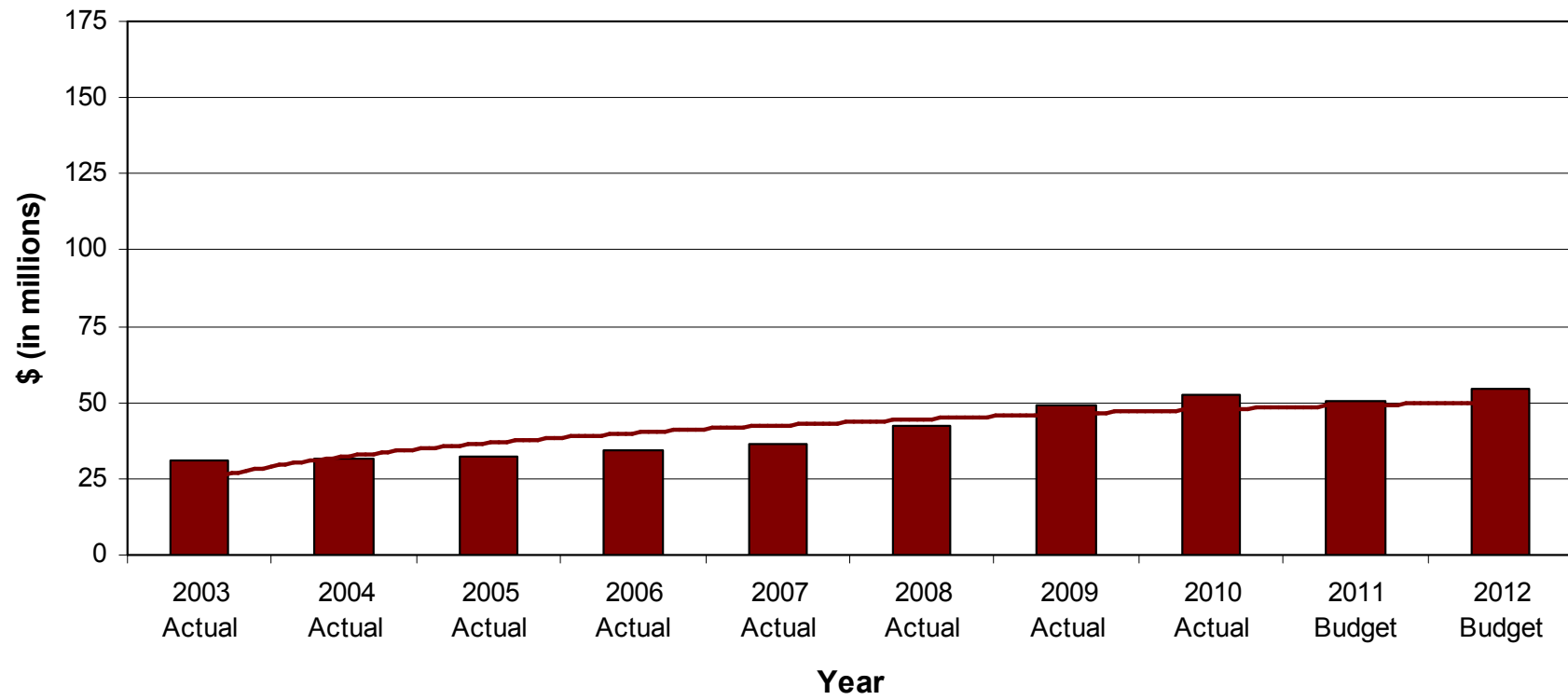


Corporate Services

(excludes 311, Information Technology, and Office of the City Clerks)



Information Technology



Financial Services

