

EDMONTON



2010

Approved Operating Budget

Budget approved by City Council
on December 8, 2009

Addendum



The information contained in this document reflects City Council's approval of the 2010 Budget as of December 8, 2009. Subsequent to the December approval, administration brought forward a report on March 24, 2010 containing a number of budget changes and strategies that are not reported in this budget document. These updates are as follows:

2010 Operating Budget Adjustments (in Millions)

	<u>Net Requirement</u>
Operating Budget Issues	
Elimination of Municipal Affairs unconditional grant	\$ 3.5
Edmonton Police Commission funding requirement	4.7
Special Forces Pension Plan deferral until July 1, 2010	(2.3)
Edmonton Police Association Settlement	3.4
	<u>\$ 9.3</u>
Funding	
Increase to Property Tax (Education Tax room)	\$ (3.5)
Tax revenue from additional assessment growth	(4.8)
Reduction to natural gas budgets	(1.0)
	<u>\$ (9.3)</u>
Net Change	<u><u>\$ -</u></u>

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Foreword



Unless otherwise stated, all amounts are shown in thousands of dollars.

This volume provides a summary of the 2010 approved operating budget as approved by City Council on December 8, 2009. Detailed Program Overview sections have not been reproduced in this volume, however, are available upon request. The approved budget document is available for download from the City's website.

Executive Summary

The Executive Summary provides a high level overview of the 2010 Approved Operating Budget book.

Budget at a Glance

The purpose of this section is to provide a quick look at the 2010 approved budget as well as highlights of the 2009 Citizen Satisfaction Survey and Citizen Panel.

Overview

The Overview discusses the budget process followed for the year, list of budget principles, fiscal challenges, alignment of department operations with Council Goals. The Overview also provides a summary of sources and uses of funds and year over year changes in sources and uses of funds, and a list of funded decision packages as a result of the approved budget.

Neighbourhood Renewal Update

This new section in the budget document discusses the background of the program, 2009 accomplishments and 2010 approved program.

Operating Tables

Included in the section are:

- Net operating requirement, expenditures, and revenues for Tax-supported Operation
- Revenues, expenditures, and net income for Non-Tax-supported Operations (Land Enterprise, Fleet Services)
- Resource distribution by type of expenditure by Program
- Full-time equivalents
- Highlights of the approved 2010 user fees
- Program revenue changes for Civic Programs, Boards & Commissions

Foreword



Supplementary Information

Included in this section is additional information about the City of Edmonton:

- Governance and Corporate Structure
- Reserve Funds
- Terms and Definitions

Access to Approved 2010 Budget Documents

The Approved 2010 Budget documents are available to the general public, for reference purposes at all branches of the Edmonton Public Library.

The 2010 Approved Budget document is also available on the City's Website <http://www.edmonton.ca>

2010 Budget documents can be purchased at: Finance and Treasury, 5th Floor, Chancery Hall, 3 Sir Winston Churchill Square.

2010 Tax Bill at a Glance



Impact of the approved 2010 Tax increase = **\$72 / year**



Impact on Typical Homeowner (\$361,500 Assessed Value)

Services	2009	Increase in 2010	Approved 2010
Police	\$ 250	\$ 30	\$ 280
Neighbourhood Renewal ¹	29	29	58
Municipal Services	1,152	13	1,165
Total Property Tax Bill²	1,431	72	1,503

Notes:

- 1. Neighbourhood Renewal Fund is a 3-year Council Strategy adopted in December 2008.*
- 2. This impact does not factor in the Education Tax set by the Province in the spring.*

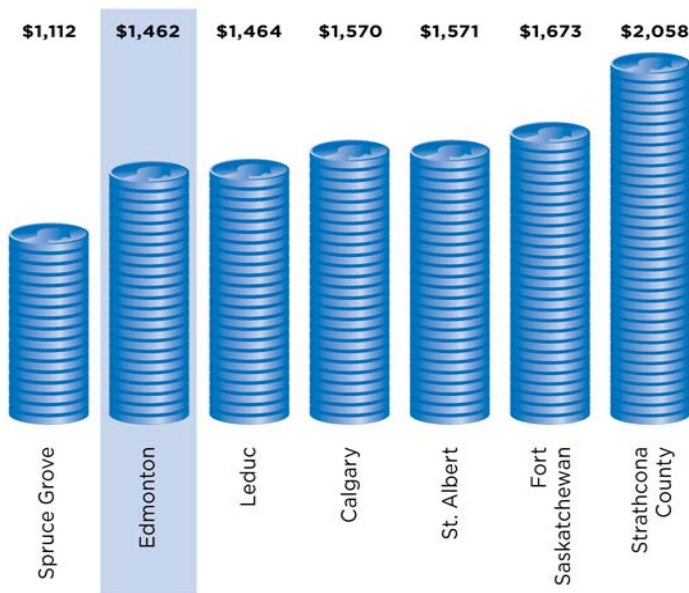
2010 Tax Bill at a Glance



The City of Edmonton Planning and Development department conducted a 2009 Residential Property Taxes and Utility Charges Survey in December 2009. The survey collected information from Edmonton Capital Region as well as from major cities across Canada.

Edmonton's municipal taxes per person compares favorably with other jurisdictions. The chart below provides a comparison of total municipal taxes per person in 2009 among Edmonton Capital Region and Calgary.

**Total Taxes Collected by Municipalities in 2009
(residential, non-residential, business, education)
Compared Per Capita in 2009**



Notes:
Includes school requisition
Non res includes business tax for Edmonton

**Prepared by: City of Edmonton,
Planning and Development
Department, December 2009**

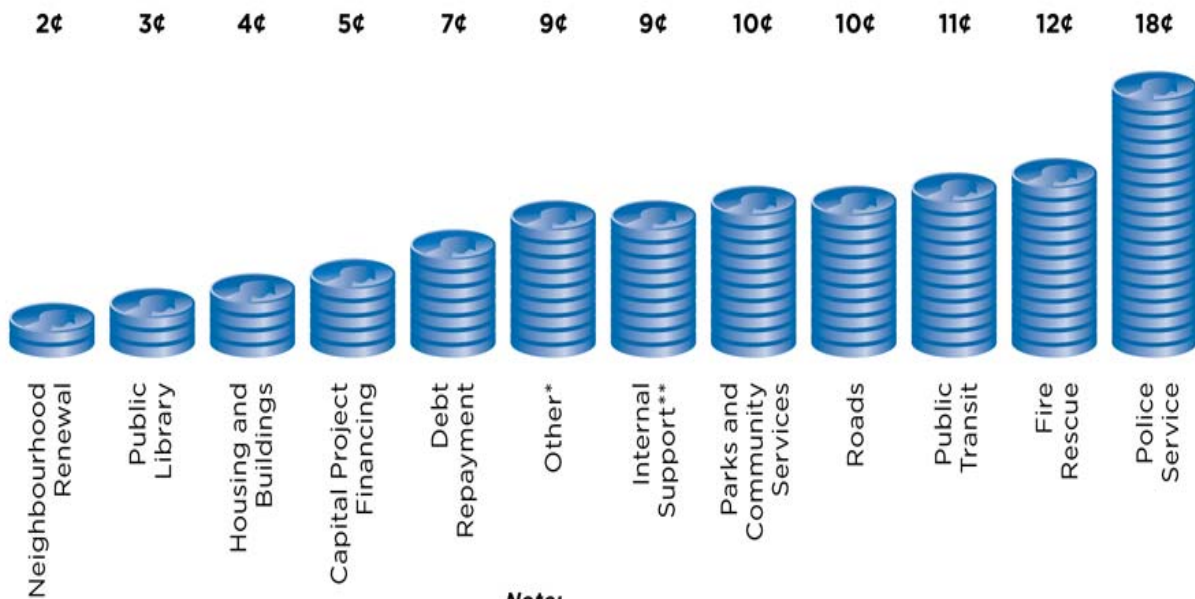
Value for Tax Dollar



Although the City's total tax share equates to only 4.4% in comparison to the other orders of Government, the City of Edmonton provides a costly basket of services including Police, Fire Rescue, Transit, Parks, Recreation, Roads, and Libraries. Therefore, citizens receive a valuable basket of services for a very small portion of their total tax paid (only 4.4% according to Statistics Canada).

Where your taxes are distributed

Every \$1 of municipal taxes is shared between these civic services:



Note:

This graph is based on the tax levy, which excludes user fees, but includes other corporate revenues

* *Other includes Planning & Development, Corporate Expenditures, City Government, and Edmonton Economic Development Corporation*

** *Internal Support includes Corporate Services, Finance & Treasury, Office of the Deputy City Manager*

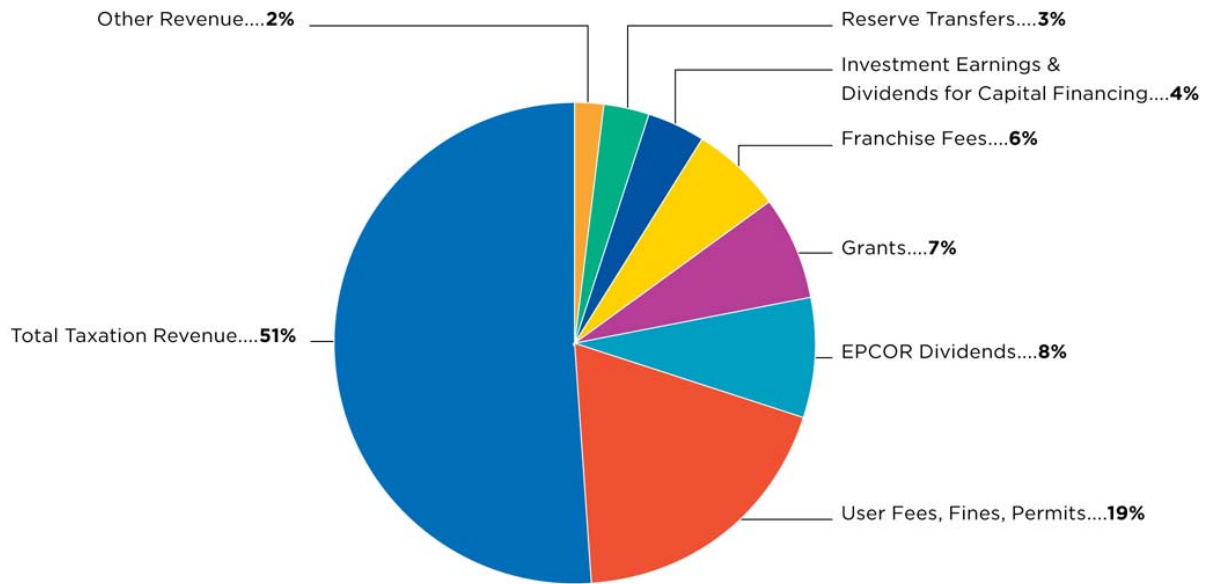
Where the Money Comes From



Property taxes do not provide adequate funding to meet all the services that residents expect. The graph below shows that 51% of the City's operating costs are covered by taxation revenues, while 49% comes from other sources. In addition to taxes, the City's main sources of operating revenue are user fees, investment income and franchise fees.

One of the biggest issues faced by the City is that revenues from sources other than taxes are not increasing at the same rate as expenditures. In this situation, property tax revenue must make up the difference.

Where the money comes from (Revenue Sources)



Note:
Other Revenue includes risk management, local improvement levies, contributions from corporate entities

Citizens' Input



Citizen Satisfaction Survey

For the third year in a row, City Administration engaged Banister Research & Consulting Inc. to complete a Citizen Satisfaction Survey. Annual data provides Administration with current results from which better analysis can be drawn. It also allows Administration to inform Council on where citizen expectations and satisfaction levels range.

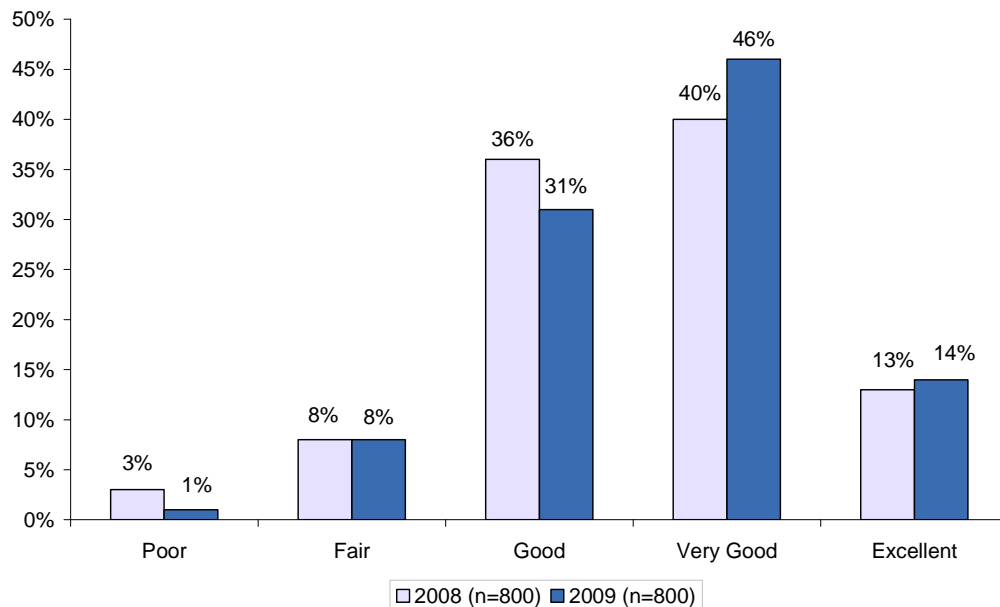
In June 2009, 800 Edmontonians were contacted and surveyed about their levels of satisfaction with City services and areas of improvement. The extensive survey results (distributed to Council and posted online) help administration address service issues and benchmark public perception on key issues over time.

Similar to results reported in previous survey years, the most frequently mentioned factor contributing to a high quality of life was the parks and green spaces, including the River Valley system (35%). Other frequent mentions included good employment opportunities (17%), the strong arts and culture opportunities (16%), and good entertainment, including night life, restaurants and malls (11%).

Respondents perceived the same services as needing improvements or increased funding as previous survey years. Significant increases in the percentage mentioning police service and public transit. Summer and winter roads maintenance and public transit were also identified as Primary Area of improvement on perceptual map.

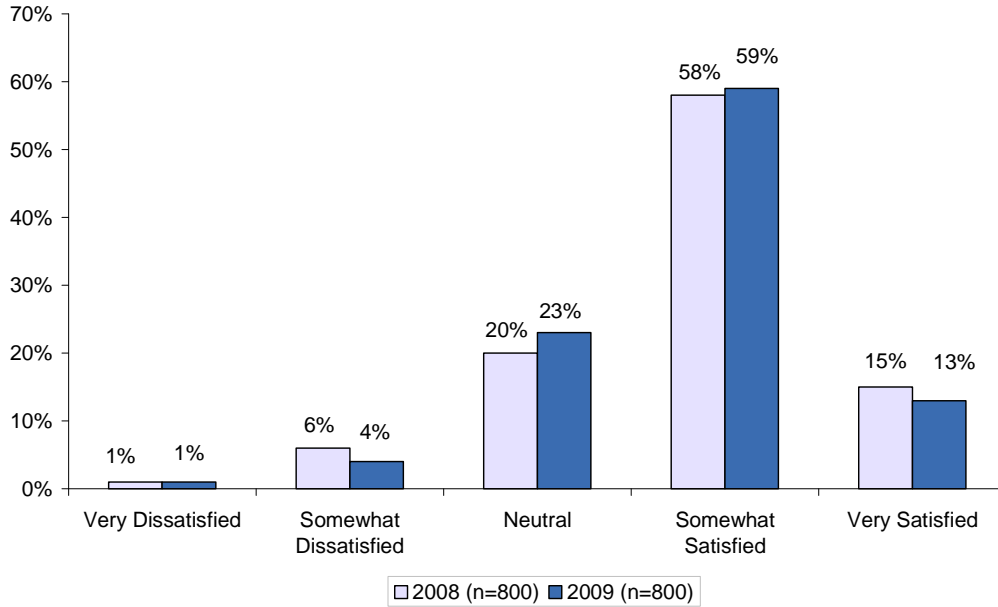
Perceived Quality of life in Edmonton continues to be high with the majority of respondents (91%) provided a positive rating as good to excellent (2008—89%).

Quality of Life in the City of Edmonton



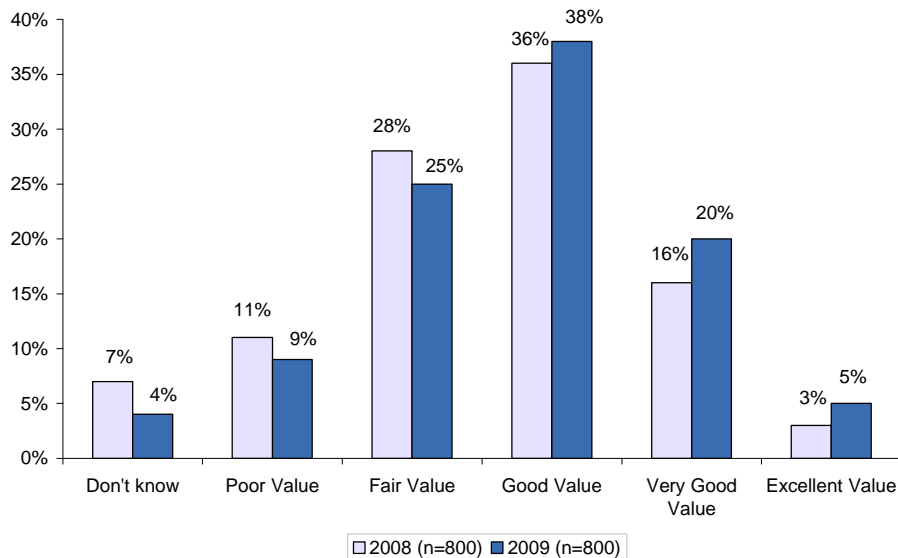


Overall Satisfaction with the City of Edmonton Services



Overall satisfaction with City of Edmonton services continues to be high with the majority (72%) of respondents being either 'very' or 'somewhat' satisfied (13% and 59%, respectively).

Perceived Value For Tax Dollar

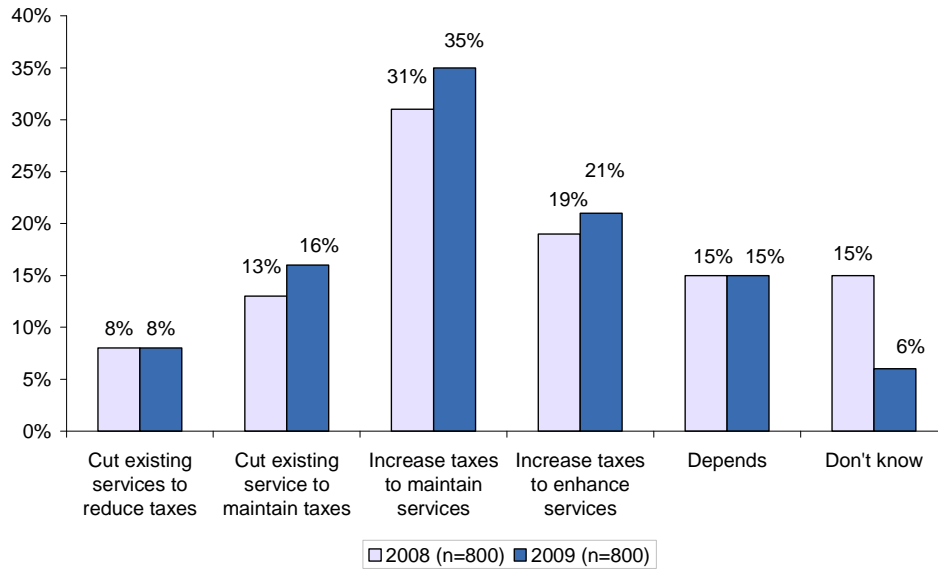


63% of surveyed residents perceive the value of the tax dollar to be good, very good or excellent (2008—55%).

Citizens' Input

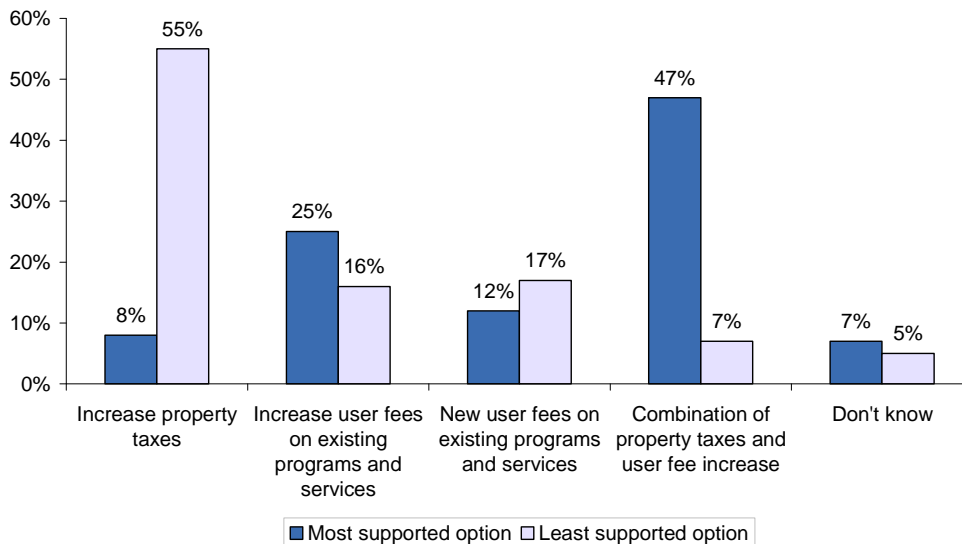


Tax Strategies to Balance Budget



Compared to results reported in 2008, respondents this survey year were more likely to support an increase in taxes, either to maintain current services (35% versus 31% in 2008) or to enhance current services (21% versus 19% in 2008).

Most/Least Supported Options to Generate Additional Revenues



With regards to strategies to generate additional revenue, while results remained relatively comparable to those provided in 2008, the proportion of respondents that supported a combination of property tax and user fee increases to generate additional City revenues significantly increased in 2009 (47% versus 7% in 2008). Respondents stated they would least support an increase in property taxes to generate additional revenue (55%).

Citizens' Input



Citizen Panel

The City of Edmonton partnered with the University of Alberta on a pilot project to gain citizens perspectives in the budget process by recruiting a small, representative group of Edmontonians who could delve deeper into the operations of the City than possible for most citizens. The panel of 50 Edmontonians invested over 50 hours in reviewing civic issues and discussing competing interests. The panel presented a report to Council in July 2009. The Citizen Panel said that the City must take a holistic approach to budgeting in which all services and programs are interconnected in a complex system, rather than isolated services. With that approach, this independent panel clearly validated Council's 10-year goals in The Way Ahead and echoed the short term priorities.

Council accepted the recommendations of the 2009 Citizens Panel and made a commitment to bear them in mind throughout the 2010 budgeting and planning processes. Administration reported back to Council with the overall process and content evaluation in January 2010.

Panel Directions for Budget Priorities

Direction 1:

Citizens, City Council and Administration will need to adopt a change in thinking if we are to increase livability. A change in thinking should be achieved through both incentives and disincentives created by the public and private sectors.

Direction 2:

We need to act in ways that demonstrate and strengthen the interconnectedness of community life.

Panel Recommendations

The Citizen Panel developed four recommendations for City Council to seriously consider when making decisions about the 2010-2011 budget priorities.

Recommendation 1:

Continue to increase the density of our city through long-term planning.

Recommendation 2:

Ensure that our transportation system emphasizes the convenience of users and the uniqueness of Edmonton's climate.

Recommendation 3:

Use environmental and economic sustainability as the basis for policy decisions aimed at livability.

Recommendation 4:

Use proactive and preventative methods to reduce crime and increase safety.

2010 Approved Budget



PROCESS FOLLOWED FOR THE YEAR

Utilities Budgets

Council approved the 2010 Utilities Budgets on November 24, 2009. As a result, the 2010 budgets for Waste Management and Drainage are not included in this document.

2010 PLANNING AND BUDGET

Council and Administration started work in February, 2009 on development of a plan for the 2010 Operating Budget.

A series of joint planning meetings were held in the first half of the year that resulted in Council approving budget principles and setting a target of a 3% tax rate increase for civic programs, boards and authorities and 2% for Neighbourhood Renewal.

The 2010 Budget Guideline that City Council approved on June 19, 2009 was developed based on a target of 3% for the tax rate increase and 2% for neighbourhood renewal. The 2010 Budget Guideline identified the following two strategies for achieving the target:

- General Financial Model — shifts the volatility of investment earnings, Ed Tel Endowment Fund dividends and EPCOR Goldbar transfer fees and dividends to the capital program. Under this model the total of the four sources of revenue determines the amount of general financing available to fund capital projects.
- Service and Budget Review of Civic Programs — was a process applied to identify cost reductions and revenue enhancement strategies to address the forecast 2010 budget shortfall.



ALIGNING DEPARTMENT OPERATIONS WITH COUNCIL GOALS

The City of Edmonton Strategic Roadmap aligns City operations with the City's strategic plan, *The Way Ahead*. City Administration identified several corporate outcomes needed for progress towards Council's six 10-year goals and the 30-year City Vision. These outcomes bridge the operational activities of City Departments with the long-term goals and help guide year-to-year planning.

Performance Management

During 2009 Council also directed Administration to begin implementation of a Performance Management framework that integrates strategic planning, budgeting and management, with evaluation and reporting. This framework supports better decisions by linking organizational inputs, activities and outputs to ultimate outcomes and goals. It is a system that helps create organizational accountability, transparency and responsiveness.

Departments have moved forward during the year by developing strategic roadmaps. These roadmaps are included in the budget documents to show the line of sight; how department outputs link to immediate and intermediate outcomes which in turn link to ultimate corporate outcomes and the six 10-year strategic goals.

Implementation of Performance Management will continue in 2010. Administration will work with Council to establish targets and measures for the ultimate corporate outcomes. 2010 will establish the baseline that will be used to measure our progress toward the ultimate corporate outcome targets.

Strategic commitments

In preparing the Budget, the City's Administration identified areas that could most effectively advance towards Council's long-term goals in 2010. Committing to maintaining or enhancing funding in these areas while reducing services in other areas is a difficult decision, but necessary to manage fiscal challenges.

Programs and internal services identified as requiring funding commitments included:

- LRT Expansion, Design and Construction
- Transit service
- Customer Contact Centre/311
- Fire Services
- Housing
- Planning & Policy
- Assessment & Taxation
- HR Services
- Corporate Properties

2010 Approved Budget



BUDGET PRINCIPLES

In developing the 2010 budget, Administration adhered to the following budget principles that City Council approved on March 26, 2009.

- a. The 2010 Operating Budget tax levy increase target will be based on the tax strategy that will be presented to Council June 2009.
- b. The program service levels included in the base budget will be reviewed for alignment with Council's goals and priorities and any possible reallocations of budgets or efficiencies will be identified.
- c. Administration will identify service level impacts for any reduction strategies necessary to achieve the prescribed tax levy targets.
- d. On-going revenue may fund on-going or one-time expenditures where one-time revenue may only fund one-time expenditures.
- e. Service packages that are funded in the approved year must include the full year budget requirements. Funds not required until the following year will be used to fund one-time initiatives.
- f. Budgets will reflect department's operational plans, performance measures and progress toward Council's strategic goals and priorities.
- g. Capital budgets submitted for approval will include details of the obligation on future tax levy to cover the operating costs upon completion of the project.
- h. All mid-year operating and capital budget requests require a source of funding and should be considered in light of other corporate priorities.

2010 Fiscal Challenges



2010 FISCAL CHALLENGES

The 2010 fiscal challenges arise from a combination of current economic conditions, a revenue imbalance and debt-financing costs for committed capital projects.

Economic conditions have resulted in lower than expected investment earnings and increased pension contributions, which need to increase when investment earnings decrease. The revenue imbalance is a result of non-tax revenues which make up nearly 50% of total revenues not increasing at the same rate as expenditures.

Challenge: Salary commitments, annualization of 2009 service packages, increased pension contributions, reduced revenue from development permits, and debt-financing costs for committed projects were significant factors that increased the Operating Budget by \$92 million. This would driven the tax rate increase above the 3% target without budget reduction strategies.

Strategies: Administration proposed strategies that reduced costs by \$50.3 million to address the expenditure increases and revenue shortfalls to prepare a budget within the target 3% tax rate increase:

1. **Service and Budget Review Strategy** - Achieve reduction of \$29.1 million

Administration reviewed all programs for reductions, deferrals, changes or elimination, while maintaining a focus for taxpayer investments in services that most effectively advance towards Council's 10-year goals.

- Service & Revenue Adjustments\$18.1M
 - Include changes to current service levels/standards, substitution or deferral of services and not filling vacant positions.

2010 Fiscal Challenges



- Operating Costs shifted to Capital\$2.8M
 - Costs that were tax-supported in the Operating Budget that support Capital projects have been moved to the Capital Budget where those operating costs would be eligible for capital grants. This has no impact on direct services to the public.

- Organization & Operating Changes\$8.2M
 - Operational efficiencies and changes to business processes. This had no impact on direct services to the public.

2. **General Financing Strategy** - Achieve reduction of \$16.6 million

- As approved by Council in June, the funding source for Capital Budget general financing was changed from tax levy to investment earnings, the Ed Tel dividends, and the EPCOR Goldbar transfer fee/dividends.

- It is easier to deal with variable ups and downs of investment and dividend earnings in the Capital Budget by accelerating or deferring one-time capital projects than it is to reduce ongoing programs and services in the Operating Budget.

3. **Other Reductions** - Reduction of \$4.6 million

- Library Reductions.....\$0.7M
- City Personnel Costs Absorbed.....\$3.4M
- Other Changes.....\$0.5M

2010 Fiscal Challenges

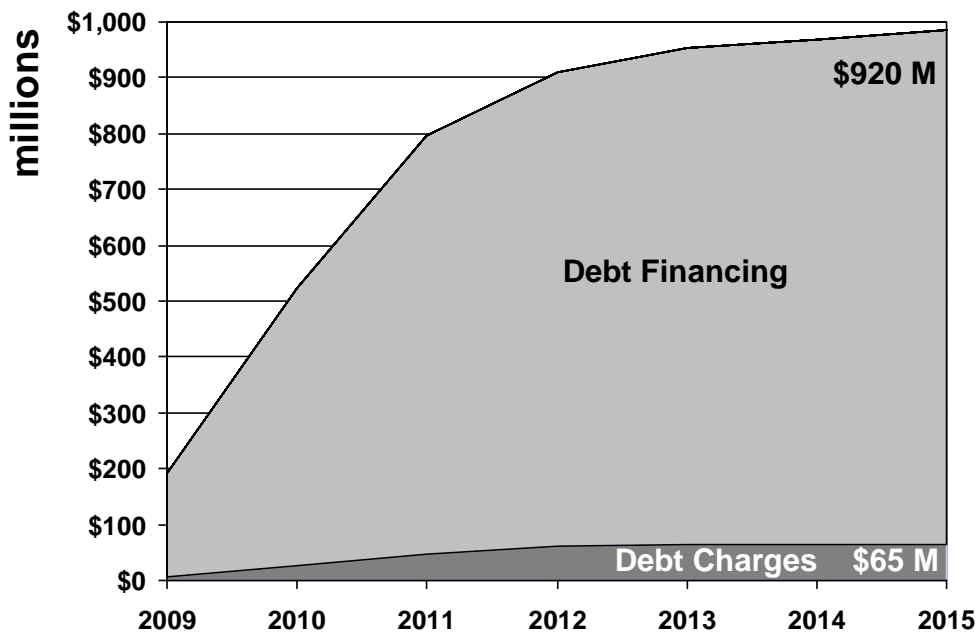


Debt-Financing Charges

Fiscal challenges in 2010 include debt-financing charges related to the following Council approved projects;

- North Central Field House—Joe Clark
- Heritage Valley Park and Ride
- North LRT
- Eaux Claire & Lewis Estates Phase II
- LRT Signal System
- Great Neighbourhoods
- SW Community Recreation Centre Arenas
- North Branch & Jasper Place Branch Libraries
- Multi-purpose Recreation Centres
- Whitemud Dr/Terwillegar Dr Bridge Rehabilitation
- Valley Zoo Master Plan Implementation

The 2010 budget for debt-financing charges related to these capital projects increased by approximately \$18.1 million. Debt-financing charges will continue to present a fiscal challenge in 2011 through to 2015 with charges estimated to increase by \$39.0 million, based on current budgeted cash flows and estimated interest charges.



Notes:

1. Debt Financing is based on current capital budget approvals.
2. Debt charges are based on estimated future interest rates which may change.

Neighbourhood Renewal Program



NEIGHBOURHOOD RENEWAL PROGRAM—2% TAX RATE INCREASE

City Council established an ongoing and sustainable funding program for neighbourhood infrastructure renewal, first by allocating funds from Provincial funding programs (AMIP and MSI), and secondly by the establishment of the 2% tax levy funding pool.

In December 2008, Council approved a 2% increase in the tax rate for the Neighbourhood Renewal Program for each of the years 2009, 2010 and 2011.

2009 Neighbourhood Renewal Projects

In the first year of the program, the 2% tax rate increase generated \$15.6 million, adding to the funding allocated through AMIP, MSI and other sources. More than 20 neighbourhoods benefited from this program in 2009.

2010 Neighbourhood Renewal Projects

The 2010 program includes the following proposed neighbourhood renewal projects:

- **Reconstruction** - 6 neighbourhoods to receive road repaving, sidewalk reconstruction and street light replacement (complete Lendrum and Meadowlark, and start Fulton Place, Parkallen, Rio Terrace and Sherbrooke)
- **Residential Overlay** - 10 neighbourhoods to receive road overlay and sidewalk trip hazard repairs (Balwin, Carlisle, Cloverdale, Crawford Plains, Daly Grove, Lymburn, McLeod, Patricia Heights, Summerlea, and Westridge)
- **Preventive Maintenance** - 6 neighbourhoods to receive reseal microsurfacing (Beacon Heights, Bergman, Goldbar, Quesnell Heights, Riverdale, Tipaskan)
- **Collector Roadways** - resurfacing in a number of additional neighbourhoods
- **Alley renewal** - 2 pilot projects are proposed to be added to the program

Note: *The 2009—2011 Capital Budget includes the approval for additional neighbourhood work in 2011, including the allocation of additional funds from the 2% tax rate increase.*

2010 Approved Budget



KEY DATES

March 26, 2009

- City Council approved Budget Principles.
- City Council set a 3% tax rate increase target for the 2010 proposed budget for civic programs, boards and authorities and 2% for neighbourhood renewal.

June 19, 2009

- City Council approved 2010 Budget Guideline with a target tax rate increase of 3% for civic programs, boards and authorities and 2% for neighbourhood renewal.

September 15, 2009

- Proposed 2010 Utilities Budgets were presented to City Council on September 15, 2009.

September 16, 2009

- City Council approved showing the Edmonton Police Service separately in the proposed 2010 Budget and the tax impact of the Edmonton Police Service separately on the May tax notices.

September 25, 2009

- Proposed 2010 Utilities Budgets were debated by City Council on September 25 and November 24, 2009.

November 10, 2009

- 2010 Proposed Operating Budget, for civic programs and boards and authorities, presented to City Council based on target of 3% tax increase for services and 2% for neighbourhood renewal

November 10, 2009

- Two budgets for Edmonton Police Service presented to City Council:
 - One budget is prepared based on a target of 3% tax increase for services (not supported by Edmonton Police Commission)
 - One budget is prepared based on maintaining existing services (supported by Edmonton Police Commission)

November 24, 2009

- City Council approved 2010 Utilities Budgets

November 25, 2009

- Non-statutory Public Hearing on 2010 Operating Budget

November 30 to December 8, 2009

- City Council Budget Deliberations

December 8, 2009

- City Council approved 2010 Operating Budget

Spring 2010

- Education Tax Requisition from the Province of Alberta
- City Council approved final tax rate

May 2010

- Tax notices mailed

Approved Operating Budget



THE APPROVED OPERATING BUDGET - BASED ON A 3% TAX INCREASE FOR SERVICES AND 2% FOR NEIGHBOURHOOD RENEWAL

Tax-supported Operations: Net Operating Requirement¹

	2009 Budget (\$000)	Change '09 to '10	2010 Budget	% Change '09 to '10
Total Boards & Commissions	59,722	3,235	62,957	5.4
Civic Programs				
Asset Management & Public Works	86,846	4,992	91,838	5.7
Capital Construction	3,698	564	4,262	15.3
Community Services	200,317	19,809	220,126	9.9
Corporate Services	83,755	3,981	87,736	4.8
Finance & Treasury	15,960	741	16,701	4.6
Mayor & Councillor Offices	4,279	197	4,476	4.6
Office of the City Auditor	1,936	107	2,043	5.5
Office of the City Manager	1,224	666	1,890	54.4
Office of the Deputy City Manager	18,602	(14)	18,588	-0.1
Planning & Development	35,651	6,138	41,789	17.2
Transportation	279,088	10,146	289,234	3.6
Corporate Programs	(209,634)	(22,963)	(232,597)	11.0
Neighbourhood Renewal	15,456	16,710	32,166	108.1
Police Service	217,003	19,362	236,365	8.9
Total Taxation Revenue	(827,359)	(50,215)	(877,574)	6.1
One-time Items	13,456	(13,456)	-	(100)

Notes:

¹ Net Operating Requirement amount is the difference between Expenditure & Revenue.

Funded Service Needs



2010 FUNDED SERVICE NEEDS

Service needs funded within the approved 2010 budget total \$46.7 million. Of this amount \$15.1 million is the operating impact of capital projects and \$31.6 million is for other service needs.

The funded packages, organized by Department and Program, are summarized below. All operating impacts of capital projects require on-going funding.

2010 OPERATING IMPACT OF CAPITAL PROJECTS

Service Package Title	Net Operating Requirement (in \$000)
Asset Management and Public Works	
Corporate Properties	
Building & Facility Maintenance	\$ 4,217
Parks	
Impact of Capital	1,193
Capital Construction	
Energy Assessments - Building Design & Construction	300
Community Services	
Community Facility Services	
South West Rec Center, St. Francis Xavier Field house, Commonwealth Stadium Rec Center, etc.	959
Fire	
Maintenance and repairs of additional fire apparatus purchased for new fire stations	120
Corporate Services	
Impact of Capital Projects- SIRE software, Additional SAP licenses for new users, City Web Development	564
Transportation	
Public Transit	
SLRT to Century Park	4,641
LRT Commissioning & Communications Operating Impact	361
Centennial Transit Garage	751
Intergraph & Trapeze Operating Impacts	434
Transit Centers	1,003
Direct Express to Century Park from Millwoods Town Center	164
Century Park - Park & Ride	115
Transportation Systems	
Intelligent Transportation Systems	265
Total Operating Impact of Capital Projects	\$ 15,087

Funded Service Needs



2010 BUDGET ADDITIONS (FUNDED SERVICE PACKAGES)

Service Package Title	Net Operating Requirement (in \$000)
AMPW	
Corporate Properties	
Downtown Public Washrooms (1-time)	\$75
Washroom Facilities in Old Strathcona - operating	147
Washroom Facilities in Old Strathcona - capital	517
Land enterprise	
Edmonton City Center Airport Development Office	1,380
Community Services	
Fire Rescue Services	
Fire Rescue Truck in South Edmonton	1,500
Community Facility Services	
Scona Pool (1-time)	291
Facility Hours for Lane Swimming	320
Art of Living - Artifacts Center & Archive (1-time)	220
Neighbourhood and Community Development	
Creative Age Festival (1-time)	50
Expansion of Cigarette Litter Reduction (\$167 - 1-time)	205
FCSS funding for agencies facing shortfalls (1-time)	1,000
Increase to Keep the Doors Open Grant - Art Gallery of Alberta (1-time)	300
Community Safety Coordinating Council (1-time)	500
Corporate Services	
Edmonton Salutes (1-time)	100
Sustainable Environment & Ethical Procurement Policy	99
Assessment Review Board Legislative Requirements -operating	-
Assessment Review Board Legislative Requirements -capital	1,550
2010 Municipal Elections and Program Support	2,100
311 Service Wait Time	2,000
Assessment Review Board (ARB) - Legislative Requirement	204
Office of the City Manager	
EXPO 2017 (1-time)	500

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Funded Service Needs



Service Package Title	Net Operating Requirement (in \$000)
Planning & Development	
Planning, Policy and Community Standards	
Façade Program Continuation (1-time)	900
Development Fund (1-time)	2,000
Aboriginal Transitional Component of Boyle Renaissance (1-time)	1,660
Community Standards Enforcement Staff	390
Transportation	
Transportation Systems	
Winter Road Snow Hauling (1-time)	350
Public Transit	
Transit Center Washroom Facilities	182
New Service - Off Peak Service	133
Peak Overload additional service hours	654
Edmonton Arts Council	
Winter Light Festival (1-time)	675
Public Art Conservation and Inventory Project Year 2 (1-time)	150
Edmonton Homeless Commission (1-time)	400
Edmonton Police Service	
Maintain Service Levels	10,813
Public Library	
Maintain Library Hours of Service in 2010	288
Total	\$31,653

Source and Use of Funds



The table below provides the year over year changes in source and use of funds.

2010 Approved Source and Use of Funds (\$millions)

	2009 Budget	2010 Approved Budget	\$\$ Change
Source of Funds			
Property Taxes	\$ 745.4	\$ 821.5	\$ 76.1
Business Taxes	61.5	32.7	(28.8)
Payment-in-lieu	20.5	23.4	2.9
	<u>827.4</u>	<u>877.6</u>	<u>50.2</u>
User Fees, Fines & Permits	282.8	317.9	35.1
EPCOR Dividends	133.5	135.8	2.3
Franchise Fees	89.4	100.5	11.1
Grants	104.4	127.2	22.8
Investment Earnings & Dividends for Capital Financing	64.0	65.8	1.8
Transfers from Reserves	21.4	38.5	17.1
Utility Dividends	23.2	6.6	(16.6)
Other Revenues	43.1	33.2	(9.9)
Total Source of Funds	\$ 1,589.2	\$ 1,703.1	\$ 113.9
Use of Funds			
Civic Programs	\$ 1,014.4	\$ 1,059.6	\$ 45.2
Corporate Programs	116.9	144.5	27.6
Boards & Authorities	354.0	389.9	35.9
General Financing Transferred to Capital	78.5	64.1	(14.4)
Neighbourhood Renewal	15.5	32.2	16.7
Transfers to Reserves	9.9	12.8	2.9
Total Use of Funds	\$ 1,589.2	\$ 1,703.1	\$ 113.9

Source and Use of Funds



The following tables provide a summary of the major changes contributing to the 2010 Approved Budget changes in source and use of operating funds. Further details regarding Budget changes are provided under the Operating Tables section.

Changes in Source of Funds

Category	\$ millions	Explanations
Property Taxes	\$ 50.2	Of the \$50.2 million, \$8.4 million is a projected tax revenue increase from real assessment growth. \$41.8 million is the revenue generated from the tax rate increase of 5%.
User Fees, Fines & Permits	\$ 35.1	User fees are going up 12.4%, of this increase 3.4% is due to rates increases. 9.0% is due to an increase to the number of people paying the fee.
EPCOR Dividends	\$ 2.3	The EPCOR dividends are expected to increase by \$2.3 million in accordance with the existing agreement.
Franchise Fees	\$ 11.1	The increase in franchise fees is due to the anticipated increase in EPCOR franchise fees of \$3.8 million in accordance with the existing agreement, and a \$7.3 million increase in gas franchise fees.
Grants	\$ 22.8	The expected increase of \$22.8 million in grant funding is due to an increase in provincial funding of \$9.9 million for Affordable Housing, \$3.1 for Police and \$1.0 million for Public Library. In addition there is an \$8.8 million increase in the New Deal for Cities and Communities (NDCC) federal grant to fund SLRT debt charges. An overall reduction of \$0.2 million in grant funding is anticipated in Community Services and Corporate Services.
Investment Earnings & Dividends for Capital Financing	\$ 1.8	The expected decrease in the Ed Tel Endowment Fund dividend of \$10.3 million will be offset by the expected increase in investment earnings of \$10.7 million. The net amount of Goldbar transfer fees and dividend is expected to increase by \$1.4 million based on the transfer agreement, of March 31, 2009 between EPCOR Inc. and the City of Edmonton.
Transfers from Reserves	\$ 17.1	Transfers from Reserves are expected to increase mainly due to a \$14.0 million transfer from FSR to fund commitments, \$3.1 million is the net amount of transfers from reserves among civic programs.
Utility Dividends	\$ (16.6)	Land Enterprise dividends are lower by \$10.0 million mainly due to an \$8.2 million one time dividend in 2009 related to the Dell sale. Drainage dividends are lower by \$6.6 million.
Other Revenues	\$ (9.9)	The \$9.9 million decrease in other revenues results from the removal of 2009 one time revenues.
Total Change	\$ 113.9	

Source and Use of Funds



Changes in Use of Funds

Category	\$ millions	Explanations
Civic Programs	\$ 45.2	Civic Programs increase in use of funds is due to: <ul style="list-style-type: none"> - increase in personnel costs of \$45.1 million, - non-personnel costs increase of \$5.5 million, - funded service needs, including operating impact of capital projects, of \$15.0 million - annualization of 2009 service packages of \$3.5 million - offset mainly by Service & Budget review of \$20.0 million, absorbed personnel costs of \$3.4 million and \$0.5 other charges.
Corporate Programs	\$ 27.6	The Corporate Programs increase is mainly due to additional debt charges of \$31.5 million, a payment to the Go Center of \$9.0 million, reduction of \$10.0 million for Art Gallery cash flows and \$2.9 million decreases in other charges (local improvements, realty tax appeals and adjustments)
Boards & Authorities	\$ 35.9	Increase of \$35.9 million is due to \$33.2 increase in Police, \$2.3 million increase in Public Library (net of \$0.4 million reduction), \$0.7 million increases by other boards and commissions, which is offset by \$0.3 million reductions undertaken by Edmonton Economic Development Corporation
General Financing Transferred to Capital	\$ (14.4)	Mainly due to a reduction of \$14.4 million in General Financing. This is in accordance with the City Council motion of June 19, 2009, which determined that the funding source for Capital Budget general financing would change from tax levy to investment earnings, the Ed Tel Endowment Funds dividends and the EPCOR Goldbar transfer fee/dividends.
Neighbourhood Renewal	\$ 16.7	The increase of \$16.7 million is equivalent to a 2% increase in tax rate for Neighbourhood Renewal program as approved by Council in December 2008.
Transfers to Reserves	\$ 2.9	An increase in transfers to reserves is due in large part to an increase of \$6.9 million transfer to the Affordable Housing reserve which is offset by a \$2.9 million reduced contribution to the SLRT reserve (NDCC funding is not sufficient to meet the debt servicing requirement), and \$1.1 million reduced contribution to reserves from other programs.
Total Change	\$ 113.9	

Council Motions & Committee Reports



The table below contains a listing of approved Service Packages in 2010 that were brought forward as part of Council Motions. The excerpts are from the Committee Reports that directed departments to bring forward the service packages to be considered during the 2010 City Council Operating Budget Discussions.

Council Motions, Reports	Responsible Department	Date, Report	Net Operating Requirement Approved
<p>1. Edmonton Homeless Commission Bylaw 15155 established the Edmonton Homeless Commission. Part IV - Finance and Administration: "The Commission must submit a request for a total budget in accordance with City budget procedures."</p>	Edmonton Homeless Commission	February 4, 2009	\$400
<p>2. Arts Council "That one time funding of \$450,000 from 2009 Council Contingency - Council Initiatives, to fund the Winter Light Festival 2010, be approved." "That Administration, in consultation with Edmonton Arts Council, prepare a base funding budget submission of \$750,000 for continuation of a winter festival."</p>	Arts Council	May 13, 2009	\$150
<p>3. Sustainable Environmental & Ethical Procurement Policy "That Administration prepare a sustainable, environmental and ethical procurement policy based on recommendations contained within the April 20, 2009, Corporate Services Department report 2009COP013." Budget/Financial Implications:\$100,000 - to be funded within existing budget.</p>	Corporate Services	May 20, 2009 Report 2009COP013	\$0
<p>4. Art Gallery - Keep the Door Open "That the Art Gallery of Alberta's 2010 strategy be considered by Administration for the preparation of the 2010 operating budget"</p>	Community Services Department	June 19, 2009	\$300
<p>5. Edmonton Taskforce on Community Safety "That the recommendations of the Edmonton Taskforce on Community Safety, outlined in Attachment 1 of the August 24, 2009, Community Services Department report 2009CSW012, be endorsed. "It is anticipated that there will be a need for additional ongoing funding from the City and, accordingly, a service package will be prepared for Council's 2010 budget deliberations."</p>	Community Services Department	September 16, 2009 Report 2009CSW012	\$500

Council Motions & Committee Reports



Council Motions, Reports	Responsible Department	Date, Report	Net Operating Requirement Approved
<p>6. Edmonton City Center Airport Development Office</p> <p>"Funding for the establishment of the City Centre Airport land development office will be identified in the 2010 operating budget submission"</p> <p>Budget/Financial Implications: \$1,380,000 - to be funded from the Land Enterprise.</p>	Land Enterprise	September 30, 2009 Report 2009PW4452	\$0
<p>7. Aboriginal Transitional Component</p> <p>"That Administration prepare a \$1.66 million service package for the development of the Aboriginal transitional component of the Boyle Renaissance Phase II Aboriginal Housing and Transitional Services Facility for consideration during the 2010 Operating B</p>	Planning and Development	October 14, 2009 Report 2009PGM005	\$1,660
<p>8. Art of Living</p> <p>"Funding for concept development for completion of the functional program and fit costs to store artifacts and archives, which is identified in the Art of Living Plan, will be included in the 2010 Operating Budget Discussions book as a service package, since these are operating expenditures."</p>	Community Services Department	October 14, 2009 Report 2009FTB010	\$220
<p>9. Façade Program Continuation</p> <p>"That Administration prepare for the November 30, 2009, City Council Budget meeting, a service package of \$900,000 on an annual basis for five years (2010 - 2014) for the continuation of the Façade Improvement Program".</p>	Planning and Development	October 21, 2009 Report 2009PPP036	\$900
<p>11. Development Fund</p> <p>"That Administration prepare for the November 30, 2009, City Council Budget meeting, a service package of \$3,200,000 on an annual basis for three years (2010 - 2012) for the creation of a Development Fund".</p>	Planning and Development	October 21, 2009 Report 2009PPP036	\$2,000

Tax-supported Operations Approved Net Operating Requirement

(\$000)	2008 Actual	2009 Budget	Change '09 to '10	2010 Budget	% Change '09 to '10
Boards & Commissions					
Economic Development Corporation	12,485	12,336	369	12,705	3.0
Public Library	31,606	34,593	1,440	36,033	4.2
Other Boards & Commissions	11,651	12,793	1,426	14,219	11.1
Total Boards & Commissions	55,742	59,722	3,235	62,957	5.4
Civic Programs					
Asset Management & Public Works					
Corporate Properties	39,136	43,084	4,391	47,475	10.2
Parks	43,605	43,762	601	44,363	1.4
Capital Construction	1,338	3,698	564	4,262	15.3
Community Services					
Community Facility Services	27,432	27,800	4,131	31,931	14.9
Fire Rescue Services	132,322	138,612	14,369	152,981	10.4
Neighbourhood & Community Development	31,978	33,905	1,309	35,214	3.9
Corporate Services	79,724	83,755	3,981	87,736	4.8
Finance & Treasury	14,939	15,960	741	16,701	4.6
Mayor & Councillor Offices	3,932	4,279	197	4,476	4.6
Office of the City Auditor	1,747	1,936	107	2,043	5.5
Office of the City Manager	1,239	1,224	666	1,890	54.4
Office of the Deputy City Manager	17,588	18,602	(14)	18,588	(0.1)
Planning & Development					
Assessment & Taxation	17,062	18,388	1,259	19,647	6.8
Current Planning	(12,501)	(901)	901	-	(100.0)
Housing	11,522	7,837	(1,265)	6,572	(16.1)
Planning, Policy & Community Standards	10,270	10,327	5,243	15,570	50.8
Transportation					
Public Transit	132,950	138,725	12,603	151,328	9.1
Transportation Systems	127,578	140,363	(2,457)	137,906	(1.8)
Total Civic Programs	681,861	731,356	47,327	778,683	6.5
Corporate Programs					
Capital Project Financing	114,130	107,167	5,096	112,263	4.8
Corporate Expenditures	25,219	23,008	(1,525)	21,483	(6.6)
Corporate Revenues	(320,745)	(347,665)	(13,739)	(361,404)	4.0
Taxation	6,345	18,438	(12,777)	5,661	(69.3)
Traffic Safety	(14,562)	(10,582)	(18)	(10,600)	0.2
Total Corporate Programs	(189,613)	(209,634)	(22,963)	(232,597)	11.0
Neighbourhood Renewal	-	15,456	16,710	32,166	108.1
Police Service	203,178	217,003	19,362	236,365	8.9
Total Taxation Revenue	(768,025)	(827,359)	(50,215)	(877,574)	6.1
One-time Items (Includes EMS)*	37,158	13,456	(13,456)	-	(100.0)
2008 Deficit	(20,301)	-	-	-	-
Total Net Operating Requirement	-	-	-	-	-

*The 2008 Actuals includes Waste Management (\$29,412) and Emergency Medical Services (\$7,746)

Net Operating Requirement amounts are the difference between amounts on Expenditure & Revenue Tables that follow.

Tax-supported Operations

Approved Expenditure Summary

(\$000)	2008 Actual	2009 Budget	Change '09 to '10	2010 Budget	% Change '09 to '10
Boards & Commissions					
Economic Development Corporation	42,810	35,272	(253)	35,019	(0.7)
Public Library	36,904	39,905	2,278	42,183	5.7
Other Boards & Commissions	19,370	19,644	718	20,362	3.7
Total Boards & Commissions	99,084	94,821	2,743	97,564	2.9
Civic Programs					
Asset Management & Public Works					
Corporate Properties	51,012	55,493	5,882	61,375	10.6
Parks	44,996	44,846	591	45,437	1.3
Capital Construction	1,870	4,399	72	4,471	1.6
Community Services					
Community Facility Services	60,725	62,355	8,811	71,166	14.1
Fire Rescue Services	133,851	140,131	15,077	155,208	10.8
Neighbourhood & Community Development	50,276	52,122	1,091	53,213	2.1
Corporate Services	81,113	84,821	5,774	90,595	6.8
Finance & Treasury	15,935	17,508	595	18,103	3.4
Mayor & Councillor Offices	3,932	4,279	197	4,476	4.6
Office of the City Auditor	1,747	1,936	107	2,043	5.5
Office of the City Manager	1,239	1,224	666	1,890	54.4
Office of the Deputy City Manager	18,028	18,843	(11)	18,832	(0.1)
Planning & Development					
Assessment & Taxation	17,096	18,388	1,259	19,647	6.8
Current Planning	17,164	19,149	4,596	23,745	24.0
Housing	32,066	47,350	14,574	61,924	30.8
Planning, Policy & Community Standards	21,188	21,136	6,270	27,406	29.7
Transportation					
Public Transit	223,398	241,515	19,039	260,554	7.9
Transportation Systems	140,836	151,719	(2,185)	149,534	(1.4)
Total Civic Programs	916,472	987,214	82,405	1,069,619	8.3
Corporate Programs					
Capital Project Financing	142,623	146,699	15,145	161,844	10.3
Corporate Expenditures	26,787	25,486	(1,520)	23,966	(6.0)
Corporate Revenues	43,983	2,567	(2,119)	448	(82.5)
Taxation	9,901	20,588	(13,327)	7,261	(64.7)
Traffic Safety	-	7,509	10,359	17,868	138.0
Total Corporate Programs	223,294	202,849	8,538	211,387	4.2
Neighbourhood Renewal	-	15,456	16,710	32,166	108.1
Police Service	242,978	259,232	33,153	292,385	12.8
One-time Items (includes EMS)	37,158	29,642	(29,642)	-	(100.0)
Total Net Expenditure before Deficit	1,276,008	1,329,982	80,754	1,410,736	6.1
2008 Deficit	(20,301)	-	-	-	-
Total Net Expenditure & Transfers	1,498,685	1,589,214	113,907	1,703,121	7.2

Tax-supported Operations

Approved Revenue Summary

(\$000)	2008 Actual	2009 Budget	Change '09 to '10	2010 Budget	% Change '09 to '10
Boards & Commissions					
Economic Development Corporation	30,325	22,936	(622)	22,314	(2.7)
Public Library	5,298	5,312	838	6,150	15.8
Other Boards & Commissions	7,719	6,851	(708)	6,143	(10.3)
Total Boards & Commissions	43,342	35,099	(492)	34,607	(1.4)
Civic Programs					
Asset Management & Public Works					
Corporate Properties	11,876	12,409	1,491	13,900	12.0
Parks	1,391	1,084	(10)	1,074	(0.9)
Capital Construction	532	701	(492)	209	(70.2)
Community Services					
Community Facility Services	33,293	34,555	4,680	39,235	13.5
Fire Rescue Services	1,529	1,519	708	2,227	46.6
Neighbourhood & Community Development	18,298	18,217	(218)	17,999	(1.2)
Corporate Services	1,389	1,066	1,793	2,859	168.2
Finance & Treasury	996	1,548	(146)	1,402	(9.4)
Office of the Deputy City Manager	440	241	3	244	1.2
Planning & Development					
Assessment & Taxation	34	-	-	-	-
Current Planning	29,665	20,050	3,695	23,745	18.4
Housing	20,544	39,513	15,839	55,352	40.1
Planning, Policy & Community Standards	10,918	10,809	1,027	11,836	9.5
Transportation					
Public Transit	90,448	102,790	6,436	109,226	6.3
Transportation Systems	13,258	11,356	272	11,628	2.4
Total Civic Programs	234,611	255,858	35,078	290,936	13.7
Corporate Programs					
Capital Project Financing (Local Improvement Rev)	28,493	39,532	10,049	49,581	25.4
Corporate Expenditures	1,568	2,478	5	2,483	0.2
Corporate Revenues	364,728	350,232	11,620	361,852	3.3
Taxation	3,556	2,150	(550)	1,600	(25.6)
Traffic Safety	14,562	18,091	10,377	28,468	57.4
Total Corporate Programs	412,907	412,483	31,501	443,984	7.6
Total Taxation Revenue	768,025	827,359	50,215	877,574	6.1 *
Police Service					
One-time Items (Includes EMS \$4,304)	-	16,186	(16,186)	-	(100.0)
Total Revenue & Transfers	1,498,685	1,589,214	113,907	1,703,121	7.2

Total Taxation Revenue

Property Tax	662,236	745,397	76,088	821,485
Business Tax	18,940	61,468	(28,740)	32,728
Payment-in-lieu of Taxes	86,849	20,494	2,867	23,361
Total Taxation Revenue	768,025	827,359	50,215	877,574

* Change includes the tax rate increase, plus estimated real growth in the assessment base.

(Table Includes, tax revenue, user fees, fines, permits, grants & corporate revenue, e.g., EdTel Endowment, utility dividends)

Approved Municipal Enterprises

\$000	2008 Actual	2009 Budget	Change '09 to '10	2010 Budget	% Change '09 to '10
Land Enterprise - Land Development					
Revenue & Transfers	34,898	52,150	(12,640)	39,510	(24.2)
Less: Expenditure & Transfers	9,337	27,262	(2,430)	24,832	(8.9)
Net Income	25,561	24,888	(10,210)	14,678	(41.0)
Fleet Services					
Revenue & Recoveries	115,351	137,015	5,047	142,062	3.7
Less: Expenditure & Transfers	118,491	135,087	6,159	141,246	4.6
Net Income	(3,140)	1,928	(1,112)	816	(57.7)

Approved Resource Distribution

Municipal Enterprises	2009 Budget	Change '09 to '10	% Change '09 to '10	2010 Budget	% of Total
Land Enterprise (Land Development)					
Personnel	2,135	127	5.9	2,262	8.6
External Services	345	(9)	(2.6)	336	1.3
Intra-municipal Services	815	1,740	213.5	2,555	9.7
Cost of Land Sold & Financial	23,967	(2,827)	(11.8)	21,140	80.4
Subtotal	27,262	(969)	(3.6)	26,293	
Intra-municipal Recoveries	-	(1,461)	-	(1,461)	
Total	27,262	(2,430)		24,832	
Fleet Services					
Personnel	51,476	2,463	4.8	53,939	38.2
Materials & Equipment	48,123	835	1.7	48,958	34.7
External Services	9,163	1,121	12.2	10,284	7.3
Intra-municipal Services	5,493	(48)	(0.9)	5,445	3.9
Amortization & Financing	20,832	1,788	8.6	22,620	16.0
Total	135,087	6,159	4.6	141,246	

Approved Resource Distribution

Tax-supported	2009 Budget	Change '09 to '10	% Change '09 to '10	2010 Budget	% of Total
Police Service					
Personnel	202,791	30,743	15.2	233,534	12,356.3
Materials, Goods & Supplies	9,349	2,832	30.3	12,181	644.5
Facility and Contracted Services	26,138	871	3.3	27,009	1,429.0
Fleet Services	645	694	107.6	1,339	70.8
Intra-municipal Services	11,386	1,526	13.4	12,912	683.2
Other Charges	10,647	(1,263)	(11.9)	9,384	496.5
Total	260,956	35,403	13.6	296,359	
Intra-municipal Recoveries	(1,724)	(2,250)	130.5	(3,974)	
Total	259,232	33,153	12.8	292,385	

Approved Resource Distribution

Tax-supported	2009 Budget*	Change '09 to '10	% Change '09 to '10	2010 Budget	% of Total
Total Tax-supported					
Personnel	873,559	92,976	10.6	966,535	52.4
Materials, Goods & Supplies	99,993	5,486	5.5	105,479	5.7
External Services	136,078	10,363	7.6	146,441	7.9
Fleet Services	98,194	3,147	3.2	101,341	5.5
Intra-municipal Services	48,316	16,194	33.5	64,510	3.5
Other Charges	400,631	46,051	11.5	446,682	24.2
Transfer to Reserves	9,928	2,911	29.3	12,839	0.7
Subtotal	1,666,699	177,128	10.6	1,843,827	
Intra-municipal Recoveries	(107,127)	(33,579)	31.3	(140,706)	
Total	1,559,572	143,549	9.2	1,703,121	
* 2009 excludes one-time items (\$29,642)					
Economic Development Corporation					
Personnel Costs	13,209	772	5.8	13,981	39.9
Operating and Program Costs	22,063	(1,025)	(4.6)	21,038	60.1
Total	35,272	(253)	(0.7)	35,019	
Public Library					
Personnel	24,261	1,954	8.1	26,215	62.1
Materials, Goods & Supplies	1,388	(20)	(1.4)	1,368	3.2
Services	533	25	4.7	558	1.3
Library Collections	850	93	10.9	943	2.2
Building Operations & Maintenance	4,735	23	0.5	4,758	11.3
Library Programming	467	49	10.5	516	1.2
Capital Project Financing	7,671	154	2.0	7,825	18.6
Total	39,905	2,278	5.7	42,183	
Other Boards & Commissions					
Personnel	4,595	33	0.7	4,628	22.7
Materials, Goods & Supplies	5	2	40.0	7	0.0
External Services	76	5	6.6	81	0.4
Fleet Services	34	1	2.9	35	0.2
Intra-municipal Services	214	6	2.8	220	1.1
Other Charges	14,720	671	4.6	15,391	75.6
Total	19,644	718	3.7	20,362	
Asset Management & Public Works					
Personnel	61,981	4,902	7.9	66,883	39.6
Materials, Goods & Supplies	8,110	2,099	25.9	10,209	6.0
External Services	21,598	4,395	20.3	25,993	15.4
Fleet Services	7,080	745	10.5	7,825	4.6
Intra-municipal Services	26,607	443	1.7	27,050	16.0
Other Charges	28,925	1,067	3.7	29,992	17.7
Transfer to Reserves	1,024	-	-	1,024	0.6
Subtotal	155,325	13,651	8.8	168,976	
Intra-municipal Recoveries	(54,986)	(7,178)	13.1	(62,164)	
Total	100,339	6,473	22	106,812	

Approved Resource Distribution

Tax-supported	2009 Budget	Change '09 to '10	% Change '09 to '10	2010 Budget	% of Total
Capital Construction					
Personnel	15,314	1,998	13.0	17,312	68.2
Materials, Goods & Supplies	476	74	15.5	550	2.2
External Services	1,296	(344)	(26.5)	952	3.8
Fleet Services	37	(7)	(18.9)	30	0.1
Intra-municipal Services	224	5,654	2,524.1	5,878	23.2
Other Charges	250	409	163.6	659	2.6
<u>Subtotal</u>	<u>17,597</u>	<u>7,784</u>	<u>44.2</u>	<u>25,381</u>	
<u>Intra-municipal Recoveries</u>	<u>(13,198)</u>	<u>(7,712)</u>	<u>58.4</u>	<u>(20,910)</u>	
Total	4,399	72	1.6	4,471	
Community Services					
Personnel	179,409	18,760	10.5	198,169	70.9
Materials, Goods & Supplies	17,711	768	4.3	18,479	6.6
External Services	11,687	841	7.2	12,528	4.5
Fleet Services	7,874	475	6.0	8,349	3.0
Intra-municipal Services	2,633	885	33.6	3,518	1.3
Other Charges	34,433	2,599	7.5	37,032	13.2
Transfer to Reserves	861	651	75.6	1,512	0.5
<u>Total</u>	<u>254,608</u>	<u>24,979</u>	<u>9.8</u>	<u>279,587</u>	
Corporate Services					
Personnel	74,086	8,550	11.5	82,636	77.9
Materials, Goods & Supplies	11,689	631	5.4	12,320	11.6
External Services	12,297	434	3.5	12,731	12.0
<u>Intra-municipal Services</u>	<u>(897)</u>	<u>(663)</u>	<u>73.9</u>	<u>(1,560)</u>	<u>(1.5)</u>
<u>Subtotal</u>	<u>97,175</u>	<u>8,952</u>	<u>9.2</u>	<u>106,127</u>	
<u>Intra-municipal Recoveries</u>	<u>(12,354)</u>	<u>(3,178)</u>	<u>25.7</u>	<u>(15,532)</u>	
Total	84,821	5,774	6.8	90,595	
Finance & Treasury					
Personnel	20,218	2,231	11.0	22,449	93.9
Materials, Goods & Supplies	1,082	25	2.3	1,107	4.6
External Services	(301)	(316)	105.0	(617)	(2.6)
Intra-municipal Services	315	134	42.5	449	1.9
Other Charges	496	27	5.4	523	2.2
<u>Subtotal</u>	<u>21,810</u>	<u>2,101</u>	<u>9.6</u>	<u>23,911</u>	
<u>Intra-municipal Recoveries</u>	<u>(4,302)</u>	<u>(1,506)</u>	<u>35.0</u>	<u>(5,808)</u>	
Total	17,508	595	3.4	18,103	
Mayor & Councillor Offices					
Personnel	1,914	96	5.0	2,010	44.9
Materials, Goods & Supplies	60	2	3.3	62	1.4
External Services	1,919	89	4.6	2,008	44.9
Intra-municipal Services	100	6	6.0	106	2.4
Other Charges	286	4	1.4	290	6.5
<u>Total</u>	<u>4,279</u>	<u>197</u>	<u>4.6</u>	<u>4,476</u>	
Office of the City Auditor					
Personnel	1,719	134	7.8	1,853	90.7
Materials, Goods & Supplies	46	(6)	(13.0)	40	2.0
External Services	49	(6)	(12.2)	43	2.1
Intra-municipal Services	45	2	4.4	47	2.3
Other Charges	77	(17)	(22.1)	60	2.9
<u>Total</u>	<u>1,936</u>	<u>107</u>	<u>5.5</u>	<u>2,043</u>	

Approved Resource Distribution

Tax-supported	2009 Budget	Change '09 to '10	% Change '09 to '10	2010 Budget	% of Total
Office of the City Manager					
Personnel	972	195	20.1	1,167	61.7
Materials, Goods & Supplies	29	-	-	29	1.5
External Services	131	469	358.0	600	31.7
Intra-municipal Services	18	-	-	18	1.0
Other Charges	74	2	2.7	76	4.0
Total	1,224	666	54.4	1,890	
Office of the Deputy City Manager					
Personnel	12,453	446	3.6	12,899	66.8
Materials, Goods & Supplies	445	15	3.4	460	2.4
External Services	4,690	(516)	(11.0)	4,174	21.6
Intra-municipal Services	359	(47)	(13.1)	312	1.6
Other Charges	1,352	100	7.4	1,452	7.5
Subtotal	19,299	(2)	(0.0)	19,297	
Intra-municipal Recoveries	(456)	(9)	2.0	(465)	
Total	18,843	(11)	2.0	18,832	
Planning & Development					
Personnel	46,230	4,001	8.7	50,231	37.2
Materials, Goods & Supplies	2,401	21	0.9	2,422	1.8
External Services	8,959	695	7.8	9,654	7.1
Fleet Services	401	154	38.4	555	0.4
Intra-municipal Services	1,296	2,862	220.8	4,158	3.1
Grants & Other Charges	47,033	14,165	30.1	61,198	45.3
Transfer to Reserves	-	6,986	-	6,986	5.2
Subtotal	106,320	28,884	27.2	135,204	
Intra-municipal Recoveries	(297)	(2,185)	735.7	(2,482)	
Total	106,023	26,699	25.2	132,722	
Transportation					
Personnel	214,407	18,161	8.5	232,568	52.9
Materials, Goods & Supplies	47,202	(957)	(2.0)	46,245	10.5
External Services	47,006	3,721	7.9	50,727	11.5
Fleet Services	82,123	1,085	1.3	83,208	18.9
Intra-municipal Services	6,016	3,886	64.6	9,902	2.3
Other Charges	15,719	565	3.6	16,284	3.7
Transfer to Reserves	571	(46)	(8.1)	525	0.1
Subtotal	413,044	26,415	6.4	439,459	
Intra-municipal Recoveries	(19,810)	(9,561)	48.3	(29,371)	
Total	393,234	16,854	4.3	410,088	
Corporate Programs					
Intra-municipal Services	-	1,500	(1,499)	1,500	0.7
Financial Charges & Corporate Expenditures	195,377	11,718	(11,620)	207,095	98.0
Transfer to Reserves	7,472	(4,680)	(62.6)	2,792	1.3
Total	202,849	8,538	4.2	211,387	
Neighbourhood Renewal					
Transfer to Capital	15,456	16,710	(16,610)	32,166	100.0
Total	15,456	16,710	(16,710)	32,166	

Full-time Equivalents

	2008 Actual	2009 Budget	Annualization of 2009 Changes	Other 2010 Changes	2010 Service Needs	2010 Budget
Boards & Commissions						
Economic Development Corporation	293.0	299.0	-	3.0	-	302.0
Public Library	411.1	420.1	-	5.4	-	425.5
Other Boards & Commissions	93.5	83.0	-	(1.5)	-	81.5
Total Boards & Commissions	797.6	802.1	-	6.9	-	809.0
Civic Programs						
Asset Management & Public Works						
Corporate Properties	327.4	356.4	1.3	(11.0)	26.0	372.7
Parks	517.6	541.3	0.8	(15.4)	15.4	542.1
Capital Construction	61.0	147.2	-	1.8	4.0	153.0
Community Services						
Community Facility Services	528.6	550.4	2.5	-	53.0	605.9
Fire Rescue Services	1,039.2	1,048.5	-	-	12.0	1,060.5
Neighbourhood & Community Development	259.3	268.2	-	(1.0)	-	267.2
Corporate Services	835.1	933.6	0.4	(4.0)	54.0	984.0
Finance & Treasury	242.0	257.9	-	(2.0)	6.0	261.9
Mayor and Councillor Offices	21.0	21.0	-	-	-	21.0
Office of the City Auditor	15.0	15.0	-	-	-	15.0
Office of the City Manager	7.0	7.0	-	-	-	7.0
Office of the Deputy City Manager	133.8	131.1	0.5	(2.8)	-	128.8
Planning & Development						
Assessment & Taxation	179.1	191.7	-	3.0	-	194.7
Current Planning	191.3	195.3	1.0	(11.0)	-	185.3
Housing	36.0	37.5	0.5	1.0	-	39.0
Planning, Policy & Community Standards	151.2	156.8	-	(8.0)	5.0	153.8
Transportation						
Public Transit	2,004.7	2,073.0	3.9	2.0	44.7	2,123.6
Transportation Systems	857.0	843.9	-	6.0	-	849.9
Total Civic Programs	7,406.3	7,775.8	10.9	(41.4)	220.1	7,965.4
Total Tax-supported Operations	8,203.9	8,577.9	10.9	(34.5)	220.1	8,774.4
Municipal Enterprises						
Land Enterprise (Land Development)	25.3	25.3	-	-	6.0	31.3
Fleet Services	587.9	617.9	23.0	-	-	640.9
Total Municipal Enterprises	613.2	643.2	23.0	-	6.0	672.2
Police Service	1,879.0	1,980.5	64.0	54.5	25.5	2,124.5
Total Full-time Equivalents	10,696.1	11,201.6	97.9	20.0	251.6	11,571.1

Tax-supported Approved Program Revenue Changes

(\$000)	2009 Budget	Rate Change	Volume Change	2010 Budget
Public Transit and Transportation Systems	\$113,934	\$3,508 3.1%	\$3,412 3.0%	\$120,854
<u>Rate</u> An increase to parking meter rates will increase revenue by \$0.5 million. Transit fare increases will produce a \$2.3 million revenue increase. Transit advertising revenue plus regional and contracted service renewals will increase revenue by \$0.7 million.				
<u>Volume</u> Growth in Transit ridership, including annualization of 2009 service and new 2010 service, will contribute \$3.6 million. There is a revenue increase from Green & Go of \$0.2 million and the ETS @ Work program will contribute \$0.3 million in revenue. \$0.3 million of Charter Revenue has been shifted from revenue to internal recoveries to reflect an accounting change. In addition, the LRT park & ride revenue budget of \$0.4 million, proposed for 2009, has been removed.				
Community Services — Neighbourhood & Community Development, Community Facility Services, and Fire Rescue Services	37,553	2,086 5.6%	3,132 8.3%	42,771
<u>Rate</u> Revenue from recreation facilities is expected to increase by \$1.4 million from an average 4% increase in fees. Provision of dispatch services to Alberta Health Services will give a one-time increase in revenue of \$0.6. The Enoch Fire Protection contract will increase by \$0.1 million.				
<u>Volume</u> New facilities scheduled to open in 2010 are anticipated to increase revenue by \$2.1 million. A general increase to attendance at recreation facilities should generate revenue of \$0.4 million. Additional one-time revenue of \$0.3 million is expected from the City of Edmonton hosting the 2010 Grey Cup. There is a \$0.3 million increase to the revenue budget for outdoor pools to reflect the actual experience over the prior years.				

Tax-supported Approved Program Revenue Changes

(\$000)	2009 Budget	Rate Change	Volume Change	2010 Budget
Planning and Development – Current Planning and Planning, Policy & Community Standards <u>Rate</u> Planning fees are generally increasing by 5% to offset cost increases for providing these services. <u>Volume</u> Implementation of a New Business Model for Current Planning, which moves toward full cost recovery, will increase revenue by \$2.7 million. There is a \$0.4 million increase to the revenue budget for Parking Enforcement to reflect the actual experience over the prior years. Revenue from Business Licenses is expected to increase by \$0.2 million. There is a \$0.1 million reduction to enforcement revenue as a result of the Service and Budget Review.	30,859	1,535 5.0%	3,187 10.3%	35,581
Police Service <u>Rate</u> There is an increase of \$4.00 to the per day storage rate at the Tow Lot which will increase revenue by \$0.4 million. <u>Volume</u> Traffic Safety Act revenue is expected to increase by \$1.0 million. (\$0.5 million is related to additional police officers following approval of the 2010 Premier's Initiative Grant.) The revenue from special event policing is expected to increase by \$0.4 million. There is a projected increase to tow lot revenue of \$0.3 million. Due to a change to accounting practice, recovery of costs from secondment of Police personnel by the Province, will show as a revenue in the amount of \$7.6 million. Other revenues, such as false alarm revenue, donations and community grants, etc., increase by \$1.0 million	23,191	400 1.7%	10,285 44.3%	33,876
Traffic Safety <u>Volume</u> Photo Enforcement revenue is expected to increase by \$10.4 million.	18,091	--	10,377 57.4%	28,468

Tax-supported Approved Program Revenue Changes

(\$000)	2009 Budget	Rate Change	Volume Change	2010 Budget
Economic Development Corporation <u>Rate</u> The \$1.0 million increase relates to a rate increase for the catering, food and beverage activity of the Shaw Conference Centre. <u>Volume</u> With the termination of the Lionsgate film agreement revenues decline by \$1.5 million. This was a pass through and offsetting expenditures also decline. Economic Development will see a decrease to external funding of \$0.5 million. There is a reduction to the Research Park land lease of \$0.2 million, which is offset by increased occupancy of \$0.2 million. Tourism will see an increase to partner funding and memberships of \$0.8 million.	22,536	968 4.3%	(1,190) (5.3%)	22,314
Asset Management & Public Works – Corporate Properties <u>Rate</u> A 3.6% rate increase for monthly parking produces an additional \$0.1 million. Lease rates in existing agreements will increase revenue by \$0.1 million. <u>Volume</u> Alberta Health Services leasing of Emergency Medical Stations increases revenue by \$0.8 million for Corporate Properties, starting in 2010. Previously, this revenue was reflected in the Corporate Programs. Additional revenue of \$0.4 million is expected from increased parkade usage. There are various other minor changes that result in an additional \$0.1 million.	12,409	231 1.9%	1,260 10.2%	13,900

Tax-supported Approved Program Revenue Changes

(\$000)	2009 Budget	Rate Change	Volume Change	2010 Budget
<p>Other (Includes: Public Library; Edmonton Space & Science Foundation, Vehicle for Hire; Parks, Housing, Corporate Services; Finance & Treasury, Office of the Deputy City Manager, Traffic Tags; Capital Construction, 2009 One-time revenue)</p> <p><u>Rate</u> Finance & Treasury will increase the debt management fee rates which increases revenue by \$0.1 million. There is an increase to the Assessment Review Board appeal fees which will result in an additional \$0.7 million for Corporate Services.</p> <p><u>Volume</u> The Corporate Services revenues increase by \$1.4 million due to a recovery from the School Boards relative to the 2010 Municipal Election. Capital Construction revenues increase by \$0.2 million due to rental revenue from the NLRT land expropriations. The Space & Science Foundation expects a reduction to development/fundraising of \$0.2 million. In addition, there is an expectation that their ancillary revenue, e.g., food services, will decrease by \$0.2 million. The reclassification of revenue to internal recoveries by Finance and Treasury reduces revenue by \$0.2 million, with no tax levy impact. Capital Construction revenues decline by \$0.4 million due to ATCO contract work now being done in-house. Public Library revenues decline by \$0.2 million primarily due to reduced interest earnings. 2009 one-time revenues of \$1.0 million are removed (\$0.5 for the ICLEI conference and \$0.5 million for EMS transition revenue to the City). Removal of Emergency Medical Services from the base budget reduces revenue by \$4.3 million.</p>	24,273	833 3.4%	(4,943) (20.4)%	20,163
Total User Fees, Licenses, Permits and Fines	\$282,846	\$9,561 3.4%	\$25,520 9.0%	\$317,927

Highlights of Approved 2010 User Fees

	2009 Fee	\$ Increase	% Increase	Approved 2010 Fee
Arenas				
Winter Ice (Good Time) - Adults	\$220.00	\$14.00	6%	\$234.00
Winter Ice (Good Time) - Minor	\$110.00	\$7.00	6%	\$117.00
Sports Fields				
Standard Fields - Adult (per hour)	\$4.25	\$0.25	6%	\$4.50
Standard Fields - Minor (per hour)	\$0.00	no change	no change	\$0.00
Fort Edmonton Park				
Single Admission - Adult	\$13.50	\$0.25	2%	\$13.75
Single Admission - Child	\$6.75	\$0.25	4%	\$7.00
Muttart Conservatory				
Single Admission - Adult	\$9.75	\$0.75	8%	\$10.50
Single Admission - Child	\$5.00	\$0.25	5%	\$5.25
Valley Zoo				
Single Admission - Adult	\$9.75	\$0.75	8%	\$10.50
Single Admission - Child	\$5.00	\$0.25	5%	\$5.25
Golf Courses (Riverside/Victoria)				
Green Fees - 18 Holes - Weekend	\$50.00	\$2.00	4%	\$52.00
Aquatic & Fitness (Community Pools & Leisure Facilities)				
Single Admission - Adult	\$5.25	\$0.75	14%	\$6.00
Single Admission - Child	\$2.75	\$0.25	9%	\$3.00
Public Library				
Children Under 18	free	no change	no change	free
First Adult Per Household	\$12.00	no change	no change	\$12.00
Other Adults Per Household	\$8.00	no change	no change	\$8.00
Household Maximum	4 adults	no change	no change	4 adults
Parking Fees				
Library & Canada Place Parkades				
Half Hour Rate (Monday to Friday)	\$2.50	no change	no change	\$2.50
Day Maximum Rate (24 hrs from midnight to midnight)	\$28.00	no change	no change	\$28.00
First Three Hours (Weekends)	\$1.00	no change	no change	\$1.00
Monthly Parking	\$275.00	\$10.00	4%	\$285.00
City Hall Parkade Meter Rate				
6:00 a.m. to 6:00 p.m. (Monday to Friday) per half hour	\$2.00	no change	no change	\$2.00
6:00 p.m. to 12:00 Midnight (evenings) per hour	\$1.00	no change	no change	\$1.00
12:00 Midnight to 6:00a.m. (Monday to Friday) per hour	\$0.50	no change	no change	\$0.50

Highlights of Approved 2010 User Fees

	2009 Fee	\$ Increase	% Increase	Approved 2010 Fee
Planning and Development				
Residential Building Permit (new single detached house - 1,500 sq. ft.)	\$1,292.00	\$65.00	5%	\$1,357.00
Building permits per \$1,000 of construction value (Commercial and Multi-family Residential)	\$8.63	\$0.43	5%	\$9.06
Accessory Buildings, Satellite Signal Receiving Antennae	\$53.00	\$57.00	108%	\$110.00
Garage Suites, Secondary Suites	\$130.00	\$120.00	92%	\$250.00
Single Detached Housing outside of the house combo permit application - Duplex, Semi-detached, Group Homes	\$260.00	\$13.00	5%	\$273.00
Overheight Fences, Recreational Vehicles Parking, Amateur Radio Antennae and support structures	\$130.00	\$7.00	5%	\$137.00
For new buildings or additions to existing buildings with a gross floor area up to 500 m ²	\$650.00	\$33.00	5%	\$683.00
Exterior alterations or renovations to existing buildings	\$163.00	\$110.00	67%	\$273.00
Freestanding, Projecting or Roof Signs	\$163.00	\$8.00	5%	\$171.00
Permitted Use Development Permit	\$196.00	\$9.00	5%	\$205.00
Leave as Built - Single Detached, Semi-detached, Duplex	\$260.00	\$13.00	5%	\$273.00
Zoning Compliance Certificate (Residential Express Service)	\$194.00	\$9.00	5%	\$203.00
Zoning Compliance Certificate (Residential)	\$97.00	\$5.00	5%	\$102.00
Business License - General	\$185.00	\$9.00	5%	\$194.00
Subdivision Application Fees (per lot - single detached or semi-detached dwelling)	\$210.00	\$11.00	5%	\$221.00
Subdivision Endorsement Fees (per lot - single or semi-detached dwelling)	\$508.00	\$25.00	5%	\$533.00
Advertising Fees	\$1,047.00	\$52.00	5%	\$1,099.00

Highlights of Approved 2010 User Fees

	2009 Fee	\$ Increase	% Increase	Approved 2010 Fee
Fire Inspection Fees and Fire Permits				
Inspection of Flammable/Combustible Fuel Tanks each hour	\$71.00	\$1.00	1.4%	\$72.00
Plan Examination and Letter of Compliance	\$177.00	\$4.00	2.3%	\$181.00
File Search/Summary Report of Fire Inspection History	\$114.00	\$2.00	1.8%	\$116.00
Dangerous Goods Permits	\$71.00	\$1.00	1.4%	\$72.00
Fireworks and Pyrotechnic Device Permits	\$71.00	\$1.00	1.4%	\$72.00
Fireworks and Pyrotechnic Device Permits - High Hazard	\$142.00	\$3.00	2.1%	\$145.00
Fire Rescue Fees				
Dangerous Goods Incident - One Single Pumper Apparatus	\$233.00	\$5.00	2.1%	\$238.00
Fire Rescue Response to False Alarms 1st Response	\$0.00	no change	no change	\$0.00
Fire Rescue Response to False Alarms 2nd Response	\$71.00	\$1.00	1.4%	\$72.00
Fire Rescue Response to False Alarms 3rd Response	\$355.00	\$7.00	2.0%	\$362.00
Fire Rescue Response to False Alarms 4th Response or more	\$709.00	\$14.00	2.0%	\$723.00
Security Alarms routed to Fire Rescue Services	\$709.00	\$14.00	2.0%	\$723.00
Transit / DATS				
Cash				
Adult	\$2.50	\$0.25	10%	\$2.75
Youth/Senior	\$2.50	\$0.25	10%	\$2.75
Tickets (ten)				
Adult	\$21.00	\$1.00	5%	\$22.00
Youth/Senior	\$18.50	\$0.75	4%	\$19.25
Monthly Passes				
Adult	\$74.25	\$7.25	10%	\$81.50
AISH (Effective March 1, 2010)	\$31.00	\$1.00	3%	\$32.00
DATS	\$74.25	\$7.25	10%	\$81.50
Senior	\$12.00	\$0.50	4%	\$12.50
Student Passes				
Post Secondary	\$67.50	\$6.75	10%	\$74.25
Youth/Student Monthly (Effective September 1, 2010)	\$57.50	\$5.75	10%	\$63.25
U-Pass - Winter Semester (Note 1)	\$79.38	\$2.46	3%	\$81.84
U-Pass - Fall Semester (Notes 1 & 2)	\$81.84	\$10.56	13%	\$92.40
Senior Annual Passes (Effective April 1, 2010)				
Regular	\$111.25	\$3.25	3%	\$114.50
Low Income	\$48.00	\$1.50	3%	\$49.50
Day Passes				
Visitor (Includes Family Fare)	\$7.50	\$0.75	10%	\$8.25
Special Events				
Adult	\$2.50	\$0.25	10%	\$2.75
Youth/Senior	\$2.50	\$0.25	10%	\$2.75
Charter Rates (Excluding GST)				
Hourly Charter Rate	\$104.00	\$7.00	7%	\$111.00

Note 1: The U-Pass price includes only Edmonton Transit's portion of the cost to the rider.

Note 2: The 2010 Proposed Fall Semester U-Pass price is subject to a student referendum ratification vote.

Tax-supported Operations Approved Other Boards & Commissions

(\$000)	2008 Actual	2009 Budget	Change '09 to '10	2010 Budget	% Change '09 to '10
Revenue					
Space & Science Foundation	7,063	6,130	(739)	5,391	(12.1)
Vehicle for Hire	656	721	31	752	4.3
Total Revenue & Transfers	7,719	6,851	(708)	6,143	(10.3)
Expenditure					
Arts Council	4,373	5,257	930	6,187	17.7
Federation of Community Leagues	2,040	2,282	61	2,343	2.7
Greater Edmonton Foundation	3,500	3,500	-	3,500	-
Homeless Commission	-	-	400	400	-
Space & Science Foundation	8,801	7,884	(704)	7,180	(8.9)
Vehicle for Hire	656	721	31	752	4.3
Total Net Expenditure & Transfers	19,370	19,644	718	20,362	3.7
Net Operating Requirement					
Arts Council	4,373	5,257	930	6,187	17.7
Federation of Community Leagues	2,040	2,282	61	2,343	2.7
Greater Edmonton Foundation	3,500	3,500	-	3,500	-
Homeless Commission	-	-	400	400	100.0
Space & Science Foundation	1,738	1,754	35	1,789	2.0
Vehicle for Hire	-	-	-	-	-
Total Net Operating Requirement	11,651	12,793	1,426	14,219	11.1

	2008 Actual	2009 Budget	Annual	Other 2010 Changes	2010 Budget
Full-time Equivalents					
Space & Science Foundation	89.5	78.0	-	(1.5)	76.5
Vehicle for Hire	4.0	5.0	-	-	5.0
Total Full-time Equivalents	93.5	83.0	-	(1.5)	81.5

One-time Items Approved in the 2010 Budget

(\$000)	Expend	Revenue/ Reserve	Tax Levy
Arts Council			
Public Art Conservator & Inventory Project Year 2	150	-	150
Winter Light Festival	675	-	675
Homeless Commission			
	400	-	400
Asset Management & Public Works			
Corporate Properties			
Downtown Public Washrooms	75	-	75
Community Services			
Community Facilities Services			
Operation of Scona Pool	291	-	291
Art of Living - Artifacts Centre (subject to report to Council outlining use)	220	-	220
Neighbourhood & Community Development			
Alberta Art Gallery - Keeping the Doors Open	300	-	300
Community Safety Coordinating Council	500	-	500
Funding for agencies facing shortfalls	1,000	-	1,000
Creative Age Festival	50	-	50
Expansion of Cigarette Litter Reduction	167	-	167
Corporate Programs			
Capital Project Financing			
Washroom Facilities in Old Strathcona	517	-	517
Assessment Review Board Capital Costs	1,550	-	1,550
		-	-
Corporate Expenditures			
One-time funding reduction to 2010 Budget applied to tax levy	563	-	563
Corporate Revenues			
Tax Supported Debt Reserve excess funding	-	7,500	(7,500)
Financial Stabilization Reserve	-	2,468	(2,468)
Corporate Services			
Edmonton Salutes	100	-	100
2010 Municipal Election	3,500	1,400	2,100
Office of the City Manager			
EXPO 2017	500	-	500
Planning & Development			
Planning, Policy & Community Standards			
Façade Program	900	-	900
Development Fund	2,000	-	2,000
Aboriginal Transitional Component of Boyle Renaissance	1,660	-	1,660
Transportation			
Transportation Systems			
Plowing of Walkways (subject to report to City Council)	350	-	350
Total One-time Items	15,468	11,368	4,100

Neighbourhood Renewal Program

BACKGROUND

In 2007, the Federation of Canadian Municipalities released a report that estimated a national municipal infrastructure deficit of \$123 billion¹. Edmonton, like many municipalities across Canada, is no exception and is faced with the same challenge of having a large infrastructure deficit. Historically, Edmonton's neighbourhood infrastructure has not received either the required funding levels for renewal, nor has there been an ongoing and sustained funding program for this work. Typically, the commitment to neighbourhood reconstruction or resurfacing has ebbed and flowed with funding programs from other orders of government, and has failed to address the full life cycle renewal requirements from preventative maintenance to pavement overlays and eventually reconstruction. Renewal has also been selective, omitting some parts of the infrastructure (street lighting and alleys) or focusing on only the underground infrastructure. Over time, the condition of roads, sidewalks and streetlights deteriorated, resulting in increased sidewalk trip hazards and more maintenance needs for pothole repairs on residential streets and alleys

The work of the Office of Infrastructure and Funding Strategy highlighted the need for an ongoing and sustainable funding program for neighbourhood infrastructure, and also identified a \$2.0 billion² funding gap in neighbourhood roads related infrastructure over the next ten years.

Recognizing the growing needs for neighbourhood renewal, Edmonton City Council proactively supported the establishment of a Neighbourhood Renewal Program, first by allocating funds from Provincial funding programs (AMIP and MSI), and secondly by the establishment of the 2% tax levy funding pool, in recognition of the need to provide an ongoing funding stream knowing that funding programs from other orders of government will not provide for the required ongoing commitment to this work.

The Neighbourhood Renewal Program involves the combination of reconstruction, rehabilitation, and preventative maintenance. Within 30 years, all Edmonton neighbourhoods can receive improvements using this approach,

whereas a total reconstruction program would take many more years to complete, at a significantly higher cost.

PROGRAM UPDATE

2009 Program (Completed)

In the first year of this new funding approach, the 2% tax levy source generated \$15.5 million, adding to the initial funding allocated through AMIP, MSI and other sources. These funding commitments allowed the City to enter into multi-year contracts for neighbourhood reconstruction, and also allowed Drainage and Transportation to work

2009 09-66-1056 2% Tax Levy by Neighbourhood	Ward
COLLECTOR RENEWAL (2009)	
Blue Quill	5
Bonaventure	2
Menisa	6
Strathcona Industrial	6
Papachase	6
Davies Industrial West	6
Coronet Industrial	6
Ekota	6
Satoo	6
Weir Industrial	6
NEIGHBOURHOOD OVERLAY (2009)	
Roadway Maintenance Sidewalk Work	
Delwood	3
McLeod	3
Sakaw	6
Ogilvie Ridge	5
MICROSURFACING (2009)	
Elmwood	1
Lynwood	1
Northmount	2
Glengarry	2
Kildare	3
Forest Heights	4
Brookside	5
Kenilworth	6
Michaels Park	6

Neighbourhood Renewal Program

Neighbourhood Renewal - Program Summary of 2% Tax Levy

	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
Expenditures								
Neighbourhood Renewal	-	15,456	16,710	-	-	32,166	108	49,921
Net Operating Requirement	\$ -	\$ 15,456	\$ 16,710	\$ -	\$ -	\$ 32,166	108	\$ 49,921

* Cost Impacts reflect a 2% tax increase in 2010

together to schedule both underground condition assessments and the scheduling of surface work. A review of roadway maintenance operating funding was also undertaken, which targeted both collector resurfacing undertaken by city forces, and sidewalk trip hazard repairs undertaken by city forces to complement the work being done by contractors. The volume of work was increased as contract prices permitted the addition of more pavement overlay work. 2009 work reflected a commitment to funding the full life cycle of required work. Funding of \$46 million from AMIP, MSI and other sources allowed the City to re-construct 3 neighbourhoods; in 2009 Lendrum, Meadowlark and Parkdale.

In Summary:

- 3 neighbourhoods received road and sidewalk reconstruction and street light replacement (completion of Parkdale, start of Meadowlark and Lendrum)
- 4 neighbourhoods received a pavement overlay and sidewalk trip hazard repairs
- 9 neighbourhoods received microsurfacing
- 31 collector roadway overlay locations occurred in other neighbourhoods

City Council has directed that the administration bring back a strategy to complete alley renewal within the neighbourhood renewal program, a memo was provided at the start of 2010 outlining both pilot projects and a proposed funding mechanism. It is also worth noting that traffic safety initiatives are being incorporated into the

neighbourhood reconstruction programs.

Due to the success of this program in 2009, and to ensure the City can achieve the required turnaround in neighbourhood infrastructure condition, the 2010 budget included an additional 2% allocation of tax levy be added to the base program established in 2009 to allow a continuation of the positive results achieved this year, and to take advantage of available contractor capacity and pricing.

2010 Approved Program

The 2010 program includes the following transportation neighbourhood renewal projects:

- 6 reconstruction neighbourhoods (completion of Meadowlark and Lendrum, start Fulton Place, Parkallen, Rio Terrace and Sherbrooke)
- 10 overlay/sidewalk trip hazard repair neighbourhoods (McLeod, Balwin, Carlisle, Crawford Plains, Daly Grove, Lymburn, Patricia Heights, Summerlea, Westridge, Cloverdale)
- 6 microsurfacing neighbourhoods (Beacon Heights, Bergman, Goldbar, Quesnell Heights, Riverdale, Tispaskan)
- collector roadway resurfacing in a number of additional neighbourhoods
- two proposed alley renewal pilot projects

Neighbourhood Renewal Program

It is also noted that in 2010, Drainage is undertaking neighbourhood sewer renewal or floodproofing within a number of other neighbourhoods which will receive renewal of transportation infrastructure in 2011 or later. Although the Drainage work is funded from the rate base, the 2% program supports the required follow up transportation work.

2011 Program (Proposed)

The 2009 – 2011 Capital Budget includes the approval for additional neighbourhood work in 2011, including the allocation of additional funds from the 2% tax levy source. The pie charts on the next page outline the growth of the overall funding for neighbourhood renewal from 2009 through 2011 budgets and the share of the funding contributed by the 2% tax levy source.

SUMMARY

It is recommended the 2% property tax dedicated to neighbourhood renewal as a long-term financial strategy to address crumbling neighbourhoods continues into 2011 and be reviewed and re-evaluated for the subsequent 3-Year Capital Budget (2012 to 2014).

A pre-determined, consistent and predictable dedicated tax provides significant benefits to the citizens and the City as part of a long-term sustainable financial strategy to address neighbourhood needs.

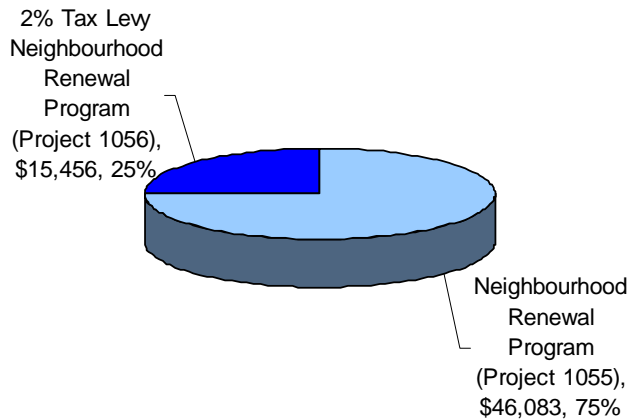
Due to the recent downward movement of construction pricing, continuation of the earmarking of 2% property tax to neighbourhood renewal will achieve completion of the neighbourhood program in a much shorter time frame and will more quickly address the backlog of neighbourhoods requiring reconstruction. It would be prudent to remain with the 2% dedicated property tax as it provides a consistent, predictable and stable long term flow of revenue for investment in Edmonton neighbourhoods. This in turn creates accountability, visibility and transparency.

References

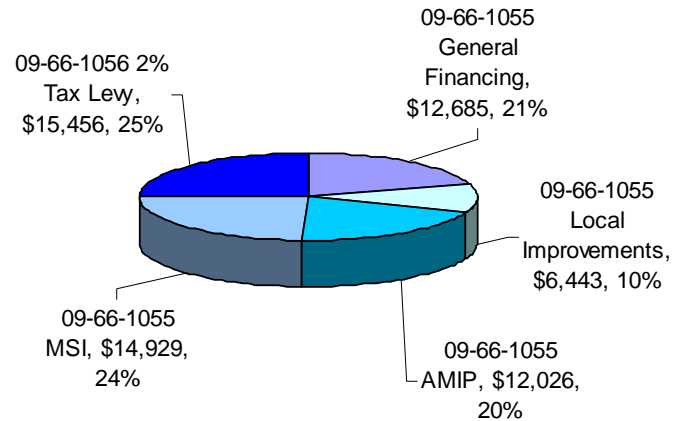
1. Mirza, Saeed. Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure. A Report for the Federation of Canadian Municipalities. November 2007.
2. City of Edmonton. 2008-2017 Preliminary 10 Year Capital Investment Agenda.

Neighbourhood Renewal Program

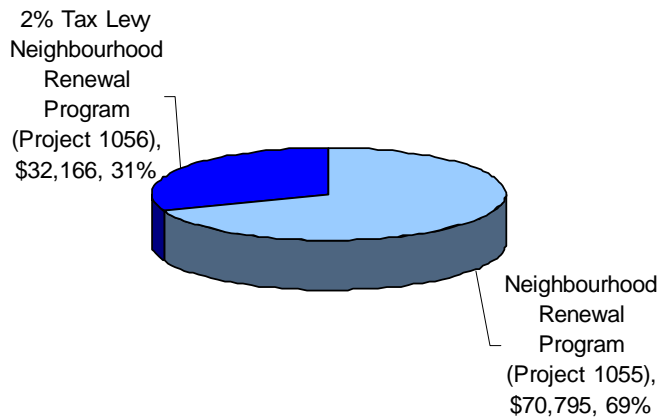
2009 Where the Budget will be spent



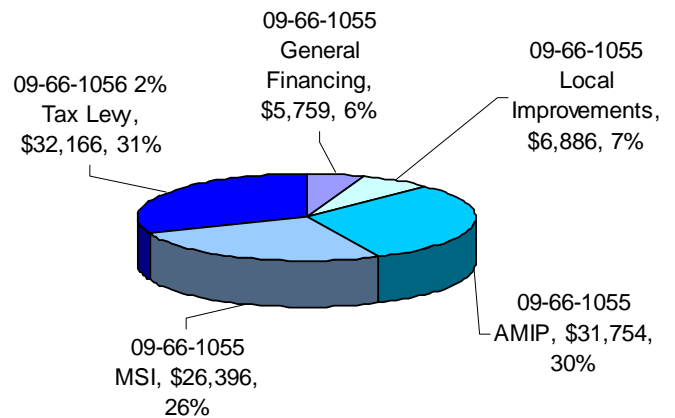
2009 Funding by Source



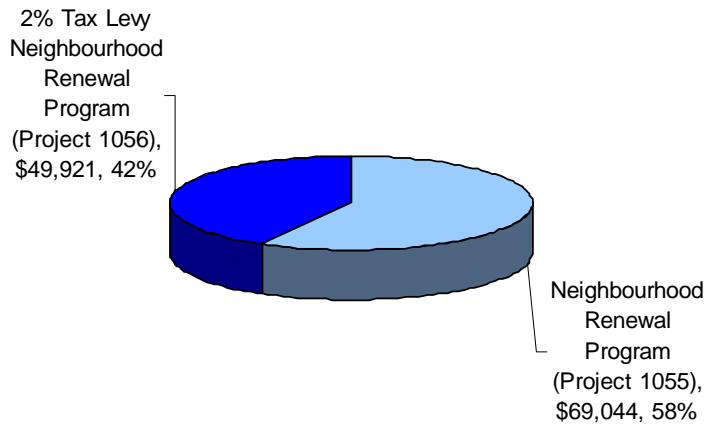
2010 Where the Budget will be spent



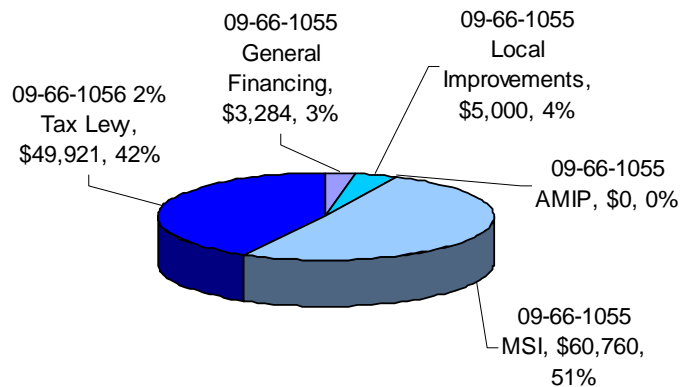
2010 Funding by Source



2011 Where the Budget will be spent

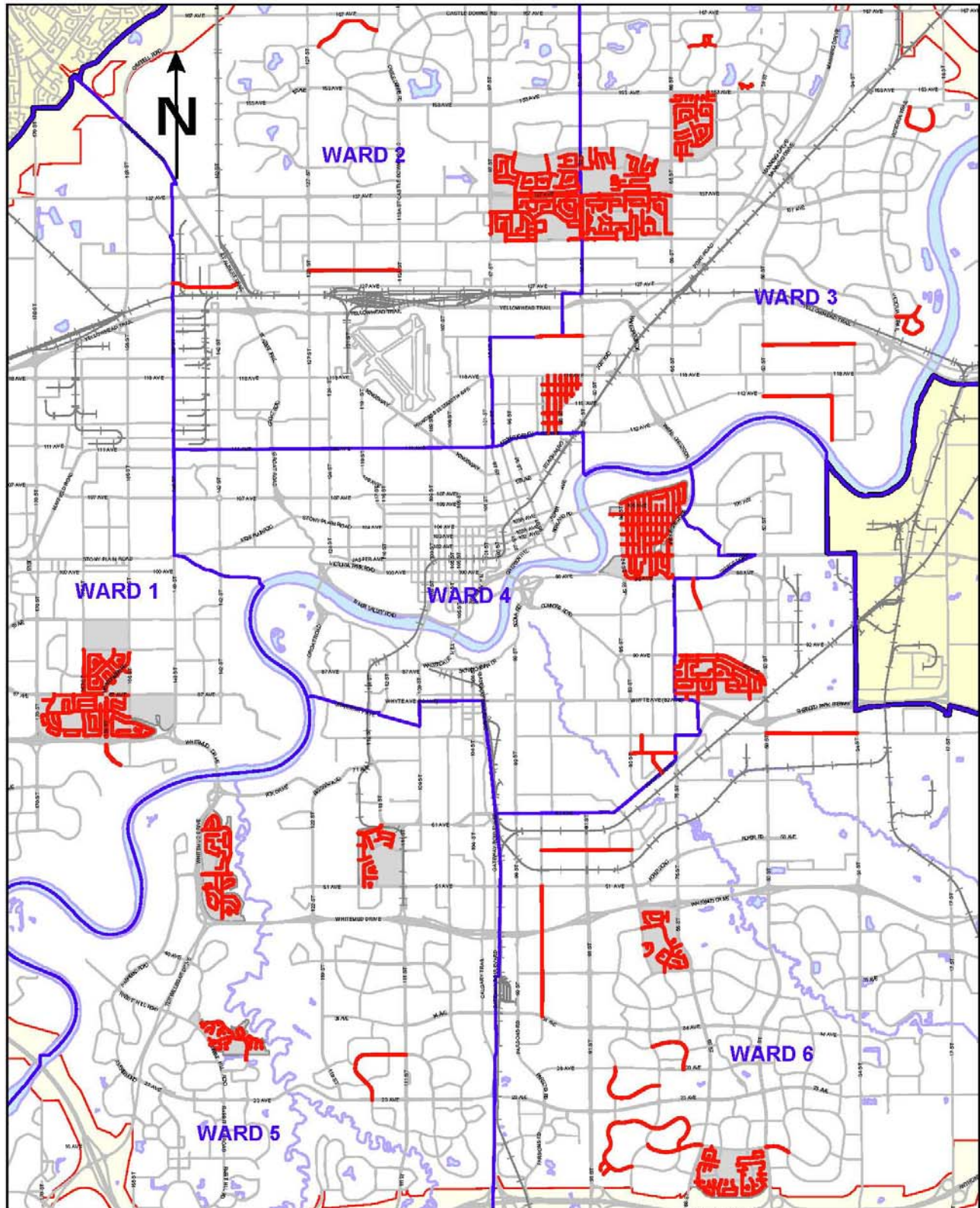


2011 Funding by Source



Neighbourhood Renewal Program

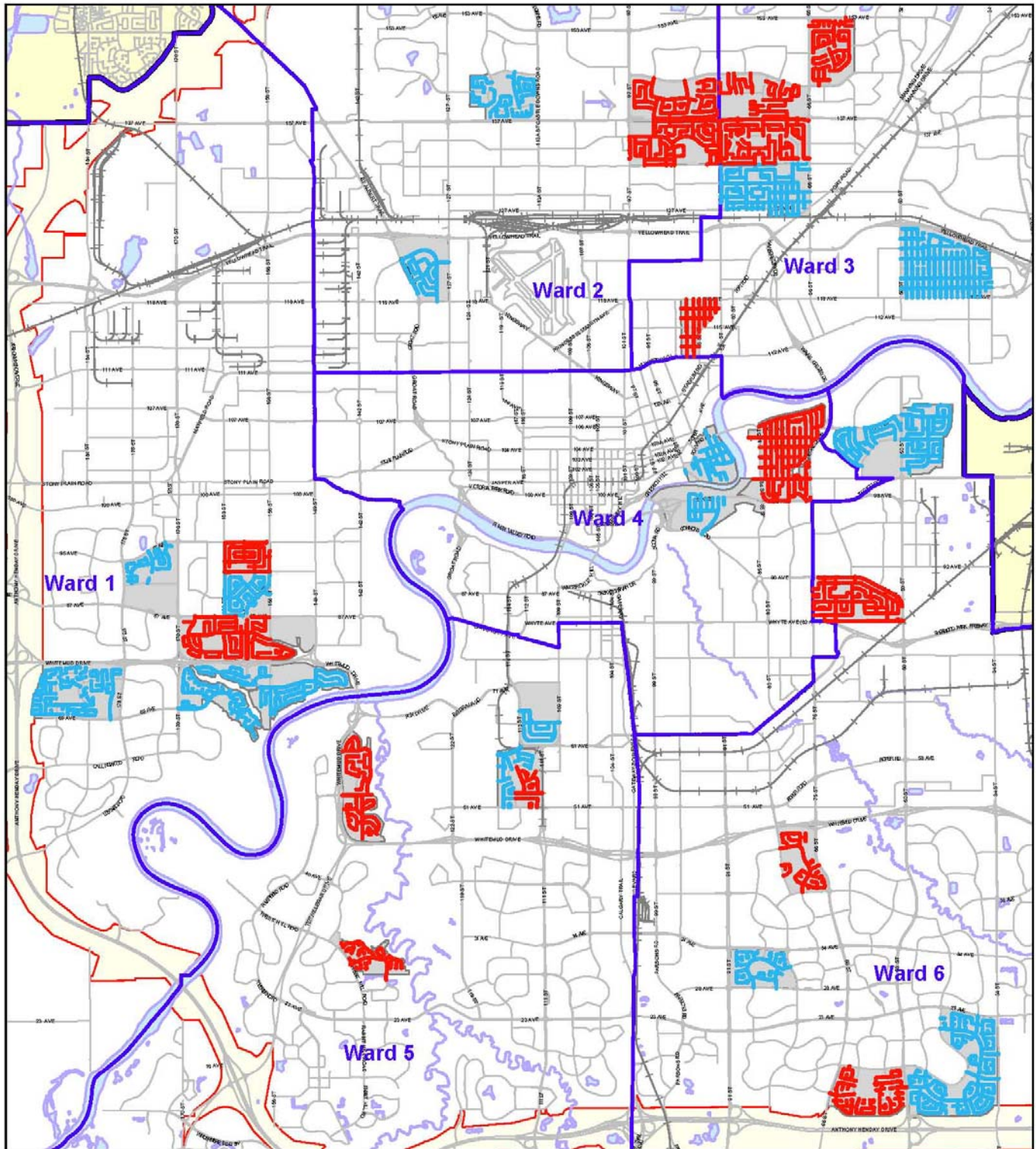
2009 Neighbourhood Renewal Program—Neighbourhoods and Collector Roads



As of 22/10/09
Nicolas Mageau

Neighbourhood Renewal Program

2009/2010 Neighbourhood Renewal Program—Neighbourhoods



Legend

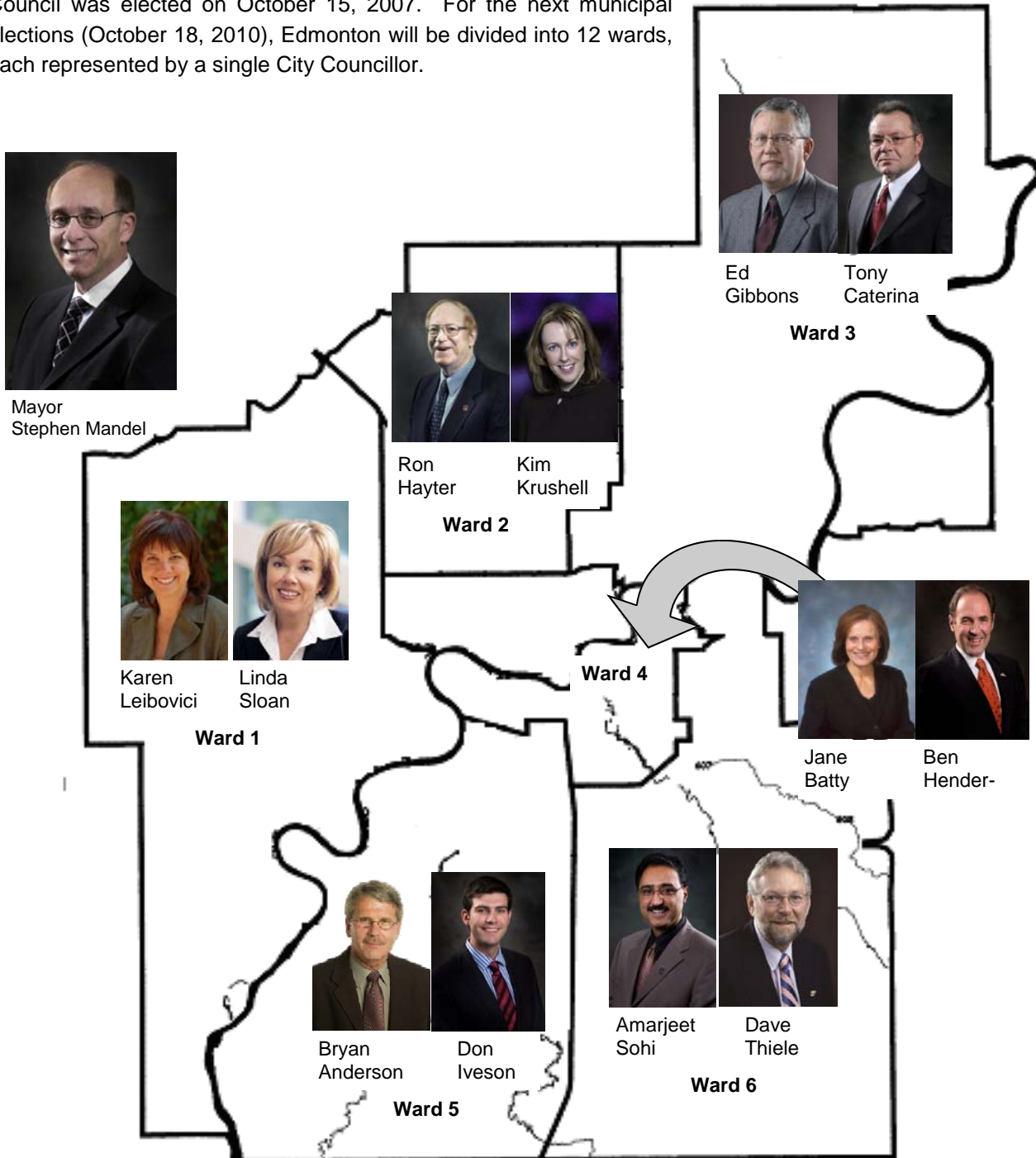
— 2009 — 2010

As of 22/10/09
Nicolas Mageau

Governance Structure

Edmonton City Council is made up of 13 elected representatives including the Mayor and 12 Councillors. The Mayor is elected by all voters while Councillors are elected by voters in the wards they represent.

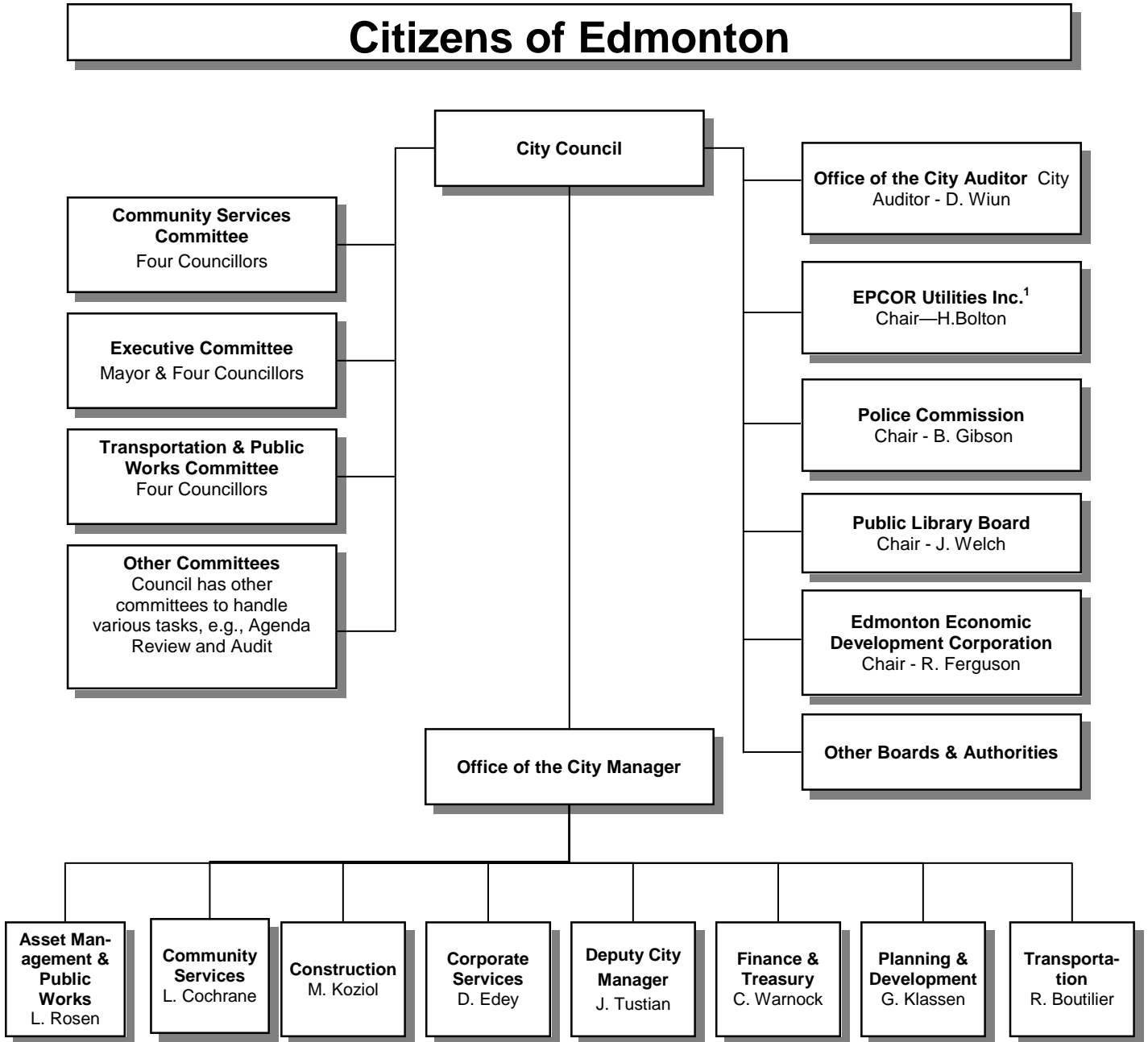
Currently Edmonton is divided into six wards and each ward is represented by two Councillors who serve three-year terms. The current Council was elected on October 15, 2007. For the next municipal elections (October 18, 2010), Edmonton will be divided into 12 wards, each represented by a single City Councillor.



Governance Structure



In order to deliver services to the citizens of Edmonton, the City of Edmonton is organized into the legislative and administrative structure shown below:



¹ EPCOR is a wholly owned subsidiary of the City of Edmonton, governed by an independent Board of Directors reporting to Council. Its budget is submitted directly to City Council as shareholder and is not included in this budget document.

Reserve Funds



Approved 2010 Reserves Budget

The City of Edmonton maintains reserves designated for specific purposes as approved by City Council and the Edmonton Public Library Board. Effective January 1, 2009, reserve funds will be reported as part of the accumulated surplus on the Statement of Financial Position. This change is in accordance with section PS-1200 of the CICA Public Sector Accounting Handbook.

The following pages provide details on the proposed changes to each individual reserve.

It is important to note that the projected 2010 opening balance is based upon the assumption that the 2009 additions and withdrawals from reserves occur as indicated by the budget. The Actual opening balance of individual reserves may be different.

	(\$ 000)	
	2009 Budget	2010 Approved
Budgeted opening balance	\$ 220,945	\$ 161,836
Transfer (to) operating budget	(46,737)	(39,343)
Transfer from operating budget	51,502	47,526
Transfer (to) from capital budget	(65,009)	(37,989)
Interest	1,135	468
Net change in reserve balances	(59,109)	(29,338)
Budgeted ending balance	161,836	\$ 132,498

2% Neighbourhood Renewal

Approved at the March 11, 2009 City Council meeting, the Neighbourhood Renewal Reserve will contain tax funding dedicated to the Neighbourhood Renewal Program (2% per year) as approved through the City Budget process.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ -	\$ 56
Transfer (to) operating budget		
Transfer from operating budget	15,456	32,166
Transfer (to) from capital budget	(15,400)	(31,570)
Transfer (to) other reserve		
Interest		
Budgeted ending balance	\$ 56	\$ 652

Affordable Housing

The Housing Reserve was established to assist the Housing branch to deliver affordable housing units as outlined in the Council approved "Road Map" for Cornerstones Plan implementation. Any unspent City funding resulting from the staging of committed projects is transferred to the reserve annually and used to cover the City's portion of future obligations.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 18,459	\$ 10,340
Transfer (to) operating budget	(8,326)	(13,935)
Transfer from operating budget	-	6,986
Transfer (to) from capital budget	-	-
Interest	207	-
Budgeted ending balance	\$ 10,340	\$ 3,391

Reserve Funds



Aggregate Site Development

The purpose of the reserve is to cover the costs associated with aggregate site preparation; gravel pit equipment replacement; reclaiming and maintaining lands presently used for material recycling; and to purchase land for future site locations. A surcharge may be assessed on recycled aggregates (gravel, concrete, asphalt, and sand from snow dumpsites) to cover expenditures for replacement of equipment and site preparation.

A gravel production surcharge between \$2.50 - \$3.00 per tonne is levied.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 982	\$ 643
Transfer (to) operating budget	-	-
Transfer from operating budget	571	525
Transfer (to) from capital budget	(940)	(160)
Interest	30	7
Budgeted ending balance	\$ 643	\$ 1,015

Benefit Plan

Approved October 29, 2002. Provides for the appropriation of funds relating to specific benefit plans maintained by the City (i.e. short-term disability) and allows the City to address changes in the funding requirements of these plans over time, on a systematic basis. This reserve is to be closed on December 31, 2009 with the balance going to FSR.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 6,500	\$ -
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) other reserve	(6,500)	-
Interest	-	-
Budgeted ending balance	\$ -	\$ -

Commonwealth Stadium Enterprise

The City of Edmonton and the Edmonton Eskimos Football Club entered into an agreement to operate the Commonwealth Stadium on an entrepreneurial basis which also established this reserve on May 15, 1995. \$750,000 was transferred from Mobile Equipment Services to establish this reserve. Expenditures from this

reserve are dedicated to capital improvements and business development investments at Joe Clarke Athletic Grounds. Interest earnings from investment of the reserve balance are applied back to this reserve as they are

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 2,725	\$ 3,073
Transfer (to) operating budget	(53)	(223)
Transfer from operating budget	301	302
Transfer (to) from capital budget	-	-
Interest	100	31
Budgeted ending balance	\$ 3,073	\$ 3,183

Reserve Funds

Energy Conservation—Transportation

The reserve was established on February 22, 1994 with a \$1.0 million transfer from the 1993 operating surplus, providing financing for energy-related pilot studies and partial building retrofits. City departments borrow from this fund and make principal payments from their current budgets through utility savings. This fund was increased

to \$5.0 million in 1999 and now operates similar to a line of credit. The \$4.0 million increase was funded by working capital. To date, project commitments initiated through the fund have exceeded \$4.5 million. These projects will result in projected annual energy savings of at least \$700,000 and annual greenhouse gas emission reductions of more than 7.5 kilotonnes of CO₂. In 2003, the energy reduction plan was enhanced to \$30 million with approved applications to be funded by debenture borrowing from the Alberta Capital Finance Authority. In 2004, the Provincial government announced the Municipal energy efficiency program (MEfirst!), a 5-year non-interest bearing loan

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 243	\$ -
Transfer (to) operating budget	(243)	-
Transfer from operating budget	-	-
Budgeted ending balance	\$ -	\$ -

Energy Conservation - DCMO/Capital Construction

This reserve was established on February 22, 1994 with a \$1.0 million transfer from the 1993 operating surplus, providing financing for energy related pilot studies and partial building retrofits. The 2006 reserve review recommended closing the reserve at the end of 2009.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 565	\$ 0
Transfer (to) operating budget	(246)	-
Transfer from operating budget	59	-
Transfer (to) other reserve	(378)	-
Interest	-	-
Budgeted ending balance	\$ 0	\$ 0

Enterprise Portfolio

City Council approved the establishment of the Enterprise Portfolio Reserve on July 21, 1998 with Policy C479 "Fiscal Policy for the Enterprise Reserve" to manage facilities and programs within the Enterprise Model (Kinsmen Sports Centre, Fort Edmonton Park, Valley Zoo, John Jansen Nature Center, Muttart Conservatory, Commonwealth Stadium, Municipal Golf Courses and Municipal Cemeteries). Tax levy support for the Enterprise Portfolio was frozen at 1998 levels excluding specific items. Annual Operating surpluses or deficits for the Enterprise Portfolio are dealt with from the reserve. Capital acquisitions for Enterprise facilities or new Enterprise facilities are funded by the reserve and/or other funding sources. Replacement of existing capital items within the portfolio are eligible for funding from General Financing. This reserve is used to develop business opportunities described within each facility business plan and serves as an operational reserve for cyclical downturns. Interest earnings from investment of the reserve balance are applied back to this reserve as they are earned.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 4,026	\$ 4,113
Transfer (to) operating budget	-	-
Transfer from operating budget	555	1,206
Transfer (to) from capital budget	(616)	(1,342)
Interest	148	26
Budgeted ending balance	\$ 4,113	\$ 4,003

Reserve Funds



Financial Stabilization Reserve - Appropriated

The Financial Stabilization Reserve tracks amounts that have been appropriated from the Financial Stabilization Reserve for specific purposes in current or future years.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 31,823	\$ 23,109
Transfer (to) operating budget	(15,325)	(24,218)
Transfer from operating budget	10,000	-
Transfer (to) from capital budget	(17,817)	-
Transfer (to) other reserve	14,428	15,468
Interest	-	-
Budgeted ending balance	\$ 23,109	\$ 14,359

Financial Stabilization Reserve - Unappropriated

The Financial Stabilization Reserve was established in 1997 to provide flexibility in addressing financial risks associated with revenue instability and unforeseen costs on a transitional basis, and to ensure the orderly provision of services to citizens. As per policy C217A - Reserve and Operating Equity Accounts, a target balance of 7% of general government operating expenditures to a maximum balance of of \$85 million has been established. The source funding for the FSR has generally been tax-supported operating surplus. Therefore, it is primarily in positive economic times that the reserve has increased.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 85,413	\$ 80,685
Transfer (to) operating budget	(20,300)	-
Transfer from operating budget	16,000	2,468
Transfer (to) from capital budget	-	-
Transfer (to) other reserve	(428)	(15,468)
Interest	-	-
Budgeted ending balance	\$ 80,685	\$ 67,685

Fort Edmonton Train Maintenance

This reserve was established August 14, 1992 as a condition of an ongoing agreement between the City of Edmonton and Fort Edmonton Historical Foundation. A maximum of \$5,000 annually from Fort Edmonton Park operations is contributed to this reserve to fund unusual, unexpected and necessary repairs of the steam railway system at the facility. Interest earnings from investment of the reserve balance are applied back to this reserve as they are earned.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 156	\$ 161
Transfer (to) operating budget	(5)	(5)
Transfer from operating budget	5	5
Transfer (to) from capital budget		
Transfer (to) other reserve		
Interest	5	1
Budgeted ending balance	\$ 161	\$ 162

Reserve Funds



Funds in Lieu - Residential

Approved in 1985, with Council direction to separate the residential portion from the commercial/industrial portion in the Parkland Purchase Reserve. Funds received from developers and the sale of parkland in residential areas is used to purchase and develop parkland in residential areas. The funds are generated as a result of the 10% parkland dedication required in accordance with the Municipal Government Act (MGA). The MGA requires that such funds must be used for "a public park, a public recreation area, school authority purposes, or to separate areas of land that are used for different purposes". The funds collected are restricted by Council policy to usage within the same neighbourhood. There is no requirement under the MGA or through Council direction that interest earnings be accumulated by neighbourhood, but rather accrue to the reserve in total.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 15,324	\$ 11,169
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	(4,512)	(1,170)
Interest	357	145
Budgeted ending balance	\$ 11,169	\$ 10,144

Heritage Conservation

The purpose of the Heritage Conservation Reserve is to implement City Policy C450B - Policy to Encourage the Designation and Rehabilitation of Municipal Historic Resources in Edmonton. This reserve will provide funding through the designation of historically significant structures and the payment of required compensation such as grants, tax cancellation, rebate of property taxes, or a payment equal to the value of the amount of taxes payable on the designated historic building and substantial rehabilitation. This reserve will also provide funding for maintenance grants, promoting heritage, and special heritage projects including limited demonstrative restoration projects. No interest earnings are applied to this reserve.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 2,896	\$ 2,896
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 2,896	\$ 2,896

Public Works Local Improvements

Based on policy C204 - Public Works Reserve and noted in policy C200B - Financing of Local Improvements, an accumulated reserve of \$250,000 will be maintained to provide for future losses on local improvement construction. Any accumulated excess over \$250,000 will be used to finance the City's share of local improvement costs. Should losses on local improvements exceed the reserve balance then they are to be financed from the general municipal surplus.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 250	\$ 250
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 250	\$ 250

Reserve Funds



Library

The Edmonton Public Library maintains a number of reserves primarily from donations and grants received from other orders of Government. These funds are intended for specific purposes and are not general use. Additions to and withdrawals from these reserves are governed by the Library Board.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 7,816	\$ 6,116
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	(1,816)	(3,100)
Interest	116	92
Budgeted ending balance	\$ 6,116	\$ 3,108

Natural Areas

Approved March 2, 1999, the Natural Area reserve was established to facilitate the acquisition and conservation of environmentally sensitive natural areas. Bylaw 15164, approved July 22, 2009, changes the purpose of the reserve to facilitate the repayment of debt incurred in the purchase of natural areas. The expected sources of financing are from general financing and \$1 million transferred annually from tax levy through the budget process. Interest earnings are applied to the reserve.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 5,251	\$ 1,167
Transfer (to) operating budget	-	-
Transfer from operating budget	1,000	1,000
Transfer (to) from capital budget	(5,106)	-
Interest	22	24
Budgeted ending balance	\$ 1,167	\$ 2,191

Northlands Capital

As provided by the agreement (January 1, 2004 - December 31, 2013) between the City of Edmonton and Edmonton Northlands, the City is entitled to share in certain operating profits of Rexall Place, under a formula as outlined in the agreement. The profits are to be held in the reserve to assist in funding facility capital improvements as defined in the agreement.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 2,069	\$ 485
Transfer (to) operating budget	(2,043)	(887)
Transfer from operating budget	392	400
Transfer (to) from capital budget	-	-
Interest	67	2
Budgeted ending balance	\$ 485	\$ -

Reserve Funds



Parkland Reserve

Starting in 1974, the reserve receives funds from developer levies, the sale of municipal reserve land in industrial and commercial areas, proceeds from the sale of municipal reserve land and in the river valley communities (where land was originally purchased with Parkland Reserve Funds) and the rental of City property on Parks land. The Municipal Government Act (MGA) requires that such funds must be used for "a public park, a public recreation area, school authority purposes, or to separate areas of land that are used for different purposes". The funds collected can be used anywhere in the City for the required purposes. Interest earnings are applied to the reserve.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 12,618	\$ 6,696
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	(6,002)	(497)
Interest	80	107
Budgeted ending balance	\$ 6,696	\$ 6,306

Perpetual Care

The Perpetual Care Reserve was established July 21, 1960 to comply with provincial legislation requiring a portion of funds received from sales of plots, crypts and niches to be saved for future site care. Later legislation rescinded the requirement for municipalities to maintain this reserve. City of Edmonton continued the practice to ensure funds will be available for the long term care of City owned Cemeteries. Interest is applied monthly to the cemetery operating program. The reserve is currently being reviewed as part of the Cemeteries Master Plan.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 3,920	\$ 3,920
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 3,920	\$ 3,920

Reserve Funds



Motor Vehicle Insurance

The City self-insures the first \$1.0 million of each automobile liability claim with any amount in excess of this self-insured retention amount being insured by external commercial insurers. Pursuant to Section 825, Part 7 of the Alberta Insurance Act, the Corporation must maintain a separate insurance fund. The amount is approved annually by the Superintendent of Insurance for the Province, and the City is required to sign a statutory declaration indicating that a separate insurance fund of the required amount is maintained. The amount of \$2.5 million, in addition to the amount set aside to satisfy third party liability and accident benefit claims is the current approved requirement. Since the City records an ongoing liability for claim estimates, the established limit in the reserve has remained stable. The reserve balance is invested in the Balanced Fund. Interest earnings on the investments form part of the corporate investment earnings budget.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 250	\$ 250
Transfer (to) operating budget	-	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 250	\$ 250

LRT

Funding set up to mitigate the risks associated with the use of the Federal Fuel Tax program to fund the SLRT debenture borrowing. The federal program was approved for a five year period, with consideration for a five year extension. Council approved the strategy of placing in this reserve the accumulating annual tax levy increase of 0.25% per year for 3 years commencing in 2006. In April 2008 with the Federal Gas Tax program being made permanent, Council approved that the reserve be made available for city-wide LRT expansion.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 9,814	\$ 5,131
Transfer (to) operating budget	-	-
Transfer from operating budget	5,317	2,444
Transfer (to) from capital budget	(10,000)	-
Interest	-	-
Budgeted ending balance	\$ 5,131	\$ 7,575

Storm Redevelopment

City Council cancelled all outstanding levies for the Combined Sewer Relief Program effective January, 1 1995. The Sewer Redevelopment Surcharge continued until 2002 and was placed in this reserve to fund the combined sewer relief charges scheduled until 2010.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 137	\$ 42
Transfer (to) operating budget	(98)	(75)
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	3	33
Budgeted ending balance	\$ 42	\$ -

Reserve Funds



Tax-Supported Debt

Approved October 29, 2002. Provides a clear segregation of tax revenues collected for tax-supported debt servicing requirements and accommodates the timing differences between receipt of taxes and debt servicing requirements. Any difference above the necessary committed debt servicing has been made available to fund certain capital projects.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 8,731	\$ 631
Transfer (to) operating budget	-	-
Transfer from operating budget	2,200	-
Transfer (to) from capital budget	(2,800)	(150)
Transfer (to) other reserve	(7,500)	-
Interest	-	-
Budgeted ending balance	\$ 631	\$ 481

Telus Field Capital

As provided by the License Agreement (November 1, 2004 - October 31, 2009) between the City of Edmonton and the Katz Baseball Corporation, the rents and fees collected under the License Agreement are to be retained in a separate reserve account to be used for future structural repairs to Telus Field. It is expected that a new agreement will require continuation of the reserve.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 90	\$ 114
Transfer (to) operating budget	-	-
Transfer from operating budget	24	24
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 114	\$ 138

Tree Management

Approved in 1990, the Tree Management Reserve supports Policy C456 - Corporate Trees Management Policy. When departments or other agencies remove trees and shrubbery in the course of construction or repairs on City-owned property, funds are placed in the reserve. Funds are transferred out of the reserve to cover the costs incurred to replace trees and shrubbery with a view to protect the urban forest. No interest is applied to this reserve.

	2009 Budget	2010 Approved
Budgeted opening balance	\$ 887	\$ 789
Transfer (to) operating budget	(98)	-
Transfer from operating budget	-	-
Transfer (to) from capital budget	-	-
Interest	-	-
Budgeted ending balance	\$ 789	\$ 789

Terms and Definitions



Accrual Basis. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Externally restricted earnings are accounted for as deferred revenue until used for the purpose specified. Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

Activity. A subdivision of an operating budget program, usually a major administrative or functional unit.

Alberta Municipal Infrastructure Program (AMIP). A grant from the Province of Alberta to assist municipalities in addressing their core infrastructure backlog and longer term infrastructure requirements. Core infrastructure is strictly defined as municipal roads, bridges, public transit vehicles and facilities, water and waste water systems and facilities, storm drainage systems and facilities, emergency service vehicles and facilities and infrastructure management systems. Funding is a per capita amount beginning in 2005 with funding over a five-year period, and project completion over a ten year period.

Annualization. Represents the financial impact of implementing an approved service package over the full fiscal year.

Appropriate. To approve funds for specific purpose or project.

Assessment. The valuation of a property for property taxation purposes. Property Taxes are calculated by multiplying the property assessment by the tax rate expressed in terms of mills (thousands).

Assessment Classes. All assessed property within the City of Edmonton is divided into the following assessment classes:

- Residential Property - single family and other residential
- Non-residential Property
- Farmland
- Machinery and Equipment

Authorities. Autonomous organizations with separate boards or commission, but related to the City of Edmonton through operating agreements, which usually include financial obligations.

Bond Rating. This is a measure of the City's capacity to repay debt.

Budget. A financial plan and a service delivery guide for a given period of time.

Budget Adjustment. Amendments to the approved operating and capital budgets are made through the budget adjustment process, which outlines the procedures and defines the approval authority of City Council, the City Manager, and General Managers.

Budget Guidelines. Overall parameters set by City Council that must be followed in the preparation of the budget.

Business Tax. Revenue generated through the collection of taxes levied on the net annual rental values of premises occupied or entered for the purpose of doing business. On May 8th, 2007, City Council passed a motion to shift business tax revenue to the non-residential property tax class over a four-year period (2008 - 2011).

Bylaws. Legislation enacted by City Council under the provisions of the Municipal Government Act.

Capital Budget. Provides the statutory approval to expend funds in the undertaking of specified capital improvements or developments and to appropriate the required financing. Approval is granted on a three-year basis for projects beginning the first year of the planned period.

Capital Financing. The funding provided to capital projects through operating budget contributions, reserves, debt, and grants from other orders of government or other sources.

Capital Priorities Plan Committee (CPPC). A team of Branch Managers assigned with the responsibilities of allocating financing to the Capital Priorities Plan, reviewing and approving capital projects and providing advice/direction for overall infrastructure requirements.

Terms and Definitions



Capital Priorities Plan (CPP). The CPP represents the City's five year plan for capital investment in existing infrastructure and new growth.

Capital Project. Expenditures relating to the acquisition, construction, upgrade or rehabilitation of a City's asset that is prioritized through the Capital Priorities Plan process.

Census. An official enumeration of a population.

Census Metropolitan Area (C.M.A.). The threshold as defined by Statistics Canada where census data is being gathered for an agglomeration that has an urban core of 100,000 people.

City Council. A group of elected representatives with powers given by the Provincial Government to provide good government to a community.

City Manager. An individual appointed by City Council to serve as the Chief Administrative Officer of the municipality.

Civic Program. Departments that directly report to the City Manager. Each Civic Department is comprised of one or more programs for budgetary purposes.

Committed. Committed fund balances and reserves designates funding that has been earmarked or set-aside for a specific project or operating program.

Committees. A group of individuals delegated to perform a specific function or functions.

Consumer Price Index (CPI). Reflects the impact of inflation on the purchasing power for goods and services.

Core Infrastructure. Refers to municipal roads, bridges, public transit vehicles and facilities, water and wastewater systems and facilities, emergency service vehicles and facilities, and infrastructure management systems.

Corporate Expenditures. Expenditures which cannot be directly associated with a specific program/department and therefore are budgeted under the Corporate Program.

Corporate Revenues. Revenues which cannot be directly associated with a specific program/department and therefore are budgeted under the Corporate Program.

Cost Impacts. Cost increases due to inflation, personnel contract settlements, annualization, and historical performance. It represents the re-costing of the current year's budget in terms of next year's dollars.

Debt. An obligation resulting from the borrowing of money. The City of Edmonton categorizes debt as follows:

- **Tax-supported debt** refers to debt issued to provide funding for capital expenditures, the retirement of which is being paid for using tax levy revenues.
- **Self-liquidating debt** refers to debt issued, generally for municipal enterprise operations that is repaid through the fees generated from the operations.

Debenture. The sale of a municipal bond to the Alberta Capital Financing Authority.

Debt Limit. The Provincially-legislated limit by which a municipality may incur debt. The debt limit is defined as two times revenue net of capital government transfers. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs.

Debt Service Limit. The Provincially-legislated borrowing limit by which a municipality may incur. The debt service limit is calculated at 0.35 times of the revenue net of capital government transfers. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs.

Demographics. Various statistics used to characterize human populations.

Duplex/Triplex. A house with two or three dwelling units sharing common walls or floors.

Expenditures. Costs associated with the provision of municipal services.

Terms and Definitions



Edmonton Socio-Economic Outlook. A report prepared by the Economic Trends and Research, produced twice a year, with forecasts of major economic and social indicators over the next five years. Civic departments use this forecast in preparing their capital priority plans and operating budgets. They also use it in their strategic and business planning.

Effectiveness. Is (1) the ratio of standard, estimated or budgeted performance to actual performance expressed as a percentage; (2) the outcome or output received from an approach or program. Ideally it is a quantitative measure which can be used to evaluate the level of performance in relation to some standard, set of criteria, or end objective; (3) the actual accomplishment of delivering acceptable outputs, on time, within the quality requirements specified. It is the ratio of Actual Output (A.O.) divided by Expected Output (E.O.). *Note: Effectiveness may be stated in terms of outcomes in place of outputs.*

Efficiency. Is the relationship between the planned resource requirements, such as labour or machine time, for task(s) and the actual resource time charged to the task (s). It is the ratio of the Resources Expected or forecasted to be Consumed (R.E.C.) divided by Resources Actually Consumed (R.A.C.).

EPCOR. Edmonton Power Corporation, a wholly owned subsidiary of the City of Edmonton.

Franchise Fees. Fees in lieu of taxes or compensation for exclusive rights, based on an agreement with the holder of a special franchise. e.g. ATCO Gas.

Full-Time Equivalents (FTEs). The hours and associated costs one full-time employee would work in a year.

General Financing. As approved by Council in June 2009, the funding source for Capital Budget general financing is changed from tax levy to investments earnings, the Ed Tel Endowment Fund dividends and the EPCOR Goldbar transfer fee/dividends.

General Managers. Department heads of civic programs.

Grants. Funding provided by a senior order of government.

Infrastructure. Facilities on which the continuance and growth of a community depends (e.g. roads, sewers, public buildings, parks, storm sewers, etc.).

Infrastructure Canada Alberta Program (ICAP). A body set up to administer the Federal Infrastructure Program (FIP) called Strengthening Federal, Provincial and Municipal infrastructure. Funding is shared 1/3 from each order of government: Canada, Alberta, and the City of Edmonton.

Infrastructure Gap. A term used to describe the funding shortfall between capital investment requirements and funding availability.

Local Improvements. The construction or replacement of roads, sidewalks, lanes and underground services for which a portion is paid by the abutting property owner.

Market Value Assessment. Provincial government legislation requires that properties must be assessed on an annual basis to reflect current market conditions. Starting in 1999, all properties were assessed at market or on the basis of provincial regulations and were taxed on this value by the City of Edmonton.

Municipal Enterprise Operations. Refers to those activities for which tax dollars are not anticipated to be required to fund the operations. They are financially self-funded operations established to provide management and control of major activities of the City. Land Enterprise and Mobile Equipment Services are Municipal Enterprises.

Municipal Equity. The amount calculated as the excess of Total Assets less Total Liabilities and any funding set aside for specific purposes in Reserves.

Municipal Government Act (MGA). Provincial legislation setting out the powers and responsibilities of Alberta municipalities.

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Municipal Sustainability Initiative (MSI). Grant funding from the Province of Alberta for capital projects, including municipal roads, bridges, public transit vehicles and facilities, water and waste water systems and facilities, storm drainage systems and facilities, emergency service vehicles and facilities, infrastructure management systems and solid-waste management systems and facilities. MSI grants end 2017.

Non-Residential Construction Price Index. Measures the cost of construction materials and labour used for commercial, industrial, and institutional development.

One-time Items. Expenditures associated with a limited term (typically one operating period) that will not become an ongoing part of the base budget in future years.

Operating Budget. Planned revenues and expenditures that are consumed in the delivery of services during an annual operating cycle (January through December).

Outcome. Outputs quantify the amount of work completed, while outcomes (or effectiveness) report the results achieved as expressed in the eyes of the customer, or in the case of the City of Edmonton, Citizens.

Output. Are goods or services created by inputs. Examples of Outputs are units produced and hours of service provided.

Payment-in-Lieu of Taxes. Payments equivalent to municipal property taxes, made by the federal and provincial governments for Crown-owned properties.

Performance Measures. Qualitative or quantitative measures or indicators of progress toward specified outcomes or goals. A means for determining how a program is accomplishing its mission through the delivery of products, services, or processes by measuring quantity, effectiveness, and/or efficiency.

Program. A program represents a group of like services or activities in delivering a service, with a definable client and a clear benefit or outcome.

Project. A single project is a non-routine capital work with a “singular” identity. The location, time and design of a single project are clearly identifiable. A composite project is the grouping of routine capital improvements.

Property Tax. Revenue generated through the collection of taxes levied on real property assessment, including realty and business tax.

Reserves. Represent amounts appropriated from surplus for designated requirements.

Retained Earnings. Equity accounts that represent the accumulated surpluses from operations, that are not for general distribution, but rather are used to fund capital projects, leverage debt, or are reinvested in service delivery.

Revenue. Funds the City receives and records as income. Revenue is broken down by major sources as follows: user fees, fines, permits, grants from other orders of government, utility dividends, franchise fees, Ed Tel Endowment fund, and investment earnings.

Self-liquidating Debentures. Debt issued by municipal enterprise operations that is repaid through the fees generated by operations.

Service Package. New service or service increased from growth that require funds are presented to Council for their approval through the annual budget process.

Senior Management Team (SMT). Refers to the working team consisting of the City Manager and the eight General Managers.

Sinking Fund. The City of Edmonton makes annual payments into the Sinking Fund as required by each debenture issue. These funds are invested by the Sinking Fund in securities as approved by existing legislation. The annual rate of return required by the issue is allocated to meet the future debt requirements. Earnings in excess of those requirements are maintained within the Fund as unappropriated surplus, which may be used as approved by Council.

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Tangible Capital Asset. Tangible capital assets are non-financial assets having physical substance that meet all of the following criteria:

- (a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- (b) have useful economic lives extending beyond an accounting period;
- (c) have been acquired to be used on a continuing basis; and
- (d) are not intended for sale in the ordinary course of business.

Tax Rate. Municipal property tax revenue is calculated by applying the tax rate to the projected assessment base. The tax rate is expressed in terms of mills. One mill is one thousandth of the assessment base. Additional property tax revenue is generated through an increase in the tax rate and/or growth in the assessment base.

Tax-Supported Operations. Civic Departments, Commissions, Boards, and Authorities are funded in whole or in part through revenue from property tax, business tax, and payment-in-lieu of taxes.

Uncommitted. Uncommitted Operating Fund balances and reserves designates funding that is not earmarked or set aside for a specific capital project or operating program initiative and is available for allocation.

Unconditional Operating Grants. An amount provided by other orders of government to municipalities for operating purposes, without any requirements as to the area in which the fund is used.

Utility Operations. Refers to Drainage Services (include Sanitary Utility and Land Drainage Utility) where tax dollars are not needed to support the operations. The utility rates are governed by the Utility Fiscal Policy.

