



PROSPERITY EDMONTON

Developing Edmonton's
Competitiveness



INTRO

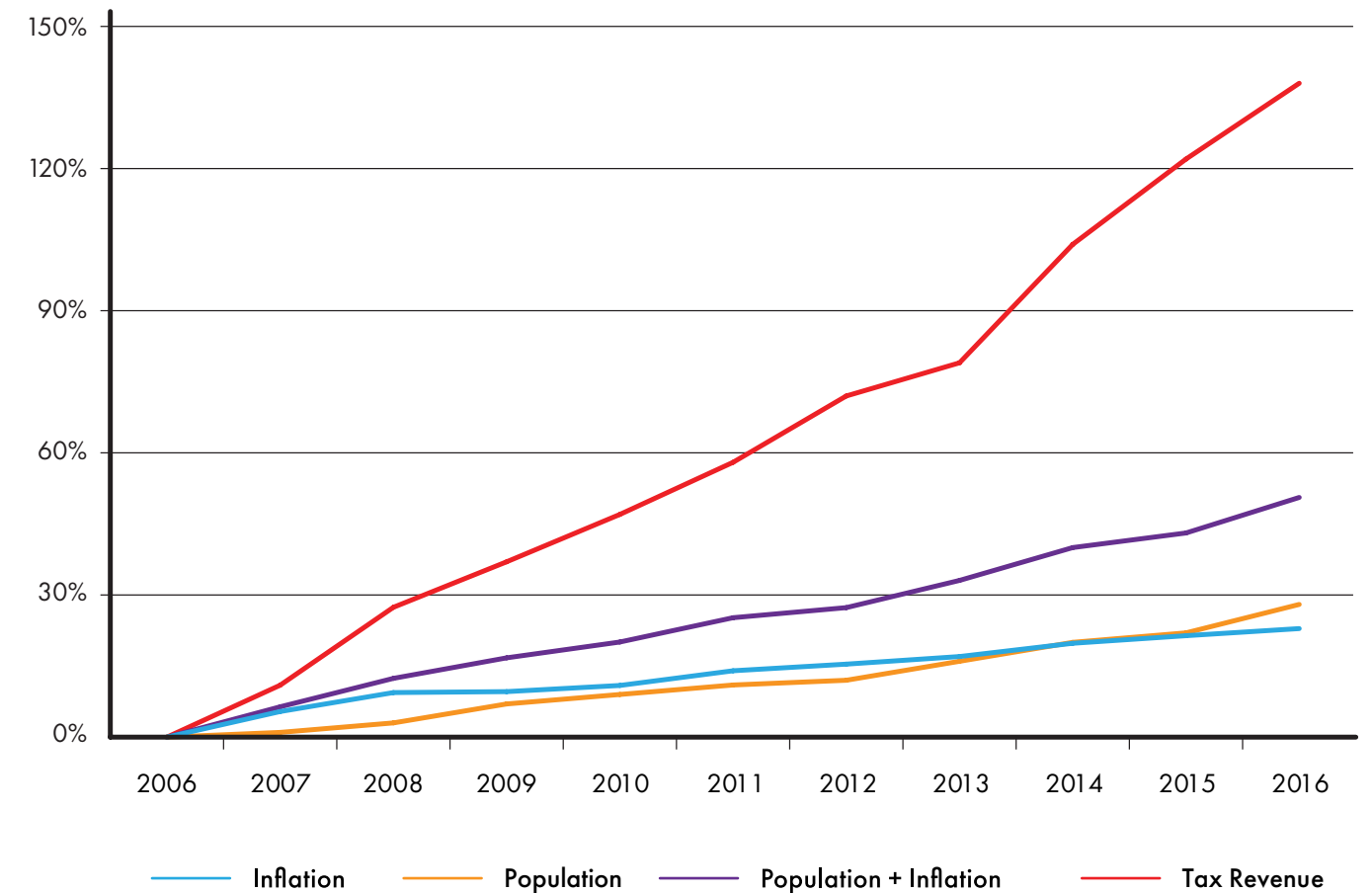
Prosperity Edmonton is a group of associations representing various parts of the business community in Edmonton. Association members include restaurants, retail outlets, construction and manufacturing companies – in other words, the diverse mix of businesses who work every day in Edmonton. We are concerned about the ever-escalating set of costs imposed on the people and businesses of Edmonton, which in combination are making it more and more difficult for households and businesses to thrive, invest, and stay in Edmonton.

We urge Edmonton City Council to direct Administration in the upcoming budget to hold the line on spending and work harder to find efficiencies to fund new priorities rather than resorting to tax increases.

THE ISSUE

Operating spending by the City of Edmonton has increased at a rate far greater than the increase in population plus inflation over the past decade.

EDMONTON TAX REVENUE GROWTH VS POPULATION AND INFLATION



The City's spending has more than doubled in the last 10 years, by increasing at double the rate of population and inflation. This has led to a non-residential tax increase of 77.7% plus significant assessment growth for many businesses.

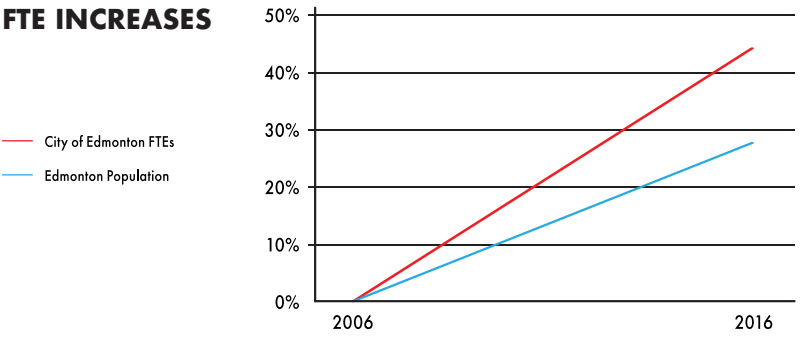
NOTE: City operating spending numbers have been sourced from the City of Edmonton's published budget documents. Population and inflation numbers have been sourced from the Stats Canada website.

QUESTIONS TO CONSIDER

01.

Do we have the right number of people to do the work well?

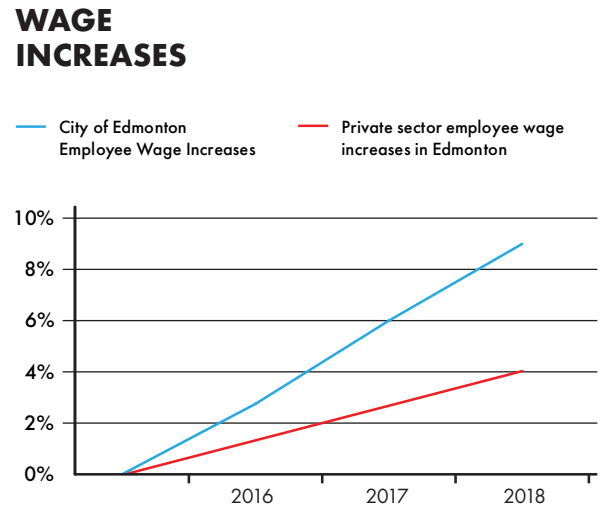
While Edmonton's population has certainly increased, City employee growth has far surpassed it, fuelling burdensome tax increases.



02.

Are we paying workers fairly and appropriately?

Frontline City employees are important to Edmonton. However, the 2015 to 2018 collective agreement led to a 9% increase in City employee wages over the past three years while wages across Alberta and with provincial employees stayed relatively flat. Across the whole economy, average weekly wage increases in Edmonton from June 2015 to June 2018 only rose 4.1%.



03.

a. Are we providing services that could best provided by other levels of government?

The federal and provincial governments have constitutional responsibility for the provision of many services — some of which the City also provides or augments. The City could save on its expenses by ensuring that the services it provides are not a duplication of services provided by other orders of government, as well as by ensuring it is not paying costs that are the legitimate responsibility of other orders of government.

b. Are we duplicating private and non-profit programs and services?

Another way that the City can refrain from providing services that are more appropriately provided by others is by taking a close look at what businesses it is in. Many City programs could be, or are already, better provided by non-profit and private organizations. Some areas to explore would be recreation centres, communications, waste collection, property management and land development.

04.

Are there opportunities for better cost recovery in our fee for service models?

The City subsidizes various citizen services by charging less to use the services than it costs to provide them. A cost saving measure the City could explore is to review the fee-for-service model that is used at many City amenities and ensure that user fees are more closely aligned with the cost of providing the amenity while continuing to ensure accessibility for lower-income Edmontonians. Some areas to explore would be transit, pools and libraries.

05.

Can we facilitate more High-Return Development?

Commercial, industrial, and dense residential developments pay more taxes than the services they require. The City should consider enabling ideas like expedited change of use permits; a guaranteed Development Permit timeline; and expedited service for high value city-building projects.

06.

Should we prioritize value in City building service standards?

The City can achieve cost savings, or approve more capital projects, by value engineering projects. New capital projects like fire halls, police stations, libraries and recreation centres should be evaluated for design efficiencies to get the most value for the public's dollar.

CITY OF EDMONTON TAX REVENUES 2011-2017

GROWTH COMPARISON

	2011	2012	2013	2014	2015	2016	2017	7 Yr Increase	Average/Year
Non-residential Tax Revenue Growth	15%	7%	6%	11%	9%	6%	4%	73%	10%
Business Property Value Growth	2%	0%	10%	10%	6%	3%	-9%	22%	3%
Business Mill Rate Growth	13%	8%	-4%	1%	3%	3%	8%	32%	5%
Pop + Inflation Growth (EDM Region)	4%	2%	5%	6%	2%	2%	2%	25%	4%
GDP Growth (EDM Region)		6%	-5%	13%	3%	-3%			3%

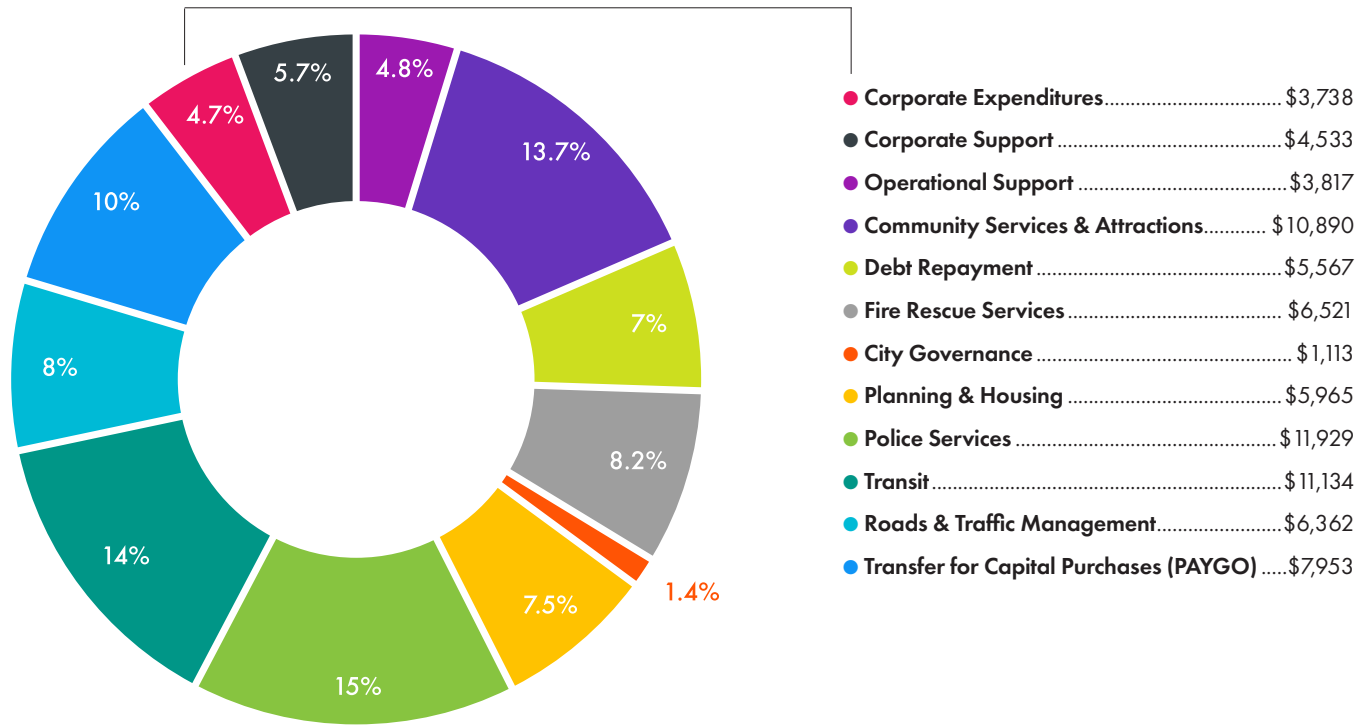
TAXES PAID BY PROPERTY TYPE

	2010	2011	2012	2013	2014	2015	2016	2017	7 Yr Increase	Average/Year
Residential	\$387,737,456	\$427,295,607	\$462,784,774	\$509,642,108	\$561,464,112	\$613,764,719	\$653,592,719	\$694,587,313	79%	11%
Farmland	\$149,848	\$115,476	\$111,409	\$169,490	\$178,793	\$257,131	\$149,463	\$128,580	-14%	-2%
Other Residential	\$47,958,640	\$45,982,764	\$49,616,500	\$56,417,269	\$65,290,997	\$64,970,018	\$77,096,054	\$79,568,819	66%	9%
Non-Residential (Business)	\$417,323,386	\$478,764,948	\$514,010,364	\$544,431,872	\$603,183,281	\$656,294,764	\$695,139,894	\$723,906,365	73%	10%
Total	\$853,169,330	\$952,158,795	\$1,026,523,047	\$1,110,660,739	\$1,230,117,183	\$1,335,286,632	\$1,425,978,130	\$1,498,191,077	76%	11%

WHERE DO YOUR TAXES GO?

A small industrial business owner paid \$79,527 in municipal taxes last year for his property.

Here's a breakdown of where that money went.



CITY OF EDMONTON OPERATING BUDGETS 2011-2018

REVENUES	2011		2012		2013		2014		2015		2016		2017		2018										
	Total Increase (2011-18)	Annual Average Increase (2012-18)	Actual Revenue	% of Total	YoY Change	Actual Revenue	% of Total	YoY Change	Actual Revenue	% of Total	YoY Change	Budgeted Revenue	% of Total	YoY Change	Budgeted Revenue	% of Total									
Taxation Revenue	68%	10%	951,016	52%	8%	1,026,181	54%	8%	1,109,102	54%	11%	1,228,737	55%	9%	1,335,088	55%	7%	1,426,528	57%	5%	1,501,041	58%	7%	1,601,738	59%
User Fees, Fines, Permits, etc.	49%	7%	334,764	18%	9%	364,971	19%	12%	410,532	20%	11%	456,558	21%	3%	468,577	19%	4%	487,526	19%	2%	496,608	19%	1%	500,113	18%
EPCOR Dividends	2%	0%	138,420	8%	2%	141,021	7%	0%	141,021	7%	0%	141,021	6%	0%	141,021	6%	0%	141,021	6%	0%	141,021	5%	0%	141,021	5%
Franchise Fees	49%	7%	110,902	6%	12%	124,147	7%	9%	135,164	7%	5%	142,122	6%	5%	148,520	6%	4%	154,208	6%	3%	159,399	6%	4%	165,445	6%
Grants	-19%	-3%	120,106	7%	-12%	105,631	6%	7%	112,581	6%	-2%	110,719	5%	5%	128,205	5%	-19%	103,657	4%	-5%	98,434	4%	-2%	96,942	4%
Investment Earnings & Dividends for Capital Financing	-31%	-4%	103,002	6%	-36%	66,262	4%	-2%	65,059	3%	17%	76,047	3%	-20%	60,567	2%	17%	70,747	3%	-5%	67,324	3%	5%	70,883	3%
Other Revenues	36%	5%	47,590	3%	-37%	30,190	2%	17%	35,405	2%	9%	38,668	2%	50%	58,115	2%	-10%	52,573	2%	30%	68,543	3%	-6%	64,494	2%
Transfers from Reserves	131%	19%	29,942	2%	8%	32,464	2%	6%	34,506	2%	-21%	27,109	1%	241%	92,323	4%	-9%	84,011	3%	-31%	57,900	2%	19%	69,067	3%
Total Revenue & Transfers	48%	7%	1,835,742		3%	1,890,867		8%	2,043,370		9%	2,220,981		10%	2,432,416		4%	2,520,271		3%	2,590,270		5%	2,709,703	
Year over Year (YoY) Increase in budget revenue	873,961	124,852				55,125			152,503			177,611			211,435			87,855			69,999			119,433	

EXPENSES	2011		2012		2013		2014		2015		2016		2017		2018										
	Total Increase (2012-18)	Annual Average Increase (2012-18)	Actual Expenses	% of Total	YoY Change	Actual Expenses	% of Total	YoY Change	Actual Expenses	% of Total	YoY Change	Budgeted Expenses	% of Total	YoY Change	Budgeted Expenses	% of Total									
Personnel	47%	8%	1,052,739	56%	8%	1,133,592	55%	5%	1,192,921	53.7%	14%	1,365,829	56%	5%	1,429,948	57%	5%	1,494,566	58%	3%	1,545,856	57%			
Materials, Goods & Supplies	101%	17%	106,964	6%	8%	115,759	6%	6%	122,840	5.5%	58%	194,193	8%	4%	201,486	8%	4%	209,386	8%	3%	214,775	8%			
External Services	38%	6%	188,028	10%	16%	217,706	11%	10%	240,185	10.8%	-4%	229,571	9%	8%	248,126	10%	3%	254,368	10%	2%	259,108	10%			
Fleet Services	12%	2%	139,595	7%	8%	150,300	7%	0%	149,923	6.8%	-2%	147,067	6%	2%	149,930	6%	3%	154,635	6%	1%	156,244	6%			
Intra-municipal Services	39%	6%	60,643	3%	14%	69,274	3%	15%	79,511	3.6%	-8%	73,055	3%	13%	82,830	3%	2%	84,833	3%	-1%	84,125	3%			
Utilities & Other Charges	70%	12%	459,393	24%	4%	478,477	23%	13%	540,091	24.3%	34%	723,080	30%	2%	734,117	29%	-1%	724,836	28%	8%	782,994	29%			
Transfer to Reserves	38%	6%	50,634	3%	30%	65,990	3%	31%	86,232	3.9%	-29%	60,872	3%	1%	61,714	2%	7%	66,188	3%	5%	69,767	3%			
Intra-municipal Recoveries	141%	24%	-167,129	-9%	12%	-187,728	-9%	2%	-190,722	-8.6%	89%	-361,251	-15%	7%	-387,880	-15%	3%	-398,542	-15%	1%	-403,166	-15%			
Total New Expenditure and Transfers	48%	7%	1,835,742		3%	1,890,867		8%	2,043,370		9%	2,220,981		10%	2,432,416		4%	2,520,271		3%	2,590,270		5%	2,709,703	
Year over Year (YoY) Increase in budget expenses	873,961	124,852				55,125			152,503			177,611			211,435			87,855			69,999			119,433	

EDMONTON TAX SUPPORTING SPENDING GROWTH VS. POPULATION AND INFLATION CHART AND CITY OF EDMONTON TAX REVENUE 2011 – 2017 GRAPH SOURCES

TAX SUPPORTING DATA:

- City of Edmonton Annual Report 2006 - https://www.edmonton.ca/city_government/documents/city_of_edmonton_annual_report06.pdf
- City of Edmonton Annual Report 2007 - https://www.edmonton.ca/city_government/documents/2007-Annual-Report.pdf
- City of Edmonton Annual Report 2008 - https://www.edmonton.ca/city_government/documents/PDF/2008_Financial_and_Operational_Annual_Report.pdf
- City of Edmonton Annual Report 2009 - [https://www.edmonton.ca/city_government/documents/PDF/2009_Financial_and_Operational_Annual_Report\(1\).pdf](https://www.edmonton.ca/city_government/documents/PDF/2009_Financial_and_Operational_Annual_Report(1).pdf)
- City of Edmonton Annual Report 2010 - https://www.edmonton.ca/city_government/documents/PDF/CityEdm_2010AR_web2.pdf
- City of Edmonton Annual Report 2011 - https://www.edmonton.ca/city_government/documents/PDF/FAR_2011.pdf
- City of Edmonton Annual Report 2012 - [https://www.edmonton.ca/city_government/documents/CityEdm_2012_AR_webfinal_May16_13\(1\).pdf](https://www.edmonton.ca/city_government/documents/CityEdm_2012_AR_webfinal_May16_13(1).pdf)
- City of Edmonton Annual Report 2013 - [https://www.edmonton.ca/city_government/documents/2014%20COE%20-%20Annual%20Report%202013_WEB_updated2b%20\(1\).pdf](https://www.edmonton.ca/city_government/documents/2014%20COE%20-%20Annual%20Report%202013_WEB_updated2b%20(1).pdf)
- City of Edmonton Annual Report 2014 - https://www.edmonton.ca/city_government/documents/2014%20Annual%20Report.pdf
- City of Edmonton Annual Report 2015 - https://www.edmonton.ca/city_government/documents/2015%20Annual%20Report%20-%20Web%20-%20Final.pdf
- City of Edmonton Annual Report 2016 - https://www.edmonton.ca/city_government/documents/City_of_Edmonton_2016_Annual_Report_WEB.pdf

2006 – 2016 POPULATION SOURCES

- 2016 Federal Census - <https://www12.statcan.gc.ca/census-recensement/index-eng.cfm>
- 2006 Federal Census - <https://www12.statcan.gc.ca/census-recensement/2006/rt-td/pd-pl-eng.cfm>

2006 – 2016 INFLATION SOURCE

- Statistics Canada - <https://www150.statcan.gc.ca/t1/tb1/en/cv.action?pid=1810000501>

CITY OPERATING SPENDING SOURCE

City of Edmonton - https://www.edmonton.ca/city_government/budget_taxes/2016-2018-Operating-Budget.aspx

WAGE INCREASES SOURCE

John Rose - City of Edmonton Economist

EDMONTON WEEKLY WAGE / FULL TIME EQUIVALENT (FTE) INCREASES SOURCE

John Rose - City of Edmonton Chief Economist

CITY OF EDMONTON OPERATING BUDGETS 2011 – 2018 SOURCES

- City of Edmonton Operating Budget 2016-2018 - https://www.edmonton.ca/city_government/budget_taxes/2016-2018-Operating-Budget.aspx
- City of Edmonton Operating Budget 2015 - https://www.edmonton.ca/city_government/budget_taxes/budget-2015.aspx
- City of Edmonton Operating Budget 2014 - https://www.edmonton.ca/city_government/budget_taxes/budget-2014.aspx
- City of Edmonton Operating Budget 2013 - https://www.edmonton.ca/city_government/budget_taxes/budget-2013.aspx
- City of Edmonton Operating Budget 2012 - https://www.edmonton.ca/city_government/budget_taxes/budget-2012.aspx
- City of Edmonton Operating Budget 2011 - https://www.edmonton.ca/city_government/budget_taxes/budget-2011.aspx

WHERE DO YOUR TAXES GO CHART

2016-2018 Operating Budget (pg 41) - https://www.edmonton.ca/city_government/documents/PDF/Budget%20Overview%202016-2018%20operating%20Budget.pdf

