



City Manager's Office

January 3, 2022

Scott Robinson  
CEO, Red Deer & District Chamber of Commerce  
3017 Gaetz Avenue  
Red Deer, AB T4N 5Y6

**Re: 2023-2024 City Budget**

Thank you for taking time and your thoughtfulness in drafting questions for administration regarding our Budget. The attached document provides responses from my administration team from our Budget meetings as presented to City Council starting on November 29, 2022.

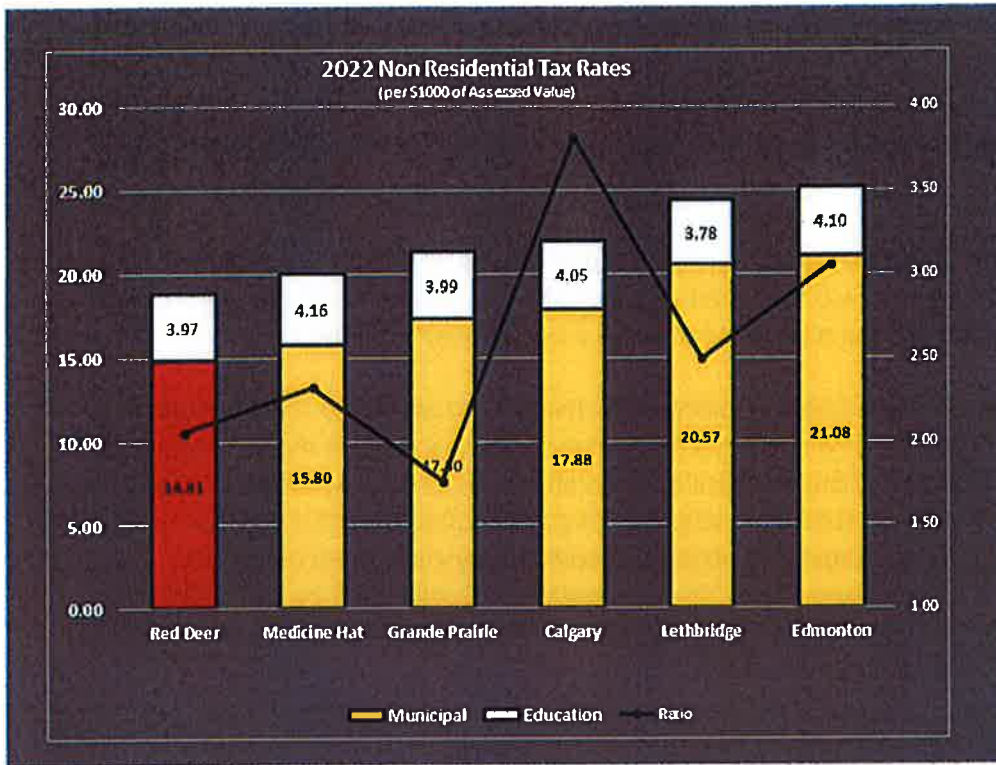
You asked a lot about innovations and efficiencies. An open report will be presented to City Council in Q1 2023 with more details about these innovations and efficiencies.

If further questions of clarification arise, please don't hesitate to reach out, either by email to [city.manager@reddeer.ca](mailto:city.manager@reddeer.ca) or by calling 403.342.8156.

Sincerely,

Tara Lodewyk  
City Manager

c: Red Deer City Council  
Sean McIntyre, Chief of Staff  
Red Deer & District Chamber of Commerce Board of Directors



3. How much of the proposed tax increase will be dedicated to community policing and public safety measures downtown?

Policing in Red Deer constitutes approximately 22% of our entire budget. This is a significant investment in the protection of our public safety, greater than our parks and public works combined. This is not broken down by areas in our community. We do have specific existing initiatives in downtown such as the downtown patrols, but for our 2023 and 2024 budgets, there are no new

6. What savings have been acquired over the past 3 years? Are these single year or recurring savings?

The City considers the Operating Reserve – Tax Supported to be our main “savings” account. Any year end surplus is transferred to this reserve and The City uses this reserve for operating needs, as we did during the pandemic. At the end of 2020, this reserve had a balance of \$40.9 million and a projected balance of \$27.6 million by the end of 2024. Over the past three years, the year over year operating surplus isn’t sufficient to keep up with how this reserve is used. In perspective, the recommended balance of this reserve is approximately \$65 million.

The other major “savings” account on the capital side is the Capital Projects Reserve. This account has had a similar story where we had a balance of \$21.2 million in 2020 and has a projected balance of \$7.1 million by the end of 2024. Council regularly supports this reserve by increasing the amount the amount by 1% of tax revenues which equates to approximately \$1.4 million in 2023 and \$1.5 million in 2025.

7. What is the city planning to do to manage costs? What are the City’s specific plans in the next 3 years to reduce operating costs and find efficiencies? What are the targets for future cost reductions and savings? What initiatives or programs will be launched?

Each department within The City is tasked with managing costs within budget and finding efficiencies. With input costs on the rise over the next 2 years (our budget horizon) that exceed the projected tax increases, departments are required to find efficiencies to maintain the levels of service. Our service level review exercise starting in 2024 will give us the insight and data required to make service level decisions in an informed way, potentially impacting budgets.

8. How has the City examined service delivery and operations to determine how technology can lower costs in the future? What specific initiatives are underway or planned? Does the City have a digital roadmap to modernize the organization to improve citizen service delivery and lower costs?

The City is always looking for way to improve its citizen service delivery with the goal of a positive experience for customers and citizens every time they connect with The City of Red Deer – citizens, local organizations, businesses, and entrepreneurs. Over the past 12 months, The City has begun examining its citizen/customer service standards and levels of service with the intent to modernize, create efficiencies, and improve the experience of City interactions. At the same time recognizing the potential cost implications of an organization wide shift where technology will be utilized to meet this goal. Some examples of this progress include:

- The ability to submit building permit applications online, and soon development applications
- Pre-authorization for taxes online to supplement the current snail-mail/in-person methods
- Future major upgrades to our parking infrastructure, such as card-based payments
- More on-demand transit
- Improvements to billing notices
- Major changes to our mapping/geospatial resources – launching January 3<sup>rd</sup>
- The recent installation of a new website search engine, and the upcoming website upgrade project
- Digital signage going into G.H. Dawes Community Centre.

Most services provided by The City cannot be completed by a work from home or remote work program. A police officer, lifeguard, parks employee or grader operator cannot work from home, as it does not make sense. The City launched a pilot policy to those employees that can effectively work remotely, and these would include such office staff as accounting, engineering, or planning as examples. Contrary to what private industry may be experiencing, The City's experience is that productivity increased under this program. From a cost perspective, The City has not seen any difference in costs, as participating employees are responsible for their own Internet connections and furnishings: there is no budget impact.