

Where does the money come from?

There are two main parts to the 2027-2030 budget: the operating budget and the capital budget. There are also separate budgets for City-owned utilities—Waste Services, Blatchford Renewable Energy and Downtown District Energy—and a climate budget.

Operating Budget
The operating budget is about the money the City uses every day for services. There are three main revenue sources for the operating budget:

- **Property taxes:** Account for over half of our operating revenue.
- **User fees:** These include recreation facility admissions, transit fares, parking fees, development and construction fees, and business permits and licences. They are designed to partially or fully recover costs from people who directly use the service.
- **Franchise fees:** ATCO Gas and EPCOR provide gas, power, water and wastewater services to Edmontonians. The City charges these operators franchise fees for related costs and land access.

Capital Budget
The capital budget is about the money the City uses for infrastructure, including construction projects and equipment. There are four main ways that the City raises money to pay for things like designing and building a new library or road, the rehabilitation of a recreation centre, the maintenance of a bridge, or buying new equipment like LRT trains:

- **Grants:** About 44% of the City's approved capital budget is funded with grants from the provincial and federal governments.
- **Tax-Supported Debt:** The City uses debt in order to take advantage of lower interest rates and to spread the cost of major projects across the several generations of Edmontonians who will use them.
- **Reserves:** Some of the City's reserves are money set aside to pay for capital projects on a cash basis over the short term.
- **Investment Income:** Much of this income is transferred to the capital budget to pay for new infrastructure.