



# Operating and Capital Financial Update

June 30, 2021

City Council  
*September 7, 2021*

Edmonton

# Operating and Capital Financial Results



Enterprise  
& Utility  
Operations

Tax-  
Supported  
Operations



Reserve  
Update







Significant  
Project  
Results



Debt Update

# Enterprise and Utility Operations

June 30, 2021 - Net Position Budget Variance (\$ millions)

 Favourable  Unfavourable	Projected Year-End Variance	
Waste Services	8.7	
Land Enterprise	14.8	
Blatchford Redevelopment	(10.1)	
Blatchford Renewable Energy Utility	0.1	

# 2021 Estimated COVID Impact - Corporate

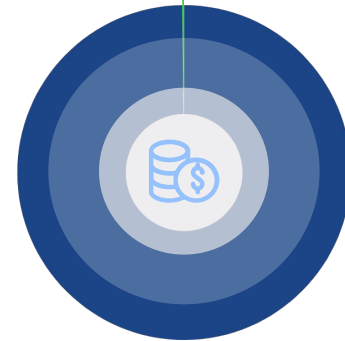
<b>COVID-19 2021 Impacts and Funding Strategies</b> December 7, 2020 Budget Adjustment		
(\$ millions)	Total City	Tax Supported
Revenue Reductions	(\$119.5)	(\$111.1)
Additional COVID Costs	(\$30.5)	(\$30.5)
<b>Total Impact</b>	<b>(\$150.0)</b>	<b>(\$141.6)</b>
Funding Strategies:		
Expense Reductions	\$51.2	\$48.9
Transfer from appropriated FSR	\$98.8	\$92.7
<b>Total Funding Strategies</b>	<b>\$150.0</b>	<b>\$141.6</b>
<b>COVID-19 2020 Funding Shortfall</b>	-	-

# 2021 Financial Highlights

Projected year end results are for a surplus of less than 1% on a \$2.5 billion tax-supported expenditure budget (\$18.7 million)

- Projection includes ~ \$13 million favourable snow and ice
- Downtown Vibrancy Strategy - absorbing \$2.5 million against this surplus in 2021 (\$2.5 million in 2022)

**Projected \$18.7M  
Surplus**  
(current year end projection)



**\$2.5B  
Tax-Supported  
Budget**

# Ongoing Financial Pressures



## Revenue

- Transit revenue shortfall: 2022 ~ \$30M; 2023 ~ \$20M
- Community Recreation Facilities revenues shortfall: 2022 ~ \$13M
- Reduced automated enforcement revenues ~ \$18M less than budgeted over 2021 and 2022



## Economic Recovery

- Downtown Vibrancy - \$5M (approved from surplus)
- Air Services Opportunity Fund - \$9.9M (approved)





# COVID-19 Budget Funding Strategy

December 7, 2020

One-Time Budget Adjustment

**2021**

## COVID-19 STRATEGIES






-  Expense Management  
*Used*
-  External Funding  
*Used*
-  Redirection of Capital Funding to Operating  
*Not Considered for 2021*
-  Financial Stabilization Reserve  
*Used*
-  Financial Strategies  
*Hold for Emergent/Future Impacts*

September 7, 2021

Considerations

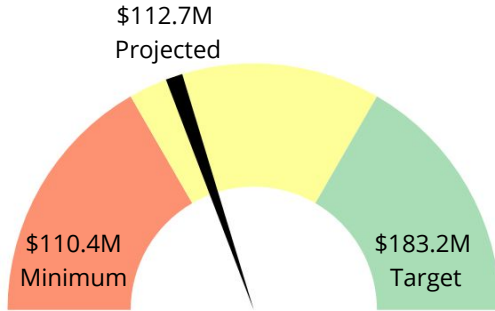
**2022**

## COVID-19 STRATEGIES

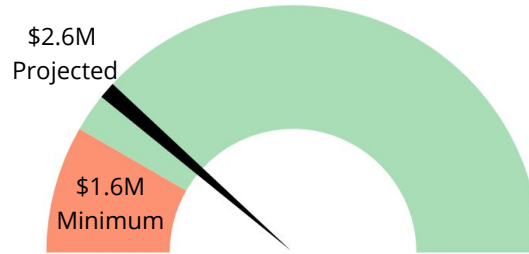
-  Expense Management  
*Recommended*
-  External Funding  
*Significant Uncertainty*
-  Redirection of Capital Funding to Operating  
*Hold for Emergent/Future Impacts*
-  Financial Stabilization Reserve  
*Hold for Emergent/Future Impacts*
-  Financial Strategies  
*Hold for Emergent/Future Impacts*

# Reserve Balances (\$ millions)

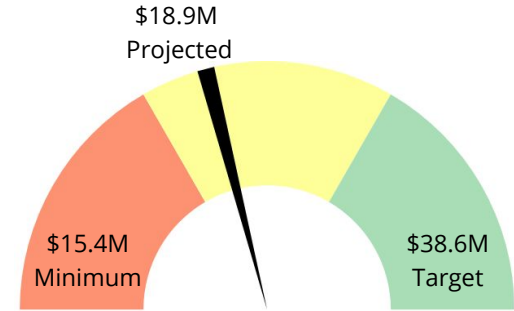
## Financial Stabilization Reserve






## Traffic Safety & Automated Enforcement Reserve



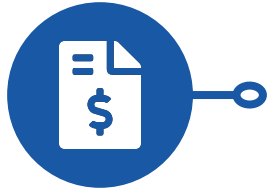
## Planning & Development Reserve



-  Above target balance
-  Above minimum balance & below target balance
-  Below minimum balance

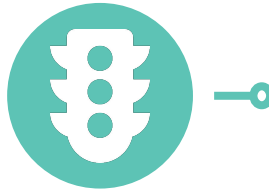


# Capital Results - June 30, 2021



## Budget Cycle Spend

39.1% spend of 2019 - 2022 Budget Cycle, compared to 36.9% at same point in 2015-2018 Budget Cycle



## Significant Project Results

Significant majority of capital projects are on time and on budget

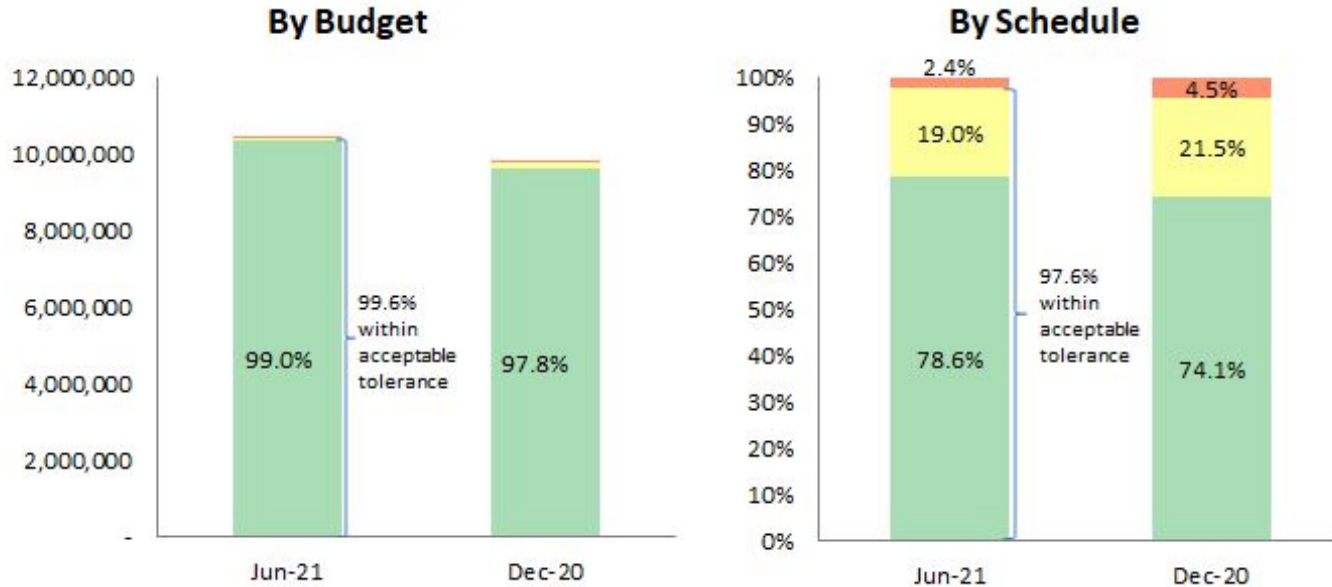


## Debt Update

Projecting to utilize up to 79% of most restrictive limit by 2024 (City's tax supported debt servicing policy limit)

# Capital Reporting

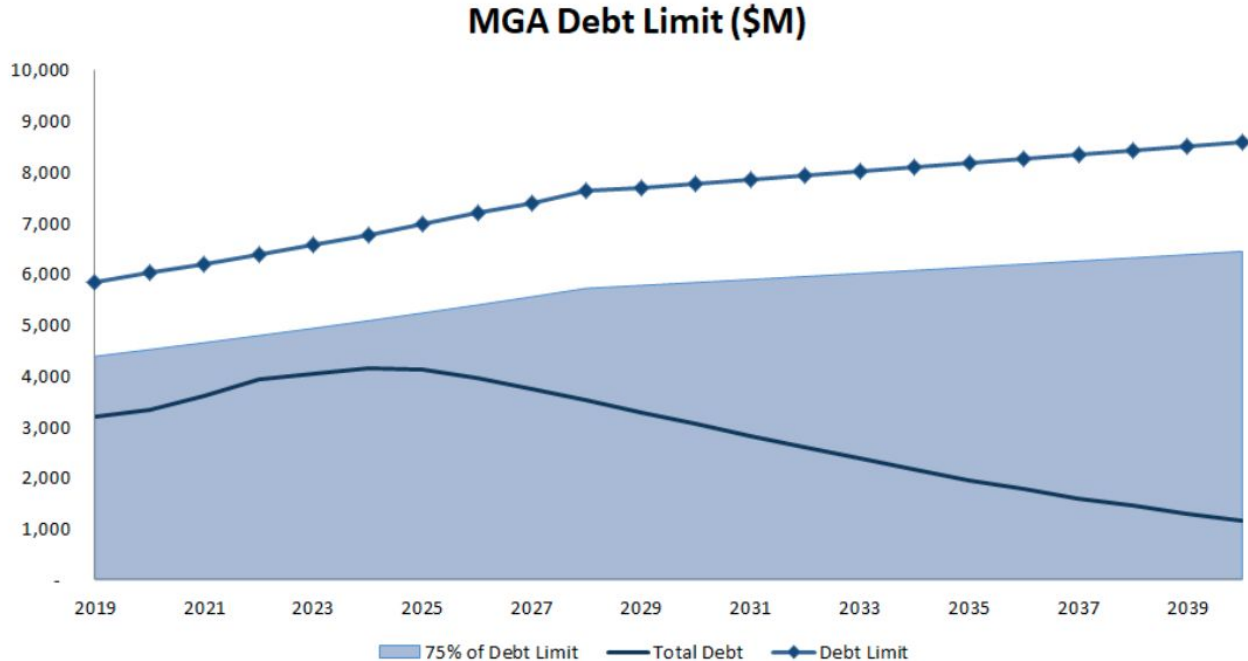
## Significant Capital Project Status Summary



\*The budget and schedule status charts above are weighted by the profiles approved budget.

# Debt and Debt Servicing Limits

The *Municipal Government Act (MGA)* and related regulations establish limits for municipal debt levels and annual debt servicing costs.

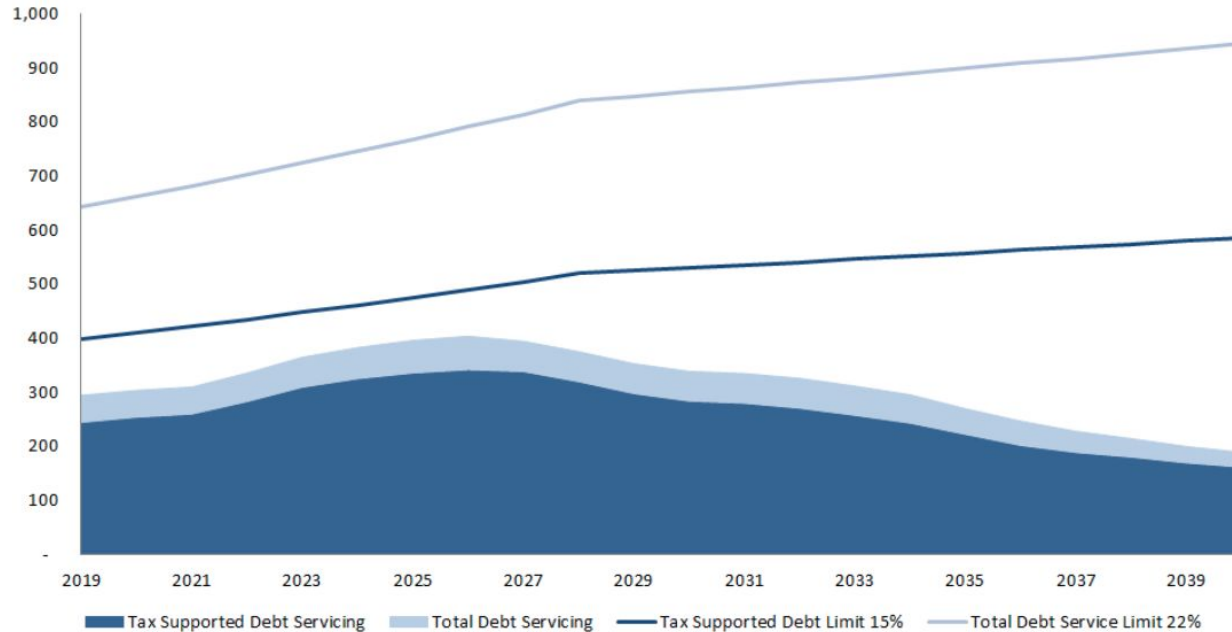


# Debt and Debt Servicing Limits

## Debt Management Fiscal Policy

The internal *Debt Management Fiscal Policy (DMFP)* sets more conservative debt service limits than those established in the *MGA*.

**Debt Management Fiscal Policy Limits (\$M)**



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Thank you

The logo for the city of Edmonton, featuring the word "Edmonton" in a white, sans-serif font on a dark blue square background. The background of the entire slide is a blue-tinted photograph of three people running on a track in a stadium.

Edmonton