



November 26, 2018

Todd Burge, CPA, CMA
Deputy City Manager and Chief Financial Officer
City of Edmonton
5 Floor, Chancery Hall
3 Sir Winston Churchill Square
Edmonton, AB T5J 2C3

Dear Mr. Burge:

RE: Additional Instructions for 2019-2022 Operating Budget Submission

Further to your letter of 7, November 2018 please find attached:

1. Segmented financial reporting for each of the major activities that Edmonton Economic Development Corporate performs today; and
2. A document describing how Edmonton Economic Development Corporation's Operating Budget for 2019-2022 has been realigned in light of the key roles and accountabilities framework that has been drafted to clarify the roles of Edmonton Global, Edmonton Economic Development Corporation, and the City of Edmonton in the Economic Framework for Edmonton and the region.

We trust that you will find these documents in order; should you have any questions please reach out directly to discuss.

Thank you,

Derek Hudson
CEO Edmonton Economic Development Corporation

Cc: Angela Fong, EEDC Board Chair
Linda Cochrane, City Manager
Barry McNabb, Branch Manager, Financial Strategies, Budget & Utility Regulation

Attach: 2018 – 2019 Segmented Financial Reports
2019 – 2022 Realigned Operating Budget

EEDC 2018 and 2019 Segmented Financial Reports

Edmonton Economic Development (not consolidated)		
	Budget	
	2018	2019
Revenue	29,528	42,181
Salaries	23,993	32,095
Program		
Operating	19,177	19,346
Repair & Maintenance	1,972	3,919
Utilities	2,929	5,364
TEC Edmonton	1,500	1,500
	-	-
Net Requirement (tax levy)	(20,043)	(20,043)
FTE	577.0	586.0

Innovate Edmonton		
	Budget	
	2018	2019
Revenue	2,320	1,337
Salaries	1,864	1,636
Program		
ERP	1,788	1,716
Startup	329	329
Marketing	456	424
TEC*	1,500	1,500
	-	-
Net Requirement (tax levy)	(3,617)	(4,268)
FTE	22.0	22.0

Corporate		
	Budget	
	2018	2019
Revenue	115	378
Salaries	3,477	4,524
Expenditures		
Hosting & Catering	210	179
Professional Services	895	932
Staff Development & Events	324	279
Operatings & Technology	431	869
Rent, Utilities, Insurance	1,040	1,055
Contingency	1,000	-
Net Requirement (tax levy)	(7,262)	(7,460)
FTE	40.0	40.0

EXPO Centre		
	Budget	
	2018	2019
Revenue	-	17,690
Salaries	-	10,217
Expenditures		
Operating Expenses	-	5,291
Rent, Utilities, Insurance	-	1,859
Repair & Maintenance	-	1,053
	-	-
	-	-
	-	-
Net Requirement (tax levy)	-	(730)
FTE	213.0	217.0

Notes:

Approved 2018 budget

Proposed 2019 budget not including service packs

¹TEC is an unincorporated joint venture, 50/50 with the UofA; 100% of the budget is provided below
 corporate costs are not allocated to the divisions - use responsibility centre model
 corporate salaries have increased due to acquisition of EXPO

Edmonton Tourism		
	Budget	
	2018	2019
Revenue	6,348	5,451
Salaries	3,104	3,374
Program		
Meetings & Conventions	1,554	1,278
Consumer Marketing	1,561	1,442
Int'l Market Development	1,320	1,411
Edmonton Events	2,041	1,863
Business Development	445	216
Net Requirement (tax levy)	(3,677)	(4,133)
FTE	42.0	42.0

Enterprise Edmonton		
	Budget	
	2018	2019
Revenue	975	-
Salaries	2,441	1,411
Program		
Product Development	400	256
Industry Development	1,420	228
Attraction	1,711	74
	-	-
Net Requirement (tax levy)	(4,997)	(1,969)
FTE	15.0	15.0

Shaw Conference Centre		
	Budget	
	2018	2019
Revenue	19,770	17,325
Salaries	13,107	10,933
Expenditures		
Operating Expenses	4,971	3,963
Rent, Utilities, Insurance	937	1,308
Repair & Maintenance	1,245	2,605
	-	-
	-	-
	-	-
Net Requirement (tax levy)	(490)	(1,484)
FTE	225.0	230.0

*TEC Edmonton ¹ (not consolidated)		
	Budget	
	2018	2019
Revenue	6,315	5,550
Salaries	4,511	4,167
Admin Expenses (rent, insurance, IT)	589	524
Program		
Entrepreneur Development	504	123
Business Development	1,738	1,892
Technology Management	473	344
	-	-
	-	-
Net Requirement (tax levy)	(1,500)	(1,500)
FTE	53.7	48.0

EEDC Operating Budget for 2019-2022 Realignment Due to Edmonton Global

Through 2017 and 2018 EEDC's Operating Budget has been realigned in two phases in light of the key roles and accountabilities framework drafted to clarify the roles of Edmonton Global, EEDC, and the City of Edmonton:

- Phase one: \$1.5M Government of Alberta funding of foreign direct investment, through the MASP program, redirected from EEDC to Edmonton Global effective January 1, 2018.
- Phase two: EEDC's 2018 tax levy decreased by \$668,000, and redirected to Edmonton Global, resulting in a commensurate ongoing reduction in EEDC budget for Enterprise Edmonton.

A portion of those redirected revenues were recouped by Enterprise Edmonton through contract to Edmonton Global to continue foreign direct investment work. Edmonton Global is not renewing the contract for January 1, 2019.

	Enterprise Edmonton					
	Actual 2017	Forecast 2018	Budget			
			2019	2020	2021	2022
Revenue						
City of Edmonton Tax Levy	2,382	1,711	1,968	1,945	1,692	1,694
Provincial	1,575	-	-	-	-	-
Global	-	1,710	-	-	-	-
Other	300	820	-	-	-	-
Total Revenue	4,257	4,241	1,968	1,945	1,692	1,694
Expenses						
Salaries	1,331	1,787	1,411	1,411	1,410	1,411
Product Development	268	800	256	232	132	133
Industry Development	1,525	622	228	228	100	100
Attraction	1,133	1,032	74	74	50	50
Total Expenses	4,257	4,241	1,968	1,945	1,692	1,694
Net Surplus (deficit)	-	-	-	-	-	-

For 2019, the priority of Enterprise Edmonton is to focus on local business growth as any regional accountabilities terminate with the contract to Edmonton Global. We will continue to work with regional partners and Edmonton Global to build our collective expertise and collaborations; however, there was no funding duplication or overlaps.