

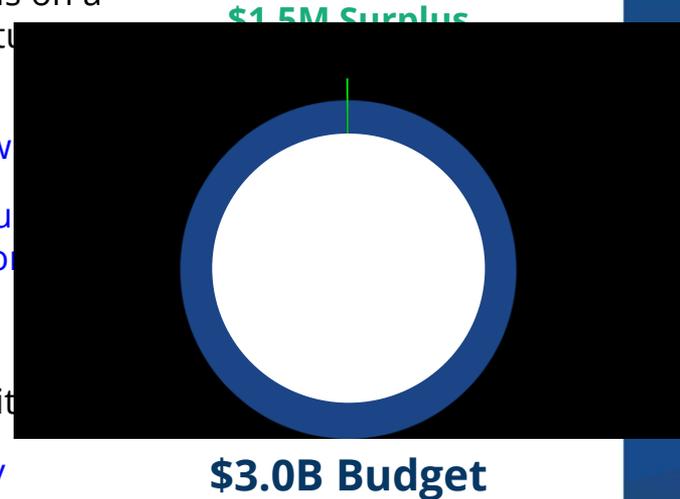
Emerging Financial Items

Verbal Report

Financial & Corporate Services
FCS00671
City Council, June 7, 2021

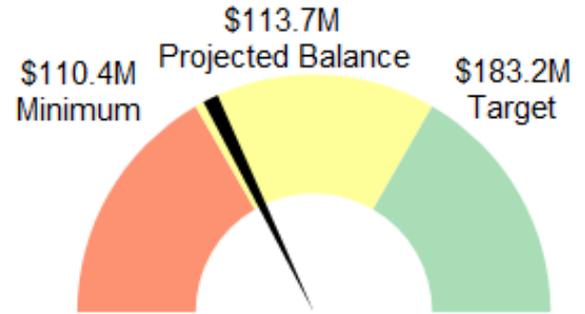
2021 Financial Highlights

- April 30, 2021 - Current projection is \$1.5 million surplus on a \$3.0 billion budget (0.1% of the tax-supported expenditure budget)
 - Projection includes ~ \$14 million favourable snow
 - Report regarding Downtown Vibrancy Strategy (June 2021 Urban Planning Committee) - absorbing \$5 million against this surplus
- Significant uncertainty for 2021 projections for certain items
 - Transit revenue dependent on ridership recovery
 - Recreation facilities timing of opening, return of patrons
 - Other items from continuing COVID-19 pandemic impacts



Financial Stabilization Reserve (FSR) Update

	(\$ millions)
FSR - 2020 year-end	\$129.0
Approved items in 2021 (previously approved):	
Valley Line LRT service levels	(0.9)
Transit cash fares	(0.5)
Technology Accelerator - Innovate Edmonton	(5.0)
Aerial mosquito program - reinstatement	(0.5)
For consideration today:	
Loan default provision - Edmonton Space & Science Foundation	(4.0)
Guarantee - Edmonton Metro Transit Services Commission	(3.3)
Weed program - reinstatement (council initiated)	(1.1)
FSR - revised balance	\$113.7



2021-2022 COVID Funds - Allocation Update

	Millions
Funds for COVID Budget Pressures	\$186.2
COVID-19 2021 operating budget shortfall (<i>after other strategies</i>)	(98.8)
Shelter support (<i>24/7 shelter and day shelters</i>)	(18.3)
Economic Recovery Construction Grant	(22.9)
Explore Edmonton	(17.1)
Recreation centers - phased reopening	(7.5)
UV air purification for transit	(5.9)
Business license fee waiver (50%)	(4.9)
Other (<i>BIA levy, Transit community outreach, vaccination site, health/safety, YMCA</i>)	(7.2)
Festivals (<i>June 30 Community Public Services Committee - information report</i>)	(1.0)
For consideration today:	
Air Services Opportunity Fund (<i>portion funded through COVID funds</i>)	(2.6)
Funds Remaining (as of June 7, 2021)	\$ -

Examples of upcoming Budget Pressures



Revenue

- Transit Revenue: 2022 ~ \$30M; 2023 ~ \$20M
- Community Recreation Facilities revenues shortfall: 2022 ~ \$13M
- Reduction in 2022 tax revenue (assessment growth)~ \$10M



Economic Recovery

- Downtown Vibrancy - \$7M - \$28M
- Air Services Opportunity Fund - \$9.9M
- A1 Indoor Soccer Facility - \$5M - \$7M
- Venture Capital Fund - \$5M - \$10M



Other

- Reduced automated enforcement revenues ~ \$18.3M less than budgeted over 2021 and 2022
- Capital Line - South Extension debt servicing ~ \$4.7M (2023)
- Energy Transition Strategy ~ \$100M/year - capital/operating

Summary



Minimal available operating funding

- 2021 year-end position
- FSR
- COVID funding



Budget pressures are growing and being assessed



Actively managing spending and budget

- Securing funding
- Advocating for financial support
- Cost management
- Priority Based Budgeting/ service review

Thank you
Questions?