



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

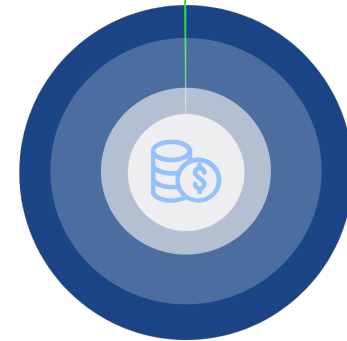
COVID-19 2021 Impacts and Funding Strategies		
December 7, 2020 Budget Adjustment		
(\$ millions)	Total City	Tax Supported
Revenue Reductions	(\$119.5)	(\$111.1)
Additional COVID Costs	(\$30.5)	(\$30.5)
Total Impact	(\$150.0)	(\$141.6)
Funding Strategies:		
Expense Reductions	\$51.2	\$48.9
Transfer from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

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

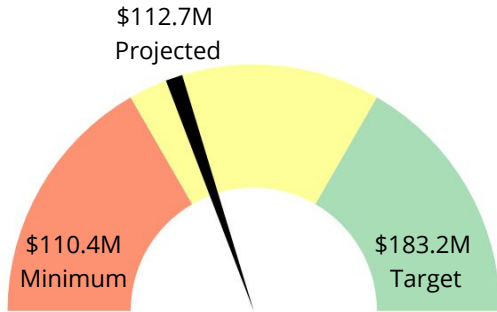
2022

COVID-19 STRATEGIES

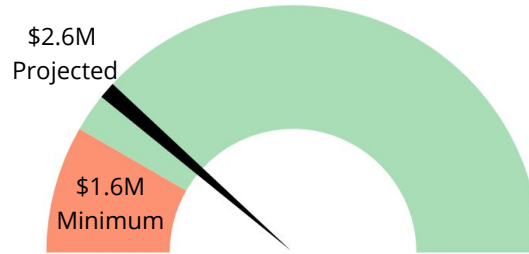
-  Expense Management
Recommended
-  External Funding
Significant Uncertainty
-  Redirection of Capital Funding to Operating
Hold for Emergent/Future Impacts
-  Financial Stabilization Reserve
Hold for Emergent/Future Impacts
-  Financial Strategies
Hold for Emergent/Future Impacts

Reserve Balances (\$ millions)

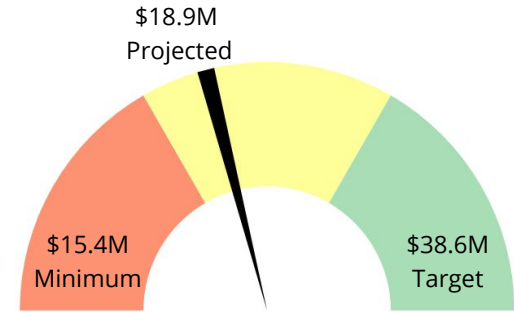
Financial Stabilization Reserve






Traffic Safety & Automated Enforcement Reserve

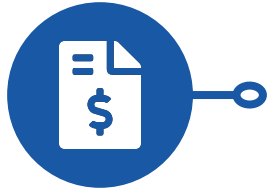


Planning & Development Reserve



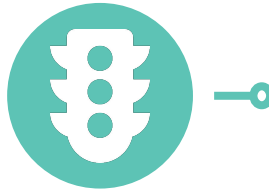
-  Above target balance
-  Above minimum balance & below target balance
-  Below minimum balance

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

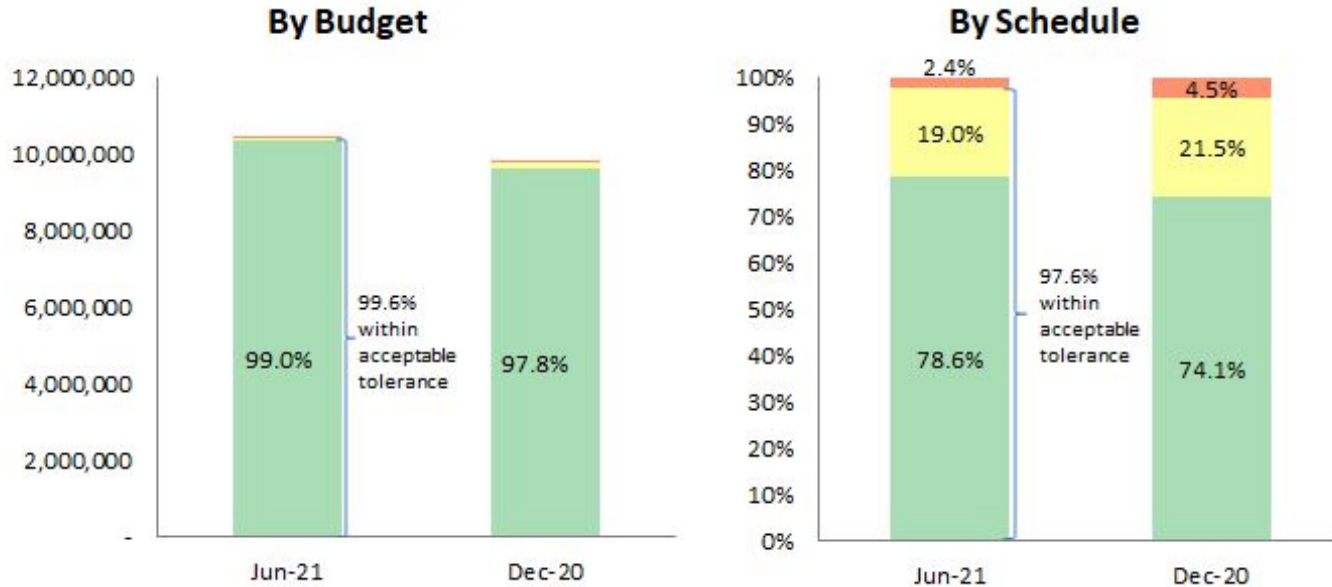


Debt Update

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

Capital Reporting

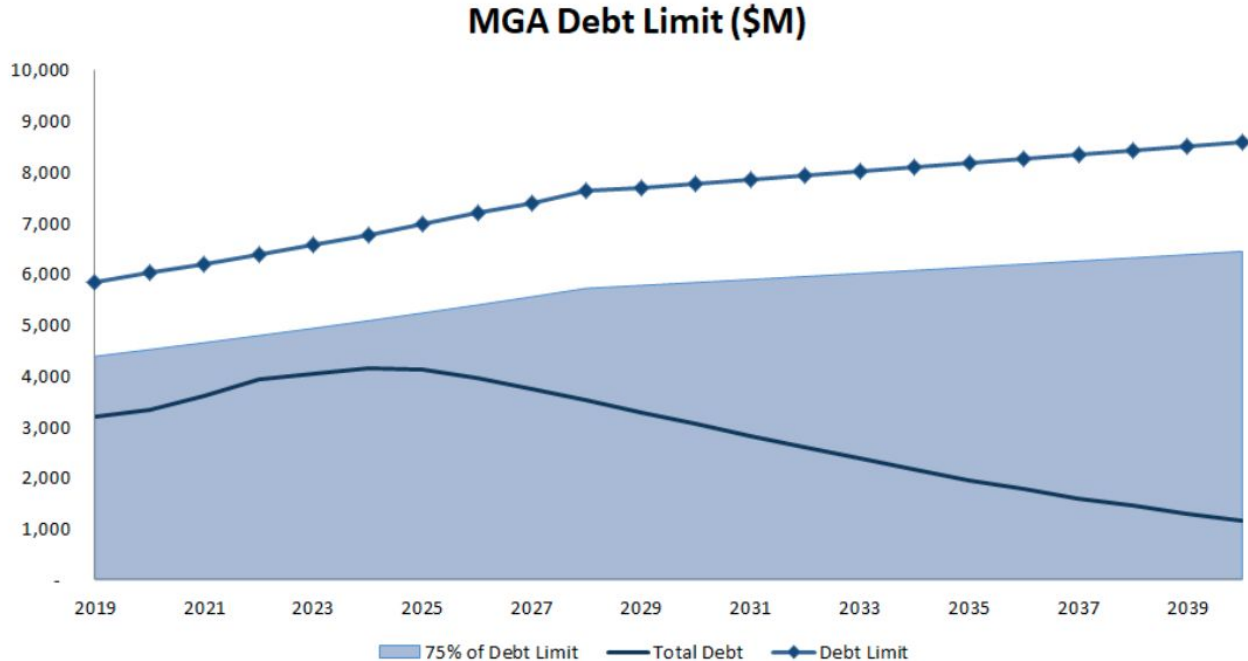
Significant Capital Project Status Summary



*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.

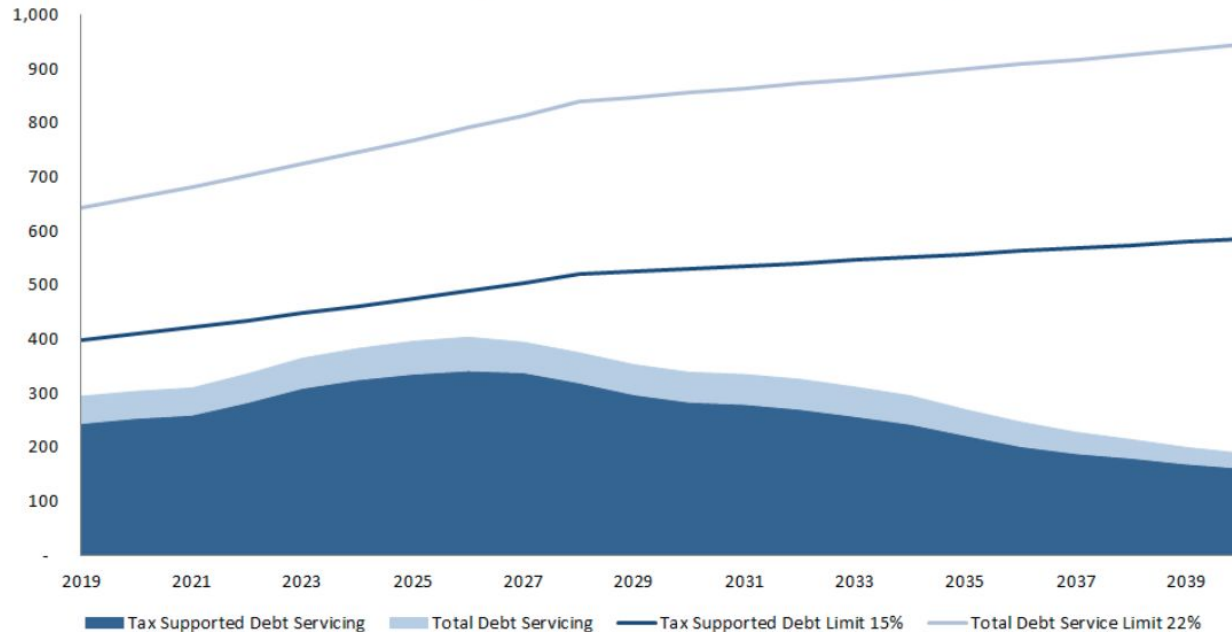


Debt and Debt Servicing Limits

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)



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