

# OPERATING FINANCIAL UPDATE

## September 30, 2021

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## Supplemental Information

Tax-Supported Operations – September 30, 2021 Financial Results and Projections  
 COVID-19 2021 COVID Budget Adjustment

**Tax-Supported Operations (excluding Edmonton Police Services)**  
**Summary Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

**Net Position Budget Variance - Summary**

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (1)%
- Unfavourable budget variance, > (1)%

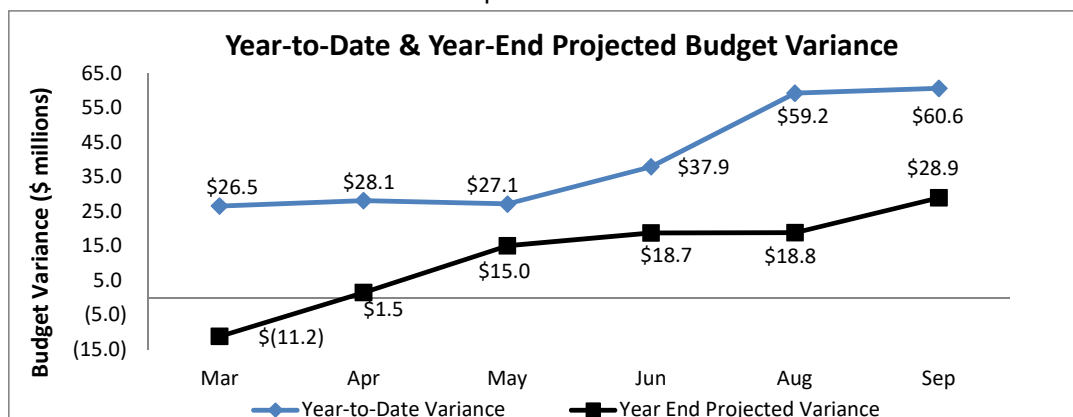
<b>Year-to-Date</b>					
	Adjusted Budget	Actual	Variance \$		%
Revenue	2,438,041	2,407,148	(30,893)	●	(1.3)
Expense	1,786,868	1,695,381	91,487	●	5.1
<b>Net Position</b>	<b>651,173</b>	<b>711,767</b>	<b>60,594</b>	<b>●</b>	<b>2.4</b> *

<b>Projected Year-End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	2,981,415	(40,112)	2,941,303	2,888,429	(52,874)	● (1.8)
Expense	2,594,883	(40,112)	2,554,771	2,473,015	81,756	● 3.2
<b>Net Position</b>	<b>386,532</b>	<b>-</b>	<b>386,532</b>	<b>415,414</b>	<b>28,882</b>	<b>● 1.1</b> *

\* Net position percentage based on annual expense budget

**Year-to-Date Variance** - Tax-supported operations reflect a year-to-date favourable budget variance of \$60.6 million, or 2.4% of the overall expense budget. This is mainly due to lower snow and ice control costs as a result of less snowfall than anticipated in the first quarter and lower than budgeted personnel costs in Community and Recreation Facility driven by facility closures required in response to the COVID-19 pandemic in the early part of the year, greater than anticipated vacancies due to delays in hiring and vacancy management, and lower than anticipated COVID-19 isolation and quarantine pay for Transit Operators. This is partially offset with significantly lower revenue in Transit and Community and Recreation Facilities where lower ridership and admission is attributed to the COVID-19 pandemic, and lower gas franchise fees as a result of ATCO's rate relief program implemented in 2021.

**Projected Year-End Variance** - A net favourable year-end position of \$28.9 million is projected for tax-supported operations, a variance of 1.1% when compared to the overall expense budget. This is mainly due to lower than budgeted personnel costs in Community and Recreation Facility driven by facility closures required in response to the COVID-19 pandemic in the early part of the year, greater than anticipated vacancies due to delays in hiring and vacancy management, lower than anticipated COVID-19 isolation and quarantine pay for Transit Operators. As well, lower snow and ice control costs as a result of less snowfall than anticipated in the first quarter are contributing to the favourable variance. These favourable variances are partially offset with significantly lower revenue in Transit and Community and Recreation Facilities where lower ridership and admission is attributed to the COVID-19 Pandemic, higher than anticipated costs related to Enterprise Commons, and lower On-Street Construction and Maintenance (OSCAM) revenue due to reduced demand/duration of permits.



Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.5

<b>Net Position Budget Variance - Details</b>		
<b>YTD Variance (in millions \$)</b>	<b>Year-End Projected Variance (in millions \$)</b>	<b>Variance Explanations</b>
28.9	24.3	<b>Personnel Costs, net of discounting and significant recoveries</b> ( <i>All Departments</i> ) <i>YTD &amp; Projected</i> - Favourable budget variance mainly due to lower personnel costs in Community and Recreation Facility driven by facility closures required in response to the COVID-19 pandemic in the early part of the year, greater than anticipated vacancies due to delays in hiring and vacancy management, and lower than anticipated COVID-19 isolation and quarantine pay for Transit Operators. These favourable variances are partially offset with unbudgeted personnel costs for the provision of bus cleaning services as the original budget assumed the contracting out of these services.
13.0	8.1	<b>Snow and Ice Control</b> ( <i>Snow and Ice Control, City Operations</i> ) <i>YTD &amp; Projected</i> - Favourable budget variances are the result of lower than expected snowfall in the first quarter of the year, leading to lower costs for contract work and hired equipment and materials. The projected variance is partially offset by unbudgeted costs to remove accumulated sand piles at snow storage facilities.
3.6	4.4	<b>Tax Penalties</b> ( <i>Corporate Revenues, Corporate Programs</i> ) <i>YTD &amp; Projected</i> - Favourable variance in tax penalties reflects decreased collections due to economic factors that emerged prior to 2020, and additional financial impacts of the COVID-19 pandemic.
3.5	2.3	<b>Recreation Centres Relaunch Operating Costs</b> ( <i>Community and Recreation Facilities, Citizen Services</i> ) <i>YTD &amp; Projected</i> - Favourable budget variance due to lower costs for utilities and external services resulting from longer facility closures in response to additional Provincial public health measures and the phased re-opening approach for the Recreation Centres Relaunch.
2.1	2.8	<b>Contracted Bus Cleaning</b> ( <i>Fleet and Facility Services, City Operations</i> ) <i>YTD &amp; Projected</i> - Favourable budget variance due to delay in contracting of bus cleaning services to an external vendor, which is more than offset by unbudgeted personnel costs required to provide internal bus cleaning services (see Personnel Costs above).
1.1	2.7	<b>Contract Work and Materials</b> ( <i>Fleet and Facility Services, City Operations</i> ) <i>YTD &amp; Projected</i> - Favourable budget variance due to reduced contract work and materials usage in facility maintenance as a result of facility closures, partially offset by lower than budgeted recoveries.
0.9	3.2	<b>Smart Fare</b> ( <i>Edmonton Transit, City Operations</i> ) <i>YTD &amp; Projected</i> - Favourable budget variance due to lower costs as the launch of the remaining fare products will transition in a phased approach throughout the remainder of 2021 and 2022.
(1.6)	(2.5)	<b>Advertising Revenue</b> ( <i>Edmonton Transit, City Operations</i> ) <i>YTD &amp; Projected</i> - Unfavourable budget variance due to lower revenue from advertising contracts for vehicles, stations, and shelters as a result of the COVID-19 Pandemic.

<b>Net Position Budget Variance - Details (continued)</b>		
<b>YTD Variance (in millions \$)</b>	<b>Year-End Projected Variance (in millions \$)</b>	<b>Variance Explanations</b>
(2.3)	(3.8)	<b>Asphalt and Concrete Restoration Program</b> ( <i>Parks and Road Services, City Operations</i> ) <i>YTD &amp; Projected</i> - Lower asphalt and concrete revenues partially offset with lower non-personnel expenses such as material and equipment due to the closure of the asphalt plant and suspension of the asphalt and concrete restoration (utility cut) program, and lower Labour costs (see Personnel Costs).
(2.7)	(4.9)	<b>OSCAM Permit Fee Revenue</b> ( <i>Parks and Road Services, City Operations</i> ) <i>YTD &amp; Projected</i> - Lower than budgeted net On-Street Construction and Maintenance (OSCAM) revenue due to reduced demand/duration of permits following the introduction of permit fees.
(3.6)	(6.4)	<b>Enterprise Commons Software Maintenance Costs</b> ( <i>Open City and Technology, Financial and Corporate Service</i> ) <i>YTD &amp; Projected</i> - Unfavourable variance due to higher than anticipated software maintenance costs for Enterprise Commons as more products and modules were required to obtain required functionality as well as additional license counts for partner organizations.
(5.7)	(4.9)	<b>Recreation Centres Relaunch Revenue</b> ( <i>Community and Recreation Facilities, Citizen Services</i> ) <i>YTD &amp; Projected</i> - Recreation centre revenue is significantly reduced as a result of lower admissions from longer facility closures in response to additional Provincial public health measures. This unfavourable variance is in excess of previously reduced recreation centre revenue budget in anticipation for lower admissions in 2021 due to the COVID-19 pandemic.
(5.9)	0.0	<b>Gas Franchise Fees</b> ( <i>Corporate Revenues, Corporate Programs</i> ) <i>YTD</i> - Unfavourable budget variance as ATCO Gas recently implemented a rate relief program in 2021 for customers due to the COVID-19 pandemic; this program defers the base rate increases which were originally forecasted in 2021 to 2022 and 2023 resulting in lower franchise revenue in 2021. <i>Projected</i> - The impact of the rate relief program budget adjustment was spread over the last quarter of 2021, creating a timing difference between actual and planned results. Final forecast is to be on budget by year-end.
(8.3)	(13.3)	<b>Transit Fare Revenue</b> ( <i>Edmonton Transit, City Operations</i> ) <i>YTD &amp; Projected</i> - Lower fare revenue due to lower ridership than anticipated through the COVID-19 pandemic.
37.6	16.9	Other net cumulative variances across tax-supported areas.
<b>60.6</b>	<b>28.9</b>	<b>Total Net Position Budget Variance</b>
<b>2.4%</b>	<b>1.1%</b>	<b>Total Net Position Budget Variance Percentage (based on annual expense budget)</b>

Edmonton Police Services financial results are reflected in the "Edmonton Police Service - Budget Variance for the Period Ending August 31, 2021" section of this report. Results are as of August 31, 2021 (the most recent financial reporting provided to the Edmonton Police Commission).

**Potential Impacts to Year-End Results**

Projected operating year-end results for tax-supported operations reflect the information available to date. Certain items involve a greater degree of uncertainty. Administration continues to monitor the following matters and update projections as necessary:

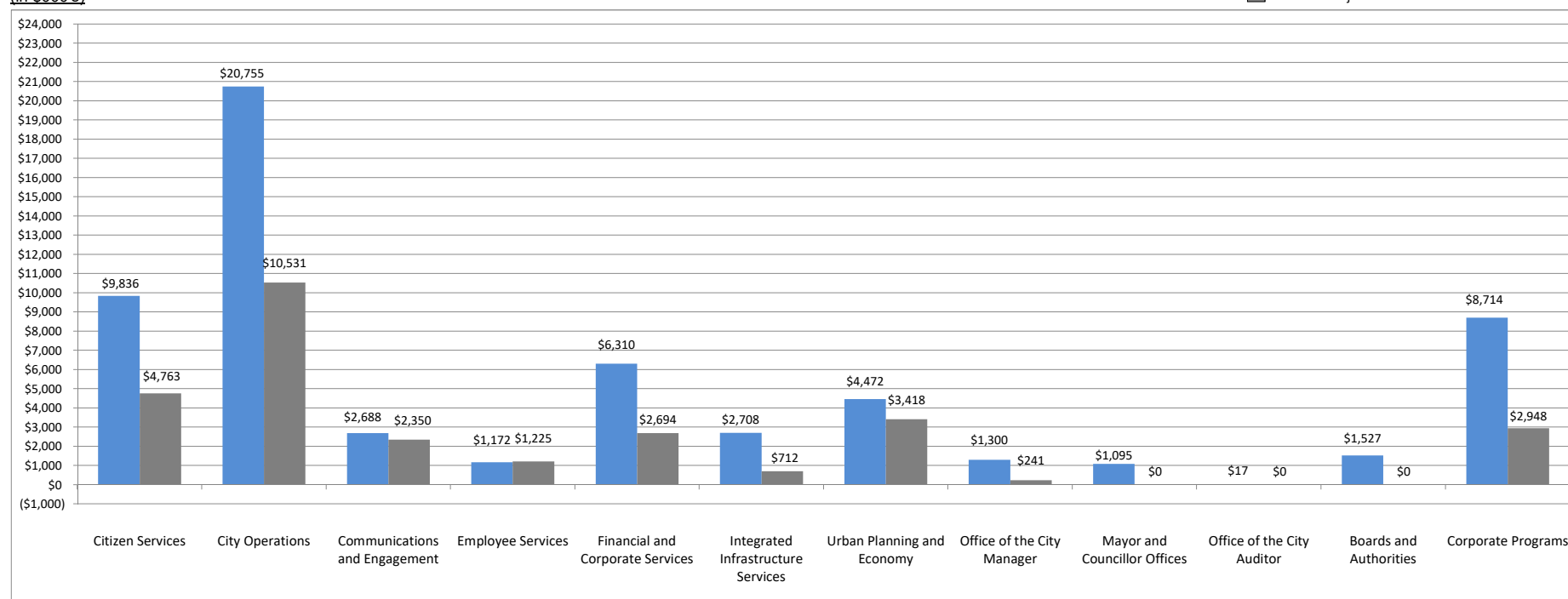
- In March 2020, the Province of Alberta declared a state of public health emergency due to the outbreak of a novel coronavirus (COVID-19), resulting in the implementation of numerous health restrictions over the last 20 months; the most recent restrictions being implemented in September of 2021 with the surging of a fourth wave. The financial impact of these newest restrictions is still being monitored by Administration; financial projections are based on assumptions that are subject to change and that can have a significant impact on the City's financial position.
- Most in scope employee contracts expired in December 2020 (EPA, SOA, ATU Main, CUPE, and CSU\*) with bargaining currently in progress with the exception of CSU which is anticipated to start in January 2022. ATU and IBEW agreements expire at the end of this year and bargaining has not yet commenced. The collective agreement with the EFFU expired in December 2018 and has yet to be renegotiated.
- Snow and ice control expenditures are weather dependent and difficult to predict. Greater snowfall than average may further impact the Snow and Ice Control program projected results.
- Fluctuating fuel costs may increase/decrease cost of fuel for the City. The City hedges half of its annual fuel purchases to mitigate financial impacts of fuel price fluctuations.
- The prices for materials (including parts and equipment) may be impacted by exchange rate fluctuations (on-going risk), as well as pandemic-related supply chain disruptions and transportation bottlenecks (near to short-term risk).

\*Edmonton Police Association (EPA), Senior Officers' Association (SOA), Amalgamated Transit Union (ATU), Canadian Union of Public Employees (CUPE), Civic Service Union 52 (CSU), International Brotherhood of Electrical Workers (IBEW), Edmonton Fire Fighters' Union (EFFU)

**Year-to-Date/Year-End Projected Budget Variances by Tax-Supported Department (excluding Edmonton Police Services)**

(in \$000's)

■ Year-to-Date Variance  
 ■ Year-End Projected Variance



**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Citizen Services**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	79,755	72,887	(6,868)	<span style="color: yellow;">●</span>	(8.6)
Expense	346,163	329,459	16,704	<span style="color: green;">●</span>	4.8
Net Position	(266,408)	(256,572)	9,836	<span style="color: green;">●</span>	3.7

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	171,334	(32,860)	138,474	117,903	(20,571)	<span style="color: red;">●</span>	(14.9)
Expense	527,821	(33,060)	494,761	469,427	25,334	<span style="color: green;">●</span>	5.1
Net Position	(356,487)	200	(356,287)	(351,524)	4,763	<span style="color: green;">●</span>	1.3

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue -*

Community and Recreation Facilities:

- Unfavourable variance in Recreation Facility centre revenue of (\$5,698) as a result of fewer admissions resulting from longer facility closures in response to additional Provincial public health measures. This unfavourable variance is in excess of previously reduced recreation centre revenue budget in anticipation for lower admissions in 2021 due to the COVID-19 pandemic.

*Expense -*

Community and Recreation Facilities:

- Favourable budget variance of \$3,520 due to lower costs for utilities and external services resulting from longer facility closures in response to additional Provincial public health measures and the phased re-opening approach for the Recreation Centres Relaunch;
- Favourable variance of \$2,439 in personnel as a result of longer facility closures;
- Favourable variance of \$2,090 from delayed project spending and Community grants due to the COVID-19 pandemic.

Social Development:

- Favourable variance of \$2,763 from delayed project spending and Community grants as a result of partner readiness and some external groups requesting funding to be paused due to programs not being advanced during the COVID-19 pandemic.



**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

**Projected**

*Revenue -*

Community and Recreation Facilities:

- Unfavourable budget variance of (\$4,910) as a result of lower Recreation centre revenue because of fewer admissions throughout the COVID-19 pandemic. This unfavourable variance is in excess of previously reduced recreation centre revenue budget in anticipation for lower admissions in 2021 due to the COVID-19 pandemic.

Social Development:

- Unfavourable budget variance of (\$12,175) as a result of Housing projects not advancing as quickly as budgeted. These funds will remain in Affordable Housing Reserve and Provincial Block Funding to be applied when the projects are advanced in 2022. This is fully offset by a favourable expense projection;
- Reduced reserve funding recognized of (\$2,496) as a result of savings in the Spring Shelters and the Affordable Housing Public Info Campaign program work delayed to 2022.

*Expense -*

Community and Recreation Facilities:

- Favourable budget variance in personnel of \$2,331 due to facility closures and employees on temporary lay-off as an outcome of COVID-19;
- Favourable budget variance for utilities and external services of \$2,308 related to the phased approach for the Recreation Centres Relaunch and facility closures resulting from additional Provincial public health measures.

Social Development:

- Favourable budget variance of \$12,175 is due to anticipated Housing projects rollout not advancing as quickly as budgeted;
- Favourable budget variance of \$2,496 due to lower program expenses relating to Spring Shelters and Affordable Housing Public Info Campaign delayed to 2022.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**City Operations**

<b>Year-to-Date</b>						
	Adjusted Budget	Actual	Variance \$		%	
Revenue	92,171	72,879	(19,292)	●	(20.9)	
Expense	515,558	475,511	40,047	●	7.8	
Net Position	(423,387)	(402,632)	20,755	●	<b>4.9</b>	

<b>Projected Year-End</b>							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%	
Revenue	225,855	(74,822)	151,033	122,921	(28,112)	●	(18.6)
Expense	702,979	(5,479)	697,500	658,857	38,643	●	5.5
Net Position	(477,124)	(69,343)	(546,467)	(535,936)	10,531	●	<b>1.9</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue -*

Edmonton Transit:

- Unfavorable variance primarily due to lower fare revenue of (\$8,347) from lower than anticipated ridership throughout the COVID-19 pandemic;
- Lower revenue of (\$1,560) resulting from lower advertising contracts for vehicles, stations, and shelters in the period as a result of the COVID-19 pandemic.

Parks and Road Services:

- Unfavourable variance is mainly due to reduced asphalt & concrete restoration revenue of (\$2,911) as a result of the cancellation of the program;
- Unfavourable variance for On-Street Construction and Maintenance (OSCAM) and other permit revenue of (\$2,741) due to a combination of lower industry demand and shorter permit duration;
- Unfavourable variance for parking revenue of (\$1,521) due to lower demand resulting from the COVID-19 pandemic.

*Expense -*

Edmonton Transit:

- ETS has been operating full service since September 2020. The favorable variance primarily related to lower personnel costs of \$4,982 as a result of unfilled vacant positions and lower than anticipated COVID-19 isolation and quarantine pay for Transit Operators;
- Favorable variance of \$2,818 from lower fuel costs primarily due to a significant number of newer buses that are more fuel efficient, a gain on the fuel hedge, and a reduction to post secondary enhanced services in the first part of the year;
- Lower maintenance costs of \$2,811 due to newer fleet, lower than anticipated usage, and limited resources in Transit Fleet Maintenance as a result of COVID;
- Higher than anticipated recoveries of \$2,397 from capital projects for Light Rail Vehicle capital repair work.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

Fleet and Facility Services:

- Favourable variance due to vacancy and overtime management of \$4,269;
- Favourable variance of \$2,100 due to a delay in contracting out bus cleaning services, more than offset by unbudgeted personnel costs required to provide internal bus cleaning services, which is netted in the favourable personnel variance above;
- Reduced spending of \$1,100 in contract work and direct materials due to less customer work requested as a result of facility closures.

Parks and Road Services:

- Favourable variance of \$1,161 due to lower required maintenance on internal fleet as a result of reduced fleet usage and less running repairs resulting from less severe weather;
- Favourable variance of \$4,049 due to less material usage in Oil and Gravel Road Maintenance resulting from decreased grading work required and suspension of restoration program;
- Partially offset by an unfavourable variance due to over expenditures in the Street and Lane Lighting electrical contract and the Spring Sweep due to higher contract costs of (\$1,898).

Snow and Ice Control:

- Favourable variance of \$10,152 for hired equipment, materials and contract work;
- Favourable variance of \$3,139 due to reduced sand & salt usage as a result of favourable weather conditions.

**Projected**

*Revenue -*

Edmonton Transit:

- Unfavorable variance primarily due to lower fare revenue of (\$13,282) from lower than anticipated ridership throughout the COVID-19 pandemic;
- Lower revenue of (\$2,529) resulting from lower advertising contracts for vehicles, stations and shelters in the period as a result the COVID-19 pandemic.

Fleet and Facility Services:

- Unfavorable variance due to lower revenue of (\$1,250) from discontinued maintenance services for EPCOR per client request.

Parks and Road Services:

- Unfavourable variance is mainly due to reduced asphalt & concrete restoration revenue of (\$4,562) as a result of the cancellation of the program;
- Unfavourable variance for On-Street Construction and Maintenance (OSCAM) and other permit revenue of (\$4,899) due to a combination of lower industry demand and shorter permit duration;
- Unfavourable variance for parking revenue of (\$1,724) due to lower demand resulting from the COVID-19 pandemic;
- This is partly offset by a higher than anticipated transfer from Reserve of \$2,343 for Tree Preservation and Protection program work to fund additional forestry expenses.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

*Expense -*

Edmonton Transit:

- ETS has been operating full service since September 2020. The favorable variance primarily related to lower personnel costs of \$5,700 as a result of unfilled vacant positions and lower than anticipated COVID-19 isolation and quarantine pay for Transit Operators;
- Favorable variance of \$4,000 from lower fuel costs primarily due to a significant number of newer buses that are more fuel efficient, a gain on the fuel hedge, and a reduction to post secondary enhanced services in the first part of the year;
- Favourable variance of \$3,242 due to the new Smart Fare phased-in implementation timelines;
- Higher than anticipated recoveries of \$2,400 from capital projects for Light Rail Vehicle capital repair work;
- Favourable variance of \$1,500 due of lower DATS contract work as a result of lower trip demand due to COVID;
- Higher costs of (\$1,500) for security guards at transit centres and LRT stations.

Fleet and Facility Services:

- Favourable variance due to vacancy and overtime management of \$3,939;
- Favourable variance of \$2,800 due to delay in contracting out bus cleaning services, more than offset by unbudgeted personnel costs required to provide internal bus cleaning services, which is netted in the favourable personnel variance above;
- Favourable variance due to reduced spending of \$2,700 in contract work and direct materials due to less customer work requested as a result of facility closures, savings partially offset by lower recoveries due to newer fleet, reduced usage, and absenteeism in Transit Fleet Maintenance.

Parks and Road Services:

- Favourable variance of \$1,530 due to lower required maintenance and repairs on internal fleet;
- Favourable variance of \$2,922 due to less material usage in Oil and Gravel Road Maintenance resulting from decreased grading work required and suspension of restoration program;
- Unfavourable variances due to over expenditure in Street and Lane Lighting electrical contract and Spring Sweep due to higher contract costs of (\$2,554).

Snow and Ice Control:

- Favourable variance of \$13,101 for hired equipment, materials and contract work due to favourable weather conditions requiring less call outs and less civic walkway clearing;
- Partly offset by unfavourable variance due to contract work of (\$4,500) for sand removal at snow storage facilities.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Communications and Engagement**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	1,275	786	(489)	●	(38.4)
Expense	26,801	23,624	3,177	●	11.9
Net Position	(25,526)	(22,838)	2,688	●	<b>10.5</b>

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	1,700	-	1,700	1,550	(150)	●	(8.8)
Expense	35,613	(117)	35,496	32,996	2,500	●	7.0
Net Position	(33,913)	117	(33,796)	(31,446)	2,350	●	<b>7.0</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue* - No significant variances to report.

*Expense* -

- Favourable variance of \$1,034 due to personnel vacancy management and lower than expected 311 call volume;
- Recoveries of \$940 from the Waste Utility for communications support for the Waste Cart Rollout Program.

**Projected**

*Revenue* - No significant variances to report.

*Expense* -

- Favourable variance of \$800 due to personnel vacancy management and lower than expected 311 call volume;
- Recoveries of \$800 from Waste Utility for communications support for Cart Rollout Program.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Employee Services**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	158	159	1	●	0.6
Expense	21,402	20,231	1,171	●	5.5
Net Position	(21,244)	(20,072)	1,172	●	5.5

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	211	-	211	211	-	●	-
Expense	28,571	(254)	28,317	27,092	1,225	●	4.3
Net Position	(28,360)	254	(28,106)	(26,881)	1,225	●	4.4

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date** - No significant variances to report.

**Projected** - No significant variances to report.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Financial and Corporate Services**

<b>Year-to-Date</b>						
	Adjusted Budget	Actual	Variance \$		%	
Revenue	10,652	9,943	(709)	●	(6.7)	
Expense	112,916	105,897	7,019	●	6.2	
Net Position	(102,264)	(95,954)	6,310	●	<b>6.2</b>	

<b>Projected Year-End</b>							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%	
Revenue	15,442	-	15,442	14,104	(1,338)	●	(8.7)
Expense	148,254	1,186	149,440	145,408	4,032	●	2.7
Net Position	(132,812)	(1,186)	(133,998)	(131,304)	2,694	●	<b>2.0</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue* - No significant variances to report.

*Expense* -

- Favourable variance due to:
  - Personnel variance of \$6,355 due to vacancy management;
  - Higher than anticipated project recoveries of \$828 in the Technology Transformation Program including Business Solutions, Integrated Technology Solutions, and Project Management Office areas;
  - Lower than anticipated IT costs of \$900;
  - Reduced utilities of \$560 from reduced occupancy due to the COVID-19 Pandemic;
  - Lower cost of land sold and transfer to reserves of \$323 related to First Place Program as a result of lower sales;
  - Savings in lease and parking expense of \$301 related to space reductions.
- Partially off-set by unfavourable variance of (\$3,574) due to higher than anticipated Enterprise Commons software maintenance costs as more products and modules were required to obtain required functionality as well as additional license counts for partner organizations.

**Projected**

*Revenue* - Unfavourable variance due to lower First Place program sales of (\$1,008).

*Expense* -

- Favourable variance due to:
  - Personnel variance of \$6,720 due to vacancy management;
  - Lower than anticipated IT costs of \$1,200;
  - Lower cost of land sold and transfer to reserves of \$1,008 related to First Place Program as a result of lower sales;
  - Reduced utilities of \$500 from reduced occupancy due to the COVID-19 Pandemic and savings in lease and parking expense of \$423 related to space reductions.
- Partially off-set by an unfavourable variance of (\$6,429) for Enterprise Commons software maintenance costs as more products and modules were required to obtain required functionality as well as additional license counts for partner organizations.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Integrated Infrastructure Services**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	1,063	1,368	305	●	28.7
Expense	19,412	17,009	2,403	●	12.4
<b>Net Position</b>	<b>(18,349)</b>	<b>(15,641)</b>	<b>2,708</b>	●	<b>14.8</b>

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	1,418	-	1,418	1,657	239	●	16.9
Expense	20,130	(233)	19,897	19,424	473	●	2.4
<b>Net Position</b>	<b>(18,712)</b>	<b>233</b>	<b>(18,479)</b>	<b>(17,767)</b>	<b>712</b>	●	<b>3.9</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue* - No significant variances to report.

*Expense* - Favourable variance of \$1,994 due to timing of external service costs for the Percent for Art program; a program that funds works of art included in strategic capital projects.

**Projected** - No significant variances to report.



**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Urban Planning and Economy**

<b>Year-to-Date</b>					
	Adjusted Budget	Actual	Variance \$		%
Revenue	84,946	72,657	(12,289)	●	(14.5)
Expense	119,002	102,241	16,761	●	14.1
Net Position	(34,056)	(29,584)	4,472	●	<b>13.1</b>

<b>Projected Year-End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	141,538	-	141,538	127,018	(14,520)	● (10.3)
Expense	190,608	(1,520)	189,088	171,150	17,938	● 9.5
Net Position	(49,070)	1,520	(47,550)	(44,132)	3,418	● 7.2

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue -*

Planning & Environment Services

- Lower transfers from the Sanitary Servicing Strategy Fund as a result of lower than anticipated project spending by EPCOR of (\$5,965);
- Lower than anticipated transfers from Municipal Reserve cash-in-lieu development levies of (\$2,336) based on developer timelines.

Development Services

- Higher than expected transfers to the Planning & Development reserves of (\$11,967) due to higher than anticipated revenues and expense management strategies;
- This is partially off-set by favourable variance resulting from higher than expected permit and licensing fees of \$10,153 due to less of a negative impact from the COVID-19 Pandemic than initially anticipated and the availability of online permitting.

*Expense -*

Planning & Environment Services:

- Favourable variance due to lower than anticipated expenses paid to EPCOR of \$5,965;
- Favourable variance due to savings on discretionary costs, delayed project spending and lower on-demand charges of \$1,714;
- Lower personnel costs due to vacancy management of \$1,223;
- Lower transfers to the Municipal Reserve due to lower cash-in-lieu development levies collected \$2,336 based on developer timelines.

Development Services:

- Favourable variance of \$2,022 due to savings on discretionary costs, renegotiated contract terms and lower recoveries charged to the Planning & Development Business Model;
- Lower personnel costs due to vacancy management of \$1,524.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

**Projected**

*Revenue -*

Planning & Environment Services:

- Lower transfers from the Sanitary Servicing Strategy Fund as a result of lower than anticipated project spending by EPCOR of (\$6,041);
- Lower than anticipated transfers from Municipal Reserve cash-in-lieu development levies of (\$3,409) based on developer timelines.

Development Services:

- Higher than expected transfers to the Planning & Development reserves of (\$5,444) due to higher than anticipated revenues and the use of expense management strategies;
- Partially off-set by higher than expected permit and licensing fees of \$3,454 due to less of a negative impact from the COVID-19 Pandemic than initially anticipated and the availability of online permitting.

Economic Investment Services:

- Lower transfer from FSR of (\$2,445) due to timing of various programs including Economic Action Plan Grant.

*Expense -*

Planning & Environment Services:

- Favourable variance due to lower than anticipated expenses paid to EPCOR of \$6,041;
- Favourable variance due to delayed project spending and timing of Environment and Climate Resilience related grants and programming of \$3,006;
- Lower transfers to the Municipal Reserve due to lower cash-in-lieu development levies collected of \$3,409 based on developer timelines;
- Lower personnel costs due to vacancy management of \$1,128.

Development Services:

- Savings on discretionary costs, renegotiated contract terms and lower recoveries charged to the Planning & Development Business Model of \$1,168;
- Lower personnel costs due to vacancy management of \$1,348.

Economic Investment Services:

- Favourable variance of \$2,161 due to timing of various programs including Economic Action Plan Grant as a result of delays related to the COVID-19 pandemic.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance,  $\geq 0\%$
- Unfavourable budget variance, between  $0\%$  and  $(10)\%$
- Unfavourable budget variance,  $> (10)\%$

**Office of the City Manager**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	4,286	4,632	346	●	8.1
Expense	25,471	24,517	954	●	3.7
<b>Net Position</b>	<b>(21,185)</b>	<b>(19,885)</b>	<b>1,300</b>	●	<b>6.1</b>

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	7,743	-	7,743	8,243	500	●	6.5
Expense	36,481	531	37,012	37,271	(259)	●	(0.7)
<b>Net Position</b>	<b>(28,738)</b>	<b>(531)</b>	<b>(29,269)</b>	<b>(29,028)</b>	<b>241</b>	●	<b>0.8</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date** - No significant variances to report.

**Projected** - No significant variances to report.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Mayor and Councillor Offices**

<b>Year-to-Date</b>						
		Adjusted Budget	Actual	Variance \$		%
Revenue		-	-	-	●	-
Expense		5,257	4,162	1,095	●	20.8
<b>Net Position</b>		<b>(5,257)</b>	<b>(4,162)</b>	<b>1,095</b>	●	<b>20.8</b>

<b>Projected Year-End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	-	-	-	-	-	●
Expense	6,963	-	6,963	6,963	-	●
<b>Net Position</b>	<b>(6,963)</b>	<b>-</b>	<b>(6,963)</b>	<b>(6,963)</b>	<b>-</b>	●

**Year-to-Date** - No significant variances to report.

**Projected** - Year-end results are projected to be on budget.

**Office of the City Auditor**

<b>Year-to-Date</b>						
		Adjusted Budget	Actual	Variance \$		%
Revenue		-	-	-	●	-
Expense		2,019	2,002	17	●	0.8
<b>Net Position</b>		<b>(2,019)</b>	<b>(2,002)</b>	<b>17</b>	●	<b>0.8</b>

<b>Projected Year-End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	-	-	-	-	-	●
Expense	2,673	(3)	2,670	2,670	-	●
<b>Net Position</b>	<b>(2,673)</b>	<b>3</b>	<b>(2,670)</b>	<b>(2,670)</b>	<b>-</b>	●

**Year-to-Date** - No significant variances to report.

**Projected** - Year-end results are projected to be on budget.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Boards and Authorities**

**Year-to-Date**

	Adjusted Budget	Actual	Variance \$		%
Revenue	12,613	11,886	(727)	<span style="color: yellow;">●</span>	(5.8)
Expense	96,211	93,957	2,254	<span style="color: green;">●</span>	2.3
Net Position	(83,598)	(82,071)	1,527	<span style="color: green;">●</span>	1.8

**Projected Year-End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	13,171	-	13,171	11,900	(1,271)	<span style="color: yellow;">●</span>	(9.6)
Expense	118,837	(863)	117,974	116,703	1,271	<span style="color: green;">●</span>	1.1
Net Position	(105,666)	863	(104,803)	(104,803)	-	<span style="color: green;">●</span>	-

**Year-to-Date**

*Revenue* - No significant variances to report.

*Expense* - Favourable budget variance mainly due to operating and personnel costs for Fort Edmonton Park as a result of facility closure due to COVID-19.

**Projected** - Year-end results are projected to be on budget.

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Corporate Programs**

<b>Year-to-Date</b>						
		Adjusted Budget	Actual	Variance \$		%
Revenue		2,151,122	2,159,951	8,829	●	0.4
Expense		496,656	496,771	(115)	●	(0.0)
<b>Net Position</b>		<b>1,654,466</b>	<b>1,663,180</b>	<b>8,714</b>	●	<b>0.5</b>

<b>Projected Year-End</b>							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	2,403,003	67,570	2,470,573	2,482,922	12,349	●	0.5
Expense	775,953	(300)	775,653	785,054	(9,401)	●	(1.2)
	<b>1,627,050</b>	<b>67,870</b>	<b>1,694,920</b>	<b>1,697,868</b>	<b>2,948</b>	●	<b>0.2</b>

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2.0 million, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):

**Year-to-Date**

*Revenue* - Favourable variance due to:

- Higher tax penalties of \$3,578 due to economic factors that emerged prior to 2020, and additional financial impacts of the COVID-19 pandemic;
- Higher EPCOR Power of \$2,056 and Drainage of \$1,191 franchise fees due to timing of payments;
- Higher than anticipated business license revenue of \$1,975;
- Higher \$1,575 than anticipated supplementary taxes.

This is partly offset by lower:

- Gas Franchise Fees of (\$5,882) as ATCO Gas implemented a rate relief program for customers, which causes a temporary reduction in franchise revenue in 2021 (deferral to be partially collected in the latter half of 2021, the first half of 2022 and the remainder in 2023).

*Expense* - No significant variances to report.

**Projected**

*Revenue* - Favourable variance due to:

- Higher investment earnings of \$29,310 due to greater than anticipated market returns;
- Increased tax penalties of \$4,432 due to economic factors that emerged prior to 2020, and additional financial impacts of the COVID-19 pandemic;

This is partly offset by lower than budgeted:

- Traffic Safety and Automated Enforcement fines revenue of (\$12,280), which is offset by a reduced transfer to reserve noted in expenses below;
- Lower transfers of (\$8,957) from the LRT Reserve to offset lower financing costs for the Valley Line South East LRT due to the in-service delay.

*Expense* - Unfavourable budget variance is due to:

- Higher transfer to the Pay-As-You-Go reserve of (\$29,310) as a result of the higher investment earnings.

This is partly offset by a lower than budgeted

- Transfer to the Traffic Safety and Automated Enforcement Reserve (TSAER) Of \$12,280 due to lower fines revenue.
- Lower financing costs of \$8,957 financing costs for the Valley Line South East LRT due to the in-service delay.



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2021 October 4

**SUBJECT:** Budget Variance for the Period Ending August 31, 2021

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#### RECOMMENDATION(S):

That this report be received for information.

#### INTRODUCTION:

This report provides information and updates to the Edmonton Police Commission (EPC) on the Edmonton Police Service (EPS) current financial position for the period ending August 31, 2021.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending August 31, 2021 indicate a net deficit position of \$2.778 million or 1.1% (revenue shortfall of \$4.236 million and an expense underspend of \$1.458 million).

The overspend in Personnel expense is primarily the result of higher salary costs due to decreases in vacation taken in the first half of the year.

The revenue shortfall is primarily due to fewer Traffic Safety Act fine tickets issued and lower demand for several EPS services.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower than anticipated contract and services, custodial, and maintenance costs provided by the City of Edmonton.

## COVID-19 Financial Impact

The year-end projection includes \$0.544 million for personal protective equipment purchases and facility cleaning protocols related to COVID-19.

## Emergent Issue

On September 15, 2021 the City of Edmonton announced that September 30th, the National Day for Truth and Reconciliation, will be recognized as a day of leave with pay for all City of Edmonton employees including the Edmonton Police Service.

The estimated personnel cost to EPS for members scheduled to work on September 30th, is an additional \$1.000 million and this has been included in the August 31, 2021 financial projections.

## CONCLUSION:

The year-end forecast projects an operating deficit of \$5.932 million. This is the result of projected revenue shortfalls and increased personnel costs.

In accordance with EPS Reserve Policy, this deficit will be partially funded from the EPS Operating Reserve.

## ADDITIONAL INFORMATION ATTACHED:

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures

Written By: Kathryn REYNOLDS, Director, Financial Management Branch 

Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division 

Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

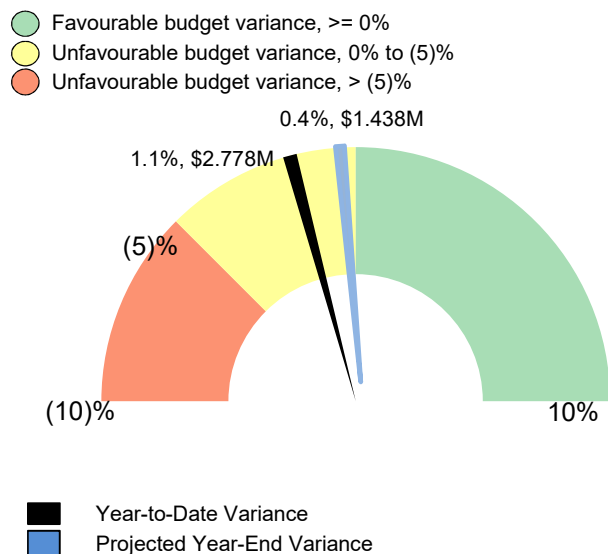
Chief of Police:  \_\_\_\_\_

Date: Oct 3, 21 \_\_\_\_\_

*Lets ensure we have  
a plan to reduce this  
number.*



**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending August 31, 2021**



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	49,917	45,681	(4,236)	-8.5%
<i>Personnel</i>	255,658	260,813	(5,155)	-2.0%
<i>Non-Personnel</i>	52,909	46,296	6,613	12.5%
Expense	308,567	307,109	1,458	0.5%
Net Position	258,650	261,428	(2,778)	-1.1%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	99,510	92,991	(6,519)	-6.6%
<i>Personnel</i>	385,990	391,597	(5,607)	-1.5%
<i>Non-Personnel</i>	81,697	75,503	6,194	7.6%
Expense	467,687	467,100	587	0.1%
TCA (Note 1)	18,355	18,355	-	0.0%
Transfer to/(from) EPS				
Reserve (Note 2)	-	(4,494)	4,494	
Net Position	386,532	387,970	(1,438)	-0.4%

**Year-to Date**

**Revenue** - The under budget position is the result of lower Traffic Safety Act revenues, which are due to a lower number of tickets issued and compared to the same period in 2020, there have been approximately 7% less tickets issued in 2021. Less demand for Extra Duty services and fewer tows of seized vehicles, partially offset by lower contract and service costs is also contributing to the under budget position. Secondment revenue for Alberta Law Enforcement Response Teams (ALERT) is favorable, offset by increased overtime costs.

**Personnel** - The over budget position is due to higher salary costs because of less vacation taken and less attrition than anticipated in the first half of the year. Increased overtime costs for ALERT, which are offset by increased revenue, are also contributing to the unfavorable position. EPS overtime is over budget due to minimum staffing and summer vacations.

**Non-Personnel** - The under budget position is due to lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. Also contributing to the under budget position is lower maintenance and custodial, travel, and training costs.

**Year-End Projection**

**Revenue** - The same as year to date and a projected decrease in revenue for the School Resource Officer program as the Edmonton Public School Board has suspended the program and lower demand of Police Information Checks (PICS) as a result of the pandemic.

**Personnel** - The same as year to date and further reduced by the projected costs of \$1.000 million associated with the National Day for Truth and Reconciliation on September 30th.

**Non-Personnel** - The same as year to date offset by required COVID-19 personal protective equipment purchases.

	2020 Year-to-Date				2020 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	62,453	59,373	(3,080)	-4.9%	Revenue	96,946	92,862	(4,084)	3.8%
Expense	304,741	299,607	5,134	1.7%	Expense	473,953	467,620	6,333	1.3%
Transfer to/from EPS	-	-	-	0.0%	Transfer to/from EPS	-	2,249	(2,249)	0.0%
Reserve (Note 2)					Reserve (Note 2)				
Net Position	242,288	240,234	2,054	0.8%	Net Position	377,007	377,007	-	0.0%

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending August 31, 2021**

Attachment 1

**Notes:**

(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(2) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget.

The unrestricted balance in the EPS Operating Reserve as at December 31, 2020 is \$4.494 million which is comprised of the following annual transfers:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million

The total balance in the EPS Operating Reserve as at December 31, 2020 is \$7.034 million of which \$2.540 million is restricted for Alberta First Responders Radio Communications System (AFRRCS) Government of Alberta access fee and ongoing Information Technology software subscription, maintenance and support costs.

**Enterprise and Utility Operations**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

### Waste Services

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	161,269	158,515	(2,754)	● (1.7)	Revenue	215,040	220,024	4,984 ● 2.3
Expense	157,246	145,708	11,538	● 7.3	Expense	209,139	202,837	6,302 ● 3.0
Net Position	4,023	12,807	8,784	● <b>218.3</b>	Net Position	5,901	17,187	11,286 ● <b>191.3</b>

#### Year-to-Date

*Revenue* - Unfavourable variance mainly due to:

- Lower single and multi-utility unit revenue of (\$1,230) than planned and decreased investment earnings of (\$897) due to lower interest rates.

*Expense* - Favourable variance due to:

- Favourable variance of \$2,396 in personnel from vacancy management.
- Amortization costs of \$4,006 were lower than budgeted as fewer assets were capitalized in 2020.
- Contract savings from the cart rollout along with lower of \$4,080 than anticipated demolition cost for the Edmonton Compost Facility.
- Savings of \$2,462 in general services costs due to the revised schedule for the Enerkem shutdown resulting in less production.
- Lower fleet service costs of \$1,600 due to lower maintenance work required as a result of replacing side loaders with automated side loaders.

These favourable budget variances are partially offset by:

- The write-off of (\$4,632) of assets under construction related to Council's approval to cancel the Organics Processing Facilities project.

#### Projected

*Revenue* - Favourable variance due to:

- The forgiveness for the non-regulated loan repayment of \$7,611;
- Partially offset by unfavourable budget variances from decreased investment earnings of (\$955) investment earnings on lower interest rates, as well as lower Program revenue of (\$922) and lower Utility rate revenue of (\$750).

Expense - Favourable variance mainly as a result of:

- Projected favourable variance of \$3,359 in personnel due to unfilled vacant positions.
- Lower than anticipated costs of \$4,661 for processing organic waste and contract savings relating to the cart rollout,
- Reduced fleet service costs of \$1,980 due to lower maintenance work required as a result of replacing side loaders with automated side loaders.
- Favourable general services costs of \$3,468 due to the revised schedule for Enerkem shutdown resulting in less production.
- Lower amortization cost of \$3,045 as fewer assets were capitalized in 2020.
- Projected power savings of \$1,287 at the Refuse Derived Fuel facility due to the Enerkem shutdown.

This favourability is partially offset by:

- An increase of (\$8,000) in leachate treatment expenses related to the landfill closure and post-closure liability.
- The write-off of (\$4,800) of assets under construction related to Council's approval to cancel the Organics Processing Facilities project.

## Land Enterprise

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	16,799	36,162	19,363	● 115.3	Revenue	23,150	37,722	14,572 ● 62.9
Expense	13,780	19,335	(5,555)	● (40.3)	Expense	21,149	21,347	(198) ● (0.9)
Net Position	3,019	16,827	13,808	● 457.4	Net Position	2,001	16,375	14,374 ● 718.3

### Year-to-Date

*Revenue* - Favourable budget variance of \$19,090 due to land sales in 2021 that were budgeted for in different years within the cycle, and other cumulative variances.

*Expense* - Unfavourable variance of (\$3,057) due to higher cost of land sold as a result of land sales in 2021 that were budgeted for in different years within the cycle, and unbudgeted transfer of (\$2,452) to the Parkland reserve.

### Projected

*Revenue* - Favourable variance due to higher than expected land sales of \$14,322 due to market conditions and sales mix.

*Expense* - No significant variances to report.

## Blatchford Redevelopment

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	4,822	4,853	31	● 0.6	Revenue	22,304	6,993	(15,311) ● (68.6)
Expense	7,748	6,765	983	● 12.7	Expense	15,885	10,824	5,061 ● 31.9
Net Position	(2,926)	(1,912)	1,014	● 34.7	Net Position	6,419	(3,831)	(10,250) ● (159.7)

**Year-to-Date** - No significant variances to report.

### Projected

*Revenue* - Unfavourable budget variance due to delayed sales due to market conditions.

*Expense* - Favourable budget variance for cost of land sold due to delayed sales due to market conditions, and other cumulative variances.

## Blatchford Renewable Energy Utility

	Year-to-Date				Projected Year-End				
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%	
Revenue	104	41	(63) ●	(60.6)	Revenue	138	67	(71) ●	(51.4)
Expense	1,808	1,085	723 ●	40.0	Expense	2,410	2,239	171 ●	7.1
Net Position	(1,704)	(1,044)	660 ●	<b>38.7</b>	Net Position	(2,272)	(2,172)	100 ●	<b>4.4</b>

**Year-to-Date** - No significant variances to report.

**Projected** - No significant variances to report.

**Community Revitalization Levy Operations**  
**Year-to-Date Results and Year-End Projections**  
**September 30, 2021**  
(in \$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

Community Revitalization revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**Belvedere Community Revitalization Levy**

	Year-To-Date				Projected Year-End						
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%			
Revenue	1,121	1,175	54	●	4.8	Revenue	5,771	1,121	(4,650)	●	(80.6)
Expense	1,149	1,090	59	●	5.1	Expense	6,693	2,573	4,120	●	61.6
Net Income / (Deficit)	(28)	85	113	●	(403.6)	Net Income / (Deficit)	(922)	(1,452)	(530)	●	57.5
Transfer (to) /from Reserve	-	-	-	●	-	Transfer (to) /from Reserve	922	1,452	530	●	57.5
Net Position	(28)	85	113	●	(403.6)	Net Position	-	-	-	●	-

**Year-to-Date** - No significant variances to report.

**Projected**

*Revenue* - Unfavourable budget variance due to delayed land sales.

*Expense* - Favourable budget variance for cost of land sold due to delayed land sales.

**Capital City Downtown Community Revitalization Levy**

	Year-To-Date				Projected Year-End						
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%			
Revenue	29,064	29,066	2	●	0.0	Revenue	29,064	29,064	-	●	-
Expense	21,474	21,112	362	●	1.7	Expense	27,578	29,064	(1,486)	●	(5.4)
Net Income / (Deficit)	7,590	7,954	364	●	4.8	Net Income / (Deficit)	1,486	-	(1,486)	●	(100.0)
Transfer (to) /from Reserve	2,872	2,872	-	●	-	Transfer (to) /from Reserve	(1,486)	1	1,487	●	(100.1)
Net Position	10,462	10,826	364	●	3.5	Net Position	-	1	1	●	-

**Year-to-Date** - No significant variances to report.

**Projected**

*Revenue* - Year-end results are projected to be on budget.

*Expense* - Unfavourable budget variance due to higher debt payments of (\$1,800) resulting from additional land acquisition approved by Council for Warehouse Campus Neighbourhood project, and other cumulative variances.

<b>Quarters Community Revitalization Levy</b>
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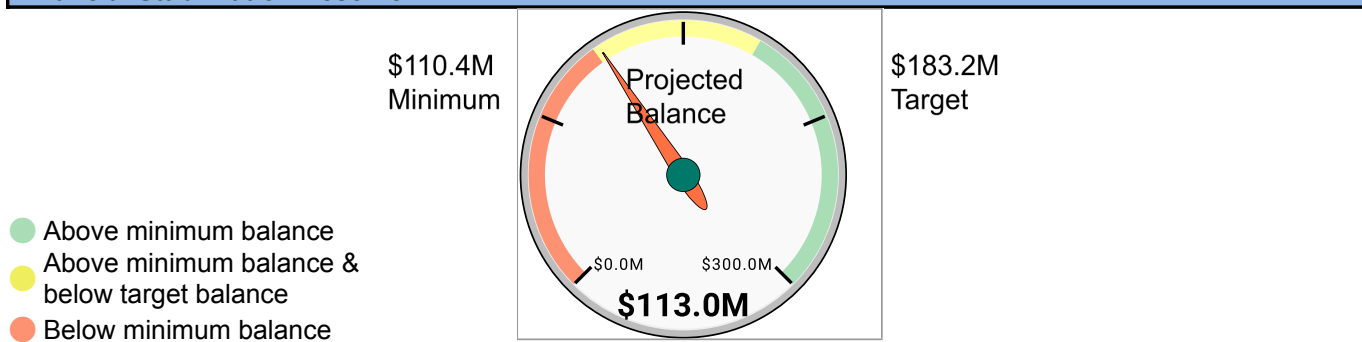
Year-To-Date					Projected Year-End						
	Budget	Actual	Variance \$			Budget	Projected	Variance \$			
Revenue	4,326	4,438	112	●	2.6	Revenue	4,326	4,326	-	●	-
Expense	4,847	4,481	366	●	7.6	Expense	6,822	6,642	180	●	2.6
Net Income / (Deficit)	(521)	(43)	478	●	(91.7)	Net Income / (Deficit)	(2,496)	(2,316)	180	●	(7.2)
Transfer (to) /from Reserve	200	20	(180)	●	(90.0)	Transfer (to) /from Reserve	2,496	2,316	(180)	●	(7.2)
Net Position	(321)	(23)	298	●	(92.8)	Net Position	-	-	-	●	-

**Year-to-Date** - No significant variances to report.

**Projected** - No significant variances to report.

**Reserves Update**  
**September 2021**  
(in \$000's)

**Financial Stabilization Reserve**

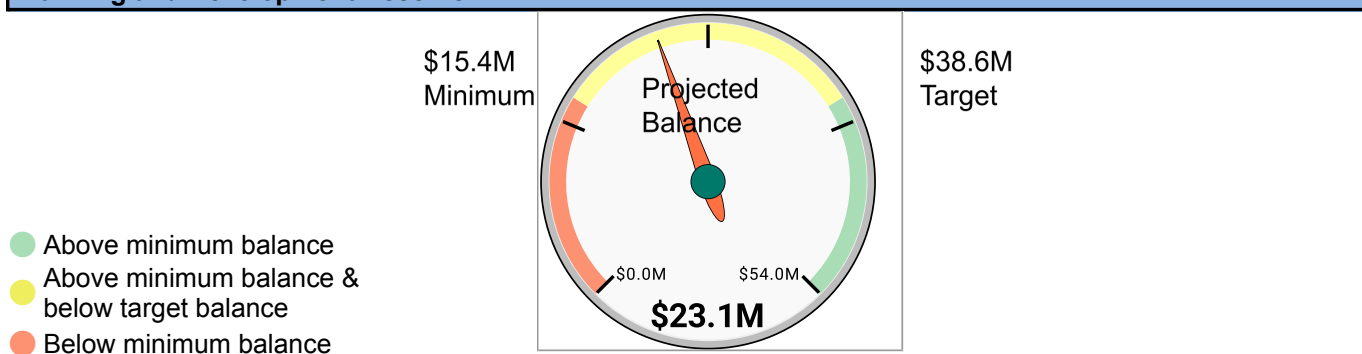


As outlined in City Policy C217D Reserve and Equity Accounts, the Financial Stabilization Reserve (FSR) is an uncommitted Reserve account established for the purpose of providing funding to address significant emergent financial issues.

The projected December 31, 2021 year-end balance for the reserve is \$113.0 million, which is above its minimum required balance of \$110.4 million for 2021, but below the target balance of \$183.2 million. This balance does not reflect the projected year-end tax-supported position.

The minimum and target balances are calculated as 5% and 8.3% of general government expenses, excluding non-cash amortization (as reflected in the most recent audited City financial statements), respectively.

**Planning and Development Reserve**



In accordance with City Policy C610 Fiscal Policy for the Planning and Development Business, the minimum reserve balance is calculated as 30% of budgeted expenditures and the target balance is calculated as 75% of budgeted expenditures. The projected December 31, 2021 year-end reserve balance of \$23.1 million (45.9%) is above its minimum required balance of \$15.4 million for 2021.

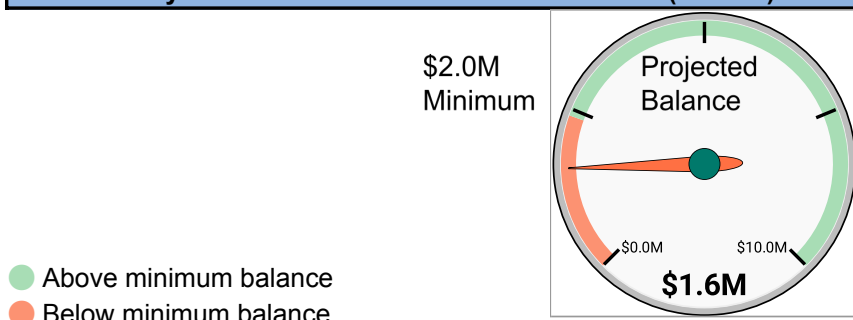
The reserve has been drawn on more than planned in recent years mainly due to lower than expected volumes of building applications and permits. Initially, the impacts of COVID-19 were expected to exacerbate the decrease in activity and City Council approved the use of \$5.1 million of the Municipal Operating Support Transfer (MOST) to be used to offset projected COVID-19 pandemic 2021 shortfalls related to the Planning & Development Reserve. However, 2021 revenues have rebounded more than expected and are projected to be slightly above the early 2020 forecasts. As a result, the \$5.1 million was released back to the COVID Funds that are being used to address 2022 COVID impacts for the City.

*Next steps forward include:*

- Cost management throughout 2022, taking into account resources required to keep up with increased service demand,
- Continued forecasting improvements to support resource management,
- Continue the Permit and Licensing Improvement initiative to enhance applicant experience for permit and licensing services, and improve efficiency.



## Traffic Safety and Automated Enforcement Reserve (TSAER)



The purpose of the reserve is to address the revenue variability unique to automated traffic enforcement. Automated photo enforcement revenues are transferred to the reserve and used to fund the operating budget for the Safe Mobility section, the Edmonton Police Service, traffic safety initiatives and other programs approved by City Council through the budget process. Changes in driving behaviour have resulted in declining revenues from automated enforcement. This revenue is shared between the Edmonton Police Service and Parks and Road Services to fund traffic safety measures including technology, engineering measures, signage and signaling. The decrease in revenues must be balanced with continued work to keep motorists, cyclists and pedestrians safe on our roadways.

The projected December 31, 2021 year-end balance of the reserve is \$1.6 million, which is below its minimum required balance of \$2.0 million. The minimum balance is calculated as 5% of budgeted annual revenue in accordance with City Policy C579B Traffic Safety and Automated Enforcement Reserve. In the event the reserve balance falls below the minimum level, a strategy is required to achieve the minimum level over a period not to exceed three years.

The 2019/2020 provincial budget was released October 24, 2019 and included a reduction in the City's share of automated enforcement revenues from 73.3% to 60% starting in 2020 and continuing on an on-going basis. The City is still assessing the impact to annual automated enforcement revenues and the Traffic Safety and Automated Enforcement Reserve. In order to manage the ongoing health of the reserve, on April 6, 2021, City Council approved budget reductions for programs funded through the reserve totalling \$2.6 million (including the School Safety and Speed Limit Reduction programs) and another \$1.5 million in expenditure reductions to be achieved through efficiencies. Despite these reductions, the continued decline of revenues is expected to result in a deficit balance in the TSAER Reserve by the end of 2022. Administration will return in the first quarter of 2022 with a report exploring options to further address this challenge.

A schedule of the reserve balance including the projected balance for 2021 is included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

**Traffic Safety and Automated Enforcement Reserve Schedule**  
**September 2021**  
(\$ millions)

	2021				2022	
	Approved Budget	Projection	Year-to-Date Actual (September 30)	Remaining (Budget - Actual)	Approved Budget <sup>1</sup>	Projection
Transfers to the Reserve:						
Automated enforcement revenues	40.9	28.6	22.3	(18.6)	38.3	29.4
Interest earnings	-	-	-	-	-	-
	40.9	28.6	22.3	(18.6)	38.3	29.4
Funding from the reserve:						
<i>Operating:</i>						
Edmonton Police Service	(22.3)	(22.3)	(16.7)	(5.6)	(22.3)	(22.3)
Traffic Safety section	(14.9)	(14.5)	(8.8)	(6.1)	(12.9)	(13.2)
Road Safety Strategy - Public Engagement (Marketing)	(0.7)	(0.7)	(0.1)	(0.6)	(0.7)	-
Community Facility Partner Capital Grant Program	(1.8)	(1.8)	-	(1.8)	-	-
	(39.7)	(39.3)	(25.6)	(14.1)	(35.9)	(35.5)
<i>Capital:</i>						
Community Traffic Safety Countermeasures (CM-66-2555)	(0.1)	(0.1)	(0.1)	-	-	-
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(1.4)	(0.6)	-	(1.4)	-	-
Safe Crossings ( <i>previously Crosswalk Safety</i> ) (CM-66-2585)	(4.8)	(3.8)	(1.0)	(3.8)	(3.0)	(3.0)
School Safety (CM-66-2590)	(1.7)	(1.7)	(0.8)	(0.9)	(1.7)	(1.7)
2020 Street Safety Priorities (CM-66-2595)	(0.9)	(0.9)	(0.7)	(0.2)	-	-
Speed Limit Reduction (CM-66-2580)	(0.7)	(0.7)	(0.1)	(0.6)	-	-
Community Activation Programming (CM-66-2596)	(0.3)	(0.3)	(0.1)	(0.2)	(0.3)	(0.3)
	(9.9)	(8.1)	(2.8)	(7.1)	(5.0)	(5.0)
Total funding from the reserve	(49.6)	(47.4)	(28.4)	(21.2)	(40.9)	(40.5)
<b>Annual Surplus/(Deficit)</b>	<b>(8.7)</b>	<b>(18.8)</b>	<b>(6.1)</b>		<b>(2.6)</b>	<b>(11.1)</b>
Opening Reserve Balance	20.3	20.3	20.3		11.7	1.6
<b>Closing Reserve balance (Cumulative)</b>	<b>11.7</b>	<b>1.6</b>	<b>14.2</b>		<b>9.1</b>	<b>(9.5)</b>
Minimum reserve balance - 5% of budgeted revenues	2.0	2.0	1.4		1.9	1.5
Available funds (closing reserve balance less minimum reserve balance)	9.7	-			7.2	(11.0)

**Notes:**

1. Funding from the reserve for 2021 is based on the approved 2019-2022 operating and capital budgets, and approved carryforward of unspent 2020 budgets.

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
<b>Citizen Services</b>													
Community and Recreation Facilities	Revenue	31,979	25,166	(6,813)	●	(21.3)	78,099	(32,860)	45,239	39,525	(5,714)	●	(12.6)
	Expense	75,721	66,318	9,403	●	12.4	134,970	(33,360)	101,610	93,956	7,654	●	7.5
	Net Position	(43,742)	(41,152)	2,590	●	5.9	(56,871)	500	(56,371)	(54,431)	1,940	●	3.4
Community Standards and Neighbourhoods	Revenue	5,098	3,607	(1,491)	●	(29.2)	7,399	-	7,399	5,996	(1,403)	●	(19.0)
	Expense	33,616	31,465	2,151	●	6.4	44,927	220	45,147	42,759	2,388	●	5.3
	Net Position	(28,518)	(27,858)	660	●	2.3	(37,528)	(220)	(37,748)	(36,763)	985	●	2.6
Fire Rescue Services	Revenue	1,138	1,727	589	●	51.8	1,517		1,517	2,104	587	●	38.7
	Expense	169,544	167,434	2,110	●	1.2	225,915	414	226,329	227,137	(808)	●	(0.4)
	Net Position	(168,406)	(165,707)	2,699	●	1.6	(224,398)	(414)	(224,812)	(225,033)	(221)	●	(0.1)
Integrated Strategic Development	Revenue	34	-	(34)	●	(100.0)	46		46	46	-	●	-
	Expense	3,707	3,779	(72)	●	(1.9)	4,873	(114)	4,759	4,759	-	●	-
	Net Position	(3,673)	(3,779)	(106)	●	(2.9)	(4,827)	114	(4,713)	(4,713)	-	●	-
Social Development	Revenue	41,506	42,387	881	●	2.1	84,273		84,273	70,232	(14,041)	●	(16.7)
	Expense	63,575	60,463	3,112	●	4.9	117,136	(220)	116,916	100,816	16,100	●	13.8
	Net Position	(22,069)	(18,076)	3,993	●	18.1	(32,863)	220	(32,643)	(30,584)	2,059	●	6.3
<b>Citizen Services</b>													
	Revenue	79,755	72,887	(6,868)	●	(8.6)	171,334	(32,860)	138,474	117,903	(20,571)	●	(14.9)
	Expense	346,163	329,459	16,704	●	4.8	527,821	(33,060)	494,761	469,427	25,334	●	5.1
	Net Position	(266,408)	(256,572)	9,836	●	3.7	(356,487)	200	(356,287)	(351,524)	4,763	●	1.3

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End					
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
<b>City Operations</b>											
Edmonton Transit	Revenue	51,950	39,745	(12,205) ●	(23.5)	155,032	(63,418)	91,614	73,889	(17,725) ●	(19.3)
	Expense	277,853	262,573	15,280 ●	5.5	391,273	(4,816)	386,457	366,833	19,624 ●	5.1
	Net Position	(225,903)	(222,828)	3,075 ●	1.4	(236,241)	(58,602)	(294,843)	(292,944)	1,899 ●	0.6
Fleet and Facility Services	Revenue	12,456	12,070	(386) ●	(3.1)	17,179	(550)	16,629	15,379	(1,250) ●	(7.5)
	Expense	56,392	48,639	7,753 ●	13.7	75,949	(968)	74,981	68,316	6,665 ●	8.9
	Net Position	(43,936)	(36,569)	7,367 ●	16.8	(58,770)	418	(58,352)	(52,937)	5,415 ●	9.3
Parks and Road Services	Revenue	27,724	21,034	(6,690) ●	(24.1)	53,581	(10,854)	42,727	33,590	(9,137) ●	(21.4)
	Expense	143,266	139,264	4,002 ●	2.8	177,190	305	177,495	173,242	4,253 ●	2.4
	Net Position	(115,542)	(118,230)	(2,688) ●	(2.3)	(123,609)	(11,159)	(134,768)	(139,652)	(4,884) ●	(3.6)
Snow and Ice Control	Revenue	41	30	(11) ●	(26.8)	63		63	63	- ●	-
	Expense	38,047	25,035	13,012 ●	34.2	58,567		58,567	50,466	8,101 ●	13.8
	Net Position	(38,006)	(25,005)	13,001 ●	34.2	(58,504)	-	(58,504)	(50,403)	8,101 ●	13.8
<b>City Operations</b>											
	Revenue	92,171	72,879	(19,292) ●	(20.9)	225,855	(74,822)	151,033	122,921	(28,112) ●	(18.6)
	Expense	515,558	475,511	40,047 ●	7.8	702,979	(5,479)	697,500	658,857	38,643 ●	5.5
	Net Position	(423,387)	(402,632)	20,755 ●	4.9	(477,124)	(69,343)	(546,467)	(535,936)	10,531 ●	1.9
<b>Communications and Engagement</b>											
Relationships and Customer Access	Revenue	353	275	(78) ●	(22.1)	471		471	471	- ●	-
	Expense	14,812	13,072	1,740 ●	11.7	19,663		19,663	18,063	1,600 ●	8.1
	Net Position	(14,459)	(12,797)	1,662 ●	11.5	(19,192)	-	(19,192)	(17,592)	1,600 ●	8.3
Reputation and Brand	Revenue	97	22	(75) ●	(77.3)	129		129	129	- ●	-
	Expense	5,516	4,810	706 ●	12.8	7,307		7,307	6,957	350 ●	4.8
	Net Position	(5,419)	(4,788)	631 ●	11.6	(7,178)	-	(7,178)	(6,828)	350 ●	4.9
Research, Engagement and Communications	Revenue	825	489	(336) ●	(40.7)	1,100		1,100	950	(150) ●	(13.6)
	Expense	6,473	5,742	731 ●	11.3	8,643	(117)	8,526	7,976	550 ●	6.5
	Net Position	(5,648)	(5,253)	395 ●	7.0	(7,543)	117	(7,426)	(7,026)	400 ●	5.4
<b>Communications and Engagement</b>											
	Revenue	1,275	786	(489) ●	(38.4)	1,700	-	1,700	1,550	(150) ●	(8.8)
	Expense	26,801	23,624	3,177 ●	11.9	35,613	(117)	35,496	32,996	2,500 ●	7.0
	Net Position	(25,526)	(22,838)	2,688 ●	10.5	(33,913)	117	(33,796)	(31,446)	2,350 ●	7.0

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

		(in \$000's)				Year-to-Date (YTD)				Projected Year-End			
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
<b>Employee Services</b>													
Workforce Safety and Employee Health	Revenue	26	26	-	●	-	35		35	35	-	●	-
	Expense	4,616	4,555	61	●	1.3	6,103	(7)	6,096	6,271	(175)	●	(2.9)
	Net Position	(4,590)	(4,529)	61	●	1.3	(6,068)	7	(6,061)	(6,236)	(175)	●	(2.9)
Talent Acquisition, Service and Solutions	Revenue	67	68	1	●	1.5	90		90	90	-	●	-
	Expense	9,652	8,863	789	●	8.2	12,955	(174)	12,781	11,881	900	●	7.0
	Net Position	(9,585)	(8,795)	790	●	8.2	(12,865)	174	(12,691)	(11,791)	900	●	7.1
Organizational Design and Development	Revenue	43	43	-	●	-	57		57	57	-	●	-
	Expense	3,662	3,210	452	●	12.3	4,917	(70)	4,847	4,347	500	●	10.3
	Net Position	(3,619)	(3,167)	452	●	12.5	(4,860)	70	(4,790)	(4,290)	500	●	10.4
Employee Relations and Compensation	Revenue	22	22	-	●	-	29		29	29	-	●	-
	Expense	3,472	3,603	(131)	●	(3.8)	4,596	(3)	4,593	4,593	-	●	-
	Net Position	(3,450)	(3,581)	(131)	●	(3.8)	(4,567)	3	(4,564)	(4,564)	-	●	-
<b>Employee Services</b>													
	Revenue	158	159	1	●	0.6	211	-	211	211	-	●	-
	Expense	21,402	20,231	1,171	●	5.5	28,571	(254)	28,317	27,092	1,225	●	4.3
	Net Position	(21,244)	(20,072)	1,172	●	5.5	(28,360)	254	(28,106)	(26,881)	1,225	●	4.4

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End					
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
<b>Financial and Corporate Services</b>											
Assessment and Taxation	Revenue	-	-	-	●	-	-	-	-	-	●
	Expense	13,991	12,566	1,425	●	18,311	(51)	18,260	17,060	1,200	●
	Net Position	(13,991)	(12,566)	1,425	●	(18,311)	51	(18,260)	(17,060)	1,200	●
Corporate Procurement and Supply Services	Revenue	530	849	319	●	707	-	707	1,007	300	●
	Expense	11,409	10,083	1,326	●	13,240	1,518	14,758	14,608	150	●
	Net Position	(10,879)	(9,234)	1,645	●	(12,533)	(1,518)	(14,051)	(13,601)	450	●
Enterprise Commons	Revenue	-	-	-	●	-	-	-	-	-	●
	Expense	2,727	3,099	(372)	●	3,579	-	3,579	3,579	-	●
	Net Position	(2,727)	(3,099)	(372)	●	(3,579)	-	(3,579)	(3,579)	-	●
Financial Services	Revenue	1,727	1,245	(482)	●	2,485	-	2,485	2,485	-	●
	Expense	15,351	13,373	1,978	●	20,512	(99)	20,413	18,415	1,998	●
	Net Position	(13,624)	(12,128)	1,496	●	(18,027)	99	(17,928)	(15,930)	1,998	●
Open City and Technology	Revenue	937	1,035	98	●	1,397	-	1,397	1,527	130	●
	Expense	33,174	33,293	(119)	●	41,592	(101)	41,491	44,444	(2,953)	●
	Net Position	(32,237)	(32,258)	(21)	●	(40,195)	101	(40,094)	(42,917)	(2,823)	●
Real Estate	Revenue	7,458	6,791	(667)	●	10,853	-	10,853	9,085	(1,768)	●
	Expense	27,042	24,988	2,054	●	38,830	(81)	38,749	35,892	2,857	●
	Net Position	(19,584)	(18,197)	1,387	●	(27,977)	81	(27,896)	(26,807)	1,089	●
Service Innovation and Performance	Revenue	-	23	23	●	-	-	-	-	-	●
	Expense	9,222	8,495	727	●	12,190	-	12,190	11,410	780	●
	Net Position	(9,222)	(8,472)	750	●	(12,190)	-	(12,190)	(11,410)	780	●
<b>Financial and Corporate Services</b>	Revenue	10,652	9,943	(709)	●	15,442	-	15,442	14,104	(1,338)	●
	Expense	112,916	105,897	7,019	●	148,254	1,186	149,440	145,408	4,032	●
	Net Position	(102,264)	(95,954)	6,310	●	(132,812)	(1,186)	(133,998)	(131,304)	2,694	●

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End					
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
<b>Integrated Infrastructure Services</b>											
Building Great Neighbourhoods	Revenue	-	2	2	●	-	-	-	-	-	-
	Expense	2,629	3,000	(371)	●	2,456	(9)	2,447	2,332	115	●
	Net Position	(2,629)	(2,998)	(369)	●	(2,456)	9	(2,447)	(2,332)	115	●
Department Strategy	Revenue	375	-	(375)	●	500		500	-	(500)	●
	Expense	7,362	6,430	932	●	9,534	(162)	9,372	4,947	4,425	●
	Net Position	(6,987)	(6,430)	557	●	(9,034)	162	(8,872)	(4,947)	3,925	●
Infrastructure Delivery	Revenue	289	867	578	●	387		387	1,052	665	●
	Expense	2,452	1,569	883	●	571	(5)	566	2,159	(1,593)	●
	Net Position	(2,163)	(702)	1,461	●	(184)	5	(179)	(1,107)	(928)	●
Infrastructure Planning and Design	Revenue	57	108	51	●	76		76	150	74	●
	Expense	5,959	5,796	163	●	6,269	(54)	6,215	9,459	(3,244)	●
	Net Position	(5,902)	(5,688)	214	●	(6,193)	54	(6,139)	(9,309)	(3,170)	●
LRT Expansion and Renewal	Revenue	342	391	49	●	455		455	455	-	●
	Expense	878	78	800	●	1,127	(3)	1,124	354	770	●
	Net Position	(536)	313	849	●	(672)	3	(669)	101	770	●
Blatchford Redevelopment Office	Revenue	-	-	-	●	-		-	-	-	●
	Expense	132	136	(4)	●	173		173	173	-	●
	Net Position	(132)	(136)	(4)	●	(173)	-	(173)	(173)	-	●
<b>Integrated Infrastructure Services</b>	Revenue	1,063	1,368	305	●	1,418	-	1,418	1,657	239	●
	Expense	19,412	17,009	2,403	●	20,130	(233)	19,897	19,424	473	●
	Net Position	(18,349)	(15,641)	2,708	●	(18,712)	233	(18,479)	(17,767)	712	●

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
● Unfavourable budget variance, between 0% and (10)%  
● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End					
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
<b>Urban Planning and Economy</b>											
Planning and Environment Services	Revenue	33,305	24,758	(8,547) ●	(25.7)	42,457		42,457	32,540	(9,917) ●	(23.4)
	Expense	53,629	42,224	11,405 ●	21.3	74,692	(1,519)	73,173	59,369	13,804 ●	18.9
	Net Position	(20,324)	(17,466)	2,858 ●	14.1	(32,235)	1,519	(30,716)	(26,829)	3,887 ●	12.7
Development Services	Revenue	41,714	50,986	9,272 ●	22.2	83,283		83,283	86,568	3,285 ●	3.9
	Net transfer to/(from) P&D Reserve	(2,631)	9,337	(11,968) ●	454.9	2,014		2,014	7,457	(5,443) ●	(270.3)
	Expense	49,333	45,889	3,444 ●	7.0	86,173	(1)	86,172	84,199	1,973 ●	2.3
	Net Position	(4,988)	(4,240)	748 ●	15.0	(4,904)	1	(4,903)	(5,088)	(185) ●	(3.8)
Economic Investment Services	Revenue	7,296	6,250	(1,046) ●	(14.3)	17,812		17,812	15,367	(2,445) ●	(13.7)
	Expense	16,040	14,128	1,912 ●	11.9	29,743		29,743	27,582	2,161 ●	7.3
	Net Position	(8,744)	(7,878)	866 ●	9.9	(11,931)	-	(11,931)	(12,215)	(284) ●	(2.4)
<b>Urban Planning and Economy</b>	Revenue	84,946	72,657	(12,289) ●	(14.5)	141,538	-	141,538	127,018	(14,520) ●	(10.3)
	Expense	119,002	102,241	16,761 ●	14.1	190,608	(1,520)	189,088	171,150	17,938 ●	9.5
	Net Position	(34,056)	(29,584)	4,472 ●	13.1	(49,070)	1,520	(47,550)	(44,132)	3,418 ●	7.2



## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
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● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
<b>Office of the City Manager</b>													
City Manager	Revenue	1,560	2,060	500	●	32.1	2,900		2,900	3,400	500	●	17.2
	Expense	3,461	3,648	(187)	●	(5.4)	5,369	(10)	5,359	5,859	(500)	●	(9.3)
	Net Position	(1,901)	(1,588)	313	●	16.5	(2,469)	10	(2,459)	(2,459)	-	●	-
Office of the City Clerk	Revenue	2,334	2,258	(76)	●	(3.3)	4,320		4,320	4,320	-	●	-
	Expense	12,648	12,239	409	●	3.2	19,018	291	19,309	19,309	-	●	-
	Net Position	(10,314)	(9,981)	333	●	3.2	(14,698)	(291)	(14,989)	(14,989)	-	●	-
Law	Revenue	392	314	(78)	●	(19.9)	523		523	523	-	●	-
	Expense	9,362	8,630	732	●	7.8	12,094	250	12,344	12,103	241	●	2.0
	Net Position	(8,970)	(8,316)	654	●	7.3	(11,571)	(250)	(11,821)	(11,580)	241	●	2.0
<b>Office of the City Manager</b>													
	Revenue	4,286	4,632	346	●	8.1	7,743	-	7,743	8,243	500	●	6.5
	Expense	25,471	24,517	954	●	3.7	36,481	531	37,012	37,271	(259)	●	(0.7)
	Net Position	(21,185)	(19,885)	1,300	●	6.1	(28,738)	(531)	(29,269)	(29,028)	241	●	0.8
<b>Mayor and Councillor Offices</b>													
	Revenue	-	-	-	●	-	-		-	-	-	●	-
	Expense	5,257	4,162	1,095	●	20.8	6,963		6,963	6,963	-	●	-
	Net Position	(5,257)	(4,162)	1,095	●	20.8	(6,963)	-	(6,963)	(6,963)	-	●	-
<b>Office of the City Auditor</b>													
	Revenue	-	-	-	●	-	-		-	-	-	●	-
	Expense	2,019	2,002	17	●	0.8	2,673	(3)	2,670	2,670	-	●	-
	Net Position	(2,019)	(2,002)	17	●	0.8	(2,673)	3	(2,670)	(2,670)	-	●	-
<b>Boards and Authorities</b>													
	Revenue	12,613	11,886	(727)	●	(5.8)	13,171		13,171	11,900	(1,271)	●	(9.6)
	Expense	96,211	93,957	2,254	●	2.3	118,837	(863)	117,974	116,703	1,271	●	1.1
	Net Position	(83,598)	(82,071)	1,527	●	1.8	(105,666)	863	(104,803)	(104,803)	-	●	-
<b>Sub-Total Department Programs</b>													
	Revenue	286,919	247,197	(39,722)	●	(13.8)	578,412	(107,682)	470,730	405,507	(65,223)	●	(13.9)
	Expense	1,290,212	1,198,610	91,602	●	7.1	1,818,930	(39,812)	1,779,118	1,687,961	91,157	●	5.1
	Net Position	(1,003,293)	(951,413)	51,880	●	5.2	(1,240,518)	(67,870)	(1,308,388)	(1,282,454)	25,934	●	2.0

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

- Favourable budget variance, >= 0%  
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● Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
<b>Corporate Programs</b>													
Capital Project Financing	Revenue	100,282	112,600	12,318	●	12.3	236,131	(2,587)	233,544	253,897	20,353	●	8.7
	Expense	224,729	236,761	(12,032)	●	(5.4)	440,737		440,737	461,089	(20,352)	●	(4.6)
	Net Position	(124,447)	(124,161)	286	●	0.2	(204,606)	(2,587)	(207,193)	(207,192)	1	●	0.0
Corporate Expenses	Revenue	356	244	(112)	●	(31.5)	1,209		1,209	1,485	276	●	22.8
	Expense	21,281	19,086	2,195	●	10.3	61,960		61,960	63,289	(1,329)	●	(2.1)
	Net Position	(20,925)	(18,842)	2,083	●	10.0	(60,751)	-	(60,751)	(61,804)	(1,053)	●	(1.7)
Corporate Revenues	Revenue	290,158	294,131	3,973	●	1.4	404,535	71,157	475,692	481,224	5,532	●	1.2
	Expense	67	446	(379)	●	(565.7)	7,350		7,350	7,350	-	●	-
	Net Position	290,091	293,685	3,594	●	1.2	397,185	71,157	468,342	473,874	5,532	●	1.2
Taxation Expense	Revenue	2,000	3,575	1,575	●	78.8	5,000	(1,000)	4,000	4,400	400	●	10.0
	Expense	6,675	5,422	1,253	●	18.8	12,300	(300)	12,000	12,000	-	●	-
	Net Position	(4,675)	(1,847)	2,828	●	60.5	(7,300)	(700)	(8,000)	(7,600)	400	●	5.0
Taxation Revenues	Revenue	1,727,148	1,727,071	(77)	●	(0.0)	1,715,248		1,715,248	1,713,316	(1,932)	●	(0.1)
	Expense	-	-	-	●	-	-		-	-	-	●	-
	Net Position	1,727,148	1,727,071	(77)	●	(0.0)	1,715,248	-	1,715,248	1,713,316	(1,932)	●	(0.1)
Traffic Safety and Automated Enforcement	Revenue	31,178	22,330	(8,848)	●	(28.4)	40,880		40,880	28,600	(12,280)	●	(30.0)
	Net transfer to/(from) TSAE Reserve	31,178	22,330	8,848	●	28.4	40,880		40,880	28,600	12,280	●	30.0
	Net Position	-	-	-	●	-	-	-	-	-	-	●	-
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	-	●	-	-		-	-	-	●	-
	Expense	161,326	161,326	-	●	-	161,326		161,326	161,326	-	●	-
	Net Position	(161,326)	(161,326)	-	●	-	(161,326)	-	(161,326)	(161,326)	-	●	-
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	-	●	-	-		-	-	-	●	-
	Expense	51,400	51,400	-	●	-	51,400		51,400	51,400	-	●	-
	Net Position	(51,400)	(51,400)	-	●	-	(51,400)	-	(51,400)	(51,400)	-	●	-
<b>Corporate Programs</b>													
	Revenue	2,151,122	2,159,951	8,829	●	0.4	2,403,003	67,570	2,470,573	2,482,922	12,349	●	0.5
	Expense	496,656	496,771	(115)	●	(0.0)	775,953	(300)	775,653	785,054	(9,401)	●	(1.2)
	Net Position	1,654,466	1,663,180	8,714	●	0.5	1,627,050	67,870	1,694,920	1,697,868	2,948	●	0.2

## Tax-Supported Operations - September 30, 2021 Financial Results and Projections

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● Unfavourable budget variance, > (10)%

(in \$000's)		Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
<b>Total</b>	<b>Revenue</b>	2,438,041	2,407,148	(30,893)	●	(1.3)	2,981,415	(40,112)	2,941,303	2,888,429	(52,874)	●	(1.8)
<b>Tax-Supported Operations (excluding Police Services)</b>	<b>Expense</b>	1,786,868	1,695,381	91,487	●	5.1	2,594,883	(40,112)	2,554,771	2,473,015	81,756	●	3.2
	<b>Net Position</b>	651,173	711,767	60,594	●	0.0	386,532	-	386,532	415,414	28,882		
<b>Police Services</b>	Revenue	49,917	45,681	(4,236)	●	(8.5)	99,510	-	99,510	92,991	(6,519)	●	(6.6)
	Expense	308,567	307,109	1,458	●	0.5	486,042	-	486,042	485,455	587	●	0.1
	Net Position	(258,650)	(261,428)	(2,778)	●	(1.1)	(386,532)	-	(386,532)	(392,464)	(5,932)	●	(1.5)
	Net transfer to/(from) EPS Reserve	-	-	-	●	-	-	-	-	(4,494)	4,494	●	-
	Net Position	(258,650)	(261,428)	(2,778)	●	(1.1)	(386,532)	-	(386,532)	(387,970)	(1,438)	●	(0.4)
<b>Total</b>	<b>Revenue</b>	2,487,958	2,452,829	(35,129)	●	(1.4)	3,080,925	(40,112)	3,040,813	2,981,420	(59,393)	●	(2.0)
<b>Tax-Supported Operations</b>	<b>Expense</b>	2,095,435	2,002,490	92,945	●	4.4	3,080,925	(40,112)	3,040,813	2,953,976	86,837	●	2.9
	<b>Net Position</b>	392,523	450,339	57,816			-	-	-	27,444	27,444		

**COVID-19 2021 COVID Budget Adjustment**  
**(\$000's)**

The following schedule reflects the the original 2021 COVID budget adjustment approved by City Council and the subsequent release of COVID funds back to the appropriated Financial Stabilization Reserves, where funds were no longer required. The released COVID funds are being recommended for use to offset the COVID 2022 financial impacts. The net adjustment is the COVID adjustment reflected in the branch and expense year-end budgets in the Q3 operating financial results report.

(Reduction)/Increase	<u>Original Adjustment</u> <u>(Note 1)</u>	<u>Revision</u> <u>(Note 2)</u>	<u>Net Adjustment</u>	<u>Explanation</u>
<b>Branch</b>				
<b>Community &amp; Recreation Facilities</b>				
Revenue	(32,860)		(32,860)	Original COVID-19 impact adjustment was done in anticipation of lower admissions, rentals and program revenues as a result of recreation facilities and attractions anticipated to remain closed throughout 2021. This was partially offset by reductions in direct materials, external services, utilities and workforce strategies as a result of those closures and reduced capacities. The adjustment was revised to reflect greater than expected attendance through the summer and into the fall resulting in more revenues and increased staffing costs (reflected as a net adjustment within expenses), for an overall lower net budget impact due to COVID-19 in 2021.
Expense	(26,648)	(6,712)	(33,360)	
Net Position	(6,212)	6,712	500	
<b>Edmonton Transit</b>				
Revenue	(63,418)		(63,418)	Lower ridership and no UPass revenue in 2021 resulting in a reduction in revenues, partially offset by the related reduction in costs. There was also anticipation of increased costs related to enhanced cleaning requirements and increased overtime to manage employee absences due to COVID-19.
Expense	(4,816)		(4,816)	
Net Position	(58,602)	0	(58,602)	
<b>Parks &amp; Roads Services</b>				
Revenue	(10,854)		(10,854)	Reductions in parking revenues.
Expense	305		305	
Net Position	(11,159)	0	(11,159)	
<b>Corporate Procurement &amp; Supply Services</b>				
Revenue			0	Original COVID-19 impact for personal protective equipment was subsequently revised downwards due to updated estimates.
Expense	10,418	(8,900)	1,518	
Net Position	(10,418)	8,900	(1,518)	
<b>Corporate Revenue</b>				
Revenue	(2,587)	(4,236)	(6,823)	Original COVID-19 impact adjustment anticipated decreased tag/fine revenues based on 2020 trending as well as declines in business activity and licences in 2021. This was partially offset by an expected dividend increase from Land Enterprise. The original adjustment was increased to reflect changes in assumptions around gas franchise fees.
Expense			0	
Net Position	(2,587)	(4,236)	(6,823)	

(Reduction)/Increase	<u>Original Adjustment (Note 1)</u>	<u>Revision (Note 2)</u>	<u>Net Adjustment</u>	<u>Explanation</u>
<b>Taxation Expenditures</b>				
Revenue	(1,000)		(1,000)	Original COVID-19 impact adjustment reflected potential slowdown in construction resulting in lower supplemental tax revenue as well as additional costs due to anticipation of increased assessment complaints as a result of COVID-19. The original tax appeal losses were adjusted downwards due to updated expectations.
Expense	4,200	(4,500)	(300)	
Net Position	(5,200)	4,500	(700)	
<b>Other Branches (under \$2M adjustments)</b>				
Revenue	(400)	(150)	(550)	Various other cumulative adjustments.
Expense	(1,839)	(1,620)	(3,459)	
Net Position	1,439	1,470	2,909	
<b>Corporate Programs</b>				
Transfer from COVID FSR	92,739	(17,346)	75,393	
<b>Summary (Note 3)</b>				
Total Revenue Impact	(18,380)	(21,732)	(40,112)	
Total Expense Impact	(18,380)	(21,732)	(40,112)	
Total Net Impact - Tax Supported	0	0	0	

Note 1 - On December 7, 2020 City Council approved recommendations to adjust branch revenue and expense budget as a result of COVID in 2021, as well as an offsetting funding strategy. This budget adjustment was approved as part of the December 7, 2020, Financial and Corporate Services report FCS00181. The total tax-supported impact was \$143.7 million (\$113.2 million decreased revenues and \$30.5 million in additional costs), offset by various funding strategies including a \$92.7 million use of COVID funds within the appropriated Financial Stabilization Reserve, \$48.9 million in expense management strategies, and \$2.0 million in additional revenue strategies, mainly including an increased Land Enterprise Dividend. Combined revenue and expense impacts, including financial impacts and funding strategies is \$18.4 million in revenue and expense impacts. The total COVID impact including non-tax supported areas was \$152.0 million for 2021.

Note 2 - During the summer of 2021, COVID 2021 revenue and expense impacts were revised by Administration in order to ensure prudent use of COVID funds. The revisions resulted in \$17.3 million lower than originally expected COVID impacts for tax-supported operations and resulted in these funds being returned to the COVID funds within the appropriated Financial Stabilization Reserve. These funds are being recommended to be used to offset COVID 2022 budget impacts through report FCS00828 - COVID-19 2022 Financial Impacts and Funding Strategy, being presented to City Council on November 22, 2021.

Note 3 - The resulting net COVID budget impact for tax-supported areas is \$126.4 million (\$117.6 million decreased revenues and \$8.8 million in additional costs), offset by various funding strategies including a \$75.4 million use of COVID funds within the appropriated Financial Stabilization Reserve, \$48.9 million in expense management strategies, and \$2.0 million in additional revenue strategies, mainly including an increased Land Enterprise Dividend. The net impact of additional costs and expense management strategies is \$40.1 million (\$49.0 million in expense management strategies, less \$8.8 million in additional costs). The net impact on revenues is also \$40.1 million, consisting of revenue reductions of \$117.6 million due to COVID, \$2.0 million in additional revenue strategies, and \$75.5 million transfer from the COVID funds to help offset the net impact for tax-supported areas.