

Operating and Capital Financial Update September 30, 2021

City Council
December 6, 2021

Financial Updates - Context Setting

- **To provide Council:**
 - Oversight of performance against budget
 - Consistent, timely and transparent reporting
 - Update on significant financial items
 - Reserves
 - Economy
 - Significant capital projects
 - Debt
- **As governors:**
 - Understand significant variances to help manage the corporation
 - Gain an understanding of financial health of the City
- **Budgets are best estimates, variances are expected**

Financial Updates and Policy Considerations

- **Financial decisions are guided by policy**
- **Examples:**
 - Reserve and Equity Accounts
 - Fiscal Policy for the Planning and Development Business
 - Utility Fiscal Policies (Blatchford, Waste)
 - Traffic Safety and Automated Enforcement Reserve
 - Fiscal Policy for Revenue Generation
 - Capital Project Governance (Project Development/Delivery Model)
 - Debt Management Fiscal Policy

Operating and Capital Financial Results



Enterprise
& Utility
Operations

Tax-
Supported
Operations



Reserve
Update

Significant
Project
Results



Debt Update

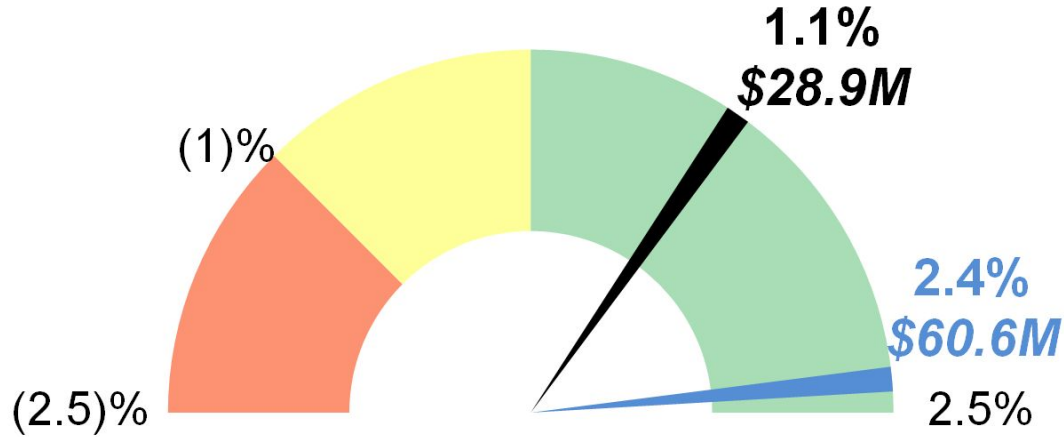
Enterprise and Utility Operations

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

	YTD Variance	Projected Year-End Variance	
Waste Services	8.8	11.3	●
Land Enterprise	13.8	14.4	●
Blatchford Redevelopment	1.0	(10.3)	● / ●
Blatchford Renewable Energy Utility	0.7	0.1	●

Tax-Supported Operations

(excluding the Edmonton Police Service)



■ Year-to-Date Variance

■ Year-End Projected Variance

● Favourable budget variance $\geq 0\%$

● Unfavourable budget variance between 0% and (1)%

● Unfavourable budget variance $>(1)\%$

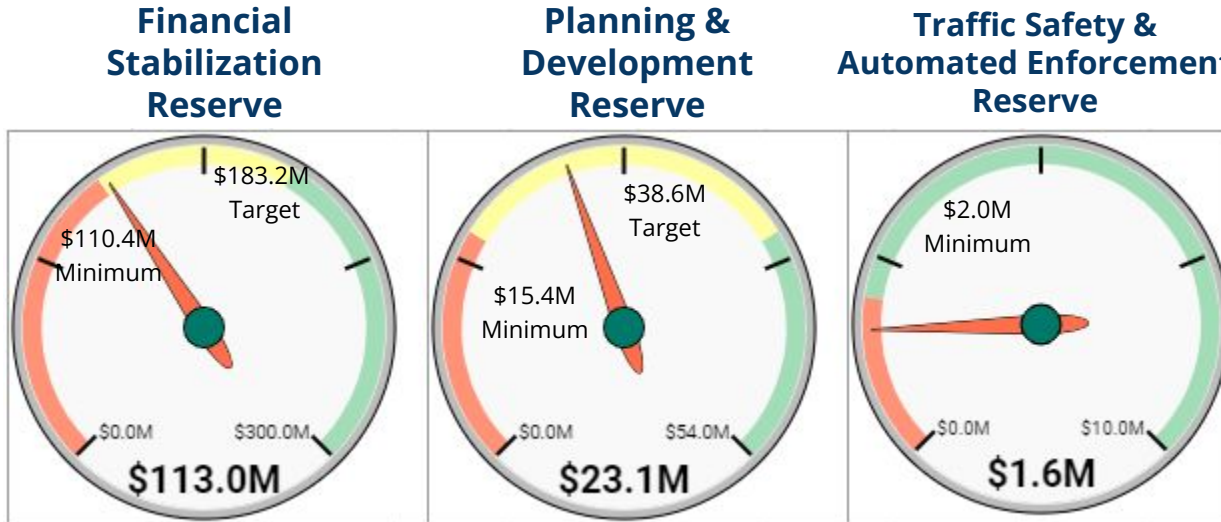
Tax-Supported Operations

(excluding the Edmonton Police Service)

YTD Variance		Projected Year-End Variance		Description	Variance Category
28.9	●	24.3	●	Personnel (net of recoveries)	COVID Impact
3.6	●	4.4	●	Property Tax Penalties	COVID Impact
3.6	●	2.3	●	Recreation Centres Relaunch Operating Costs	COVID Impact
(5.7)	●	(4.9)	●	Recreation Centre Relaunch Revenue	COVID Impact
(9.9)	●	(15.8)	●	ETS Fare and Advertising	COVID Impact
13.0	●	8.1	●	Snow and Ice Control Costs	External Factors
(2.7)	●	(4.9)	●	OSCAM Permit Fee Revenue	External Factors
0.9	●	3.2	●	Phased Smart Fare Implementation	Operating Impacts of Capital
(3.6)	●	(6.4)	●	Enterprise Commons Licensing Costs	Operating Impacts of Capital
32.5	●	18.6	●	Other Cumulative Variances	
60.6	●	28.9	●	Total	
2.4%	●	1.1%	●	<i>Percent of Annual Budget</i>	

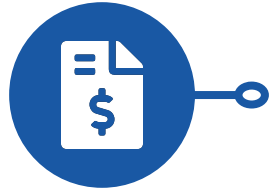
Reserve Balances (\$ millions)

Projected December 31, 2021 Balance



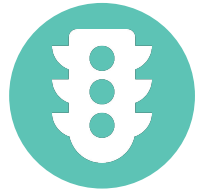
- Above target balance
- Above minimum balance & below target balance
- Below minimum balance

Capital Results - September 30, 2021



Budget Cycle Spend

44.2% spend of 2019 - 2022 Budget Cycle, compared to 43.2% at same point in 2015-2018 Budget Cycle



Significant Project Results

Significant majority of capital projects are on time and on budget

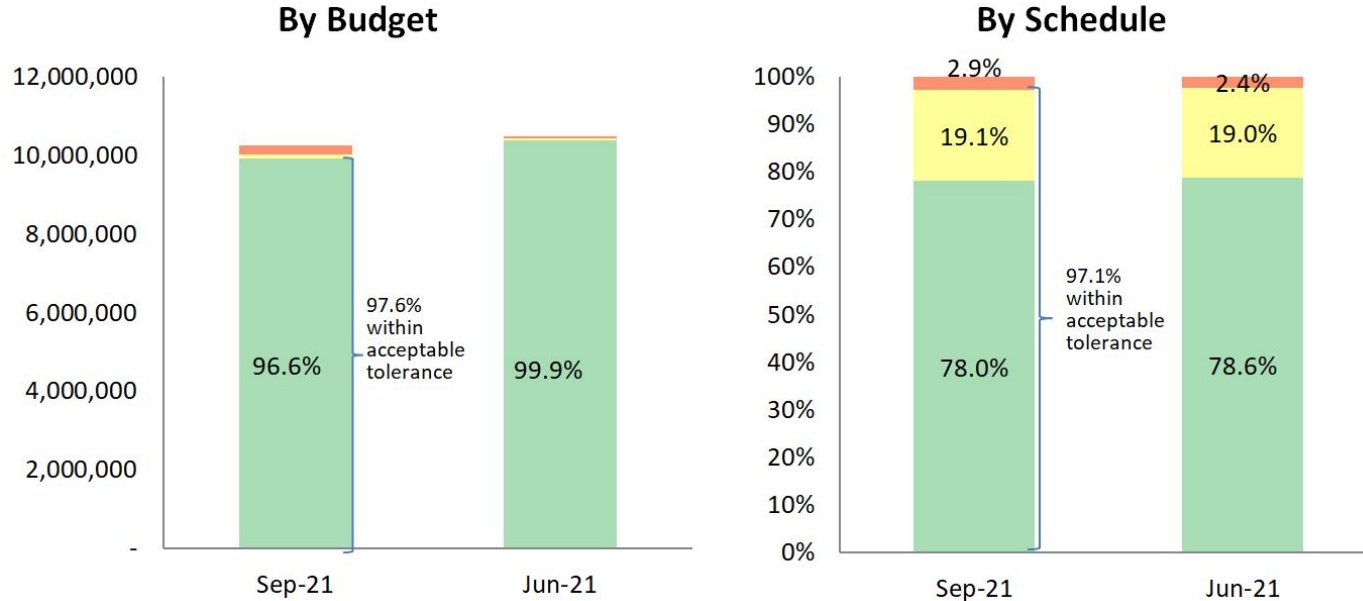


Debt Update

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

Capital Reporting

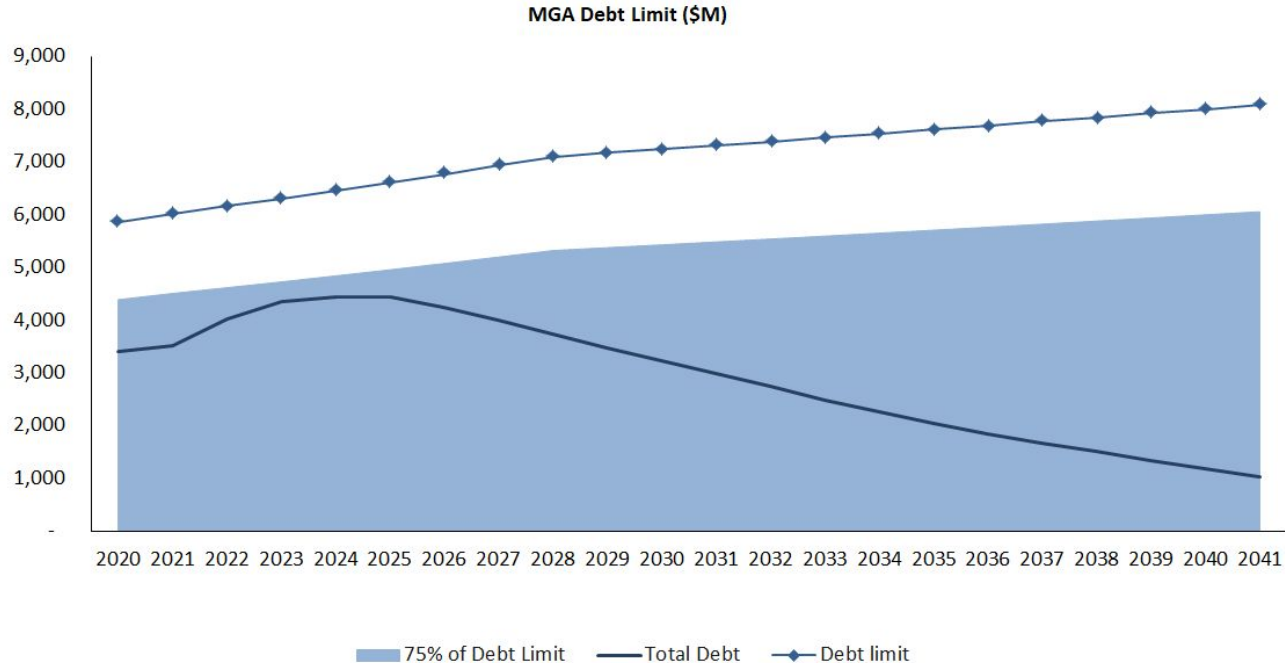
Significant Capital Project Status Summary



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

Debt and Debt Servicing Limits

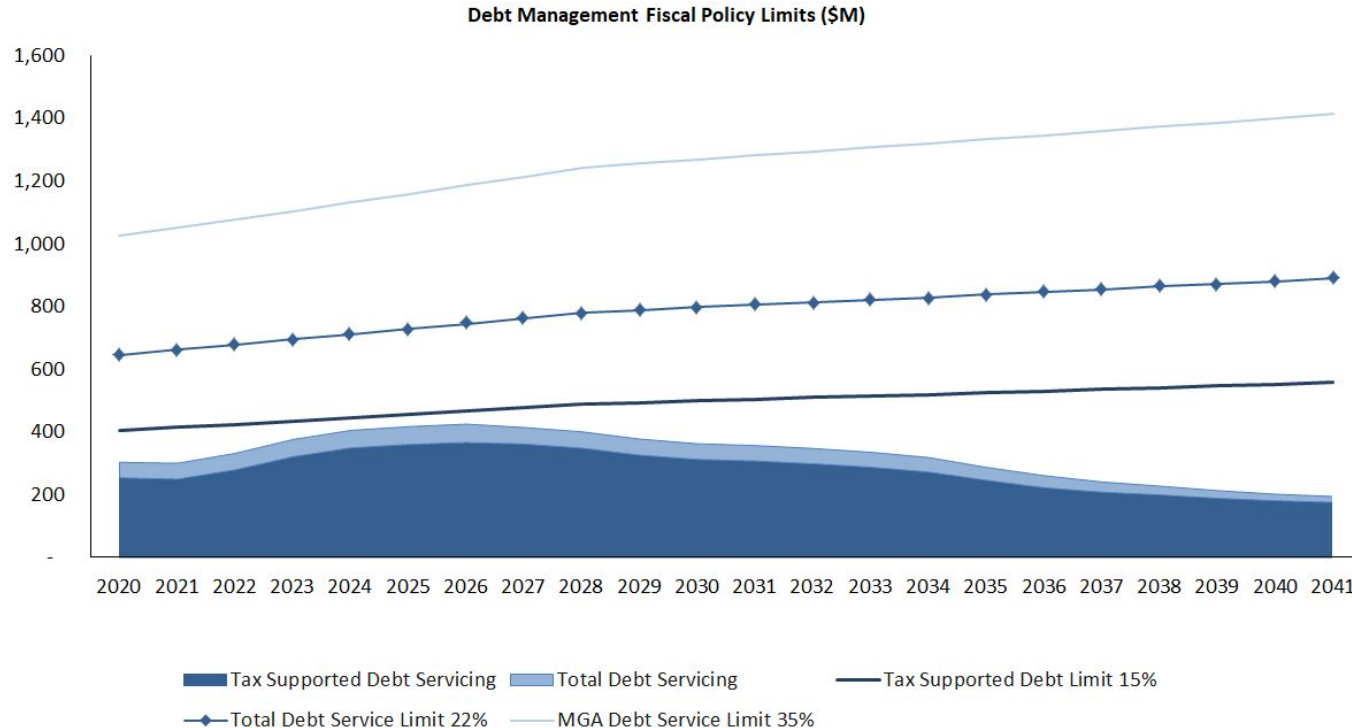
The *Municipal Government Act (MGA)* and related regulations establish limits for municipal debt levels and annual debt servicing costs.



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*.



Financial Results - Summary

OPERATING

- Tax-supported variance is 1.1% of expenditure budget
- Much of the variance is due to factors outside the City's control
- Portion of surplus is due to prudent budget management
- Monitor Financial Stabilization Reserve
- Report back on Traffic Safety and Automated Enforcement Reserve strategy

CAPITAL

- Majority of capital projects are on schedule and budget
- The City is within its debt and debt servicing limits

i Questions?