

OPERATING FINANCIAL UPDATE

June 30, 2022

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Supplemental Information

- Tax-Supported Operations by Branch – June 30, 2022 Financial Results and Projections
- COVID-19 2022 COVID Budget Adjustment

Tax-Supported Operations (excluding Edmonton Police Services)
Summary Year-to-Date Results and Year-End Projections
June 30, 2022
(in \$000's)

Net Position Budget Variance - Summary

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

Year-to-Date

	Budget	Actual	Variance \$		%
Revenue	2,250,156	2,289,364	39,208	●	1.7
Expense	1,100,319	1,115,781	(15,462)	●	(1.4)
Net Position	1,149,837	1,173,583	23,746	●	0.9 *

Projected Year-End

	Budget	COVID-19 Budget Adjustments (Note 1)	Adjusted Budget	Projected	Variance \$		%
Revenue	3,120,519	(12,846)	3,107,673	3,118,923	11,250	●	0.4
Expense	2,731,772	(12,846)	2,718,926	2,705,760	13,166	●	0.5
Net Position	388,747	-	388,747	413,163	24,416	●	0.9 *

* Net position percentage based on annual expense budget

Year-to-Date Variance - Tax-supported operations reflect a year-to-date favourable budget variance of \$23.8 million, or 0.9% of the overall expense budget. This is mainly due to personnel savings related to unfilled vacancies, delays in recruitment and the delayed opening of the Windermere Fire Station, lower LRT operating costs, and higher gas franchise fees from increased consumption for the first quarter of the year. This is partially offset with higher Snow and Ice Control costs as a result of heavier snowfall and additional freezing rain resulting in higher than anticipated costs in January to April.

Projected Year-End Variance - A net favourable year-end position of \$24.4 million is projected for tax-supported operations, a variance of 0.9% when compared to the overall expense budget. This is mainly due to lower than budgeted costs for financial strategies, favourable transit fare revenues compared to the COVID adjusted budget, lower than expected DATS contract costs, and higher gas franchise fees from increased consumption for the first quarter of the year. This is partially offset with higher Snow and Ice Control costs as a result of heavier snowfall and additional freezing rain resulting in higher than anticipated costs from January to April, lower than budgeted permit fee revenues, loss of revenue from the EPCOR fleet maintenance contacts and higher fuel costs.

Note 1: On November 22, 2021 City Council approved one-time adjustments to the 2022 operating budget to reflect the continued impacts of the pandemic. Refer to the supplementary information for further information on the details of the adjustment.

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$2,500, that contribute to the net tax-supported variance:

Net Position Budget Variance - Details		
YTD Variance (in millions \$)	Year-End Projected Variance (in millions \$)	Variance Explanations
7.6	2.2	Personnel Costs, net of discounting and significant recoveries (<i>All Departments</i>) YTD - Favourable budget variance mainly due to lower personnel costs in Fleet and Facility Services and other departments due to unfilled vacancies, and less than anticipated staffing in Fire Rescue Services due to the delayed opening of the Windermere Fire Station. These favourable variances are partially offset with higher overtime for Edmonton Transit to cover workforce shortages due to sick time, long term disabilities, and lower bus operator complement as a result of training delays during the pandemic. Projected - Favourable budget due to lower personnel costs in Fleet and Facility Services and other departments due to unfilled vacancies. This is partially offset by higher overtime for Edmonton Transit to cover workforce shortages due to sick time, long term disabilities, and lower bus operator complement as a result of training delays during the pandemic, and higher overtime pay for Fire Rescue Service due to unfilled vacancies.
4.6	2.3	LRT Operating costs (<i>Edmonton Transit, City Operations</i>) YTD - Lower than budgeted costs for LRT operations. Projected - Lower than budgeted costs for LRT operations that are partly offset with a lower transfer from the LRT Reserve that will occur at year end.
3.8	3.8	Gas Franchise Fees (<i>Corporate Revenues, Corporate Programs</i>) YTD & Projected - Higher than anticipated gas franchise fees due to increased consumption for the first quarter of the year, mainly related to January being colder than anticipated. Fees can fluctuate throughout the year so these are currently being monitored.
3.0	0.0	EPCOR Franchise Fees (<i>Corporate Revenues, Corporate Programs</i>) YTD - Higher power franchise fees resulting from increased usage during the first quarter of the year, and higher than expected drainage franchise fee revenues. Administration is still assessing the impact on projected year-end results.
2.1	5.0	Transit Fare Revenue (<i>Edmonton Transit, City Operations</i>) YTD & Projected - Favourable transit fare revenues due to higher than anticipated ridership compared to assumptions used to develop the COVID related budget adjustments.
1.4	2.6	Smart Fare (<i>Edmonton Transit, City Operations</i>) YTD & Projected - Favourable budget variance due to lower costs associated with the new phased-in timelines for fare products moving to the new system.
1.2	4.0	DATS Contract costs (<i>Edmonton Transit, City Operations</i>) YTD & Projected - Favourable budget variance for DATS contract costs resulting from lower trip volumes.
0.7	2.8	Parking Revenue (<i>Parks and Road Services, City Operations</i>) YTD & Projected - Favourable parking revenue due to higher than anticipated parking volumes in City Parkades compared to assumptions used to estimate COVID budget impacts.

0.0	38.0	Financial Strategies (<i>Corporate Expenditures, Corporate Programs</i>) <i>Projected</i> - Financial Strategies includes amounts to manage fluctuations, for items such as fuel and utility costs, and to provide flexibility for emerging items over the course of the four year operating budget cycle. Administration has conducted a risk based analysis of potential emerging items and fluctuations within the operating budget for the remaining six months of the 2019-2022 budget and determined that approximately \$38 million in funding is not required within Financial Strategies for the remainder of this budget cycle. The funds will remain in Financial Strategies on an ongoing basis to be considered as a part of the 2023-2026 proposed budget.
0.0	(2.7)	Advertising Revenue (<i>Edmonton Transit, City Operations</i>) <i>Projected</i> - Lower advertising revenue for transit vehicles, stations, and shelters.
(1.5)	(3.2)	EPCOR Fleet Maintenance Contract (<i>Fleet and Facility Services, City Operations</i>) <i>YTD & Projected</i> - Unfavourable budget variance as a result of the loss of the EPCOR fleet maintenance contract which expired on March 31, 2022.
(2.4)	(5.9)	Permit Fee Revenue (<i>Parks and Road Services, City Operations</i>) <i>YTD & Projected</i> - Lower than budgeted permit fees, mainly due to lower than expected On-Street Construction and Maintenance (OSCAM) revenue, as well as lower Traffic Control Fees such as Pods, Developer Signs, Moving Permits and Detours.
(0.4)	(3.2)	Fuel Costs (<i>Fleet and Facility Services, City Operations</i>) <i>YTD</i> - Unfavourable budget variance due to higher than expected fuel costs of (\$8.1 million), partially offset by fuel hedging contracts resulting in gains of \$5.4 million, and higher fuel sales to EPCOR of \$2.3 million. <i>Projected</i> - Unfavourable budget variance due to higher than expected fuel costs of (\$19.2 million), partially offset by fuel hedging contracts resulting in gains of \$12.9 million, and higher fuel sales to EPCOR of \$3.1 million.
(3.1)	(3.1)	Grants in Lieu of Taxes Revenue (<i>Taxation Revenues, Corporate Programs</i>) <i>YTD & Projected</i> - During the 2022 Spring Supplemental Operating Budget Adjustments (SOBA) it was estimated that \$11.0 million would not be collectible from the province for Grant-in-Lieu of taxes. Once the tax bylaw was approved and actual billings were sent to the province it was determined that the uncollectible amount would be closer to \$14.1 million.
(11.0)	(11.0)	Snow and Ice Control (<i>Snow and Ice Control, City Operations</i>) <i>YTD & Projected</i> - Unfavourable budget variances due to heavier snowfall and additional freezing rain resulting in higher than anticipated costs from January to April. As part of the 2022 Spring Supplemental Operating Budget Adjustment, Council approved one-time funding to cover the additional costs incurred related to the enhanced residential snow removal pilot.
17.8	(7.2)	Other net cumulative variances across tax-supported areas.
23.8	24.4	Total Net Position Budget Variance
0.9%	0.9%	Total Net Position Budget Variance Percentage (based on annual expense budget)

Edmonton Police Services financial results are reflected in the "Edmonton Police Service - Budget Variance for the Period Ending May 31, 2022" section of this report. Results are as of May 31, 2022 (the most recent financial reporting provided to the Edmonton Police Commission).

Potential Impacts to Year-End Results

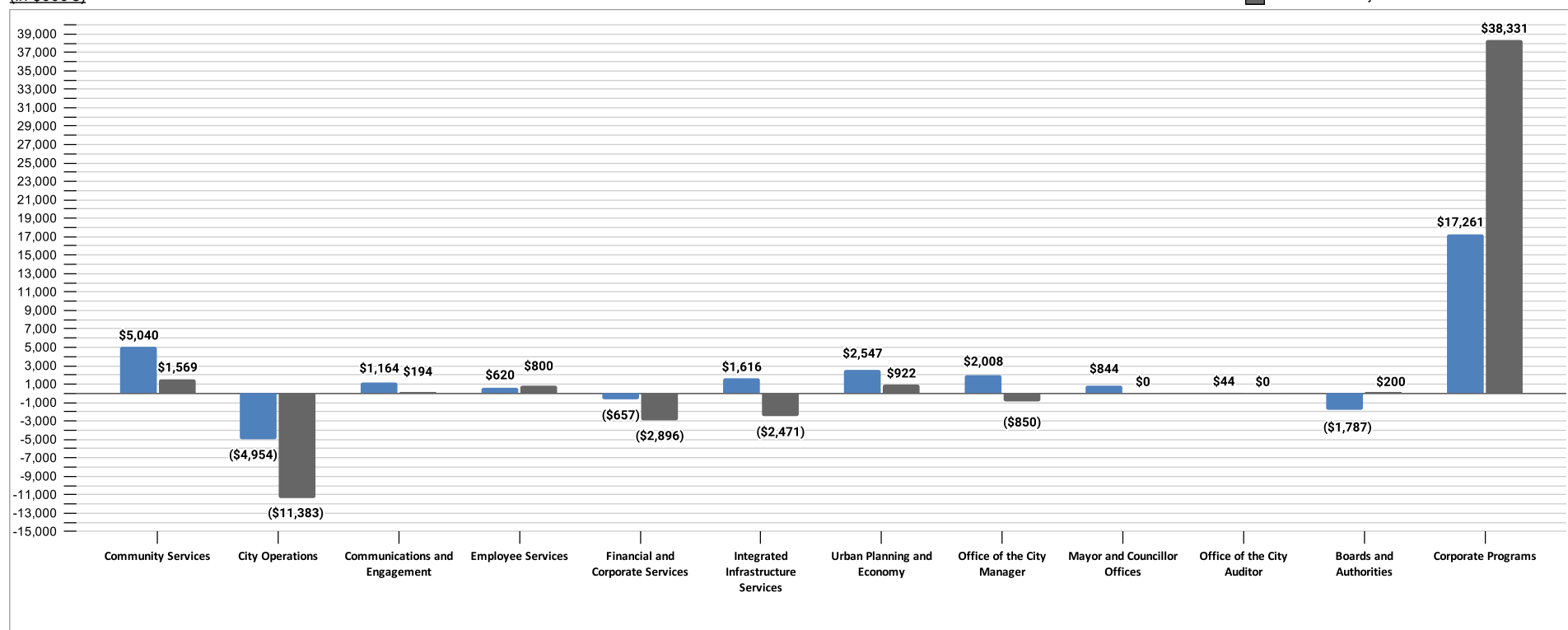
Projected operating year-end results for tax-supported operations reflect the information available to date. Certain items involve a greater degree of uncertainty. Administration continues to monitor the following matters and update projections as necessary:

- Most in scope employee contracts expired in December 2020 (EPA*, SOA*, and CSU*) with bargaining currently in progress, or about to begin soon, with the exception of ATU* Main and CUPE* which reached an agreement and ratified in March 2022 and June 2022, respectively. ATU (DATS) and IBEW* agreements expired at the end of 2021 and bargaining has not yet commenced. The collective agreement with the EFFU* expired in December 2018 and is currently in progress.
- 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 utilizes forward purchase contracts for half of its annual fuel purchases to mitigate financial impacts of fuel price fluctuations.
- Inflationary pressures may have impacts on utility costs and price of materials and equipment. Material and equipment prices may continue to rise and delivery timelines may continue experiencing challenges should supply side constraints persist. Material and equipment pricing may be impacted by exchange rate fluctuations, particularly if fluctuations are outside of expectations.

*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
June 30, 2022

(in \$000's)

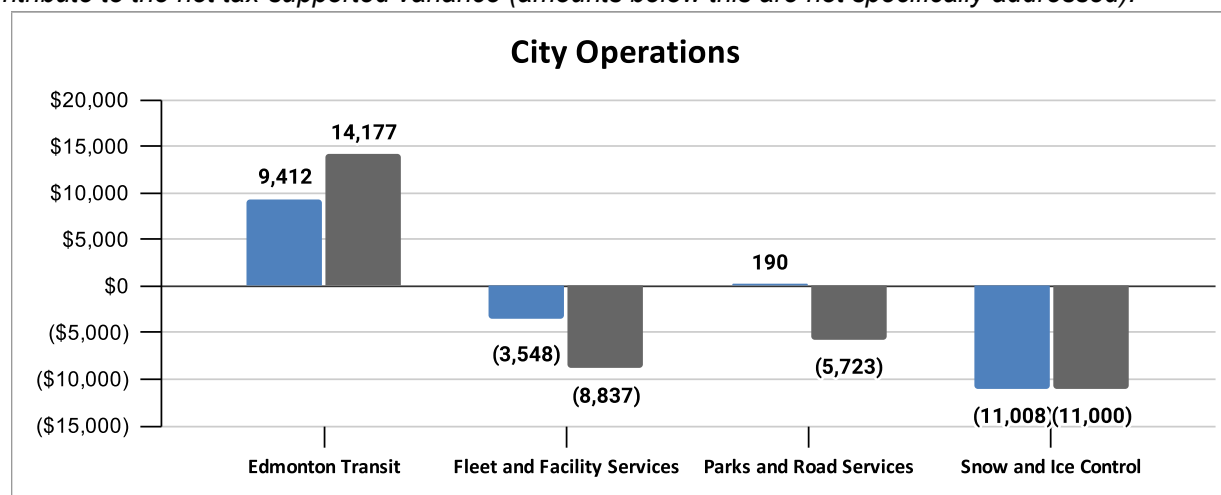
- Favourable budget variance, $\geq 0\%$
- Unfavourable budget variance, between 0% and $(10)\%$
- Unfavourable budget variance, $> (10)\%$

City Operations

Year-to-Date						
	Adjusted	Actual	Variance \$		%	
Revenue	58,478	60,582	2,104	●	3.6	
Expense	367,296	374,354	(7,058)	●	(1.9)	
Net Position	(308,818)	(313,772)	(4,954)	●	(0.7)	

Projected Year-End							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%	
Revenue	236,716	(64,980)	171,736	166,663	(5,073)	●	(3.0)
Expense	712,643	10,100	722,743	729,053	(6,310)	●	(0.9)
Net Position	(475,927)	(75,080)	(551,007)	(562,390)	(11,383)	●	(1.6)

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):



Net Position Budget Variance - Details

YTD Variance (in millions \$)	Year-End Projected Variance (in millions \$)	Variance Explanations
4.6	2.3	LRT Operating costs (Edmonton Transit) YTD - Lower than budgeted costs for LRT operations. Projected - Lower than budgeted costs for LRT operations that are partly offset with a lower transfer from the LRT Reserve that will occur at year end.
2.1	5.0	Transit Fare Revenue (Edmonton Transit) YTD & Projected - Favourable transit fare revenues due to higher than anticipated ridership compared to assumptions used to develop the COVID related budget adjustments.

1.6	2.4	Capital Recoveries (<i>Edmonton Transit</i>) <i>YTD & Projected</i> - Higher recoveries from capital projects related to Valley Line Southeast LRT bus detours, and Light Rail Vehicle (LRV) capital repair work. More major rehabilitation work has been completed for LRV's primarily as a result of trains being made available for major overhauls, as well as several LRV's reaching midlife age and requiring major overhauls.
1.6	0.0	Parts Costs (<i>Fleet & Facility</i>) <i>YTD</i> - Favourable variance due to delayed maintenance work as a result of delays in recruitment of qualified staff, and parts shortages and availability.
1.4	2.6	Smart Fare (<i>Edmonton Transit</i>) <i>YTD & Projected</i> - Favourable budget variance due to lower costs associated with the new phased-in timelines for fare products moving to the new system.
1.2	4.0	DATS Contract costs (<i>Edmonton Transit</i>) <i>YTD & Projected</i> - Favourable budget variance for DATS contract costs resulting from lower trip volumes.
0.7	2.8	Parking Revenue (<i>Parks and Road Services</i>) <i>YTD & Projected</i> - Favourable parking revenue due to higher than anticipated parking volumes in City Parkades compared to assumptions used to estimate COVID budget impacts.
0.0	(2.7)	Advertising Revenue (<i>Edmonton Transit</i>) <i>Projected</i> - Lower advertising revenue for transit vehicles, stations, and shelters.
(1.4)	(1.6)	Contract Work (<i>Fleet & Facility</i>) <i>YTD & Projected</i> - Higher than anticipated contract costs due to increased emergency callouts and inflationary impacts.
(1.5)	(3.2)	EPCOR Fleet Maintenance Contract (<i>Fleet and Facility Services</i>) <i>YTD & Projected</i> - Unfavourable budget variance as a result of the loss of the EPCOR fleet maintenance contract which expired on March 31, 2022.
(2.4)	(5.9)	Permit Fee Revenue (<i>Parks and Road Services</i>) <i>YTD & Projected</i> - Lower than budgeted permit fees, mainly due to lower than expected On-Street Construction and Maintenance (OSCAM) revenue, as well as lower Traffic Control Fees such as Pods, Developer Signs, Moving Permits and Detours.
(0.4)	(3.2)	Fuel Costs (<i>Fleet and Facility Services</i>) <i>YTD</i> - Unfavourable budget variance due to higher than expected fuel costs of (\$8.1 million), partially offset by fuel hedging contracts resulting in gains of \$5.4 million, and higher fuel sales to EPCOR of \$2.3 million. <i>Projected</i> - Unfavourable budget variance due to higher than expected fuel costs of (\$19.2 million), partially offset by fuel hedging contracts resulting in gains of \$12.9 million, and higher fuel sales to EPCOR of \$3.1 million.
(11.0)	(11.0)	Snow and Ice Control (<i>Snow and Ice Control</i>) <i>YTD & Projected</i> - Unfavourable budget variances due to heavier snowfall and additional freezing rain resulting in higher than anticipated costs from January to April. As part of the 2022 Spring Supplemental Operating Budget Adjustment, Council approved one-time funding to cover the additional costs incurred related to the enhanced residential snow removal pilot.
(1.5)	(2.9)	Other net cumulative variances across tax-supported areas.
(5.0)	(11.4)	Total Net Position Budget Variance
(0.7)%	(1.6)%	Total Net Position Budget Variance Percentage (based on annual expense budget)

Tax-Supported Operations - By Department
Year-to-Date Results and Year-End Projections
June 30, 2022

(in \$000's)

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

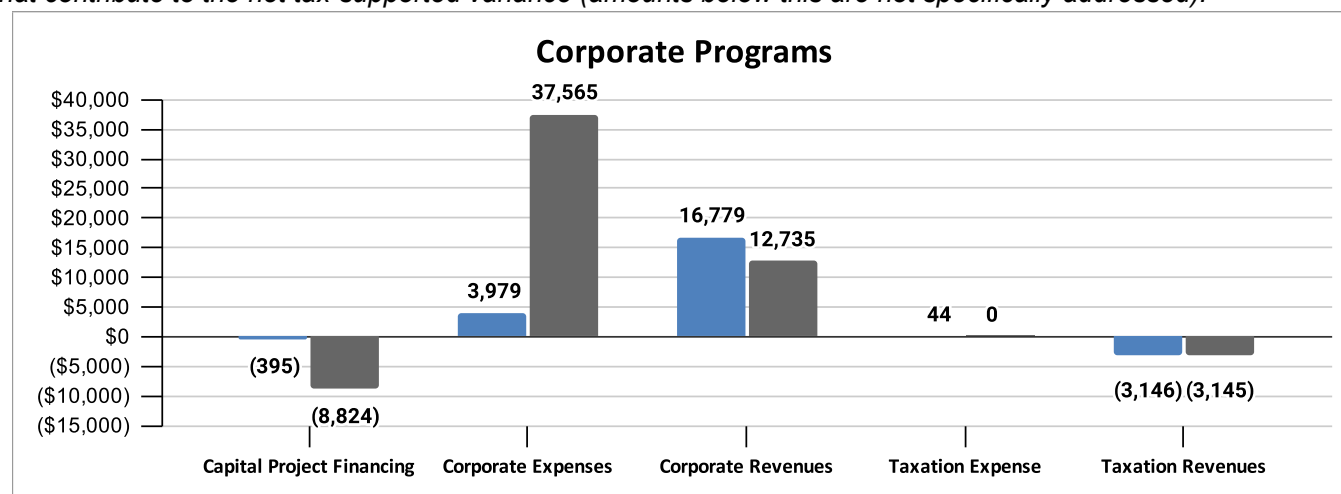
Year-to-Date

	Adjusted	Actual	Variance \$	%
Revenue	2,072,054	2,114,282	42,228 ●	2.0
Expense	181,485	206,452	(24,967) ●	(13.8)
Net Position	1,890,569	1,907,830	17,261 ●	2.0

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	2,569,921	65,099	2,635,020	2,652,323	17,303 ●	0.7
Expense	907,286	(27,258)	880,028	859,000	21,028 ●	2.4
Net Position	1,662,635	92,357	1,754,992	1,793,323	38,331 ●	4.4

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):



Net Position Budget Variance - Details

YTD Variance (in millions \$)	Year-End Projected Variance (in millions \$)	Variance Explanations
(3.1)	(3.1)	Grants in Lieu of Taxes Revenue (Taxation Revenues) YTD & Projected - During the 2022 Spring Supplemental Operating Budget Adjustments (SOBA) it was estimated that \$11.0 million would not be collectible from the province for Grant-in-Lieu of taxes. Once the tax bylaw was approved and actual billings were sent to the province it was determined that the uncollectible amount would be closer to \$14.1 million.

0.0	38.0	Financial Strategies (Corporate Expenditures) <i>Projected</i> - Financial Strategies includes amounts to manage fluctuations, for items such as fuel and utility costs, and to provide flexibility for emerging items over the course of the four year operating budget cycle. Administration has conducted a risk based analysis of potential emerging items and fluctuations within the operating budget for the remaining six months of the 2019-2022 budget and determined that approximately \$38 million in funding is not required within Financial Strategies for the remainder of this budget cycle. The funds will remain in Financial Strategies on an ongoing basis to be considered as a part of the 2023-2026 proposed budget.
3.8	3.8	Gas Franchise Fees (Corporate Revenues) <i>YTD & Projected</i> - Higher than anticipated gas franchise fees due to increased consumption for the first quarter of the year, mainly related to January being colder than anticipated. Fees can fluctuate throughout the year so these are currently being monitored.
3.0	0.0	EPCOR Franchise Fees (Corporate Revenues) <i>YTD</i> - Higher power franchise fees resulting from increased usage during the first quarter of the year, and higher than expected drainage franchise fee revenues. Administration is still assessing the impact on projected year-end results.
13.6	(0.4)	Other net cumulative variances across tax-supported areas.
17.3	38.3	Total Net Position Budget Variance
2.0%	4.4%	Total Net Position Budget Variance Percentage (based on annual expense budget)

Tax-Supported Operations - By Department
Year-to-Date Results and Year-End Projections
June 30, 2022
(in \$000's)

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

Community Services

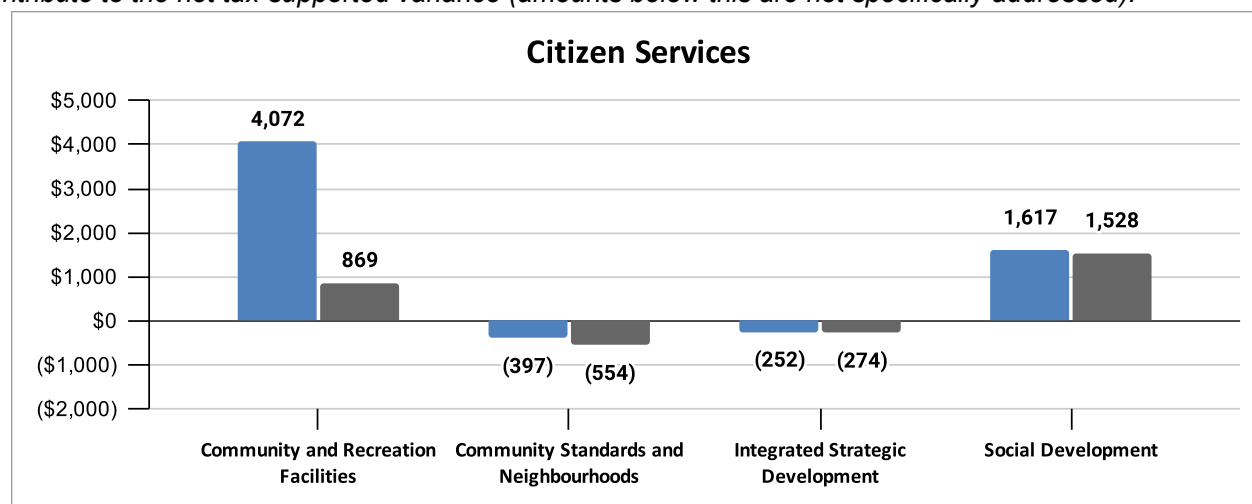
Year-to-Date

	Adjusted	Actual	Variance \$	%
Revenue	50,734	50,654	(80)	(0.2)
Expense	130,807	125,687	5,120	3.9
Net Position	(80,073)	(75,033)	5,040	1.7

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	149,883	(12,965)	136,918	138,404	1,486	1.1
Expense	300,201	873	301,074	300,991	83	0.0
Net Position	(150,318)	(13,838)	(164,156)	(162,587)	1,569	0.5

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, 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
June 30, 2022
(in \$000's)

- Favourable budget variance, $\geq 0\%$
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Communications and Engagement

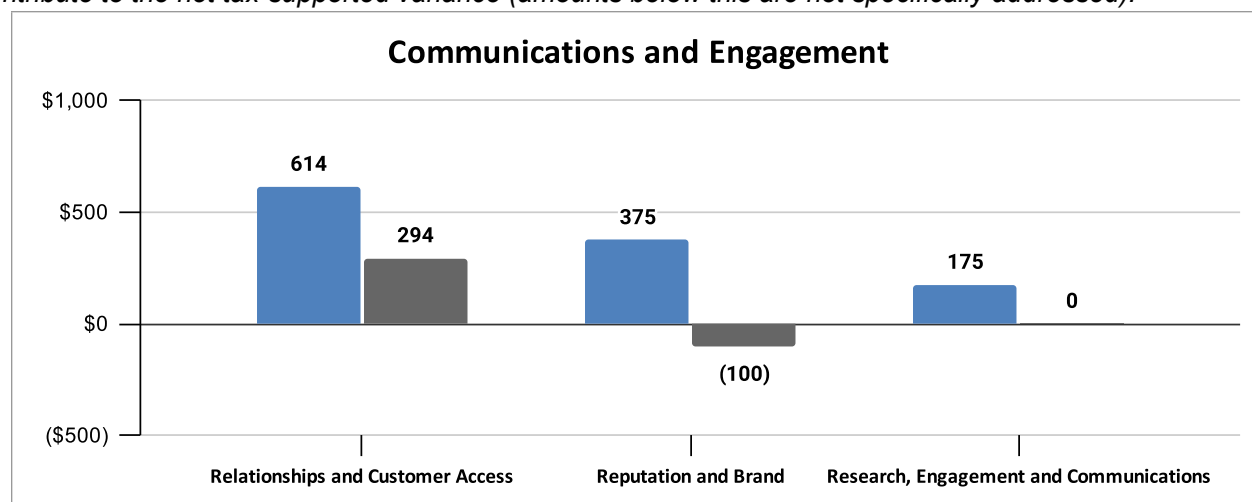
Year-to-Date

	Adjusted	Actual	Variance \$	%
Revenue	1,021	432	(589) ●	(57.7)
Expense	18,085	16,332	1,753 ●	9.7
Net Position	(17,064)	(15,900)	1,164 ●	3.2

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	2,543	-	2,543	2,543	- ●	-
Expense	36,447	-	36,447	36,253	194 ●	0.5
Net Position	(33,904)	-	(33,904)	(33,710)	194 ●	0.5

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):



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Tax-Supported Operations - By Department
Year-to-Date Results and Year-End Projections
June 30, 2022

(in \$000's)

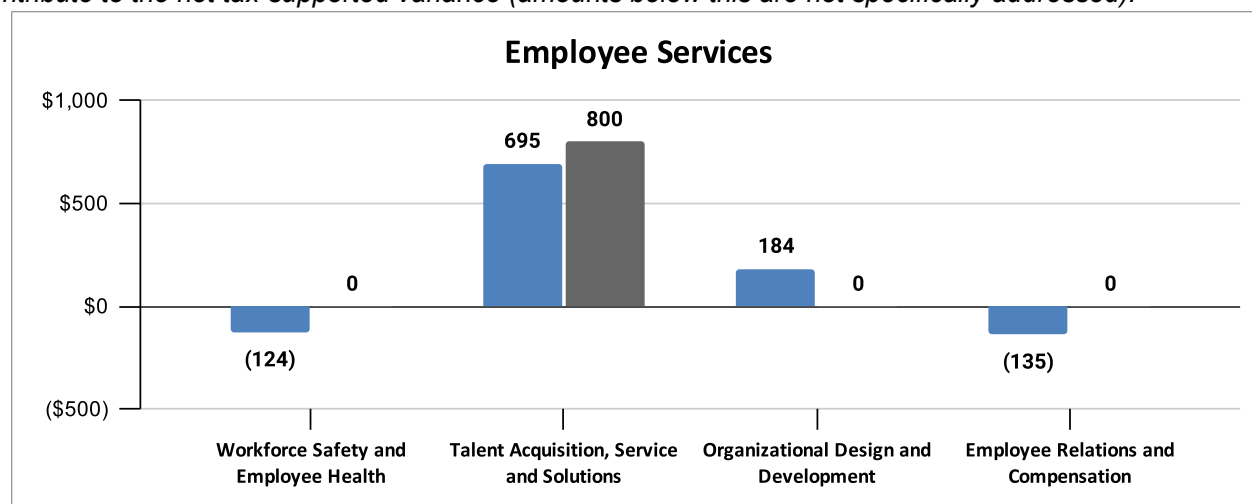
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

Employee Services

Year-to-Date						
	Adjusted	Actual	Variance \$		%	
Revenue	106	109	3	●	2.8	
Expense	15,026	14,409	617	●	4.1	
Net Position	(14,920)	(14,300)	620	●	2.1	

Projected Year-End							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%	
Revenue	211	-	211	211	-	●	-
Expense	29,655	-	29,655	28,855	800	●	2.7
Net Position	(29,444)	-	(29,444)	(28,644)	800	●	2.7

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, 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

June 30, 2022

(in \$000's)

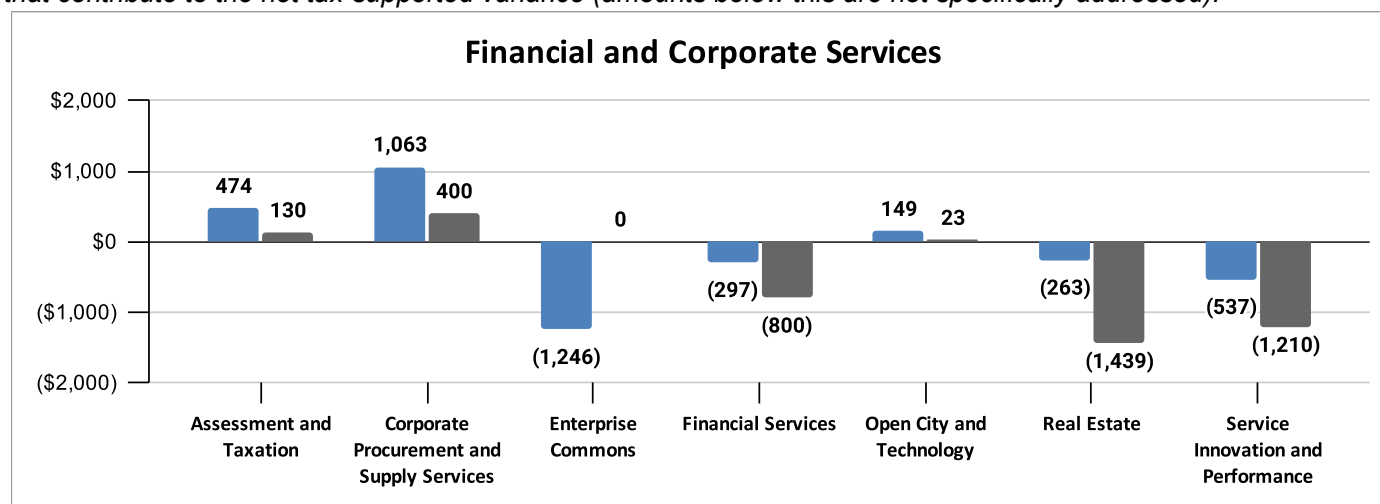
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- Unfavourable budget variance, $> (10)\%$

Financial and Corporate Services

Year-to-Date						
	Adjusted	Actual	Variance \$		%	
Revenue	5,972	4,981	(991)	●	(16.6)	
Expense	76,940	76,606	334	●	0.4	
Net Position	(70,968)	(71,625)	(657)	●	(0.4)	

Projected Year-End						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	13,235	-	13,235	10,902	(2,333)	● (17.6)
Expense	149,669	3,439	153,108	153,671	(563)	● (0.4)
Net Position	(136,434)	(3,439)	(139,873)	(142,769)	(2,896)	● (1.9)

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, that contribute to the net tax-supported variance (amounts below this are not specifically addressed):



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Projected - No significant variances to report.

Tax-Supported Operations - By Department
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June 30, 2022
(in \$000's)

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Integrated Infrastructure Services

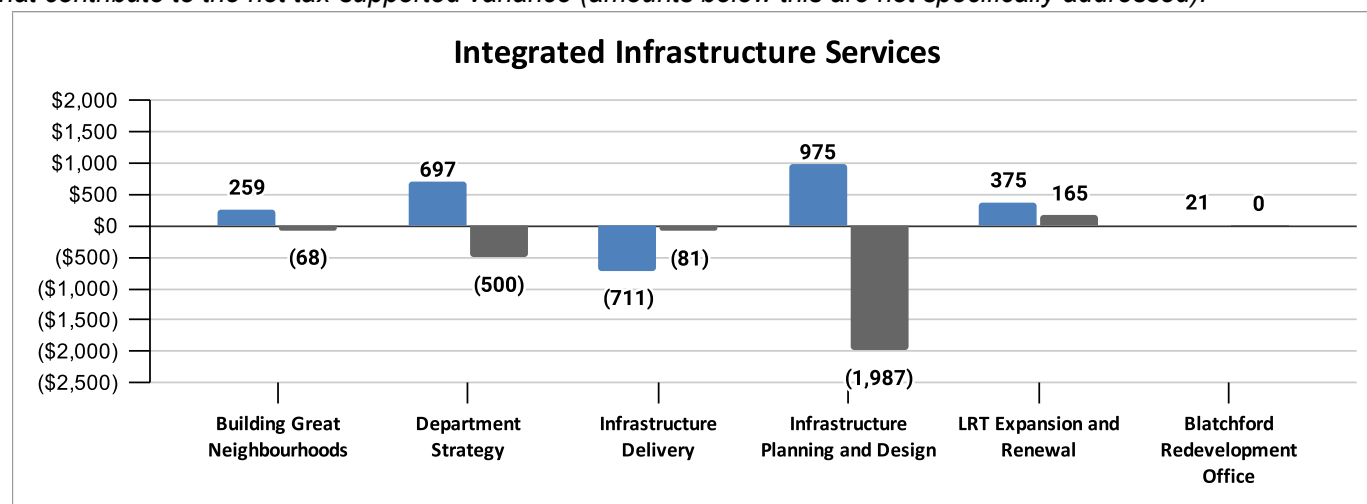
Year-to-Date

	Adjusted	Actual	Variance \$	%
Revenue	2,229	671	(1,558) ●	(69.9)
Expense	17,911	14,737	3,174 ●	17.7
Net Position	(15,682)	(14,066)	1,616 ●	7.1

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	4,458	-	4,458	4,140	(318) ●	(7.1)
Expense	22,648	-	22,648	24,801	(2,153) ●	(9.5)
Net Position	(18,190)	-	(18,190)	(20,661)	(2,471) ●	(10.9)

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(in \$000's)

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- Unfavourable budget variance, $> (10)\%$

Urban Planning and Economy

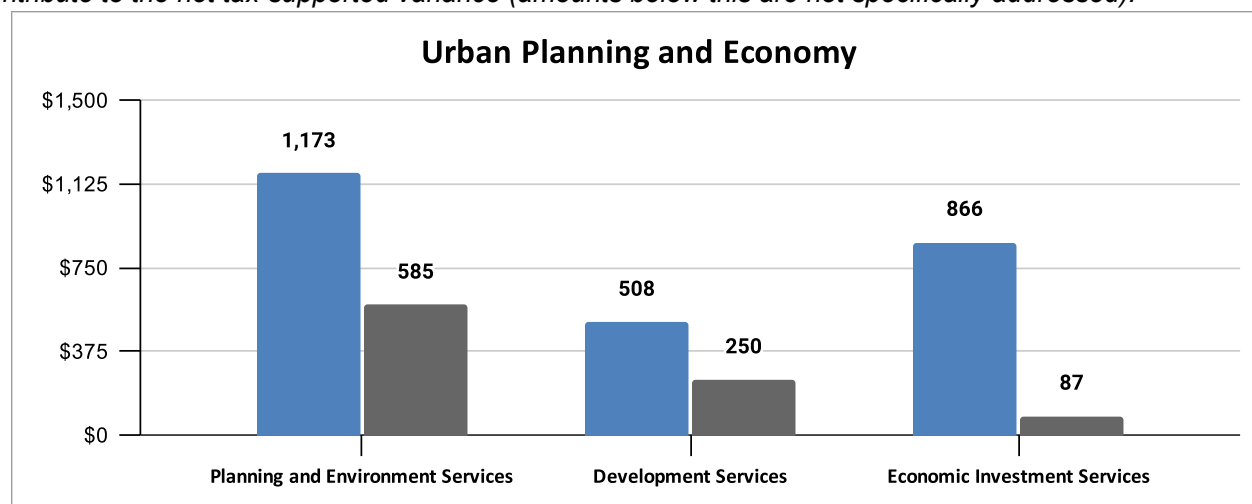
Year-to-Date

	Adjusted	Actual	Variance \$	%
Revenue	57,311	55,650	(1,661)	(2.9)
Expense	77,511	73,303	4,208	5.4
Net Position	(20,200)	(17,653)	2,547	1.4

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	130,394	-	130,394	131,234	840	0.6
Expense	181,926	-	181,926	181,844	82	0.0
Net Position	(51,532)	-	(51,532)	(50,610)	922	0.5

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, 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
June 30, 2022
 (in \$000's)

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

Office of the City Manager

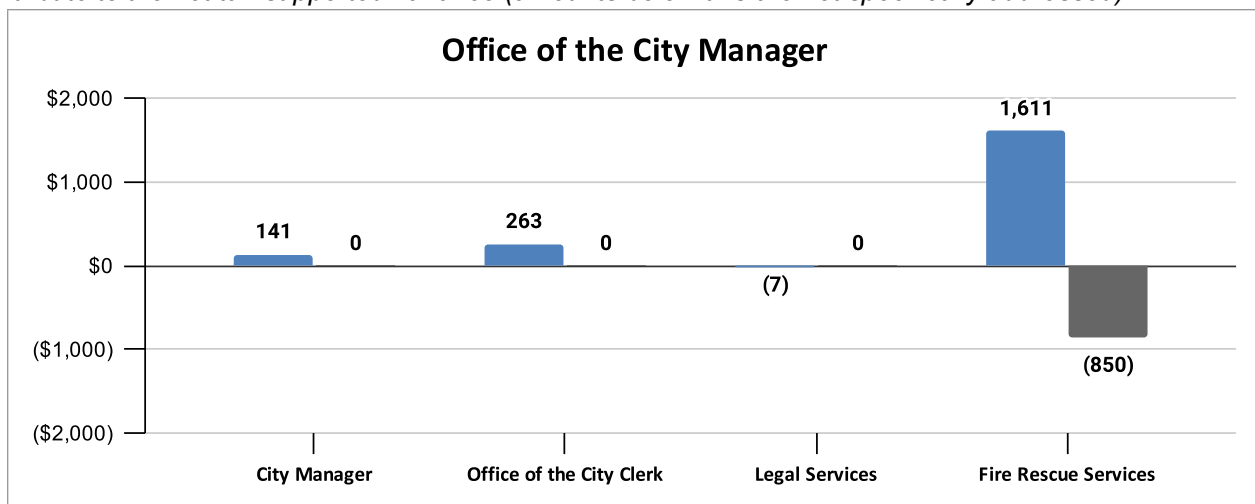
Year-to-Date

	Adjusted	Actual	Variance \$		%
Revenue	1,155	1,383	228	●	19.7
Expense	130,430	128,650	1,780	●	1.4
Net Position	(129,275)	(127,267)	2,008	●	0.8

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$		%
Revenue	2,687	-	2,687	2,987	300	●	11.2
Expense	257,770	-	257,770	258,920	(1,150)	●	(0.4)
Net Position	(255,083)	-	(255,083)	(255,933)	(850)	●	(0.3)

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, 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
June 30, 2022

(in \$000's)

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

Mayor and Councillor Offices

Year-to-Date						
	Adjusted		Actual	Variance \$		%
Revenue	-		-	-	●	-
Expense	3,789		2,945	844	●	22.3
Net Position	(3,789)		(2,945)	844	●	12.0

Projected Year-End						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	-	-	-	-	-	●
Expense	7,017	-	7,017	7,017	-	●
Net Position	(7,017)	-	(7,017)	(7,017)	-	●

Office of the City Auditor

Year-to-Date						
	Adjusted Budget		Actual	Variance \$		%
Revenue	-		-	-	●	-
Expense	1,480		1,436	44	●	3.0
Net Position	(1,480)		(1,436)	44	●	1.5

Projected Year-End						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	-	-	-	-	-	●
Expense	2,901	-	2,901	2,901	-	●
Net Position	(2,901)	-	(2,901)	(2,901)	-	●

Boards and Authorities

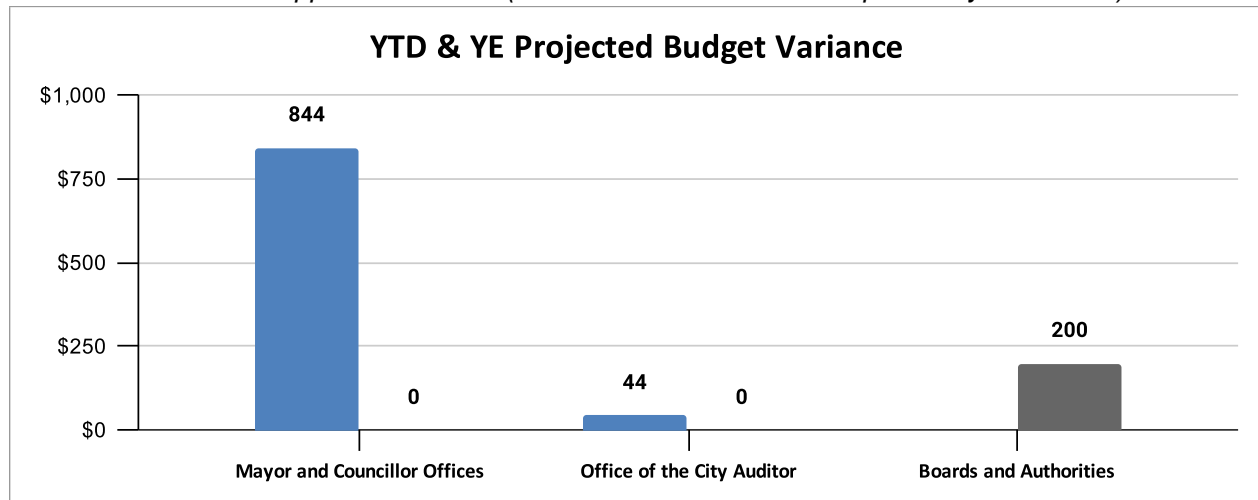
Year-to-Date

	Adjusted Budget	Actual	Variance \$	%
Revenue	1,096	620	(476) ●	(43.4)
Expense	79,559	80,870	(1,311) ●	(1.6)
Net Position	(78,463)	(80,250)	(1,787) ●	(1.4)

Projected Year-End

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%
Revenue	10,471	-	10,471	9,516	(955) ●	(9.1)
Expense	123,609	-	123,609	122,454	1,155 ●	0.9
Net Position	(113,138)	-	(113,138)	(112,938)	200 ●	0.2

Following are highlights of Year-to-Date (YTD) variances and/or Year-End Projected variances, greater than \$1,500, 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.



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 July 4

SUBJECT: Budget Variance for the Period Ending May 31, 2022

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 May 31, 2022.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending May 31, 2022 indicate a net deficit position of \$4.669 million or 2.8% (revenue shortfall of \$2.927 million and an expense overspend of \$1.742 million).

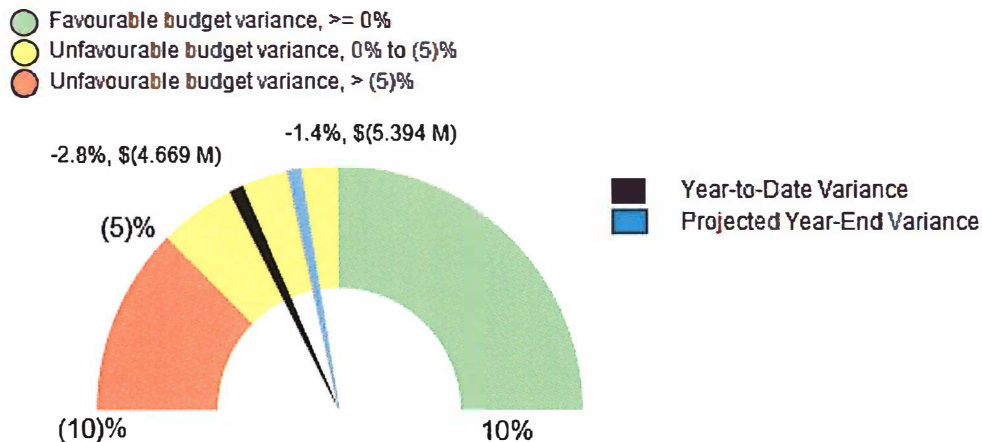
The revenue shortfall is primarily due to fewer Traffic Safety Act fine tickets issued and lower demand for several EPS services.

The overspend in Personnel expense is primarily the result of maintaining minimum staffing models due to COVID-19.

The main causes of the underspend in non-personnel costs are detailed in Attachment II.

CONCLUSION:

The year-end forecast projects an operating deficit of \$5.394 million (\$2.499 million overspend from current year operations, further increased by the Operating Reserve deficit of \$2.895 million).



ADDITIONAL INFORMATION ATTACHED:

Attachments:

1. Operating Budget Variance by Major Category of Revenue & Expenditures
2. Explanation of Variances by Major Category of Expenditures and Revenues

Written By: Iryna Pyasta, Director, Financial Management Branch *ip*

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

Approved By: AI MURPHY, Deputy Chief, Corporate Services Bureau *AM*

A/ Chief of Police: Enyinnah Okere *EO*

Date: July 4/22



Enyinnah Okere
Chief Operations Office
Community Safety and
Well-being Bureau

Edmonton Police Service

Attachment 1

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending May 31, 2022
(\$000's)

	Current Period				2021 Year to Date				2022 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
Revenue																
Traffic Safety Act Fines (Note 1)	\$ 1,102	\$ 754	\$ (348)	-31.6%	\$ 5,285	\$ 4,309	\$ (976)	-18.5%	\$ 5,201	\$ 3,294	\$ (1,907)	-36.7%	\$ 11,198	\$ 7,773	\$ (3,425)	-30.6%
Transfer from Reserve (OTS) (Note 2)	-	-	-		11,146	11,146	-	0.0%	11,146	11,146	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	308	411	103	33.4%	1,539	1,410	(129)	-8.4%	1,542	1,706	164	10.6%	29,757	30,984	1,227	4.1%
Other Revenue (Notes 4 and 12)	\$ 2,803	\$ 2,773	\$ (30)	-1.1%	\$ 14,089	\$ 12,487	\$ (1,602)	-11.4%	\$ 14,786	\$ 13,603	\$ (1,184)	-8.0%	\$ 34,553	\$ 34,613	\$ 60	0.2%
Secondments	1,260	1,179	(81)	-6.4%	5,603	5,969	366	6.5%	5,912	5,808	(104)	-1.8%	13,687	13,826	139	1.0%
Tow Lot	596	504	(92)	-15.4%	2,917	2,199	(718)	-24.6%	2,979	2,401	(579)	-19.4%	7,150	6,997	(153)	-2.1%
PICS and Alarm Control	560	556	(4)	-0.7%	2,204	2,246	42	1.9%	2,683	2,498	(184)	-6.9%	6,785	6,732	(53)	-0.8%
Extra Duty	220	203	(17)	-7.7%	1,254	81	(1,173)	-93.6%	1,254	511	(743)	-59.3%	3,349	3,349	-	0.0%
E911 Fees	113	98	(15)	-13.2%	729	551	(178)	-24.4%	563	509	(53)	-9.5%	1,350	1,215	(135)	-10.0%
School Resource Officer (SRO)	-	8	8		495	505	10	1.9%	595	545	(51)	-8.5%	818	978	160	19.5%
Other	54	225	171	314.1%	886	936	50	5.6%	800	1,331	530	66.3%	1,413	1,516	103	7.3%
Total Revenue	4,213	3,938	(275)	-6.5%	32,059	29,352	(2,707)	-8.4%	32,675	29,749	(2,927)	-9.0%	97,800	95,662	(2,138)	-2.2%
Expense																
Personnel																
Salary and benefits (Note 5)	33,062	33,634	(572)	-1.7%	161,305	166,054	(4,749)	-2.9%	164,539	164,658	(119)	-0.1%	383,457	383,350	107	0.0%
EPS Overtime (Note 6a)	762	1,182	(420)	-55.1%	3,729	3,519	210	5.6%	3,777	5,812	(2,035)	-53.9%	10,140	13,028	(2,888)	-28.5%
External Overtime (Note 6b)	34	39	(5)	-15.1%	170	503	(333)	-195.9%	170	139	31	18.2%	407	298	109	26.8%
	33,858	34,855	(997)	-2.9%	165,204	170,076	(4,872)	-2.9%	168,486	170,609	(2,123)	-1.3%	394,004	396,676	(2,672)	-0.7%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,248	1,533	(285)	-22.8%	7,033	6,549	484	6.9%	7,836	8,807	(971)	-12.4%	16,670	16,729	(59)	-0.4%
Contracts and services (Note 8)	1,978	1,905	73	3.7%	9,923	8,492	1,431	14.4%	10,276	9,735	541	5.3%	27,445	27,057	388	1.4%
Vehicles (Note 9)	762	544	218	28.6%	3,627	3,588	39	1.1%	3,463	3,762	(299)	-8.6%	8,652	9,022	(370)	-4.3%
Facilities (Note 10)	1,770	1,682	88	5.0%	9,224	8,688	536	5.8%	8,856	8,411	445	5.0%	24,337	22,040	2,297	9.4%
Other Expenditures (Note 11)	280	96	184	65.6%	1,692	921	771	45.6%	1,623	959	665	41.0%	5,198	5,143	55	1.1%
	6,038	5,760	278	4.6%	31,499	28,238	3,261	10.4%	32,054	31,674	381	1.2%	82,302	79,991	2,311	2.8%
Total Expense	39,896	40,615	(719)	-1.8%	196,703	198,314	(1,611)	-0.8%	200,540	202,283	(1,742)	-0.9%	476,306	476,667	(361)	-0.1%
Position before Adjustments	35,683	36,677	(994)	-2.8%	164,644	168,962	(4,318)	-2.6%	167,865	172,534	(4,669)	-2.8%	378,506	381,005	(2,499)	-0.7%
Tangible Capital Assets Budget adjustment (Note 13)													6,304	6,304	-	0.0%
Transfer to/(from) EPS Reserve (Note 14)													-	2,895	(2,895)	
Net Position	\$ 35,683	\$ 36,677	\$ (994)	-2.8%	\$ 164,644	\$ 168,962	\$ (4,318)	-2.6%	\$ 167,865	\$ 172,534	\$ (4,669)	-2.8%	\$ 384,810	\$ 390,204	\$ (5,394)	-1.4%

Other Revenue includes fines (Gaming and Liquor, Other Bylaw Violations), and sales of unclaimed goods.

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended May 31, 2022****1. Traffic Safety Act (TSA) Fines Revenue**

Revenue generated by officer issued tickets under the Traffic Safety Act.

Year to Date – Under budget as a result of lower than expected number of tickets issued. As courts reopen from the pandemic, Traffic members are spending increased time in court to address prior year incidents, which has resulted in a decline of issued tickets. In addition, members have further been diverted to other operations which further decreases tickets issued. If volumes increase, collections can continue to be delayed.

Forecast – Same as year to date.

2. Transfer from Reserve - Office of Traffic Safety (OTS)

Transfers from the Traffic Safety and Automated Enforcement Reserve (TSAER). Transfers were approved as part of the 2019-2022 operating budget, in addition to the annual tax levy funding provided by the City.

Year to Date – Quarterly transfers from the OTS and the second payment was received in April.

Forecast – No variance is expected.

3. Provincial Grants

Provincial Grants include the Policing Support Grant which combines the former Municipal Policing Assistance Grant and the Police Officer Grant. Other grants include the E911 Grant, Victim Services Grant, Drug Impairment Grant, Indigenous Grant, HELP Grant, and Virtual Opioid Dependency Program Grant.

Year to Date – There have been less E911 Grant revenues recognized year to date, which is offset by receipt of the Drug Impaired Training program and HELP program Grants.

Forecast – Projected to be over budget due to the new provincial Grants for the HELP and Virtual Opioid Dependency programs.

4. Other Revenue

Other revenue includes Secondments revenue, and revenues associated with user fees for services provided.

Secondments revenue is primarily generated from Alberta Law Enforcement Response Team (ALERT) and Alberta Serious Incident Response Team (ASIRT) for EPS members seconded to these organizations. User fees revenue include Tow Lot revenue, Police Information Check Section (PICS), Alarm Control, Extra Duty, E911 landline fees, School Resource Officers, gaming and liquor fines, other Bylaw violations, and sales of unclaimed goods.

Year to Date – The under budget position is the result of less demand for Extra Duty services and fewer tows of seized vehicles, which are offset by lower contracts and service expenses.

Forecast – The same as year to date, offset by increased revenue for external recruit trainees, and Secondment Revenue.

5. Salary and Benefits

Wages and Benefits for all EPS employees based on collective bargaining agreements.

Includes base salary, acting pay, shift differential, court time, standby pay, pension, medical, dental, group life insurance, allowances (boot, health care spending), and statutory holiday pay per collective agreements. The salaries and benefits of employees seconded to external organizations are incurred as an expense and recovered through Secondments revenue.

Year to date – Over budget as a result of higher salary and benefit expenses across the organization.

Forecast – Under budget due to a projected increase in vacation taken, offset by anticipated Collective Bargaining Agreement settlements.

The sworn member attrition position for the five months of the year is:

Attrition	May	May YTD	Full Year
Original Projection	5	25	60
Actual & Updated Projection	7	39	70

As of June 20, 2022, twenty-one sworn members tendered their resignation and thirty-six announced their retirement, for an attrition total of fifty-eight. Of these, thirty-nine were no longer on the payroll as of May 31, 2022.

6a. EPS Overtime

EPS overtime costs are paid in accordance with collective bargaining agreements and primarily related to maintaining minimum staffing or operational requirements.

Year to date – Over budget due to maintaining minimum staffing in the Community Policing Bureau (CPB), and the Emergency Communication and Operations Management Branch (ECOMB). Also contributing to the over budget position are increased costs required for staffing the Freedom Convoys and NHL playoffs.

Forecast – The same as year to date.

6b. External Overtime

External overtime costs are incurred by employees seconded to external organizations (ALERT, ASIRT, etc.). These costs are recovered through Secondments revenue.

Year to date – Slightly under budget.

Forecast – The same as year to date.

7. Furniture, Equipment, IT, Materials and Supplies

This category includes the purchases of uniforms and clothing, ammunition, stationery, medical supplies, computer software and hardware purchases and maintenance, and furniture and equipment.

Year to date – Over budget due to the timing of expenses for the purchase of IT equipment.

Forecast – Projected to be over budget due to the costs associated with the Rapid DNA Subscription offset by favourable contract and services expense.

8. Contracts & Services

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, HELP navigators, Legal Services, and Psych Counseling.

Year to date – Under budget due to the timing of expenses, and less demand for Extra Duty and Tow Lot services which are offset by lower revenues.

Forecast – The same as year to date.

9. Vehicle Costs

This category includes the expenses for vehicle repairs, maintenance, and fuel.

Year to date – Over budget due to increased fuel costs.

Forecast – The same as year to date.

10. Facilities

This category includes facility maintenance and custodial expenses for services provided by the City of Edmonton staff, external space rent, power, natural gas, and telephone charges.

Year to Date – Under budget due to lower than anticipated custodial and maintenance charges from the City of Edmonton.

Forecast – The same as above and funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility.

11. Other Expenditures

This category includes travel and training expenditures, insurance premiums, debt servicing costs, and memberships.

Year to Date – Under budget primarily due to delays in travel and training.

Forecast – The same as year to date, partially offset by lower than anticipated insurance recoveries for damaged vehicles.

12. Other Revenue

Other Revenue includes revenue received from other City of Edmonton departments for Extra Duty policing.

13. Tangible Capital Assets

Budget held to cover capital qualifying expenses for projects such as vehicles.

14. Transfer to/from EPS Reserve

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 strategy may include replenishing the reserve with any unplanned one-time revenues, adjustments to capital priorities and managing operating expenditures.

The balance in the EPS Operating Reserve as of December 31, 2021 is a deficit of \$2.895 million, which is comprised of the following annual results:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million
- 2021 (\$7.389) million

Enterprise and Utility Operations
Year-to-Date Results and Year-End Projections
June 30, 2022
(in \$000's)

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

Utility and Enterprise revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,000. Variances below this amount are not specifically addressed.

Waste Services

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	109,259	108,130	(1,129)	● (1.0)	Revenue	218,966	222,035	3,069 ● 1.4
Expense	97,968	92,131	5,837	● 6.0	Expense	202,271	195,096	7,175 ● 3.5
Net Position	11,291	15,999	4,708	● 4.8	Net Position	16,695	26,939	10,244 ● 5.1

Year-to-Date

Revenue - Unfavourable variance mainly due to lower single unit revenue of (\$2,230) collected than anticipated, which is offset by other cumulative variances.

Expense - Favourable variance mainly as a result of \$2,109 in personnel from seasonal and operational vacancies, external services costs of \$2,625 due to the Waste to Biofuels plant shutdown resulting in the avoidance of disposal fees and processing costs, and lower than anticipated organics processing costs. Additional savings from lower contracted costs as less volume was sent to the landfill due to higher diversion rates, and lower than budgeted contracted collection costs.

Projected

Revenue - Favourable variance mainly due to higher projected commercial collection of \$2,006, and other cumulative variances.

Expense - Favourable variance mainly as a result of \$3,106 in personnel from seasonal and operational vacancies, external services costs of \$5,153 million due to the Waste to Biofuels plant shutdown resulting in the avoidance of disposal fees and processing costs, partially offset by higher costs for processing recyclables (i.e. Materials Recovery Facility).

Land Enterprise

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	19,669	21,200	1,531	● 7.8	Revenue	26,483	40,257	13,774 ● 52.0
Expense	14,063	11,863	2,200	● 15.6	Expense	20,787	25,002	(4,215) ● (20.3)
Net Position	5,606	9,337	3,731	● 26.5	Net Position	5,696	15,255	9,559 ● 46.0

Year-to-Date

Revenue - Favourable budget variance due to land sales in 2022 that were budgeted for in different years within the cycle.

Expense - Favourable budget variance due to lower than budgeted cost of land for land sales, and other cumulative variances.

Projected

Revenue - Favourable budget variance due to land sales in 2022 that were budgeted for in different years within the cycle.

Expense - Unfavorable budget variance due to higher cost of land sold as a result of higher than expected land sales due to market conditions and sales mix.

Blatchford Redevelopment

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	3,817	3,852	35	● 0.9	Revenue	28,785	12,489	(16,296) ● (56.6)
Expense	4,931	4,387	544	● 11.0	Expense	30,788	12,310	18,478 ● 60.0
Net Position	(1,114)	(535)	579	● 11.7	Net Position	(2,003)	179	2,182 ● 7.1

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.

On September 28, 2022 Administration will bring an update on progress of land redevelopment for Blatchford to Executive Committee.

Blatchford Renewable Energy Utility

	Year-to-Date				Projected Year-End			
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%
Revenue	86	(33)	(119)	● (138.4)	Revenue	173	173	- ● -
Expense	1,152	731	421	● 36.5	Expense	2,305	2,305	- ● -
Net Position	(1,066)	(764)	302	● 26.2	Net Position	(2,132)	(2,132)	- ● -

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
June 30, 2022
(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 \$750. 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	1,706	1,705	(1)	● (0.1)	Revenue	5,896	1,706	(4,190)	● (71.1)
Expense	1,136	1,089	47	● 4.1	Expense	6,829	6,829	-	● -
Net Income / (Deficit)	570	616	46	● 8.1	Net Income / (Deficit)	(933)	(5,123)	(4,190)	● 449.1
Transfer (to) /from Reserve	-	(46)	(46)	● -	Transfer (to) /from Reserve	933	5,123	4,190	● 449.1
Net Position	570	570	-	● -	Net Position	-	-	-	● -

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

Projected - Lower sales revenue due to lack of market demand on area lands and as a result of rising interest rates. This variance is fully offset with higher reserve transfer.

Capital City Downtown Community Revitalization Levy

	Year-To-Date				Projected Year-End				
	Budget	Actual	Variance \$	%	Budget	Projected	Variance \$	%	
Revenue	29,455	29,481	26	● 0.1	Revenue	29,454	29,454	-	● -
Expense	14,350	13,389	961	● 6.7	Expense	31,170	31,170	-	● -
Net Income / (Deficit)	15,105	16,092	987	● 6.5	Net Income / (Deficit)	(1,716)	(1,716)	-	● -
Transfer (to) /from Reserve	2,780	1,797	(983)	● (35.4)	Transfer (to) /from Reserve	1,716	1,716	-	● -
Net Position	17,885	17,889	4	● 0.0	Net Position	-	-	-	● -

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

Projected - No significant variances to report.

Quarters Community Revitalization Levy				
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Year-To-Date				
	Budget	Actual	Variance \$	%
Revenue	5,077	5,118	41	● 0.8
Expense	3,348	3,293	55	● 1.6
Net Income / (Deficit)	1,729	1,825	96	● 5.6
Transfer (to) /from Reserve	-	(95)	(95)	● -
Net Position	1,729	1,730	1	● 0.1

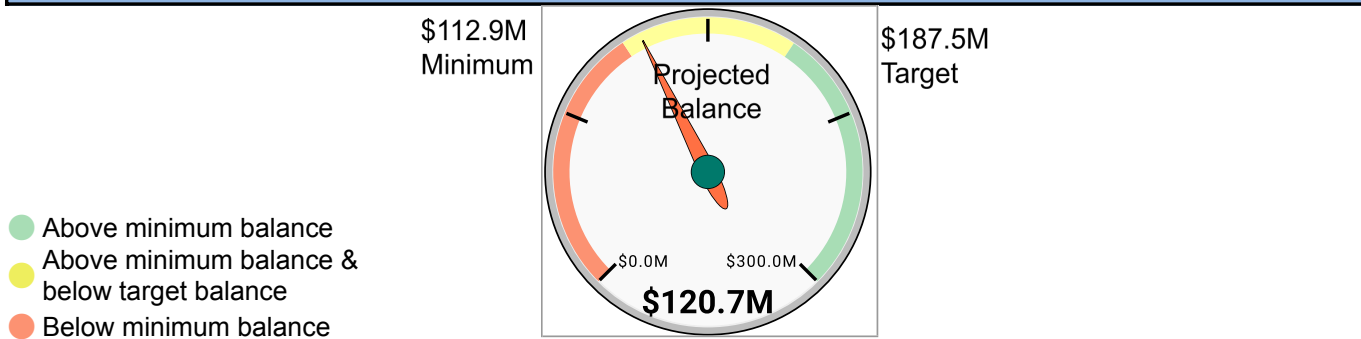
Projected Year-End				
	Budget	Projected	Variance \$	%
Revenue	5,077	5,077	-	● -
Expense	7,468	7,468	-	● -
Net Income / (Deficit)	(2,391)	(2,391)	-	● -
Transfer (to) /from Reserve	2,391	2,391	-	● -
Net Position	-	-	-	● -

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

Projected - No significant variances to report.

Reserves Update
June 30, 2022
 (in \$000's)

Financial Stabilization Reserve

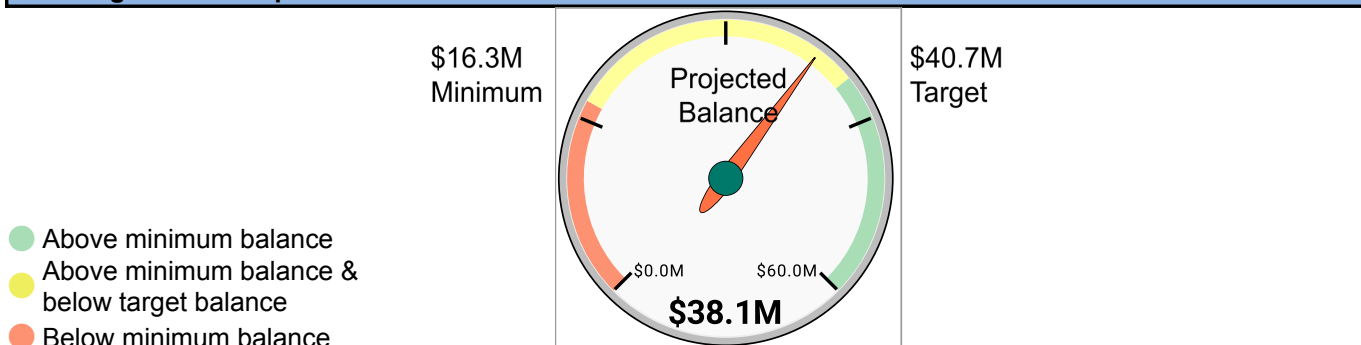


As outlined in City Policy C629, the *Financial Stabilization Reserve (FSR)* is an uncommitted Reserve account established for the purpose of providing funding to address significant emergent financial issues.

The projected December 31, 2022 year-end balance for the reserve is \$120.7 million, which is above its minimum required balance of \$112.9 million for 2022, but below the target balance of \$187.5 million. The projected balance includes all planned funding from the reserve in 2022, but does not reflect the projected year-end tax-supported position.

The minimum and target balances, 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 are reviewed every three years using a risk based methodology.

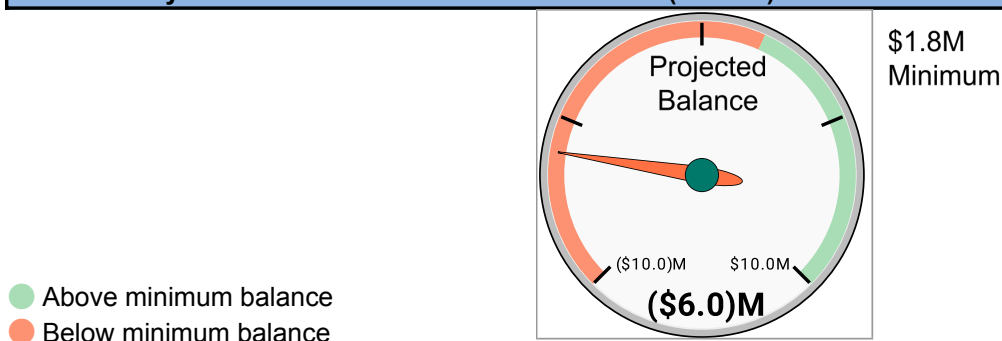
Planning and Development Reserve



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, 2022 year-end reserve balance of \$38.1 million (71.8% of budgeted expenditures) is above its minimum required balance of \$16.3 million for 2022, but below the target balance of \$40.7 million.

Next steps forward include cost management throughout 2022, continued forecasting improvements to support resource management and the continuation of the Permit and Licensing Improvement initiative to enhance applicant experience and increase efficiencies.

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. 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 projected December 31, 2022 year-end balance of the reserve is a deficit of (\$6.0) million, which is below its minimum required balance of \$1.8 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 projected reserve deficit position at the end of 2022 is in part a result of the increased share of revenue retained by the Government of Alberta, combined with declining revenue trends as a result of COVID-19 and a greater emphasis on education and awareness. The 2019/2020 provincial budget was released on October 24, 2019 and included a reduction in the City's share of automated enforcement revenues from 73.3% to 60% starting in April 2020 and continuing on an on-going basis. The decrease in revenues must be balanced with continued work to keep motorists, cyclists and pedestrians safe on our roadways. Administration presented the Investing in Safe and Liveable Streets report (CO01155 Investing in Safe and Livable Streets) to Executive Committee which discussed options to address the Traffic Safety and Automated Enforcement Reserve sustainability challenges. On June 7, 2022, Council passed a motion that Administration incorporate a strategy as a part of the proposed 2023-2026 operating budget to replace the projected revenue shortfall for the Traffic Safety and Automated Enforcement Reserve with funding from the tax-levy, phased in over 2023-2026.

A schedule of the reserve balance including the projected balance for 2022 is included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

Traffic Safety and Automated Enforcement Reserve Schedule
June 30, 2022
(\$ millions)

	2022			
	Approved Budget ¹	Projection	Year-to-Date Actual (June 30)	Remaining (Budget - Actual)
Transfers to the Reserve:				
Automated enforcement revenues	35.6	26.3	14.5	(21.1)
Interest earnings	-	-	-	-
	35.6	26.3	14.5	(21.1)
Funding from the reserve:				
<i>Operating:</i>				
Edmonton Police Service	(22.3)	(22.3)	(11.1)	(11.2)
Traffic Safety section	(10.3)	(10.3)	(4.1)	(6.2)
Road Safety Strategy - Public Engagement (Marketing)	(0.7)	(0.2)	(0.1)	(0.6)
	(33.3)	(32.8)	(15.3)	(18.0)
<i>Capital:</i>				
Safe Crossings (<i>previously Crosswalk Safety</i>) (CM-66-2585)	(4.2)	(3.8)	(1.7)	(2.5)
School Safety (CM-66-2590)	(1.7)	(1.7)	(0.3)	(1.4)
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(1.3)	(0.6)	(0.1)	(1.2)
Community Activation Programming (CM-66-2596)	(0.5)	(0.3)	-	(0.5)
Speed Limit Reduction (CM-66-2580)	(0.4)	(0.4)	(0.1)	(0.3)
2020 Street Safety Priorities (CM-66-2595)	(0.1)	(0.1)	(0.1)	-
	(8.2)	(6.9)	(2.3)	(5.9)
Total funding from the reserve	(41.5)	(39.7)	(17.6)	(23.9)
Annual Surplus/(Deficit)	(5.9)	(13.4)	(3.1)	
Opening Reserve Balance	7.4	7.4	7.4	
Closing Reserve balance (Cumulative) ²	1.5	(6.0)	4.3	
Minimum reserve balance - 5% of budgeted revenues	1.8	1.8	1.3	
Available funds (closing reserve balance less minimum reserve balance)	-	-		

Notes:

- Funding from the reserve for 2022 is based on the approved 2019-2022 operating and capital budgets, and approved carryforward of unspent 2022 budgets.
- On June 7, 2022, Council passed a motion that Administration incorporate a strategy as a part of the proposed 2023-2026 operating budget to replace the projected revenue shortfall for the Traffic Safety and Automated Enforcement Reserve with funding from the tax-levy, phased in over 2023-2026.

Tax-Supported Operations - June 30, 2022 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 \$	%		
Citizen Services													
Community Recreation And Culture	Revenue	24,545	26,130	1,585	●	6.5	68,289	(12,965)	55,324	59,291	3,967	●	7.2
	Expense	60,916	58,429	2,487	●	4.1	131,075	(1,527)	129,548	132,646	(3,098)	●	(2.4)
	Net Position	(36,371)	(32,299)	4,072	●	11.2	(62,786)	(11,438)	(74,224)	(73,355)	869	●	1.2
Community Standards and Neighbourhoods	Revenue	3,109	2,238	(871)	●	(28.0)	9,581	-	9,581	8,907	(674)	●	(7.0)
	Expense	23,430	22,956	474	●	2.0	49,965	-	49,965	49,845	120	●	0.2
	Net Position	(20,321)	(20,718)	(397)	●	(2.0)	(40,384)	-	(40,384)	(40,938)	(554)	●	(1.4)
Integrated Strategic Development	Revenue	23	-	(23)	●	(100.0)	46	-	46	46	-	●	-
	Expense	2,476	2,705	(229)	●	(9.2)	4,435	-	4,435	4,709	(274)	●	(6.2)
	Net Position	(2,453)	(2,705)	(252)	●	(10.3)	(4,389)	-	(4,389)	(4,663)	(274)	●	(6.2)
Social Development	Revenue	23,057	22,286	(771)	●	(3.3)	71,967	-	71,967	70,160	(1,807)	●	(2.5)
	Expense	43,985	41,597	2,388	●	5.4	115,726	1,400	117,126	113,791	3,335	●	2.8
	Net Position	(20,928)	(19,311)	1,617	●	7.7	(43,759)	(1,400)	(45,159)	(43,631)	1,528	●	3.4
Community Services													
Revenue	50,734	50,654	(80)	●	(0.2)	149,883	(12,965)	136,918	138,404	1,486	●	1.1	
Expense	130,807	125,687	5,120	●	3.9	300,201	873	301,074	300,991	83	●	0.0	
Net Position	(80,073)	(75,033)	5,040	●	6.3	(150,318)	(13,838)	(164,156)	(162,587)	1,569	●	1.0	
City Operations													
Edmonton Transit	Revenue	40,619	42,004	1,385	●	3.4	163,794	(53,716)	110,078	104,388	(5,690)	●	(5.2)
	Expense	198,775	190,748	8,027	●	4.0	401,824	5,965	407,789	387,922	19,867	●	4.9
	Net Position	(158,156)	(148,744)	9,412	●	6.0	(238,030)	(59,681)	(297,711)	(283,534)	14,177	●	4.8
Fleet and Facility Services	Revenue	2,898	4,888	1,990	●	68.7	4,813	-	4,813	8,371	3,558	●	73.9
	Expense	28,924	34,462	(5,538)	●	(19.1)	55,688	500	56,188	68,583	(12,395)	●	(22.1)
	Net Position	(26,026)	(29,574)	(3,548)	●	(13.6)	(50,875)	(500)	(51,375)	(60,212)	(8,837)	●	(17.2)
Parks and Road Services	Revenue	14,917	13,576	(1,341)	●	(9.0)	49,286	(11,264)	38,022	35,081	(2,941)	●	(7.7)
	Expense	85,710	84,179	1,531	●	1.8	179,722	3,635	183,357	186,139	(2,782)	●	(1.5)
	Net Position	(70,793)	(70,603)	190	●	0.3	(130,436)	(14,899)	(145,335)	(151,058)	(5,723)	●	(3.9)
Snow and Ice Control	Revenue	44	114	70	●	159.1	18,823	-	18,823	18,823	-	●	-
	Expense	53,887	64,965	(11,078)	●	(20.6)	75,409	-	75,409	86,409	(11,000)	●	(14.6)
	Net Position	(53,843)	(64,851)	(11,008)	●	(20.4)	(56,586)	-	(56,586)	(67,586)	(11,000)	●	(19.4)
City Operations													
Revenue	58,478	60,582	2,104	●	3.6	236,716	(64,980)	171,736	166,663	(5,073)	●	(3.0)	
Expense	367,296	374,354	(7,058)	●	(1.9)	712,643	10,100	722,743	729,053	(6,310)	●	(0.9)	
Net Position	(308,818)	(313,772)	(4,954)	●	(1.6)	(475,927)	(75,080)	(551,007)	(562,390)	(11,383)	●	(2.1)	

Tax-Supported Operations - June 30, 2022 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 \$	%		
Communications and Engagement													
Relationships and Customer Access	Revenue	183	183	-	●	-	866	-	866	866	-	●	-
	Expense	9,899	9,285	614	●	6.2	20,273	-	20,273	19,979	294	●	1.5
	Net Position	(9,716)	(9,102)	614	●	6.3	(19,407)	-	(19,407)	(19,113)	294	●	1.5
Reputation and Brand	Revenue	424	84	(340)	●	(80.2)	848	-	848	848	-	●	-
	Expense	3,971	3,256	715	●	18.0	7,890	-	7,890	7,990	(100)	●	(1.3)
	Net Position	(3,547)	(3,172)	375	●	10.6	(7,042)	-	(7,042)	(7,142)	(100)	●	(1.4)
Research, Engagement and Communications	Revenue	414	165	(249)	●	(60.1)	829	-	829	829	-	●	-
	Expense	4,215	3,791	424	●	10.1	8,284	-	8,284	8,284	-	●	-
	Net Position	(3,801)	(3,626)	175	●	4.6	(7,455)	-	(7,455)	(7,455)	-	●	-
Communications and Engagement	Revenue	1,021	432	(589)	●	(57.7)	2,543	-	2,543	2,543	-	●	-
	Expense	18,085	16,332	1,753	●	9.7	36,447	-	36,447	36,253	194	●	0.5
	Net Position	(17,064)	(15,900)	1,164	●	6.8	(33,904)	-	(33,904)	(33,710)	194	●	0.6
Employee Services													
Workforce Safety and Employee Health	Revenue	17	18	1	●	5.9	35	-	35	35	-	●	-
	Expense	3,395	3,520	(125)	●	(3.7)	6,688	-	6,688	6,688	-	●	-
	Net Position	(3,378)	(3,502)	(124)	●	(3.7)	(6,653)	-	(6,653)	(6,653)	-	●	-
Talent Acquisition, Service and Solutions	Revenue	45	47	2	●	4.4	90	-	90	90	-	●	-
	Expense	6,805	6,112	693	●	10.2	13,473	-	13,473	12,673	800	●	5.9
	Net Position	(6,760)	(6,065)	695	●	10.3	(13,383)	-	(13,383)	(12,583)	800	●	6.0
Organizational Design and Development	Revenue	29	29	-	●	-	57	-	57	57	-	●	-
	Expense	2,529	2,345	184	●	7.3	4,973	-	4,973	4,973	-	●	-
	Net Position	(2,500)	(2,316)	184	●	7.4	(4,916)	-	(4,916)	(4,916)	-	●	-
Employee Relations and Compensation	Revenue	15	15	-	●	-	29	-	29	29	-	●	-
	Expense	2,297	2,432	(135)	●	(5.9)	4,521	-	4,521	4,521	-	●	-
	Net Position	(2,282)	(2,417)	(135)	●	(5.9)	(4,492)	-	(4,492)	(4,492)	-	●	-
Employee Services	Revenue	106	109	3	●	2.8	211	-	211	211	-	●	-
	Expense	15,026	14,409	617	●	4.1	29,655	-	29,655	28,855	800	●	2.7
	Net Position	(14,920)	(14,300)	620	●	4.2	(29,444)	-	(29,444)	(28,644)	800	●	2.7

Tax-Supported Operations - June 30, 2022 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 \$	%		
Financial and Corporate Services												
Assessment and Taxation	Revenue	-	-	-	-	-	-	-	-	-	-	
	Expense	9,428	8,954	474	18,181	-	18,181	18,051	130	0.7		
	Net Position	(9,428)	(8,954)	474	(18,181)	-	(18,181)	(18,051)	130	0.7		
Corporate Procurement and Supply Services	Revenue	323	345	22	646	-	646	646	-	-		
	Expense	7,364	6,323	1,041	13,121	1,500	14,621	14,221	400	2.7		
	Net Position	(7,041)	(5,978)	1,063	(12,475)	(1,500)	(13,975)	(13,575)	400	2.9		
Enterprise Commons	Revenue	-	-	-	-	-	-	-	-	-		
	Expense	1,004	2,250	(1,246)	1,914	-	1,914	1,914	-	-		
	Net Position	(1,004)	(2,250)	(1,246)	(1,914)	-	(1,914)	(1,914)	-	-		
Financial Services	Revenue	1,090	790	(300)	2,513	-	2,513	1,713	(800)	(31.8)		
	Expense	10,508	10,505	3	20,664	-	20,664	20,664	-	-		
	Net Position	(9,418)	(9,715)	(297)	(18,151)	-	(18,151)	(18,951)	(800)	(4.4)		
Open City and Technology	Revenue	625	704	79	1,249	-	1,249	1,249	-	-		
	Expense	24,285	24,215	70	45,635	1,939	47,574	47,551	23	0.0		
	Net Position	(23,660)	(23,511)	149	(44,386)	(1,939)	(46,325)	(46,302)	23	0.0		
Real Estate	Revenue	3,819	3,142	(677)	8,597	-	8,597	7,149	(1,448)	(16.8)		
	Expense	18,089	17,675	414	37,831	-	37,831	37,822	9	0.0		
	Net Position	(14,270)	(14,533)	(263)	(29,234)	-	(29,234)	(30,673)	(1,439)	(4.9)		
Service Innovation and Performance	Revenue	115	-	(115)	230	-	230	145	(85)	(37.0)		
	Expense	6,262	6,684	(422)	12,323	-	12,323	13,448	(1,125)	(9.1)		
	Net Position	(6,147)	(6,684)	(537)	(12,093)	-	(12,093)	(13,303)	(1,210)	(10.0)		
Financial and Corporate Services	Revenue	5,972	4,981	(991)	13,235	-	13,235	10,902	(2,333)	(17.6)		
	Expense	76,940	76,606	334	149,669	3,439	153,108	153,671	(563)	(0.4)		
	Net Position	(70,968)	(71,625)	(657)	(136,434)	(3,439)	(139,873)	(142,769)	(2,896)	(2.1)		

Tax-Supported Operations - June 30, 2022 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 \$	%		
Integrated Infrastructure Services												
Building Great	Revenue	-	-	●	-	-	-	-	-	●	-	
Neighbourhoods	Expense	2,666	2,407	259 ●	9.7	2,400	-	2,400	2,468	(68) ●	(2.8)	
	Net Position	(2,666)	(2,407)	259 ●	9.7	(2,400)	-	(2,400)	(2,468)	(68) ●	(2.8)	
Department Strategy	Revenue	250	-	(250) ●	(100.0)	500	-	500	-	(500) ●	(100.0)	
	Expense	3,949	3,002	947 ●	24.0	5,827	-	5,827	5,827	- ●	-	
	Net Position	(3,699)	(3,002)	697 ●	18.8	(5,327)	-	(5,327)	(5,827)	(500) ●	(9.4)	
Infrastructure Delivery	Revenue	193	368	175 ●	90.7	387	-	387	569	182 ●	47.0	
	Expense	2,979	3,865	(886) ●	(29.7)	2,546	-	2,546	2,809	(263) ●	(10.3)	
	Net Position	(2,786)	(3,497)	(711) ●	(25.5)	(2,159)	-	(2,159)	(2,240)	(81) ●	(3.8)	
Infrastructure Planning and Design	Revenue	1,558	31	(1,527) ●	(98.0)	3,116	-	3,116	3,116	- ●	-	
	Expense	7,604	5,102	2,502 ●	32.9	10,606	-	10,606	12,593	(1,987) ●	(18.7)	
	Net Position	(6,046)	(5,071)	975 ●	16.1	(7,490)	-	(7,490)	(9,477)	(1,987) ●	(26.5)	
LRT Expansion and Renewal	Revenue	228	272	44 ●	19.3	455	-	455	455	- ●	-	
	Expense	624	293	331 ●	53.0	1,096	-	1,096	931	165 ●	15.1	
	Net Position	(396)	(21)	375 ●	94.7	(641)	-	(641)	(476)	165 ●	25.7	
Blatchford Redevelopment Office	Revenue	-	-	- ●	-	-	-	-	-	- ●	-	
	Expense	89	68	21 ●	23.6	173	-	173	173	- ●	-	
	Net Position	(89)	(68)	21 ●	23.6	(173)	-	(173)	(173)	- ●	-	
Integrated Infrastructure Services	Revenue	2,229	671	(1,558) ●	(69.9)	4,458	-	4,458	4,140	(318) ●	(7.1)	
	Expense	17,911	14,737	3,174 ●	17.7	22,648	-	22,648	24,801	(2,153) ●	(9.5)	
	Net Position	(15,682)	(14,066)	1,616 ●	10.3	(18,190)	-	(18,190)	(20,661)	(2,471) ●	(13.6)	
Urban Planning and Economy												
Planning and Environment Services	Revenue	18,596	18,665	69 ●	0.4	38,663	-	38,663	42,353	3,690 ●	9.5	
	Expense	29,496	28,392	1,104 ●	3.7	72,670	-	72,670	75,775	(3,105) ●	(4.3)	
	Net Position	(10,900)	(9,727)	1,173 ●	10.8	(34,007)	-	(34,007)	(33,422)	585 ●	1.7	
Development Services	Revenue	32,058	39,788	7,730 ●	24.1	78,179	-	78,179	82,339	4,160 ●	5.3	
	Net transfer to/(from) P&D Reserve	766	10,422	(9,656) ●	(1,260.6)	3,840	-	3,840	9,440	(5,600) ●	(145.8)	
	Expense	34,736	32,302	2,434 ●	7.0	79,558	-	79,558	77,868	1,690 ●	2.1	
	Net Position	(3,444)	(2,936)	508 ●	14.8	(5,219)	-	(5,219)	(4,969)	250 ●	4.8	
Economic Investment Services	Revenue	7,423	7,619	196 ●	2.6	17,392	-	17,392	15,982	(1,410) ●	(8.1)	
	Expense	13,279	12,609	670 ●	5.0	29,698	-	29,698	28,201	1,497 ●	5.0	
	Net Position	(5,856)	(4,990)	866 ●	14.8	(12,306)	-	(12,306)	(12,219)	87 ●	0.7	
Urban Planning and Economy	Revenue	57,311	55,650	(1,661) ●	(2.9)	130,394	-	130,394	131,234	840 ●	0.6	
	Expense	77,511	73,303	4,208 ●	5.4	181,926	-	181,926	181,844	82 ●	0.0	
	Net Position	(20,200)	(17,653)	2,547 ●	12.6	(51,532)	-	(51,532)	(50,610)	922 ●	1.8	

Tax-Supported Operations - June 30, 2022 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 \$	%		
Office of the City Manager												
City Manager	Revenue	-	-	-	-	-	-	-	-	-	-	
	Expense	1,582	1,441	141	5,863	-	5,863	5,863	-	-	-	
	Net Position	(1,582)	(1,441)	141	(5,863)	-	(5,863)	(5,863)	-	-	-	
Office of the City Clerk	Revenue	177	149	(28)	733	-	733	733	-	-	-	
	Expense	8,621	8,330	291	14,261	-	14,261	14,261	-	-	-	
	Net Position	(8,444)	(8,181)	263	(13,528)	-	(13,528)	(13,528)	-	-	-	
Fire Rescue Services	Revenue	759	998	239	1,517	-	1,517	1,817	300	19.8	19.8	
	Expense	114,103	112,731	1,372	224,599	1,000	225,599	226,749	(1,150)	(0.5)	(0.5)	
	Net Position	(113,344)	(111,733)	1,611	(223,082)	(1,000)	(224,082)	(224,932)	(850)	(0.4)	(0.4)	
Legal Services	Revenue	219	236	17	437	-	437	437	-	-	-	
	Expense	6,124	6,148	(24)	12,047	-	12,047	12,047	-	-	-	
	Net Position	(5,905)	(5,912)	(7)	(11,610)	-	(11,610)	(11,610)	-	-	-	
Office of the City Manager	Revenue	1,155	1,383	228	2,687	-	2,687	2,987	300	11.2	11.2	
	Expense	130,430	128,650	1,780	257,770	-	257,770	258,920	(1,150)	(0.4)	(0.4)	
	Net Position	(129,275)	(127,267)	2,008	(255,083)	-	(255,083)	(255,933)	(850)	(0.3)	(0.3)	
Mayor and Councillor Offices	Revenue	-	-	-	-	-	-	-	-	-	-	
	Expense	3,789	2,945	844	7,017	-	7,017	7,017	-	-	-	
	Net Position	(3,789)	(2,945)	844	(7,017)	-	(7,017)	(7,017)	-	-	-	
Office of the City Auditor	Revenue	-	-	-	-	-	-	-	-	-	-	
	Expense	1,480	1,436	44	2,901	-	2,901	2,901	-	-	-	
	Net Position	(1,480)	(1,436)	44	(2,901)	-	(2,901)	(2,901)	-	-	-	
Boards and Authorities	Revenue	1,096	620	(476)	10,471	-	10,471	9,516	(955)	(9.1)	(9.1)	
	Expense	79,559	80,870	(1,311)	123,609	-	123,609	122,454	1,155	0.9	0.9	
	Net Position	(78,463)	(80,250)	(1,787)	(113,138)	-	(113,138)	(112,938)	200	0.2	0.2	
Sub-Total Department Programs	Revenue	178,102	175,082	(3,020)	550,598	(77,945)	472,653	466,600	(6,053)	(1.3)	(1.3)	
	Expense	918,834	909,329	9,505	1,824,486	14,412	1,838,898	1,846,760	(7,862)	(0.4)	(0.4)	
	Net Position	(740,732)	(734,247)	6,485	(1,273,888)	(92,357)	(1,366,245)	(1,380,160)	(13,915)	(1.0)	(1.0)	

Tax-Supported Operations - June 30, 2022 Financial Results and Projections

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	(in \$000's)	Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
Corporate Programs													
Capital Project Financing	Revenue	60,563	91,056	30,493	●	50.3	240,834	-	240,834	257,843	17,009	●	7.1
	Expense	145,000	175,888	(30,888)	●	(21.3)	436,801	-	436,801	462,634	(25,833)	●	(5.9)
	Net Position	(84,437)	(84,832)	(395)	●	(0.5)	(195,967)	-	(195,967)	(204,791)	(8,824)	●	(4.5)
Corporate Expenses	Revenue	130	-	(130)	●	(100.0)	2,507	-	2,507	2,507	-	●	-
	Expense	18,123	14,014	4,109	●	22.7	131,768	(27,258)	104,510	66,945	37,565	●	35.9
	Net Position	(17,993)	(14,014)	3,979	●	22.1	(129,261)	27,258	(102,003)	(64,438)	37,565	●	36.8
Corporate Revenues	Revenue	204,033	220,813	16,780	●	8.2	508,624	65,399	574,023	586,758	12,735	●	2.2
	Expense	45	46	(1)	●	(2.2)	67,061	-	67,061	67,061	-	●	-
	Net Position	203,988	220,767	16,779	●	8.2	441,563	65,399	506,962	519,697	12,735	●	2.5
Taxation Expense	Revenue	-	2	2	●	-	5,300	(300)	5,000	5,000	-	●	-
	Expense	2,034	1,992	42	●	2.1	12,300	-	12,300	12,300	-	●	-
	Net Position	(2,034)	(1,990)	44	●	2.2	(7,000)	(300)	(7,300)	(7,300)	-	●	-
Taxation Revenues	Revenue	1,791,045	1,787,899	(3,146)	●	(0.2)	1,777,026	-	1,777,026	1,773,881	(3,145)	●	(0.2)
	Expense	-	-	-	●	-	-	-	-	-	-	●	-
	Net Position	1,791,045	1,787,899	(3,146)	●	(0.2)	1,777,026	-	1,777,026	1,773,881	(3,145)	●	(0.2)
Traffic Safety and Automated Enforcement	Revenue	16,283	14,512	(1,771)	●	(10.9)	35,630	-	35,630	26,334	(9,296)	●	(26.1)
	Net transfer to/(from) TSAE Reserve	16,283	14,512	1,771	●	10.9	35,630	-	35,630	26,334	9,296	●	26.1
	Net Position	-	-	-	●	-	-	-	-	-	-	●	-
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	-	●	-	-	-	-	-	-	●	-
	Expense	-	-	-	●	-	166,626	-	166,626	166,626	-	●	-
	Net Position	-	-	-	●	-	(166,626)	-	(166,626)	(166,626)	-	●	-
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	-	●	-	-	-	-	-	-	●	-
	Expense	-	-	-	●	-	57,100	-	57,100	57,100	-	●	-
	Net Position	-	-	-	●	-	(57,100)	-	(57,100)	(57,100)	-	●	-
Corporate Programs	Revenue	2,072,054	2,114,282	42,228	●	2.0	2,569,921	65,099	2,635,020	2,652,323	17,303	●	0.7
	Expense	181,485	206,452	(24,967)	●	(13.8)	907,286	(27,258)	880,028	859,000	21,028	●	2.4
	Net Position	1,890,569	1,907,830	17,261	●	0.9	1,662,635	92,357	1,754,992	1,793,323	38,331	●	2.2

Tax-Supported Operations - June 30, 2022 Financial Results and Projections

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	(in \$000's)	Year-to-Date (YTD)				Projected Year-End							
		Budget	Actual	Variance \$	%	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected	Variance \$	%		
Total	Revenue	2,250,156	2,289,364	39,208	●	1.7	3,120,519	(12,846)	3,107,673	3,118,923	11,250	●	0.4
Tax-Supported Operations (excluding Police Services)	Expense	1,100,319	1,115,781	(15,462)	●	(1.4)	2,731,772	(12,846)	2,718,926	2,705,760	13,166	●	0.5
	Net Position	1,149,837	1,173,583	23,746	●	2.2	388,747	-	388,747	413,163	24,416	●	
Police Services	Revenue	32,675	29,749	(2,926)	●	(9.0)	97,800	-	97,800	95,662	(2,138)	●	(2.2)
	Expense	200,540	202,283	(1,743)	●	(0.9)	482,609	-	482,609	482,971	(362)	●	(0.1)
	Net Position	(167,865)	(172,534)	(4,669)	●	(2.8)	(384,809)	-	(384,809)	(387,309)	(2,500)	●	(0.6)
	Net transfer to/(from) EPS Reserve	-	-	-	●	-	-	-	-	2,895	(2,895)	●	-
	Net Position	(167,865)	(172,534)	(4,669)	●	(2.8)	(384,809)	-	(384,809)	(390,204)	(5,395)	●	(1.4)
Total	Revenue	2,282,831	2,319,113	36,282	●	1.6	3,218,319	(12,846)	3,205,473	3,214,585	9,112	●	0.3
Tax-Supported Operations	Expense	1,300,859	1,318,064	(17,205)	●	(1.3)	3,214,381	(12,846)	3,201,535	3,191,626	9,909	●	0.3
	Net Position	981,972	1,001,049	19,077	●		3,938	-	3,938	22,959	19,021	●	

COVID-19 2022 COVID Budget Adjustment

(\$000's)

The following schedule reflects the 2022 COVID budget adjustment approved by City Council on November 22, 2021. The net COVID adjustment is reflected in the branch and expense year-end budgets in the Q1 operating financial results report.

(Reduction) / Increase	<u>COVID Budget Adjustment</u> (Note 1)	<u>Funding Strategy</u> (Note 1)	<u>Net Adjustment</u>	<u>Explanation</u>
Branch				
Community Recreation And Culture				
Revenue	(12,965)	-	(12,965)	Reduced facility and attraction admission and membership revenue due to an expected decrease in demand in 2022, and an additional 30% reduction in Dryland Programs is expected. This is partially offset by an estimated reduction in personnel costs at facilities and attractions and in some dryland programs.
Expense	-	(1,527)	(1,527)	
Net Position	(12,965)	1,527	(11,438)	
Edmonton Transit				
Revenue	(53,716)	-	(53,716)	Lower ridership is expected in 2022 as the 4th wave of the pandemic suppressed the ridership recovery that was originally anticipated to gain momentum starting in the fall of 2021, and continued through the winter of 2022. It is anticipated that sustained ridership recovery will not occur until fall of 2022. Overall, fare revenue is expected to recover to less than 65% of pre-pandemic revenue in 2022. Additional lost revenue due to lower vehicle, stations and shelters advertising revenue as further minimum annual guarantee relief for advertising license holders is anticipated, resulting in an overall reduction of 40% of anticipated advertising revenue. The level of relief is expected to reduce steadily during 2022 as economic conditions stabilize, but some level of relief will be required into 2023. Increased costs for enhanced cleaning of buses, LRV's, transit centres & shelters, DATS vehicles, and transit garages, as well as additional costs for security at transit centres.
Expense	6,090	(125)	5,965	
Net Position	(59,806)	(125)	(59,681)	
Parks & Roads Services				
Revenue	(11,264)	-	(11,264)	Decreased parking revenue due to an expected decline in demand of approximately 50% in 2022. Initial estimates indicate lower monthly parking renewals and less revenue as a result of lower traffic volumes and events. Traffic Safety and Automated Enforcement revenue decreased due estimated reduction in traffic volumes of 20% and an approximately 5% reduction in repayment rates compared to pre-pandemic levels. Higher costs due fewer detour recoveries as areas are utilizing other external provides to accommodate traffic detour requests, and Homelessness Response/Washroom Strategy continues to increase during the pandemic, and likely post-COVID.
Expense	3,635	-	3,635	
Net Position	(14,899)	-	(14,899)	
Corporate Revenue				
Revenue	(2,400)	30,399	27,999	Additional revenue from annuity plan settlement, Ed Tel Endowment Fund special dividend, Land Enterprise annual dividend and increased tax penalty revenue due to higher outstanding tax levy balances.
Expense	-	-	-	
Net Position	(2,400)	30,399	27,999	
Corporate Expenditures				
Revenue	-	-	-	Based on a current assessment of budget risks, a portion of the Financial Strategies budget be used on a one-time basis in 2022 to help offset the impacts of COVID-19, and a targeted one-time reductions to consulting, contractor, hosting, travel, training, and employee recognition budgets across all branches (as appropriate) to help manage the COVID-19 impacts on the City's 2022 operating budget.
Expense	-	(27,258)	(27,258)	
Net Position	-	27,258	27,258	
Other Branches (under \$2M adjustments)				
Revenue	(300)	-	(300)	Various other cumulative adjustments.
Expense	6,339	-	6,339	
Net Position	(6,639)	-	(6,639)	
Corporate Programs				
Transfer from COVID FSR	-	37,400	37,400	
Summary (Note 2)				
Total Revenue Impact	(80,645)	67,799	(12,846)	
Total Expense Impact	16,064	(28,910)	(12,846)	
Total Net Impact - Tax Supported	(96,709)	96,709	-	

Note 1: On November 22, 2021 City Council approved one-time adjustments to the 2022 operating budget to reflect the continued impacts of the pandemic. For 2022, the total corporate impact is estimated to be \$96.7 million, comprising \$80.6 million in reduced revenues and \$16.1 million in additional costs. The impacts were offset by one-time funding strategies totaling \$96.7 million. Details of the adjustments and offsetting funding strategy are available in report FCS00828 - COVID-19 2022 Financial Impacts and Funding Strategy presented to Council on November 30, 2021.

Note 2: COVID adjustments as reflected in tax-supported operating results.