

Corporate Funding Pool Balances - 2019-2022 Capital Budget Cycle (\$millions)

	MSI	PAYG	Gas Tax	Total	Notes
Funding Balance as at Spring 2021 SCBA	\$ (4.9)	\$ (41.3)	\$ 39.8	\$ (6.4)	1, 2
<u>Funding Adjustments Since Spring 2021 SCBA</u>					
170 Street Pedestrian Bridge	-	-	(7.5)	(7.5)	3
Air Services Opportunities Fund	-	(3.5)	-	(3.5)	4
Other forecast adjustments	0.1	3.0	(2.0)	1.1	
Total	0.1	(0.5)	(9.5)	(9.9)	
Funding Balance Prior to Fall 2021 SCBA	\$ (4.8)	\$ (41.8)	\$ 30.3	\$ (16.3)	
<u>Fall 2021 SCBA Recommended Adjustments</u>					
Relocation of Staff from City Centre West	-	(3.5)	-	(3.5)	
Major event capital funding	-	(3.2)	-	(3.2)	5
Kihciy Askiy Sacred Earth	-	(2.0)	-	(2.0)	
Other Adjustments	0.2	(0.4)	-	(0.2)	
Total	0.2	(9.1)	-	(8.9)	
Funding Balance Prior to Gas Tax Strategy and Other	\$ (4.6)	\$ (50.9)	\$ 30.3	\$ (25.2)	
Hold and allocate Gas Tax to existing budget pressures	-	-	(30.3)	(30.3)	6
Rebalancing	4.6	(4.6)	-	-	
Funding Balances Subsequent to Fall 2021 SCBA Recommendations	\$ -	\$ (55.5)	\$ -	\$ (55.5)	
<u>Corporate Pool Deficit Strategies</u>					
Pre-commitment of 2023 Pay-As-You-Go	-	46.5	-	46.5	1
2021 investment earnings - portion of forecasted increase	-	9.0	-	9.0	7
Total	-	55.5	-	55.5	
Revised Funding Balance After Consideration of Deficit Strategies	\$ -	\$ -	\$ -	\$ -	

Notes

- 1) At the April 27, 2020, City Council meeting, Council approved a one-time \$46.5 million decrease in the operating transfer to the PAYG Capital Reserve, to offset the financial effects of COVID-19. The PAYG Capital Reserve will be reimbursed through a reduction in capital expenditures intended to be funded through PAYG in the 2023 capital budget, resulting in no overall impact to the corporate funding pool during this capital budget cycle. The \$5.2 million opening surplus PAYG balance in this schedule includes the \$46.5 million of pre-committed funds from the 2023 capital budget.
- 2) On June 7, 2021, through the Spring 2021 SCBA, Administration recommended that unallocated Federal Gas Tax Funding remaining in the corporate pool be held for emerging items identified at that time (50 Street CPR Grade Separation, Northeast and 170 Street Pedestrian Bridges), and other future budget challenges.
- 3) At the June 22, 2021 City Council Meeting, Council approved \$7.5 million of Federal Gas Tax Funds towards the 170 Street Pedestrian Bridge project. The total project cost is \$9.5 million, with the remaining \$2.0 million funded through a Local Improvement Levy.
- 4) At the June 7, 2021 City Council Meeting, Council approved the use of \$3.5 million of Pay-As-You-Go funding to be used towards the \$9.88 million one-time funding of the Air Services Opportunities Fund.
- 5) This adjustment is required as per the August 30, 2021 City Council in-private report "CS00681: Major Event Update". If approved, the funding will be held in abeyance until the conditions noted in CS00681 have been met.
- 6) Administration recommends that the remaining Federal Gas Tax funding be held and leveraged, where possible, to fund emerging budget items. Depending on the outcome of the 50 Street Grade Separation funding discussions and Council's decision on the Coronation Park Sports and Recreation Centre project, this \$30.3 million would also be used to further offset additional tax-supported debt required for either of these projects. Administration will provide an update at the Spring 2022 Supplemental Capital Budget Adjustment regarding final funding allocations based on the outcome of the 50 Street Grade Separation discussions and Council's decision on whether to proceed on the construction of the Coronation Park Sports and Recreation Centre project.
- 7) Based on September 30, 2021 operating financial results, Administration is projecting \$29.3 million greater than budgeted investment earnings for 2021. In line with the budget principle to use investment earnings to fund capital, the additional investment earnings will be transferred to the Pay-As-You-Go Reserve at year-end. Based on the projected increase in investment earnings at year-end, Administration is recommending that the Pay-As-You-Go funds be overspent by \$9.0 million to provide funding for recommendations in this SCBA. The entire amount of actual additional investment earnings will be transferred to the Pay-As-You-Go reserve at year-end, putting the reserve back in a positive balance, and will be reflected in the Spring 2022 SCBA.