

# OPERATING FINANCIAL UPDATE

## December 31, 2022

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## Supplemental Information

- Tax-Supported Operations – December 31, 2022 Financial Results and Projections
- COVID-19 2022 COVID Budget Adjustment

**Tax-Supported Operations**  
**Summary Preliminary Year-End Results**  
**December 31, 2022**  
(in \$000's)

**Net Position Budget Variance - Summary**

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

**Tax-Supported Operations (excluding Police Services) - Year End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	3,150,789	(12,846)	3,137,943	3,091,223	(46,720)	(1.5)
Expense	2,760,457	(12,846)	2,747,611	2,619,380	128,231	4.7
<b>Net Position</b>	<b>390,332</b>	<b>-</b>	<b>390,332</b>	<b>471,843</b>	<b>81,511</b>	<b>3.0</b>

\* Net position percentage based on annual expense budget

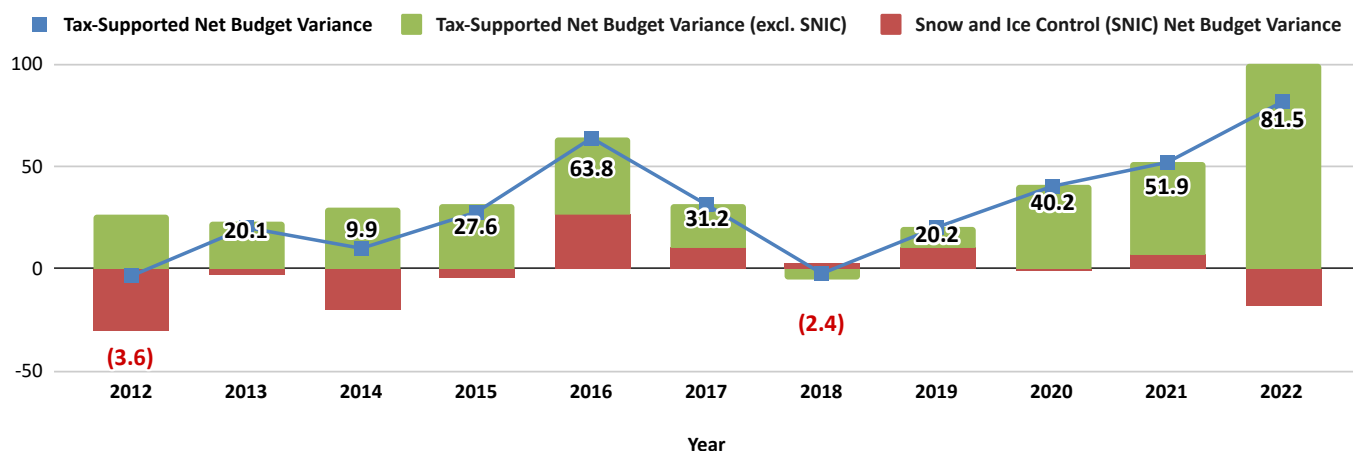
**Police Services - Year End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	98,295	-	98,295	96,958	(1,337)	(1.4)
Expense	488,627	-	488,627	484,083	4,544	0.9
<b>Net Income /(Deficit)</b>	<b>(390,332)</b>	<b>-</b>	<b>(390,332)</b>	<b>(387,125)</b>	<b>3,207</b>	<b>0.8</b>
Net transfer to/(from) EPS Reserve	-	-	-	3,207	(3,207)	-
<b>Net Position</b>	<b>(390,332)</b>	<b>-</b>	<b>(390,332)</b>	<b>(390,332)</b>	<b>-</b>	<b>-</b>

**Total Tax-Supported Operations - Year End**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	3,249,084	(12,846)	3,236,238	3,188,181	(48,057)	(1.5)
Expense	3,249,084	(12,846)	3,236,238	3,106,670	129,568	4.0
<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,511</b>	<b>81,511</b>	<b>2.5</b>

**Tax-Supported Net Budget Variance**



**Preliminary Year-End Variance** - Preliminary results show a net favourable year-end position of \$81.5 million for tax-supported operations, representing a variance of 2.5% when compared to the overall expense budget. The net favourable budget variance is primarily the result of lower than budgeted costs for financial strategies and lower than budgeted personnel costs due to unfilled vacancies across various City departments. These favourable variances are partially offset by higher snow and ice program costs due to heavier snowfall and additional freezing rain from January to April.

Following are highlights of year-end variances greater than \$2,500 that contribute to the net tax-supported variance:

<b>Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
59.0	<b>Financial Strategies</b> ( <i>Corporate Expenditures, Corporate Programs</i> ) The budget for financial strategies is used to manage risk and provide flexibility for unknown amounts over the four year 2019-2022 budget cycle. Risks are managed centrally through this budget. In certain cases, the surplus funds in this account offset unfavourable variances across the corporation related to items for which funding was established within financial strategies based on a risk analysis. The favourable variance is largely due to less than expected budget required for fuel and utility costs as well as other corporate wide costs.
18.3	<b>Personnel Costs, net of discounting and significant recoveries</b> (All Departments) Favourable personnel budget mainly due to unfilled vacancies across various City departments, primarily in Fleet and Facility Services and Social Development. This is partially offset by Community & Recreation Facilities requiring additional staffing to implement the Restriction Exemption Program and COVID-19 cleaning protocols. The personnel budget variance of \$18.3 million is 1.6% of the overall tax-supported personnel budget.
5.1	<b>Project Delays</b> ( <i>Planning and Environment Services, Urban Planning &amp; Economy</i> ) Delays in projects due to resource capacity issues and reprioritization of work priorities. Certain projects have advanced using internal resources as opposed to external contractors.
5.0	<b>A1 Facility Grant Payment</b> ( <i>Community Recreation and Culture, Community Services</i> ) Delayed grant payments to support A1 Facility Ltd. to construct a multi-sport facility due to construction delays. The budget is being requested for carryforward into 2023.
4.0	<b>DATS Contract costs</b> ( <i>Edmonton Transit, City Operations</i> ) Favourable budget variance for DATS contract costs resulting from lower trip volumes.
3.7	<b>Transit Fare Revenue</b> ( <i>Edmonton Transit, City Operations</i> ) Favourable transit fare revenues due to higher than anticipated ridership compared to assumptions used to develop the COVID related budget adjustments.
3.7	<b>Tax Penalties</b> ( <i>Corporate Revenues, Corporate Programs</i> ) Greater than budgeted tax penalties, with a portion of the increase related to title registration delays at Alberta Land Titles.
3.0	<b>Memberships &amp; Admissions Revenue</b> ( <i>Community Recreation And Culture, Community Service</i> ) Favourable membership and admission revenues due to recreation and attraction facilities reopening with higher than expected demand for program and services compared to assumptions used to develop the COVID related budget adjustments.
2.9	<b>Smart Fare</b> ( <i>Edmonton Transit, City Operations</i> ) Favourable budget variance due to lower costs associated with the new phased-in timelines for fare products moving to the new system.
2.5	<b>Commonwealth Stadium Revenue</b> ( <i>Community Recreation And Culture, Community Service</i> ) Higher stadium revenue due to increased special events and concerts compared to assumptions used to develop the COVID related budget adjustments.
2.5	<b>Parking Revenue</b> ( <i>Parks and Road Services, City Operations</i> ) Favourable parking revenue due to higher than anticipated parking volumes in City Parkades and surface lot, as compared to the budget adjusted for COVID impacts.

<b>Net Position Budget Variance - Details (continued)</b>	
<b>YTD Variance (in millions \$)</b>	<b>Variance Explanations</b>
(2.8)	<b>Asphalt and Concrete Restoration Program</b> ( <i>Parks and Road Services, City Operations</i> ) Lower asphalt and concrete revenues due to the cancellation of the asphalt and concrete restoration (utility cut) program; offset with savings in personnel and non-personnel expenses such as material and equipment.
(3.0)	<b>Transit Safety and Enhanced Cleaning</b> ( <i>Edmonton Transit, City Operations</i> ) Higher costs for additional safety measures and additional enhanced cleaning and services at transit stations and centres.
(3.2)	<b>Renewable Energy Certificates</b> ( <i>Planning and Environment Services, Urban Planning &amp; Economy</i> ) The City has procured additional Renewable Energy Certificates (RECs) to work towards achieving target emission reduction levels. The availability of REC's is unpredictable, as it is supply and demand driven, and therefore the City is taking advantage of available supply.
(3.3)	<b>EPCOR Fleet Maintenance Contract</b> ( <i>Fleet and Facility Services, City Operations</i> ) Unfavourable variance resulted from lost margin on the EPCOR fleet maintenance contract which expired on March 31, 2022.
(4.2)	<b>Fuel Costs</b> ( <i>Fleet and Facility Services, City Operations</i> ) Unfavourable budget variance due to higher than expected fuel costs of (\$18.8 million), partially offset by fuel hedging contracts resulting in gains of \$11.5 million, and higher fuel sales to EPCOR of \$3.1 million.
(5.2)	<b>Permit Fee Revenue</b> ( <i>Parks and Road Services, City Operations</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.
(18.2)	<b>Snow and Ice Control</b> ( <i>Snow and Ice Control, City Operations</i> ) Unfavourable budget variances primarily due to heavier snowfall and additional freezing rain resulting in higher than anticipated costs from January to April of \$13.0 million, and an additional \$5.0 million resulting from October to December due to increased snow events. These costs are in addition to the Council approved one-time funding for the enhanced residential snow removal pilot during the 2022 Spring Supplemental Operating Budget Adjustment process.
11.7	Other net cumulative variances across tax-supported areas.
<b>81.5</b>	<b>Total Net Position Budget Variance</b>
<b>2.5%</b>	<b>Total Net Position Budget Variance Percentage (based on annual expense budget)</b>

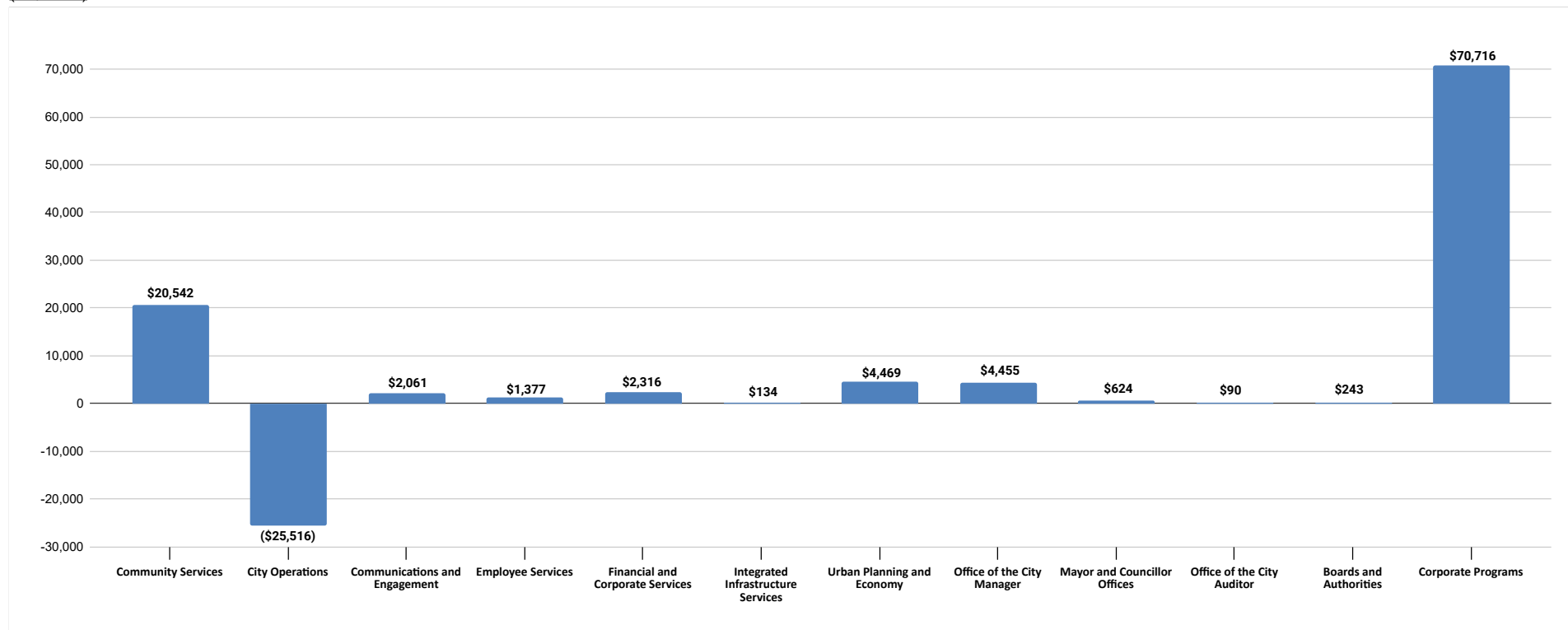
Refer to "Tax-Supported Operations (excluding Edmonton Police Services) - By Department with Significant Variances - Preliminary Year-End Financial Results" included in this report for the detailed results and variance explanations for tax-supported departments that had significant budget variances.

Edmonton Police Services financial results are reflected in the "Edmonton Police Service Budget Variance for the Period Ending December 31, 2022" section of this report.

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

(in \$000's)

■ Year-End Variance



**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**  
(in \$000's)

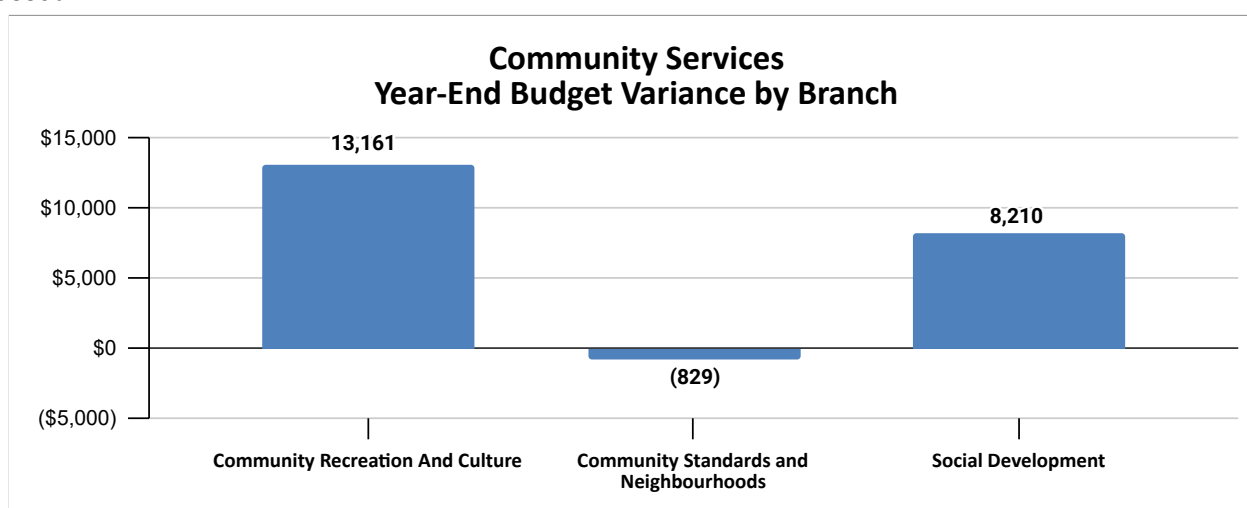
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Community Services**

**Community Services - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	162,259	(12,965)	149,294	127,163	(22,131) ●	(14.8)
Expense	317,816	873	318,689	276,016	42,673 ●	13.4
<b>Net Position</b>	<b>(155,557)</b>	<b>(13,838)</b>	<b>(169,395)</b>	<b>(148,853)</b>	<b>20,542 ●</b>	<b>12.1</b>

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



**Net Position Budget Variance - Details**

YTD Variance (in millions \$)	Variance Explanations
<b>Revenue</b>	
3.0	<b>Memberships &amp; Admissions Revenue (Community Recreation And Culture)</b> Favourable membership and admission revenues due to recreation and attraction facilities reopening with higher than expected demand for program and services compared to assumptions used to develop the COVID related budget adjustments.
2.5	<b>Commonwealth Stadium Revenue (Community Recreation And Culture)</b> Higher stadium revenue due to increased special events and concerts compared to assumptions used to develop the COVID related budget adjustments.

<b>Revenue (continued)</b>	
(24.9)	<p><b>Grant Revenues and Transfers from Reserves - (Social Development)</b>  <b>Rapid Housing Initiative Hotel Conversions, Jasper Place Wellness Center Emergency Shelter, Affordable Housing Investment Plan</b></p> <p>Lower than budgeted recognition of grant revenues (Rapid Housing Initiative and Provincial Block Funding) and transfers from reserves (Affordable Housing Reserve) required to offset expenses related to Rapid Housing Initiative hotel conversion, Jasper Place Wellness Centre Emergency Shelter, and Affordable Housing Investment Plan. The expenses for these initiatives were lower than budgeted in 2023 as discussed in the expense section below. Both the revenue and expense budgets for these initiatives are being requested for carry-forward into 2023.</p>
<b>Expenses</b>	
10.8	<p><b>Rapid Housing Initiative Hotel Conversion (Social Development)</b></p> <p>Lower than budgeted expenses due to slower than expected construction timelines on the Coliseum Inn and Sands Hotel affordable housing conversion projects. This work will continue into 2023. The lower than budgeted expenses are offset by lower revenues noted above (deferred revenues and transfer from reserves). The expense budget and related revenue budgets are being requested for carry-forward into 2023.</p>
7.5	<p><b>Jasper Place Wellness Centre Emergency Shelter (Social Development)</b></p> <p>Jasper Place Wellness Centre Emergency Shelter funding was approved in November 2022 and operations will continue until May 2023. A funding agreement was signed with the wellness center in early 2023 and the funds will be disbursed in 2023. The expense budget and offsetting funding from the Financial Stabilization Reserve (noted above) are being requested for carry-forward into 2023.</p>
6.6	<p><b>Affordable Housing Investment Plan (AHIP) (Social Development)</b></p> <p>AHIP grant payments were lower than anticipated as timing of grant payouts are difficult to predict and can occur up to five years from the application date. The expense budget is required in future years and is therefore being requested for carry-forward into 2023, along with the offsetting funding amounts in the Affordable Housing Reserve and deferred revenue.</p>
5.0	<p><b>A1 Facility Grant Payment (Community Recreation and Culture)</b></p> <p>Delayed grant payments to support A1 Facility Ltd. to construct a multi-sport facility due to construction delays. The budget is being requested for carryforward into 2023.</p>
2.1	<p><b>Utility Costs (Community Recreation and Culture)</b></p> <p>Favourable utility costs as a result of lower utility rates compared to budget and facility closures.</p>
1.9	<p><b>Anti-Racism Strategy (Social Development)</b></p> <p>Work to advance the key priority actions outlined in the Anti-Racism Strategy (Independent Anti-Racism Body, High Level Office and Operational/Core Funding) are underway and Administration is taking a thoughtful approach to ensuring the work is done right and in a meaningful way. There is significant work planned in these files in 2023 (the Independent Advisory Board, pilot projects, and grants/funding), as well as additional Anti-Racism Initiatives such as the Anti-Black Racism Action Plan and a Council Internship for equity-deserving youth that will draw on these funds to advance the goals of the strategy. The budget is being requested for carryforward into 2023.</p>
1.8	<p><b>Digital Operations and Transformation (Community Recreation and Culture)</b></p> <p>Favorable budget variance due to a delay in the Digital Operations and Transformation project related to the Recreation and Attraction Management System (RAMS) as well as new kiosks at recreation centres. Work is expected to increase in 2023.</p>
1.7	<p><b>Personnel Expense (All branches)</b></p> <p>Favourable variance due to an increase in vacancies in the year, mainly due to delays in recruitment, partially offset by additional staffing required to implement Restriction Exemption Program and COVID-19 cleaning protocols at Community &amp; Recreation Facilities.</p>
2.5	Other net cumulative variances across Community Services.
<b>20.5</b>	<b>Total Net Position Budget Variance - Community Services</b>
<b>12.1%</b>	<b>Total Net Position Budget Variance Percentage</b>



Tax-Supported Operations - By Department  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

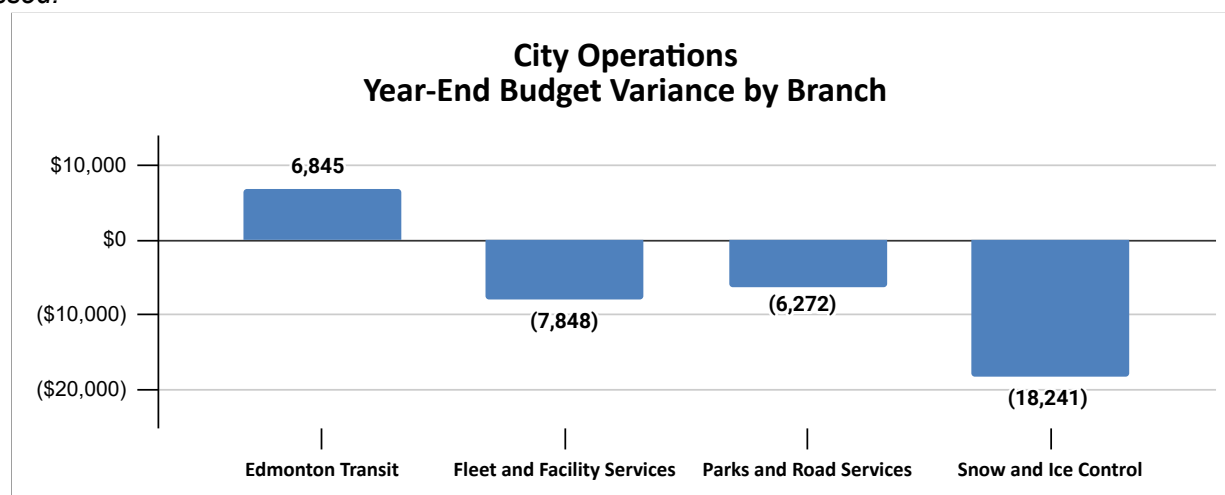
(in \$000's)

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

### City Operations

City Operations - Year End Results						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	240,625	(64,980)	175,645	165,032	(10,613)	● (6.0)
Expense	720,192	10,100	730,292	745,195	(14,903)	● (2.0)
Net Position	(479,567)	(75,080)	(554,647)	(580,163)	(25,516)	● (4.6)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



### Net Position Budget Variance - Details

YTD Variance (in millions \$)	Variance Explanations
<b>Revenue</b>	
3.7	<b>Transit Fare Revenue (Edmonton Transit)</b> Favourable transit fare revenues due to higher than anticipated ridership compared to assumptions used to develop the COVID related budget adjustments.
2.5	<b>Parking Revenue (Parks and Road Services)</b> Favourable parking revenue due to higher than anticipated parking volumes in City Parkades and surface lot, as compared to the budget adjusted for COVID impacts.
1.5	<b>Capital Recoveries (Edmonton Transit)</b> Favorable budget variance due to higher recoveries from capital projects related to Light Rail Vehicle (LRV) capital repairs. Due to lower ridership as a result of COVID-19, numerous LRV's were removed from service to perform capital repairs earlier than planned.
(1.8)	<b>Advertising Revenue (Edmonton Transit)</b> Lower advertising revenue for transit vehicles, stations, and shelters.

<b>Revenue (continued)</b>	
(2.8)	<b>Asphalt and Concrete Restoration Program (Parks and Road Services)</b> Lower asphalt and concrete revenues due to the cancellation of the asphalt and concrete restoration (utility cut) program; offset with savings in personnel and non-personnel expenses such as material and equipment.
(5.2)	<b>Permit Fee Revenue (Parks and Road Services)</b> 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.
(12.6)	<b>LRT Reserve Transfer (Edmonton Transit)</b> Lower transfer from the LRT Reserve due to timing of the Valley Line South East project, which is offset with lower expenses below.
<b>Expenses</b>	
17.6	<b>LRT Delays (Edmonton Transit)</b> Lower costs related to the delay of the Valley Line South East LRT project, primarily related to the budgeted operating payments.
7.0	<b>Personnel Expense (Fleet and Facility Services)</b> Favourable variance due to delays in recruitment and unfilled vacancies.
4.0	<b>DATS Contract costs (Edmonton Transit)</b> Favourable budget variance for DATS contract costs resulting from lower trip volumes.
2.9	<b>Smart Fare (Edmonton Transit)</b> Favourable budget variance due to lower costs associated with the new phased-in timelines for fare products moving to the new system.
(1.0)	<b>Road Bridge Maintenance (Parks and Road Services)</b> Greater than budgeted expenses due to completion of backlogged projects late in the last quarter of the year.
(1.2)	<b>Spring Sweep (Parks and Road Services)</b> Higher than budgeted costs for spring sweep due to the extended cold weather conditions that reduced the time permitted to complete the program. There were also additional pre-sweeping tasks resulting from increase material application during the 2021/22 winter season.
(1.5)	<b>Infrastructure Operations (Parks and Road Services)</b> Unfavourable budget variance due to unexpected drainage work, sinkhole repair and increased service requests related to downtown cleanup.
(2.2)	<b>LRT Repairs (Edmonton Transit, City Operations)</b> Higher contract costs for LRT primarily due to unexpected repairs.
(2.2)	<b>Contract Work (Fleet and Facility Services)</b> Unfavourable variance in contract work due to increased cleaning requests and unplanned callouts, increased service calls related to vandalism, and inflationary impacts on contracts and construction costs. This is partially offset by lower direct materials due to reduced requirement for material purchases on callouts.
(3.0)	<b>Transit Safety and Enhanced Cleaning (Edmonton Transit)</b> Higher costs for additional safety measures and enhanced cleaning services at transit stations and centres.
(3.3)	<b>EPCOR Fleet Maintenance Contract (Fleet and Facility Services)</b> Unfavourable variance resulted from lost margin on the EPCOR fleet maintenance contract which expired on March 31, 2022.
(4.2)	<b>Fuel Costs (Fleet and Facility Services)</b> Unfavourable budget variance due to higher than expected fuel costs of (\$18.8 million), partially offset by fuel hedging contracts resulting in gains of \$11.5 million, and higher fuel sales to EPCOR of \$3.1 million.

<b>Expenses (continued)</b>	
	<b>Snow and Ice Control</b> ( <i>Snow and Ice Control</i> )
(18.2)	Unfavourable budget variances primarily due to heavier snowfall and additional freezing rain resulting in higher than anticipated costs from January to April of \$13.0 million, and an additional \$5.0 million resulting from October to December due to increased snow events. These costs are in addition to the Council approved one-time funding for the enhanced residential snow removal pilot during the 2022 Spring Supplemental Operating Budget Adjustment process.
(5.5)	Other net cumulative variances across City Operations branches.
<b>(25.5)</b>	<b>Total Net Position Budget Variance - City Operations</b>
<b>(4.6)%</b>	<b>Total Net Position Budget Variance Percentage</b>

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

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

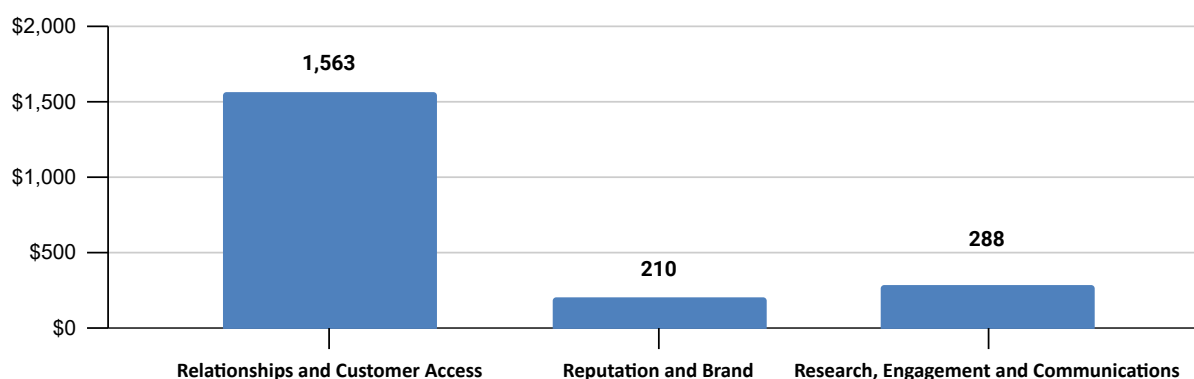
**Communications and Engagement**

**Communications and Engagement - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	2,543	-	2,543	1,070	(1,473) ●	(57.9)
Expense	36,671	-	36,671	33,137	3,534 ●	9.6
<b>Net Position</b>	<b>(34,128)</b>	<b>-</b>	<b>(34,128)</b>	<b>(32,067)</b>	<b>2,061 ●</b>	<b>6.0</b>

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.

**Communications and Engagement  
Year-End Budget Variance by Branch**



**Net Position Budget Variance - Details**

YTD Variance (in millions \$)	Variance Explanations
<b>Expenses</b>	
2.0	<b>Personnel Expense (All branches)</b> Favourable personnel variance due to unfilled vacancies.
0.1	Other net cumulative variances across Communications and Engagement branches.
<b>2.1</b>	<b>Total Net Position Budget Variance - Communications and Engagement</b>
<b>6.0%</b>	<b>Total Net Position Budget Variance Percentage</b>

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

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

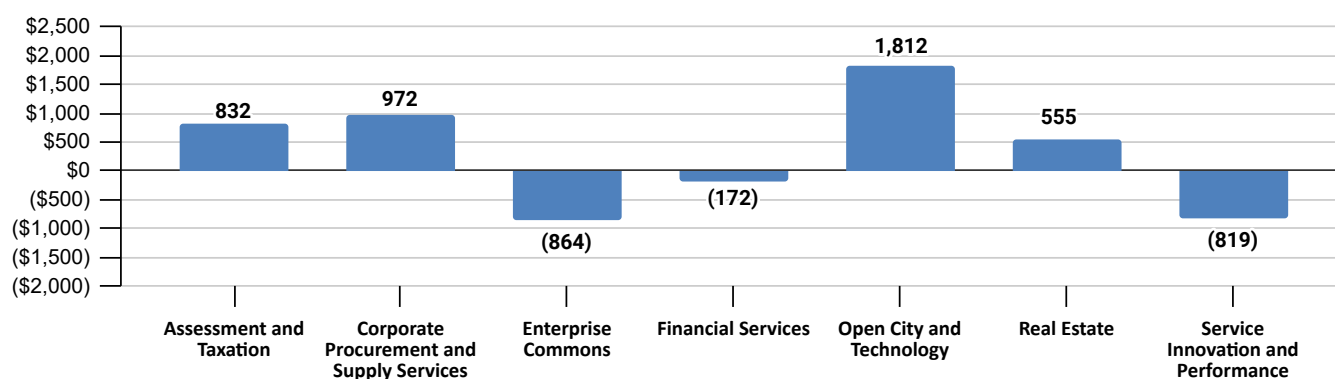
**Financial and Corporate Services**

**Financial and Corporate Services - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$		%
Revenue	13,235	-	13,235	10,780	(2,455)	●	(18.5)
Expense	166,141	3,439	169,580	164,809	4,771	●	2.8
Net Position	(152,906)	(3,439)	(156,345)	(154,029)	2,316	●	1.5

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.

**Financial and Corporate Services**  
**Year-End Budget Variance by Branch**



**Net Position Budget Variance - Details**

YTD Variance (in millions \$)	Variance Explanations
<b>Expenses</b>	
2.4	<b>Personnel Expense (All branches)</b> Favourable personnel variance due to unfilled vacancies.
(0.1)	Other net cumulative variances across Financial and Corporate Services branches.
<b>2.3</b>	<b>Total Net Position Budget Variance - Financial and Corporate Services</b>
<b>1.5%</b>	<b>Total Net Position Budget Variance Percentage</b>

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

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

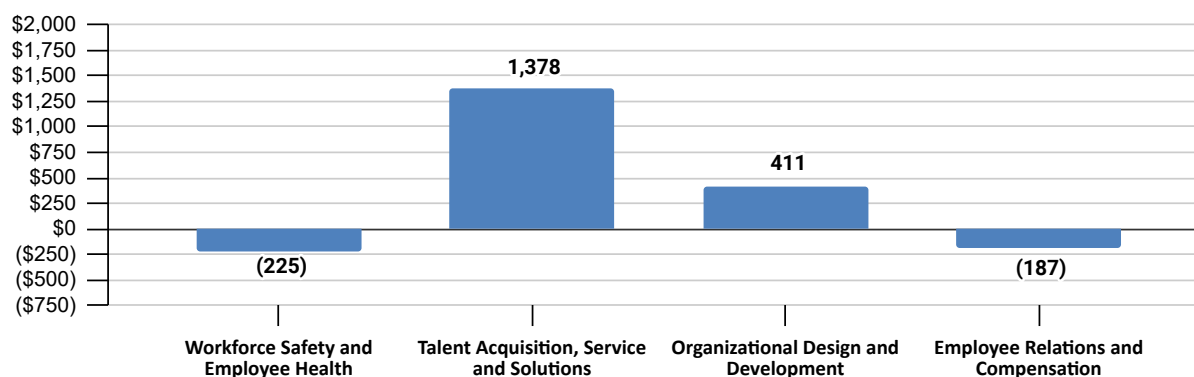
**Employee Services**

**Employee Services - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	211	-	211	213	2 ●	0.9
Expense	29,824	-	29,824	28,449	1,375 ●	4.6
Net Position	(29,613)	-	(29,613)	(28,236)	1,377 ●	4.6

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.

**Employee Services**  
**Year-End Budget Variance by Branch**



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

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

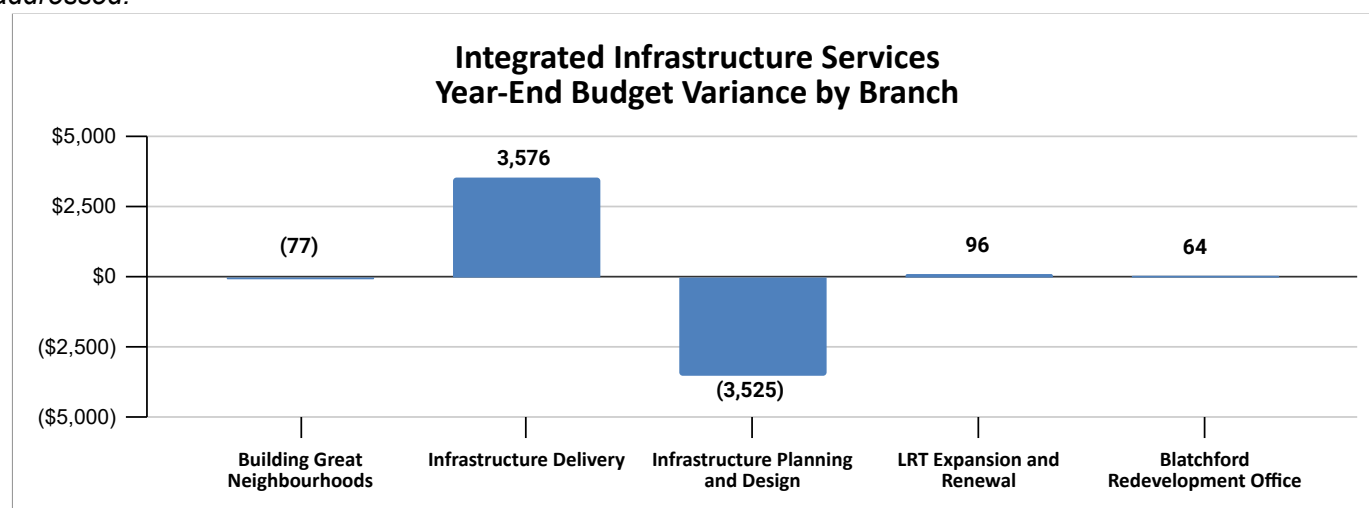
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Integrated Infrastructure Services**

**Integrated Infrastructure Services - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	4,458	-	4,458	1,511	(2,947) ●	(66.1)
Expense	23,121	-	23,121	20,040	3,081 ●	13.3
Net Position	(18,663)	-	(18,663)	(18,529)	134 ●	0.7

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



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

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

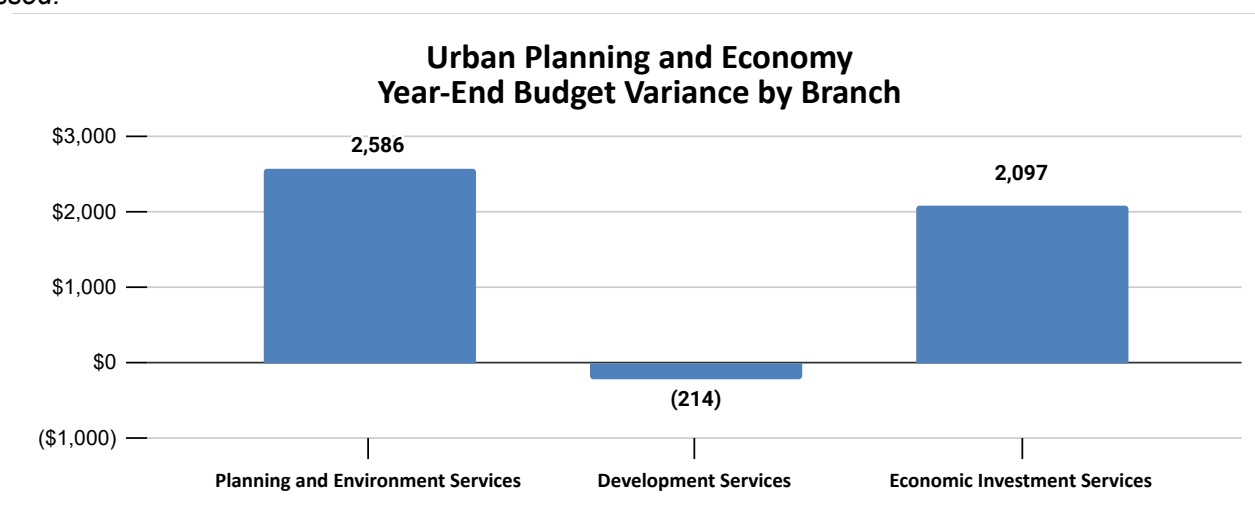
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Urban Planning and Economy**

**Urban Planning and Economy - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$		%
Revenue	138,479	-	138,479	124,753	(13,726)	●	(9.9)
Expense	189,548	-	189,548	171,353	18,195	●	9.6
Net Position	(51,069)	-	(51,069)	(46,600)	4,469	●	<b>8.8</b>

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



**Net Position Budget Variance - Details**

YTD Variance (in millions \$)	Variance Explanations
<b>Revenue</b>	
6.3	<b>Permit Revenue (Development Services)</b> Higher than budgeted permit revenue from new residential and new non-residential development as economic activity strengthened emerging from the pandemic.
2.1	<b>Funds in Lieu Residential (Planning and Environment Services)</b> Favourable revenue variance primarily from one-time developer contributions received to purchase and develop parkland in residential areas.
(1.7)	<b>Downtown Vibrancy - FSR Funding (Economic Investment Services)</b> Less than budgeted transfer required from the Financial Stabilization Reserve (FSR) to fund Downtown Vibrancy grants due to timing of payments. The grants are not paid out until projects are complete.



<b>Revenue (continued)</b>	
(1.7)	<b>Edmonton Economic Recovery Grants - FSR Funding</b> ( <i>Economic Investment Services</i> ) Less than budgeted transfer from the Financial Stabilization Reserve (FSR) to fund Edmonton Economic Recovery Grants. The program has lower than expected application uptake in 2022.
(4.2)	<b>Brownfield Phase III Grants - Reserve Funding</b> ( <i>Economic Investment Services</i> ) Lower transfer from reserves due to timing of Brownfield Phase III grants as remediation work can span over several years.
(4.4)	<b>Sanitary Servicing Strategy Fund (SSSF)</b> ( <i>Planning and Environment Services</i> ) Lower transfers to the SSSF Reserve due to lower costs paid to EPCOR related to the delivery of SSSF projects, and favourable developer contributions.
(10.5)	<b>Revolving Industrial Servicing Fund (RISF) Reserve</b> ( <i>Development Services</i> ) Lower Transfer from RISF Reserve as project delays mean developers have not yet met the criteria for rebate payments.
<b>Expenses</b>	
10.5	<b>Revolving Industrial Servicing Fund (RISF) Reserve</b> ( <i>Development Services</i> ) Lower than budgeted payments as developers have not yet met the criteria for rebates under the RISF program. The lower expense is offset by the lower transfer from the RISF reserve noted above in the revenue section.
5.1	<b>Project Delays</b> ( <i>Planning and Environment Services</i> ) Delays in projects due to resource capacity issues and reprioritization of work priorities. Certain projects have advanced using internal resources as opposed to external contractors.
4.4	<b>Sanitary Servicing Strategy Fund (SSSF)</b> ( <i>Planning and Environment Services</i> ) Lower expenses paid to EPCOR for the delivery of SSSF projects which is mainly due to revisions of the construction plan.
4.2	<b>Brownfield Phase III Grants</b> ( <i>Economic Investment Services</i> ) Less than expected payments to applicants due to timing of Brownfield Phase III grants, which is offset by the lower transfer from reserves noted above in the revenue section.
1.7	<b>Downtown Vibrancy</b> ( <i>Economic Investment Services</i> ) Lower than budgeted grant payments in 2022 due to timing of project completion. Grants are not paid out until projects are complete. This is offset by a lower transfer from the FSR as noted above in the revenue section.
1.7	<b>Edmonton Economic Recovery Grants</b> ( <i>Economic Investment Services</i> ) The program has lower than expected application uptake in 2022 resulting in lower than budgeted grant expenses. This is offset by a lower transfer from the FSR as noted above in the revenue section.
1.6	<b>External costs</b> ( <i>Development Services</i> ) Favourable variances related to branch cost control on discretionary external costs, timing of work related to contaminated sites which can span over several years, and timeline adjustments to the Zoning Bylaw Renewal Initiative in response to community and industry feedback.
(2.1)	<b>Funds in Lieu Reserve</b> ( <i>Planning and Environment Services</i> ) Higher transfers to the Funds in Lieu Reserve due to higher one-time developer contributions received to purchase and develop parkland in residential areas.
(3.2)	<b>Renewable Energy Certificates</b> ( <i>Planning and Environment Services</i> ) The City has procured additional Renewable Energy Certificates (RECs) to work towards achieving target emission reduction levels. The availability of REC's is unpredictable, as it is supply and demand driven, and therefore the City is taking advantage of available supply.
(8.9)	<b>Planning &amp; Development Reserve Transfer</b> ( <i>Development Services</i> ) Higher than budgeted transfer to the Planning & Development Reserve due to higher Permit Revenue, cost containment on various expenditures and project timing.
3.6	Other net cumulative variances across tax-supported areas.
<b>4.5</b>	<b>Total Net Position Budget Variance - Urban Planning and Economy</b>
<b>8.8%</b>	<b>Total Net Position Budget Variance Percentage</b>

**Tax-Supported Operations - By Department**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**

(in \$000's)

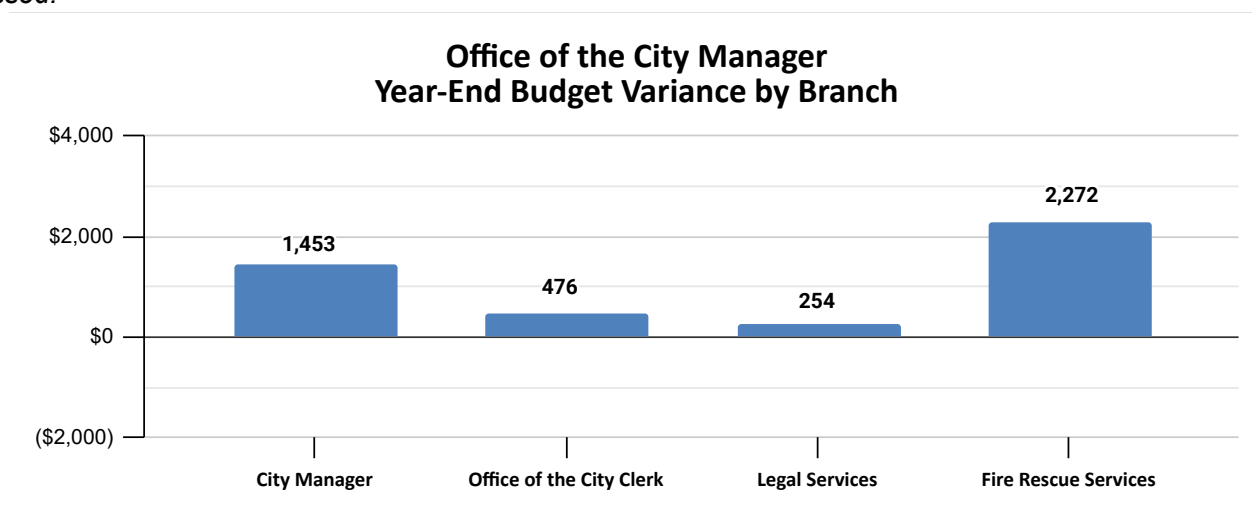
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Office of the City Manager**

**Office of the City Manager - Year End Results**

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$		%
Revenue	2,687	-	2,687	4,039	1,352	●	50.3
Expense	257,782	-	257,782	254,679	3,103	●	1.2
Net Position	(255,095)	-	(255,095)	(250,640)	4,455	●	1.7

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



**Net Position Budget Variance - Details**

YTD Variance (in millions \$)	Variance Explanations
<b>Expenses</b>	
1.8	<b>Personnel Expense (All branches)</b> Favourable personnel variance due to unfilled vacancies, and the delayed opening of the Windermere Fire Station and Hazmat Unit. This is partially offset by the need for overtime to cover vacant positions and medical leaves for Fire Rescue Services.
2.7	Other net cumulative variances across the Office of the City Manager branches.
<b>4.5</b>	<b>Total Net Position Budget Variance - Office of the City Manager</b>
<b>1.7%</b>	<b>Total Net Position Budget Variance Percentage</b>

## Tax-Supported Operations - By Department Year-to-Date Results and Year-End Projections December 31, 2022

(in \$000's)

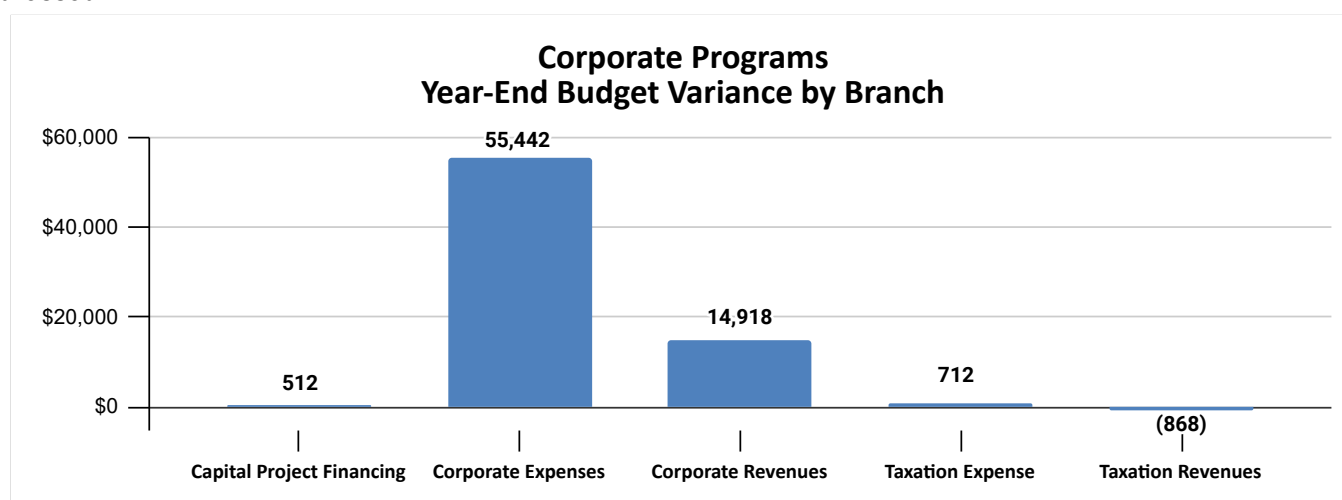
- Favourable budget variance,  $\geq 0\%$
- Unfavourable budget variance, between  $0\%$  and  $(10)\%$
- Unfavourable budget variance,  $> (10)\%$

### Corporate Programs

#### Corporate Programs - Year End Results

	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$		%
Revenue	2,569,921	65,099	2,635,020	2,647,153	12,133	●	0.5
Expense	879,834	(27,258)	852,576	793,993	58,583	●	6.9
Net Position	1,690,087	92,357	1,782,444	1,853,160	70,716	●	4.0

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$1,500. Variances below this amount are not specifically addressed.



#### Net Position Budget Variance - Details

YTD Variance (in millions \$)	Variance Explanations
<b>Revenue</b>	
3.7	<b>Tax Penalties (Corporate Revenues)</b> Greater than budgeted tax penalties, with a portion of the increase related to title registration delays at Alberta Land Titles.
(6.9)	<b>Investment Earnings (Capital Project Financing)</b> Investment earnings lower than budgeted as markets were down or flat compared to the beginning of 2022.

<b>Expenses</b>	
59.0	<p><b>Financial Strategies</b> (<i>Corporate Expenditures</i>)</p> <p>The budget for financial strategies is used to manage risk and provide flexibility for unknown amounts over the four year 2019-2022 budget cycle. Risks are managed centrally through this budget. In certain cases, the surplus funds in this account offset unfavourable variances across the corporation related to items for which funding was established within financial strategies based on a risk analysis. The favourable variance is largely due to less than expected budget required for fuel and utility costs as well as other corporate wide costs.</p>
7.4	<p><b>Transfer to Pay-as-you-go Reserve</b> (<i>Capital Project Financing</i>)</p> <p>Lower than budgeted transfer to capital mainly due to lower investment earnings. Investment earnings are transferred to the Pay-as-you-go Reserve to support the capital program.</p>
(1.7)	<p><b>Insurance Claims</b> (<i>Corporate Expenditures</i>)</p> <p>Unfavourable budget variance due to unexpected and unplanned insurance claims.</p>
(2.1)	<p><b>Post-closure Liability</b> (<i>Corporate Expenditures</i>)</p> <p>Unbudgeted landfill post-closure costs for Rundle Park Landfill for the development of long-term landfill gas (LFG) emission and mitigation strategies, the flare facility retrofit, and the annual operation and maintenance cost of the LFG management system.</p>
11.3	Other net cumulative variances across Corporate Programs branches.
<b>70.7</b>	<b>Total Net Position Budget Variance - Corporate Programs</b>
<b>4.0%</b>	<b>Total Net Position Budget Variance Percentage</b>



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2023 January 30

**SUBJECT:** Budget Variance for the Period Ending December 31, 2022

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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 December 31, 2022.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending December 31, 2022 indicate a net surplus position of \$3.207 million or 0.8% to be transferred to the Edmonton Police Reserve (revenue shortfall of \$1.337 million offset by an expense underspend of \$4.544 million).

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

The underspend in Personnel expense is primarily the result of increased vacation taken and higher than expected attrition.

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

**Capital Results**

This is the last year of the four-year Capital budget (2019 to 2022) and the results indicate a projected budget carry forward to 2023 of \$14.170 million for standalone projects and composite projects that have contractual commitments. The carry forward is predominantly related to vehicle orders being delayed due to parts shortages and manufacturing shutdowns, Information Technology infrastructure storage and backup hardware solution and network and wireless equipment, Northwest Campus outstanding legal fees and holdbacks, CAD-RMS Integration, Modernization & Maximization (CRIMM), and the Enterprise Commons project.

**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
- 3. Capital Budget Performance
- 4. Capital Budget Performance Explanations

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

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

**Approved By:** JUSTIN KRIKLER, Acting Chief Administrative Officer, Corporate Services Bureau *Justin Krikler*  
*Justin Krikler*  *A/Chief Administrative Officer*  
*Corporate Services Bureau*

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

**Date:** *January 26, 23* \_\_\_\_\_

## Budget Variance by Major Category of Revenues &amp; Expenditures

For the Period Ending December 31, 2022

(\$000's)

	Current Period				2021 Year to Date				2022 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
<b>Revenue</b>												
Traffic Safety Act Fines (Note 1)	\$ 784	\$ 549	\$ (235)	-30.0%	\$ 11,798	\$ 9,209	\$ (2,589)	-21.9%	\$ 11,198	\$ 7,729	\$ (3,469)	-31.0%
Transfer from Reserve (OTS) (Note 2)	-	-	-		22,292	22,292	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	26,368	27,487	1,119	4.2%	29,751	29,484	(267)	-0.9%	30,099	32,256	2,157	7.2%
Other Revenue (Note 4)	2,912	2,818	(94)	-3.2%	36,373	31,914	(4,459)	-12.3%	34,706	34,681	(25)	-0.1%
Secondments	1,154	1,114	(40)	-3.4%	13,111	13,726	615	4.7%	13,480	13,396	(84)	-0.6%
Tow Lot	596	508	(88)	-14.7%	7,000	5,758	(1,242)	-17.7%	7,150	6,077	(1,073)	-15.0%
PICS and Alarm Control	535	599	64	12.0%	6,465	5,711	(754)	-11.7%	6,785	6,525	(260)	-3.8%
Extra Duty	404	275	(129)	-32.0%	3,349	1,384	(1,965)	-58.7%	3,349	3,173	(176)	-5.2%
E911 Fees	113	113	0	0.3%	1,750	1,347	(403)	-23.0%	1,350	1,338	(12)	-0.9%
School Resource Officer (SRO)	-	-	-		2,100	860	(1,240)	-59.1%	818	936	117	14.3%
Other	111	210	99	88.6%	2,598	3,129	531	20.4%	1,774	3,235	1,461	82.4%
<b>Total Revenue</b>	<b>30,064</b>	<b>30,854</b>	<b>790</b>	<b>2.6%</b>	<b>100,214</b>	<b>92,899</b>	<b>(7,315)</b>	<b>-7.3%</b>	<b>98,295</b>	<b>96,958</b>	<b>(1,337)</b>	<b>-1.4%</b>
<b>Expense</b>												
<b>Personnel</b>												
Salary and benefits (Note 5)	34,669	35,480	(811)	-2.3%	376,372	382,952	(6,580)	-1.7%	384,425	378,479	5,946	1.5%
EPS Overtime (Note 6a)	932	1,448	(516)	-55.4%	9,933	10,325	(392)	-3.9%	10,145	15,938	(5,793)	-57.1%
External Overtime (Note 6b)	101	78	23	22.7%	407	924	(517)	-127.0%	407	481	(74)	-18.2%
	35,702	37,006	(1,304)	-3.7%	386,712	394,201	(7,489)	-1.9%	394,977	394,898	79	0.0%
<b>Non-Personnel</b>												
Furniture, equipment, IT, materials and supplies (Note 7)	1,637	2,533	(896)	-54.7%	19,137	19,601	(464)	-2.4%	21,390	21,908	(518)	-2.4%
Contracts and services (Note 8)	5,744	6,247	(503)	-8.8%	30,424	26,677	3,747	12.3%	29,222	28,359	863	3.0%
Vehicles (Note 9)	687	753	(66)	-9.6%	8,661	8,698	(37)	-0.4%	8,600	8,979	(379)	-4.4%
Facilities (Note 10)	4,173	2,703	1,470	35.2%	22,705	19,976	2,729	12.0%	24,337	20,693	3,644	15.0%
Other Expenditures (Note 11)	6,766	10,118	(3,352)	-49.5%	21,193	19,753	1,440	6.8%	10,101	9,246	855	8.5%
	19,007	22,354	(3,347)	-17.6%	102,120	94,705	7,415	7.3%	93,650	89,185	4,465	4.8%
<b>Total Expense</b>	<b>54,709</b>	<b>59,360</b>	<b>(4,651)</b>	<b>-8.5%</b>	<b>488,832</b>	<b>488,906</b>	<b>(74)</b>	<b>0.4%</b>	<b>488,627</b>	<b>484,083</b>	<b>4,544</b>	<b>0.9%</b>
<b>Position before Adjustments</b>	<b>24,645</b>	<b>28,506</b>	<b>(3,861)</b>	<b>-15.7%</b>	<b>388,618</b>	<b>396,007</b>	<b>(7,389)</b>	<b>-1.5%</b>	<b>390,332</b>	<b>387,125</b>	<b>3,207</b>	<b>0.8%</b>
Tangible Capital Assets Budget adjustment (Note 13)												
Transfer to/(from) EPS Reserve (Note 14)						(7,389)	7,389			3,207	(3,207)	
<b>Net Position</b>	<b>\$ 24,645</b>	<b>\$ 28,506</b>	<b>\$ (3,861)</b>	<b>-15.7%</b>	<b>\$ 388,618</b>	<b>\$ 388,618</b>	<b>\$ -</b>	<b>-1.5%</b>	<b>\$ 390,332</b>	<b>\$ 390,332</b>	<b>\$ -</b>	<b>0.0%</b>

Other Revenue includes fines (Gaming and Liquor, Other Bylaw Violations), sales of unclaimed goods, and revenue due from Public Safety Canada (PSC) for 2022 Papal Visit.

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

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

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.

**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.

Quarterly transfers from the OTS and the final payment was received in October.

**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.

Over budget due to additional E911 Grant revenues recognized, receipt of the Drug Impairment Training program, and HealthIM and HELP program Grants.



#### 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.

Slightly under budget due to decreased demand for Tow Lot and PICS revenue, which is offset by decreased contracts and services. This is partially offset by increased revenue for support provided during the Papal Visit.

#### 5. Salary and Benefits

Wages and Benefits for all EPS employees based on collective bargaining agreements. All agreements are unsettled from the start of 2021; the Edmonton Police Association (EPA), the Senior Officers Association (SOA), and Civic Service Union 52 (CSU 52)

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.

Under budget due to an increase in vacation taken, higher than expected attrition and vacancies, and lower court time. This is offset by unfavorable overtime.

The sworn member attrition position for the year is:

Attrition	December	Full Year
Original Projection	5	60
Actual	5	97

As of December 14, 2022, fifty sworn members have tendered their resignation and forty-seven announced their retirement, for an attrition total of ninety-seven.

**6a. EPS Overtime**

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

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, NHL playoffs and the 2022 Papal Visit, which is offset by increased revenue due from PSC.

**6b. External Overtime**

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

Slightly over budget.

**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.

Over budget due to HealthIM expenses, which are partially offset by grant revenues.

**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 Psychological Counseling.

Under budget due to less demand for PICS and Tow Lot services which are offset by lower revenues. This is partially offset by the costs incurred during the 2022 Papal visit which will be recovered through revenue due from PSC.

**9. Vehicle Costs**

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

Over budget due to increased fuel and vehicle maintenance expenses.

## 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.

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

Under budget due to less vehicle insurance premiums allocated from the City of Edmonton.

## 12. Tangible Capital Assets

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

## 13. Transfer to/from EPS Reserve

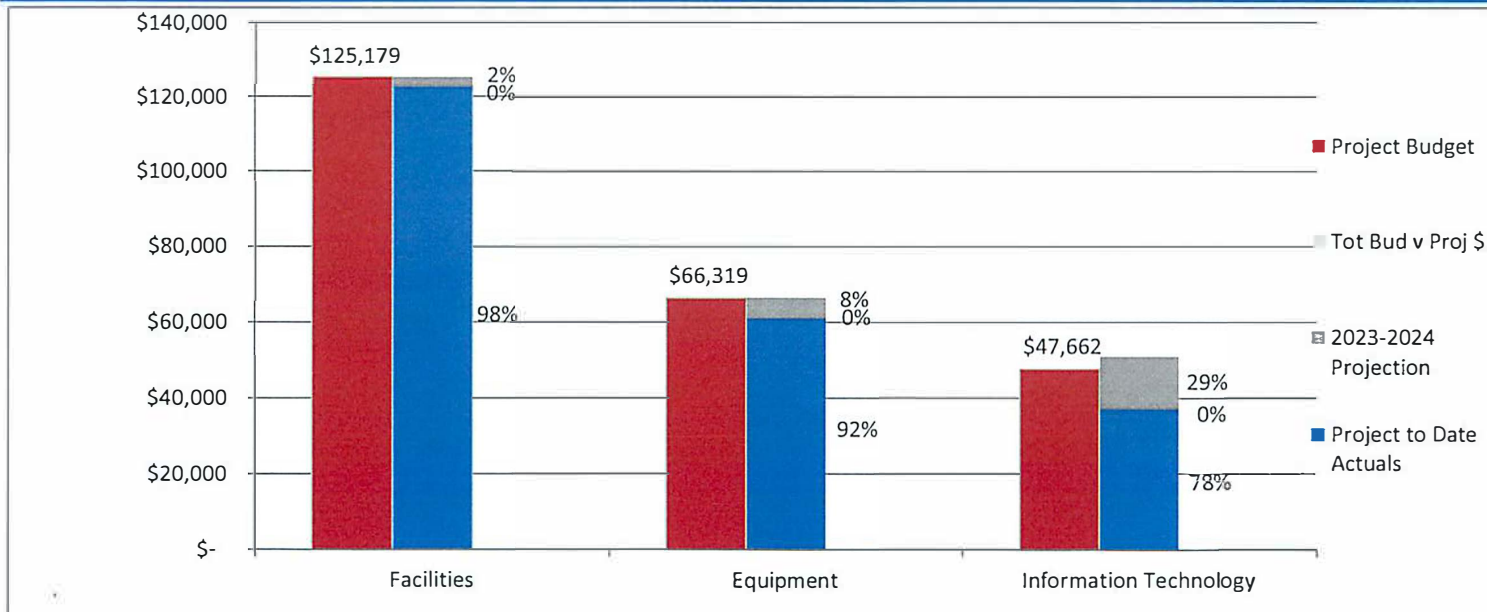
On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three 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, 2022 is a surplus of \$0.312 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
- 2022 \$3.207 million

Edmonton Police Service  
Capital Budget Performance  
Financial Report for the Period Ending December 31, 2022  
(\$000's)

Profile Category	2022 Actuals	Project To Date Actuals	2023-2024 Projection	Total Projection	Approved Budget Prior Years	2022 Approved Budget	2023-2024 Approved Budget	Total Approved Budget	Total Bud vs Proj \$
Facilities (Note 1)	\$ 738	\$ 122,675	\$ 2,504	\$ 125,179	\$ 121,937	\$ 3,242	\$ -	\$ 125,179	\$ -
Equipment (Note 2)	\$ 11,628	\$ 61,011	\$ 5,470	\$ 66,482	\$ 49,383	\$ 16,935	\$ -	\$ 66,319	\$ (163)
Information Technology (Note 3)	\$ 9,740	\$ 37,132	\$ 13,779	\$ 50,914	\$ 27,393	\$ 16,099	\$ 4,170	\$ 47,662	\$ (3,252)
	<b>\$ 22,106</b>	<b>\$ 220,818</b>	<b>\$ 21,753</b>	<b>\$ 242,575</b>	<b>\$ 198,713</b>	<b>\$ 36,276</b>	<b>\$ 4,170</b>	<b>\$ 239,160</b>	<b>\$ (3,415)</b>



\* The 2022 budget includes the Yearend Administrative Capital Budget Adjustments.

**Edmonton Police Service  
Capital Budget Performance  
Financial Report for the Period Ending December 31, 2022**

**1 Facilities**

- There is additional equipment modifications to be completed in 2023. Budget of \$2.504 million will be carried forward to 2023 and 2024 for legal fees, holdbacks and equipment modifications. The legal arbitration hearing is set for Q2 2024.

**2 Equipment**

- The Emergency Communication Centre IP Call Handling Project has been completed. The overspend of \$0.048 million in this project and \$0.115 million in Security Equipment Life Cycle will be offset from the IT Infrastructure – Sustainment profile during the 2023 Spring Supplemental Budget Adjustment (SCBA). These profiles will be combined with IT Infrastructure - Sustainment profile during 2023-2026.
- Delivery of vehicle orders are delayed due to parts shortages and manufacturing shutdowns. Budget of \$4.676 million will be carried forward to 2023 for the delivery of the remaining vehicles and fit up.
- The In-Car Video timeline for completion of proof of concept for the pilot project has been extended and budget of \$0.044 million will be carried forward to 2023 for completion in Q1.
- The design phase of the Automated Fingerprint Identification System work is extended to Q1 2023. Budget of \$0.541 million will be carried over to 2023 for the implementation of the solution in Q3.

**3 Information Technology**

- Application Enhancement major expenditures include Administrative Penalty Information System (APIS) Adoption, Facial Recognition and Implement Video Management Foundations. There is a yearend administrative adjustment to transfer \$0.402 million to operating from IT Applications-Sustainment for software-as-a-service expenditures that are considered operating in nature.
- Infrastructure Sustainment expenditures include expenditures for Third Data Centre project. There is a yearend administrative adjustment to transfer \$0.327 million to operating for expenditures considered operating in nature. Due to global supply chain issues, delivery for remaining hardware orders will be received in 2023.
- Remaining budget within Police IT Systems of \$2.996 million will be carried forward to 2023 for committed network and wireless equipment and for the Hewlett Packard Enterprises Greenlake infrastructure storage and backup hardware solution. Budget of \$0.312 million for IT Applications–Enhancement will offset the overspend of \$0.238 million for IT Applications–Sustainment. The overspend of \$0.048 million in Radio Life Cycle and \$0.115 million in Security Equipment Life Cycle will be offset from the IT Infrastructure – Sustainment which will be adjusted during the 2023 Spring SCBA.
- Enterprise Commons Go-Live date has been extended to Q3 2024. There is a yearend administrative budget adjustment to transfer \$2.395 million from capital to operating as the expenditures relate to software-as-a-service solution. Budget of \$1.460 million will be carried over to 2023 and is expected that an additional \$3.415 million will be required for completion of the project.
- CAD-RMS Integration, Modernization & Maximization (CRIMM) expenditures to date are information technology and business resources. Phase I is expected to be completed Q2 2023 and project completion is expected by Q4 2023. Budget of \$1.903 million will be carried over to 2023.

**Enterprise and Utility Operations**  
**Year-to-Date Results and Year-End Projections**  
**December 31, 2022**  
(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 \$1,000. Variances below this amount are not specifically addressed.

**Waste Services**

Waste Services - Year End Results							
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$		%
Revenue	218,966	-	218,966	220,194	1,228	●	0.6
Expense	202,271	-	202,271	200,612	1,659	●	0.8
Net Position	16,695	-	16,695	19,582	2,887	●	<b>17.3</b>

**Net Position Budget Variance - Details**

Year-End Variance (in millions \$)	Variance Explanations
<b>Revenue</b>	
1.6	Increased investment earnings due to higher interest rates.
(2.0)	Lower Single Unit Utility Rate Revenue due to a decrease in billing volume in 2022.
<b>Expenses</b>	
5.4	Favourable contract costs due to savings in contracted landfill due to less volume being hauled to landfill, and lower contracted waste curbside collection costs as more waste is being collected by City of Edmonton staff than by contractors.
3.4	Lower personnel costs due to seasonal and operational vacancies.
1.6	Lower consulting costs due to Ground Water Disturbance (GWDS) project delays as Waste awaits Alberta Environmental and Park (AEP) approval to move forward, and general savings in marketing costs as work was completed in-house.
1.5	Favourable fleet costs due to lower fuel consumption from less volume being hauled to landfill. Also, fleet upgrades have resulted in less damage and abnormal repairs.
(7.2)	Increase to valuation of the Post Closure Liability for the Clover Bar Landfill. This is primarily due to higher than previously anticipated costs required to construct the Class II landfill, slurry wall, and leachate system as well as new scope of work to provide riverbank fortification.
(1.4)	Other net cumulative variances across Waste Services.
<b>2.9</b>	<b>Total Net Position Budget Variance - Waste Services</b>
<b>17.3%</b>	<b>Total Net Position Budget Variance Percentage</b>

Note: Expenses are shown net of internal recoveries, unless recoveries are disclosed separately.

## Land Enterprise

Land Enterprise - Year End Results							
	COVID-19		Adjusted Budget	Actual	Variance \$		%
	Budget	Budget Adjustments					
Revenue	26,483	-	26,483	26,973	490	●	1.9
Expense	20,787	-	20,787	15,982	4,805	●	23.1
Net Position	5,696	-	5,696	10,991	5,295	●	<b>93.0</b>

### Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
4.5	Favourable budget variance due to lower than budgeted cost of land for land sales
0.8	Other net cumulative variances across Land Enterprise.
<b>5.3</b>	<b>Total Net Position Budget Variance - Land Enterprise</b>
<b>93.0%</b>	<b>Total Net Position Budget Variance Percentage</b>

## Blatchford Redevelopment

Blatchford Redevelopment - Year End Results							
	COVID-19		Adjusted Budget	Actual	Variance \$		%
	Budget	Budget Adjustments					
Revenue	28,785	-	28,785	15,059	(13,726)	●	(47.7)
Expense	30,788	-	30,788	14,759	16,029	●	52.1
Net Position	(2,003)	-	(2,003)	300	2,303	●	<b>115.0</b>

### Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
1.1	Lower land sales revenue net of related cost of land due to delayed sales as a result of market conditions.
1.2	Other net cumulative variances across Blatchford Redevelopment.
<b>2.3</b>	<b>Total Net Position Budget Variance - Blatchford Redevelopment</b>
<b>115.0%</b>	<b>Total Net Position Budget Variance Percentage</b>

## Blatchford Renewable Energy Utility

Blatchford Renewable Energy Utility - Year End Results							
	COVID-19		Adjusted Budget	Actual	Variance \$		%
	Budget	Budget Adjustments					
Revenue	173	-	173	120	(53)	●	(30.6)
Expense	2,305	-	2,305	1,910	395	●	17.1
Net Position	(2,132)	-	(2,132)	(1,790)	342	●	<b>16.0</b>

Year-end - No significant variances to report.

## Community Revitalization Levy Operations Year-to-Date Results and Year-End Projections

December 31, 2022

(in \$000's)

- Favourable budget variance,  $\geq 0\%$
- 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 \$1,000. Variances below this amount are not specifically addressed.*

### Belvedere Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	5,896	1,623	(4,273)	● (72.5)
Expense	6,829	2,627	4,202	● 61.5
Net Income /(Deficit)	(933)	(1,004)	(71)	● (7.6)
Transfer (to) /from Reserve	933	1,004	71	● 7.6
Net Position	-	-	-	● -

#### Year-end

*Revenue* - Lower sales revenue due to lack of market demand on area lands, partially as a result of rising interest rates.

*Expense* - Lower cost of land sold due to lack of market demand on area lands, partially as a result of rising interest rates.

### Capital City Downtown Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	29,455	29,453	(2)	● (0.0)
Expense	31,170	27,930	3,240	● 10.4
Net Income /(Deficit)	(1,715)	1,523	3,238	● 188.8
Transfer (to) /from Reserve	1,715	(1,523)	(3,238)	● (188.8)
Net Position	-	-	-	● -

#### Year-end

*Revenue* - No significant variances to report.

*Expense* - Lower debt servicing and external costs due to timing of underlying capital projects as well as lower tax appeal losses. This is fully offset by a lower reserve transfer.



<b>Quarters Community Revitalization Levy</b>
-----------------------------------------------

	<b>Year-End</b>			
	Budget	Actual	Variance \$	%
Revenue	5,077	5,264	187	3.7
Expense	7,468	7,466	2	0.0
Net Income /(Deficit)	(2,391)	(2,202)	189	7.9
Transfer (to) /from Reserve	2,391	2,190	(201)	(8.4)
Net Position	(0)	(12)	(12)	(120.0)

	Budget	Actual	Variance \$		%
Revenue	5,077	5,264	187	●	3.7
Expense	7,468	7,466	2	●	0.0
Net Income /(Deficit)	(2,391)	(2,202)	189	●	7.9
Transfer (to) /from Reserve	2,391	2,190	(201)	●	(8.4)
Net Position	(0)	(12)	(12)	●	(120.0)

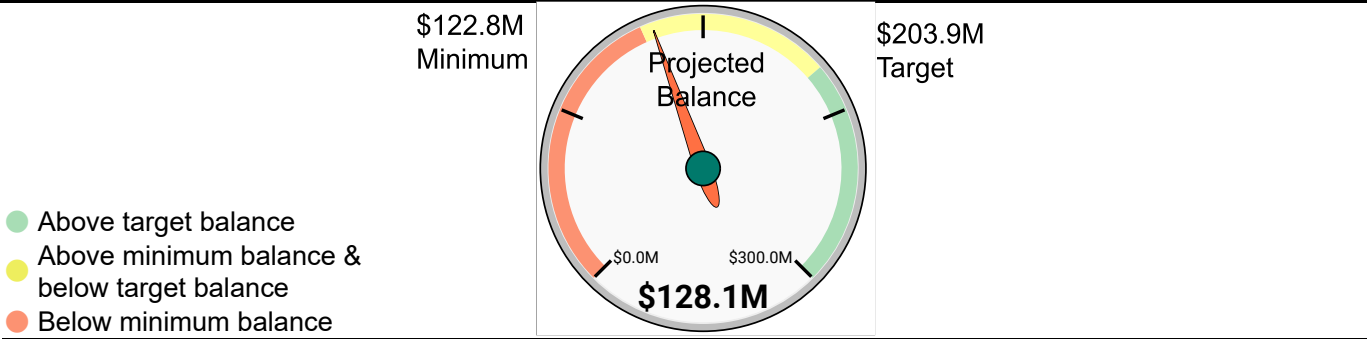
**Year-end** - No significant variances to report.

	<b>Belvedere 2013-2032</b>	<b>Capital City Downtown 2015-2034</b>	<b>Quarters 2012-2031</b>
Reserve Balance, December 31, 2022	(\$15,209)	(\$10,247)	(\$16,401)
Revised year the CRL is projected to have an annual positive surplus	2028	2028	2027
Year reserve is sufficient to cover remaining debt servicing	2036	2034	2033

Administration will continue to adjust the long-term assumptions for assessment growth based on new market information on an annual basis. The latest annual update report will be presented to City Council on April 4, 2023, Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere report UPE01583.

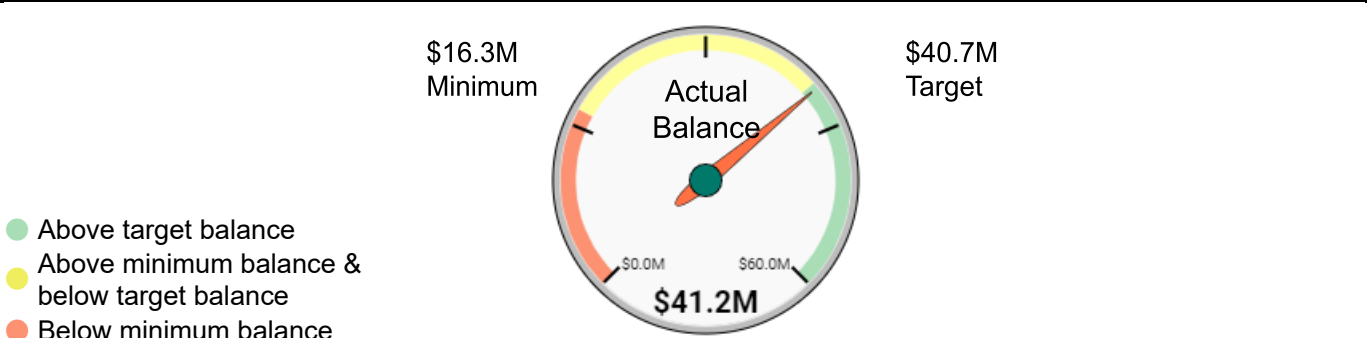
**Reserves Update**  
**December 31, 2022**  
 (in \$000's)

**Financial Stabilization Reserve**



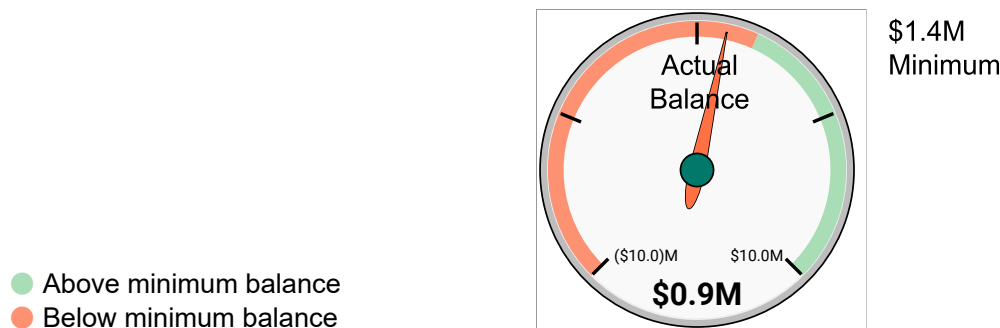
As outlined in City Policy C629, the *Financial Stabilization Reserve (FSR)* is an uncommitted Reserve account established for the purpose of providing funding to address significant emergent financial issues. The projected balance includes the 2022 preliminary tax-levy surplus, year-end carryforward recommendations, and Council decisions to fund initiatives from the reserve, including funding from the FSR in the 2023 - 2026 Budget. The projected FSR balance is further outlined in Attachment 2. The minimum and target balances are calculated as 5% and 8.3% of general government expenses, excluding non-cash amortization, loss or gain on asset disposal, and impairment of assets, as reflected in the most recent audited City financial statements. The balances are based on preliminary year-end tax-supported results, and are subject to change upon finalization of the City's consolidated financial statements, which will be presented to Audit Committee on April 21, 2023, and provided to City Council for approval on April 25, 2023.

**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 December 31, 2022 year-end reserve balance of \$41.2 million (75.9% of budgeted expenditures) is above its minimum required balance of \$16.3 million for 2022. Expected 2023 permit activity slowdown will result in lower revenues. Expenditures should be slightly higher than 2022 levels to help with permit backlogs while providing similar service levels. The reserve is anticipated to continue to align with Policy C610 - the *Fiscal Policy for the Planning and Development Business*.

## Traffic Safety and Automated Enforcement Reserve (TSAER)



The purpose of the reserve is to address the revenue variability unique to automated traffic enforcement. For the 2019-2022 budget, 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 December 31, 2022 year-end balance of the reserve is \$0.9 million, which is below its minimum required balance of \$1.4 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.

Through the 2023-2026 budget Council approved increased tax-levy funding to the reserve to fund traffic safety initiatives as well as maintaining a balance in the reserve above the minimum required by policy. Furthermore, the 2023-2026 budget no longer allocates funding to the Traffic Safety Section of Edmonton Police Services from the reserve. Commencing with the 2023-2026 budget, Edmonton Police Service will be funded with tax levy rather than a transfer from the Traffic Safety and Automated Enforcement Reserve.

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**  
**December 31, 2022**  
(\$ millions)

	2022		
	Approved Budget <sup>1</sup>	Year-to-Date Actual (December 31)	Budget Variance
Transfers to the Reserve:			
Automated enforcement revenues	35.6	29.9	(5.7)
	<b>35.6</b>	<b>29.9</b>	<b>(5.7)</b>
Funding from the reserve:			
<i>Operating:</i>			
Edmonton Police Service	(22.3)	(22.3)	0.0
Traffic Safety section	(10.3)	(8.8)	(1.5)
Road Safety Strategy - Public Engagement (Marketing)	(0.7)	(0.2)	(0.5)
	<b>(33.3)</b>	<b>(31.3)</b>	<b>(2.0)</b>
<i>Capital:</i>			
Safe Crossings ( <i>previously Crosswalk Safety</i> ) (CM-66-2585)	(4.4)	(3.5)	(0.9)
School Safety (CM-66-2590)	(1.8)	(0.6)	(1.2)
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(1.3)	(0.3)	(1.0)
Community Activation Programming (CM-66-2596)	(0.5)	(0.3)	(0.2)
Speed Limit Reduction (CM-66-2580)	(0.4)	(0.2)	(0.2)
2020 Street Safety Priorities (CM-66-2595)	(0.1)	(0.1)	-
Community Traffic Safety Countermeasures (CM-66-2555)	-	(0.1)	0.1
	<b>(8.5)</b>	<b>(5.1)</b>	<b>(3.4)</b>
Total funding from the reserve	<b>(41.8)</b>	<b>(36.4)</b>	<b>(5.4)</b>
<b>Annual Surplus/(Deficit)</b>	<b>(6.2)</b>	<b>(6.5)</b>	
Opening Reserve Balance	7.4	7.4	
<b>Closing Reserve balance (Cumulative) <sup>2</sup></b>	<b>1.2</b>	<b>0.9</b>	
Minimum reserve balance - 5% of budgeted revenues	1.8	1.4	
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.
- 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.




Through the 2023-2026 budget Council approved increased tax-levy funding to the reserve to fund traffic safety initiatives as well as maintaining a balance in the reserve above the minimum required by policy. Furthermore, the 2023-2026 budget no longer allocates funding to the Traffic Safety Section of Edmonton Police Services from the reserve. Commencing with the 2023-2026 budget, Edmonton Police Service will be funded with tax levy rather than a transfer from the Traffic Safety and Automated Enforcement Reserve.




























**Tax-Supported Operations - December 31, 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)					
		Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b><u>Community Services</u></b>							
Community Recreation And Culture	Revenue	70,136	(12,965)	57,171	65,050	7,879 ●	13.8
	Expense	140,126	(1,527)	138,599	133,317	5,282 ●	3.8
	<b>Net Position</b>	<b>(69,990)</b>	<b>(11,438)</b>	<b>(81,428)</b>	<b>(68,267)</b>	<b>13,161 ●</b>	<b>16.2</b>
Community Standards and Neighbourhoods	Revenue	9,996	-	9,996	7,353	(2,643) ●	(26.4)
	Expense	50,209	-	50,209	48,395	1,814 ●	3.6
	<b>Net Position</b>	<b>(40,213)</b>	<b>-</b>	<b>(40,213)</b>	<b>(41,042)</b>	<b>(829) ●</b>	<b>(2.1)</b>
Social Development	Revenue	82,127	-	82,127	54,760	(27,367) ●	(33.3)
	Expense	128,481	1,400	129,881	94,304	35,577 ●	27.4
	<b>Net Position</b>	<b>(46,354)</b>	<b>(1,400)</b>	<b>(47,754)</b>	<b>(39,544)</b>	<b>8,210 ●</b>	<b>17.2</b>
<b><u>Community Services</u></b>							
	Revenue	162,259	(12,965)	149,294	127,163	(22,131) ●	(14.8)
	Expense	317,816	873	318,689	276,016	42,673 ●	13.4
	<b>Net Position</b>	<b>(155,557)</b>	<b>(13,838)</b>	<b>(169,395)</b>	<b>(148,853)</b>	<b>20,542 ●</b>	<b>12.1</b>
<b><u>City Operations</u></b>							
Edmonton Transit	Revenue	163,794	(53,716)	110,078	96,989	(13,089) ●	(11.9)
	Expense	399,265	5,965	405,230	385,296	19,934 ●	4.9
	<b>Net Position</b>	<b>(235,471)</b>	<b>(59,681)</b>	<b>(295,152)</b>	<b>(288,307)</b>	<b>6,845 ●</b>	<b>2.3</b>
Fleet and Facility Services	Revenue	4,813	-	4,813	8,660	3,847 ●	79.9
	Expense	58,314	500	58,814	70,509	(11,695) ●	(19.9)
	<b>Net Position</b>	<b>(53,501)</b>	<b>(500)</b>	<b>(54,001)</b>	<b>(61,849)</b>	<b>(7,848) ●</b>	<b>(14.5)</b>
Parks and Road Services	Revenue	48,910	(11,264)	37,646	36,419	(1,227) ●	(3.3)
	Expense	183,139	3,635	186,774	191,819	(5,045) ●	(2.7)
	<b>Net Position</b>	<b>(134,229)</b>	<b>(14,899)</b>	<b>(149,128)</b>	<b>(155,400)</b>	<b>(6,272) ●</b>	<b>(4.2)</b>
Snow and Ice Control	Revenue	23,108	-	23,108	22,964	(144) ●	(0.6)
	Expense	79,474	-	79,474	97,571	(18,097) ●	(22.8)
	<b>Net Position</b>	<b>(56,366)</b>	<b>-</b>	<b>(56,366)</b>	<b>(74,607)</b>	<b>(18,241) ●</b>	<b>(32.4)</b>
<b><u>City Operations</u></b>							
	Revenue	240,625	(64,980)	175,645	165,032	(10,613) ●	(6.0)
	Expense	720,192	10,100	730,292	745,195	(14,903) ●	(2.0)
	<b>Net Position</b>	<b>(479,567)</b>	<b>(75,080)</b>	<b>(554,647)</b>	<b>(580,163)</b>	<b>(25,516) ●</b>	<b>(4.6)</b>

**Tax-Supported Operations - December 31, 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)				
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%	
<b>Communications and Engagement</b>							
Relationships and Customer Access	Revenue	866	-	866	366	(500) 	(57.7)
	Expense	20,415	-	20,415	18,352	2,063 	10.1
	Net Position	(19,549)	-	(19,549)	(17,986)	1,563 	8.0
Reputation and Brand	Revenue	848	-	848	305	(543) 	(64.0)
	Expense	7,884	-	7,884	7,131	753 	9.6
	Net Position	(7,036)	-	(7,036)	(6,826)	210 	3.0
Research, Engagement and Communications	Revenue	829	-	829	399	(430) 	(51.9)
	Expense	8,372	-	8,372	7,654	718 	8.6
	Net Position	(7,543)	-	(7,543)	(7,255)	288 	3.8
<b>Communications and Engagement</b>	Revenue	2,543	-	2,543	1,070	(1,473) 	(57.9)
	Expense	36,671	-	36,671	33,137	3,534 	9.6
	Net Position	(34,128)	-	(34,128)	(32,067)	2,061 	6.0
<b>Employee Services</b>							
Workforce Safety and Employee Health	Revenue	35	-	35	35	- 	-
	Expense	6,631	-	6,631	6,856	(225) 	(3.4)
	Net Position	(6,596)	-	(6,596)	(6,821)	(225) 	(3.4)
Talent Acquisition, Service and Solutions	Revenue	90	-	90	92	2 	2.2
	Expense	13,670	-	13,670	12,294	1,376 	10.1
	Net Position	(13,580)	-	(13,580)	(12,202)	1,378 	10.1
HR Strategic Services, Learning & Organization Development	Revenue	57	-	57	57	- 	-
	Expense	4,977	-	4,977	4,566	411 	8.3
	Net Position	(4,920)	-	(4,920)	(4,509)	411 	8.4
Employee Relations and Compensation	Revenue	29	-	29	29	- 	-
	Expense	4,546	-	4,546	4,733	(187) 	(4.1)
	Net Position	(4,517)	-	(4,517)	(4,704)	(187) 	(4.1)
<b>Employee Services</b>	Revenue	211	-	211	213	2 	0.9
	Expense	29,824	-	29,824	28,449	1,375 	4.6
	Net Position	(29,613)	-	(29,613)	(28,236)	1,377 	4.6

**Tax-Supported Operations - December 31, 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)			
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b>Financial and Corporate Services</b>						
Assessment and Taxation						
Revenue	-	-	-	-	-	●
Expense	18,040	-	18,040	17,208	832	●
Net Position	(18,040)	-	(18,040)	(17,208)	832	●
Corporate Procurement and Supply Services						
Revenue	646	-	646	775	129	●
Expense	13,089	1,500	14,589	13,746	843	●
Net Position	(12,443)	(1,500)	(13,943)	(12,971)	972	●
Enterprise Commons						
Revenue	-	-	-	-	-	●
Expense	14,525	-	14,525	15,389	(864)	●
Net Position	(14,525)	-	(14,525)	(15,389)	(864)	●
Financial Services						
Revenue	2,513	-	2,513	1,460	(1,053)	●
Expense	20,589	-	20,589	19,708	881	●
Net Position	(18,076)	-	(18,076)	(18,248)	(172)	●
Open City and Technology						
Revenue	1,249	-	1,249	1,409	160	●
Expense	48,493	1,939	50,432	48,780	1,652	●
Net Position	(47,244)	(1,939)	(49,183)	(47,371)	1,812	●
Real Estate						
Revenue	8,597	-	8,597	6,976	(1,621)	●
Expense	38,431	-	38,431	36,255	2,176	●
Net Position	(29,834)	-	(29,834)	(29,279)	555	●
Service Innovation and Performance						
Revenue	230	-	230	160	(70)	●
Expense	12,974	-	12,974	13,723	(749)	●
Net Position	(12,744)	-	(12,744)	(13,563)	(819)	●
<b>Financial and Corporate Services</b>						
Revenue	13,235	-	13,235	10,780	(2,455)	●
Expense	166,141	3,439	169,580	164,809	4,771	●
Net Position	(152,906)	(3,439)	(156,345)	(154,029)	2,316	●



**Tax-Supported Operations - December 31, 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)			
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b><u>Integrated Infrastructure Services</u></b>						
Building Great Neighbourhoods						
Revenue	-	-	-	-	-	●
Expense	2,366	-	2,366	2,443	(77)	●
Net Position	(2,366)	-	(2,366)	(2,443)	(77)	●
Infrastructure Delivery						
Revenue	887	-	887	735	(152)	●
Expense	7,718	-	7,718	3,990	3,728	●
Net Position	(6,831)	-	(6,831)	(3,255)	3,576	●
Infrastructure Planning and Design						
Revenue	3,116	-	3,116	84	(3,032)	●
Expense	11,754	-	11,754	12,247	(493)	●
Net Position	(8,638)	-	(8,638)	(12,163)	(3,525)	●
LRT Expansion and Renewal						
Revenue	455	-	455	692	237	●
Expense	1,110	-	1,110	1,251	(141)	●
Net Position	(655)	-	(655)	(559)	96	●
Blatchford Redevelopment Office						
Revenue	-	-	-	-	-	●
Expense	173	-	173	109	64	●
Net Position	(173)	-	(173)	(109)	64	●
<b><u>Integrated Infrastructure Services</u></b>						
Revenue	4,458	-	4,458	1,511	(2,947)	●
Expense	23,121	-	23,121	20,040	3,081	●
Net Position	(18,663)	-	(18,663)	(18,529)	134	●
<b><u>Urban Planning and Economy</u></b>						
Planning and Environment Services						
Revenue	38,662	-	38,662	38,193	(469)	●
Expense	72,195	-	72,195	69,140	3,055	●
Net Position	(33,533)	-	(33,533)	(30,947)	2,586	●
Development Services						
Revenue	78,179	-	78,179	73,919	(4,260)	●
Net transfer to/(from) P&D Reserve	3,840	-	3,840	12,739	(8,899)	●
Expense	79,579	-	79,579	66,634	12,945	●
Net Position	(75,739)	-	(5,240)	(5,454)	(214)	●
Economic Investment Services						
Revenue	21,638	-	21,638	12,641	(8,997)	●
Expense	33,934	-	33,934	22,840	11,094	●
Net Position	(12,296)	-	(12,296)	(10,199)	2,097	●
<b><u>Urban Planning and Economy</u></b>						
Revenue	138,479	-	138,479	124,753	(13,726)	●
Expense	189,548	-	189,548	171,353	18,195	●
Net Position	(51,069)	-	(51,069)	(46,600)	4,469	●

**Tax-Supported Operations - December 31, 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)			
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b>Office of the City Manager</b>						
City Manager						
Revenue	-	-	-	-	-	●
Expense	5,954	-	5,954	4,501	1,453	●
Net Position	(5,954)	-	(5,954)	(4,501)	1,453	●
Office of the City Clerk						
Revenue	733	-	733	800	67	●
Expense	14,159	-	14,159	13,750	409	●
Net Position	(13,426)	-	(13,426)	(12,950)	476	●
Fire Rescue Services						
Revenue	1,517	-	1,517	2,797	1,280	●
Expense	224,589	1,000	225,589	224,597	992	●
Net Position	(223,072)	(1,000)	(224,072)	(221,800)	2,272	●
Legal Services						
Revenue	437	-	437	442	5	●
Expense	12,080	-	12,080	11,831	249	●
Net Position	(11,643)	-	(11,643)	(11,389)	254	●
<b>Office of the City Manager</b>						
Revenue	2,687	-	2,687	4,039	1,352	●
Expense	257,782	-	257,782	254,679	3,103	●
Net Position	(255,095)	-	(255,095)	(250,640)	4,455	●
<b>Mayor and Councillor Offices</b>						
Revenue	-	-	-	-	-	●
Expense	7,014	-	7,014	6,390	624	●
Net Position	(7,014)	-	(7,014)	(6,390)	624	●
<b>Office of the City Auditor</b>						
Revenue	-	-	-	-	-	●
Expense	2,855	-	2,855	2,765	90	●
Net Position	(2,855)	-	(2,855)	(2,765)	90	●
<b>Boards and Authorities</b>						
Revenue	16,371	-	16,371	9,509	(6,862)	●
Expense	129,659	-	129,659	122,554	7,105	●
Net Position	(113,288)	-	(113,288)	(113,045)	243	●
<b>Sub-Total</b>						
Revenue	580,868	(77,945)	502,923	444,070	(58,853)	●
Expense	1,880,623	14,412	1,895,035	1,825,387	69,648	●
Net Position	(1,299,755)	(92,357)	(1,392,112)	(1,381,317)	10,795	●
<b>Department Programs</b>						
Revenue						
Expense						
Net Position						

**Tax-Supported Operations - December 31, 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)					
		Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b>Corporate Programs</b>							
Capital Project Financing	Revenue	240,834	-	240,834	243,976	3,142	● 1.3
	Expense	414,666	-	414,666	417,296	(2,630)	● (0.6)
	<b>Net Position</b>	<b>(173,832)</b>	<b>-</b>	<b>(173,832)</b>	<b>(173,320)</b>	<b>512</b>	<b>● 0.3</b>
Corporate Expenses	Revenue	2,507	-	2,507	2,488	(19)	● (0.8)
	Expense	126,451	(27,258)	99,193	43,732	55,461	● 55.9
	<b>Net Position</b>	<b>(123,944)</b>	<b>27,258</b>	<b>(96,686)</b>	<b>(41,244)</b>	<b>55,442</b>	<b>● 57.3</b>
Corporate Revenues	Revenue	508,624	65,399	574,023	588,939	14,916	● 2.6
	Expense	67,061	-	67,061	67,059	2	● 0.0
	<b>Net Position</b>	<b>441,563</b>	<b>65,399</b>	<b>506,962</b>	<b>521,880</b>	<b>14,918</b>	<b>● 2.9</b>
Taxation Expense	Revenue	5,300	(300)	5,000	5,647	647	● 12.9
	Expense	12,300	-	12,300	12,235	65	● 0.5
	<b>Net Position</b>	<b>(7,000)</b>	<b>(300)</b>	<b>(7,300)</b>	<b>(6,588)</b>	<b>712</b>	<b>● 9.8</b>
Taxation Revenues	Revenue	1,777,026	-	1,777,026	1,776,243	(783)	● (0.0)
	Expense	-	-	-	85	(85)	● -
	<b>Net Position</b>	<b>1,777,026</b>	<b>-</b>	<b>1,777,026</b>	<b>1,776,158</b>	<b>(868)</b>	<b>● (0.0)</b>
Traffic Safety and Automated Enforcement	Revenue	35,630	-	35,630	29,860	(5,770)	● (16.2)
	Net transfer to/(from) TSAE Reserve	35,630	-	35,630	29,860	5,770	● 16.2
	<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>● -</b>
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	-	-	-	● -
	Expense	166,626	-	166,626	166,626	-	● -
	<b>Net Position</b>	<b>(166,626)</b>	<b>-</b>	<b>(166,626)</b>	<b>(166,626)</b>	<b>-</b>	<b>● -</b>
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	-	-	-	● -
	Expense	57,100	-	57,100	57,100	-	● -
	<b>Net Position</b>	<b>(57,100)</b>	<b>-</b>	<b>(57,100)</b>	<b>(57,100)</b>	<b>-</b>	<b>● -</b>
<b>Corporate Programs</b>							
	Revenue	2,569,921	65,099	2,635,020	2,647,153	12,133	● 0.5
	Expense	879,834	(27,258)	852,576	793,993	58,583	● 6.9
	<b>Net Position</b>	<b>1,690,087</b>	<b>92,357</b>	<b>1,782,444</b>	<b>1,853,160</b>	<b>70,716</b>	<b>● 4.0</b>

## Tax-Supported Operations - December 31, 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)			
		Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
<b>Total</b>	<b>Revenue</b>	3,150,789	(12,846)	3,137,943	3,091,223	(46,720) ●	(1.5)
<b>Tax-Supported Operations</b>	<b>Expense</b>	2,760,457	(12,846)	2,747,611	2,619,380	128,231 ●	4.7
<b>(excluding Police Services)</b>	<b>Net Position</b>	390,332	-	390,332	471,843	81,511 ●	3.0
<b>Police Services</b>	Revenue	98,295	-	98,295	96,958	(1,337) ●	(1.4)
	Expense	488,627	-	488,627	484,083	4,544 ●	0.9
	Net Position	(390,332)	-	(390,332)	(387,125)	3,207 ●	0.8
	Net transfer to/(from) EPS Reserve			-	3,207	(3,207) ●	-
	Net Position	(390,332)	-	(390,332)	(390,332)	- ●	-
<b>Total</b>	<b>Revenue</b>	3,249,084	(12,846)	3,236,238	3,188,181	(48,057) ●	(1.5)
<b>Tax-Supported Operations</b>	<b>Expense</b>	3,249,084	(12,846)	3,236,238	3,106,670	129,568 ●	4.0
	<b>Net Position</b>	-	-	-	81,511	81,511	

**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	<b>COVID Budget Adjustment (Note 1)</b>	<b>Funding Strategy (Note 1)</b>	<b>Net Adjustment</b>	<b>Explanation</b>
<b>Branch</b>				
<b>Community Recreation And Culture</b>				
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)	
<b>Edmonton Transit</b>				
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)	
<b>Parks &amp; Roads Services</b>				
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)	
<b>Corporate Revenue</b>				
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	
<b>Corporate Expenditures</b>				
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	
<b>Other Branches (under \$2M adjustments)</b>				
Revenue	(300)	-	(300)	Various other cumulative adjustments.
Expense	6,339	-	6,339	
Net Position	(6,639)	-	(6,639)	
<b>Corporate Programs</b>				
Transfer from COVID FSR	-	37,400	37,400	
<b>Summary (Note 2)</b>				
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.