

OPERATING FINANCIAL UPDATE

December 31, 2023

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Supplemental Information

- Table: Tax-Supported Operations by Branch - December 31, 2023 Year-to-Date Results and Year-End Projections

Legend

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

Tax-Supported Operations
Preliminary Year-End Results
December 31, 2023
(in \$000's)

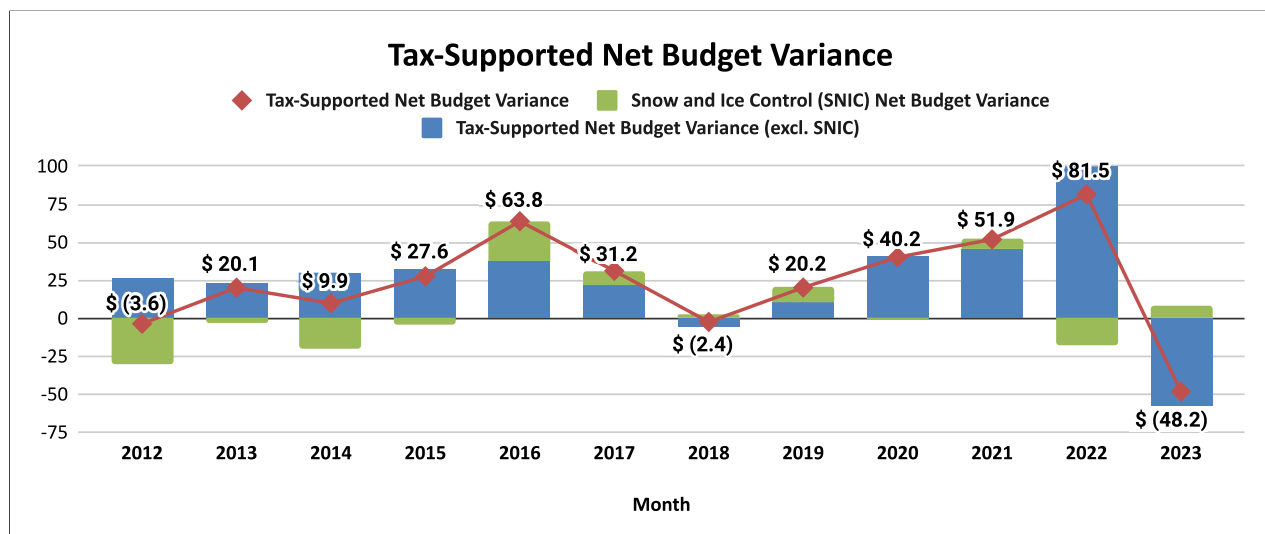
Net Position Budget Variance - Summary [Favorable/ (Unfavorable)]

Tax-Supported Operations (excluding Police Services) - Year-End					
	Budget	Actual	Variance \$		%
Revenue	3,315,940	3,238,914	(77,026)	●	(2.3)
Expense	2,893,395	2,864,582	28,813	●	1.0
Net Position	422,545	374,332	(48,213)	●	(1.7) *

* Net position percentage based on year-to-date expense budget

Police Services - Year-End					
	Budget	Actual	Variance \$		%
Revenue	78,525	85,345	6,820	●	8.7
Expense	501,070	509,304	(8,234)	●	(1.6)
Net Position	(422,545)	(423,959)	(1,414)	●	(0.3)
Net transfer to/(from)					
EPS Reserve		(1,414)	1,414	-	-
Net Position	(422,545)	(422,545)	-	●	-

Total Tax-Supported Operations - Year-End					
	Budget	Actual	Variance \$		%
Revenue	3,394,465	3,324,259	(70,206)	●	(2.1)
Expense	3,394,465	3,372,472	21,993	●	0.6
Net Position	-	(48,213)	(48,213)	●	(1.4)



Preliminary Year-End Variance - A net unfavourable year-end position of \$48.2 million is projected for tax-supported operations, equivalent to a 1.4% variance when compared to the overall expense budget. This is due to an unfavourable budget variance resulting from salary settlements, less than budgeted transit fare revenue due to shifts in fare purchasing behavior and related changes to travel patterns, higher than expected debt servicing costs due to timing of borrowing, reduced ATCO Gas Franchise fees resulting from charging lower rates to customers and warmer than anticipated weather, and increased fleet and facility services contractor and material costs. These unfavourable budget variances were partially offset with planned savings in financial strategies, higher memberships and admissions revenue as recreation and attraction facilities achieved higher than expected demand for programs and services, lower snow and ice program costs due less than forecasted snowfall from October to December, and write off and revision of City's outstanding payments and liabilities to various external parties.

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

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
(47.1)	Salary Settlements (<i>Corporate Expenditures, Corporate Programs</i>) Unfavourable budget variance resulting from salary settlements.
(11.7)	Transit Fare Revenue (<i>Edmonton Transit, City Operations</i>) Transit ridership has recovered to pre-pandemic levels for conventional bus service; however, ridership gains are still needed for paratransit and LRT service in order to achieve full ridership recovery. Transit revenue recovery takes a bit longer than ridership recovery due to shifts in fare purchasing behaviour and related changes in travel patterns. In addition, when comparing year-end 2022 to the same timeframe in 2023, fare revenue for adult, youth and Ride Transit monthly passes, youth and seniors tickets, U-Pass, and cash fares have increased.
(11.5)	Tax Supported Debt (<i>Capital Project Financing, Corporate Programs</i>) Higher than expected debt servicing costs due to timing of borrowing. More borrowing was completed earlier in the year compared to budget assumptions, resulting in higher debt servicing costs during the year.
(11.3)	Gas Franchise Fees (<i>Corporate Revenues, Corporate Programs</i>) Lower than expected franchise fee revenues as a result of lower distribution rates charged by ATCO to customers. The City collects the gas franchise fee based on delivery tariff revenues resulting from the distribution charges. Furthermore January to March, and October to December 2023 was warmer than forecasted resulting in lower actual delivery tariff and franchise fee revenue for those months compared to assumptions used in the budget.
(11.1)	Contract Costs (<i>Fleet and Facility Services, City Operations</i>) Increased contract work due to unplanned callouts including for aging infrastructure, increased vandalism, inflation pressure on contract costs, enhanced cleaning requests and more work being contracted out due to vacancies.
(6.8)	Permit Fee Revenue (<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.
(5.9)	Material Costs (<i>Fleet and Facility Services, City Operations</i>) Higher maintenance, parts and material costs due to inflationary cost pressures.
(5.5)	Safety Measures (<i>Edmonton Transit, City Operations</i>) Higher costs for additional safety measures and enhanced cleaning at transit stations and transit centres.
(3.2)	Tax Appeals (<i>Taxation Expenditures, Corporate Programs</i>) Higher than expected tax appeal losses due to an increase in the number of appeals partially due to market value increases.
(2.8)	Insurance Claims (<i>Corporate Expenditures, Corporate Programs</i>) Unfavourable insurance claims due to higher than expected property and third party claims.
(2.6)	Personal Protective Equipment (<i>Corporate Procurement and Supply Services, Financial & Corporate Services</i>) Unbudgeted costs related to the disposal of expired COVID Personal Protective Equipment (PPE).
(2.5)	WCB premiums (<i>Corporate Expenditures, Corporate Programs</i>) Unfavourable WCB premiums as result of higher than expected rate increases.
(2.2)	Public Washroom (<i>Parks and Road Services, City Operations</i>) Higher public washroom costs due to Shigella outbreak and associated response. On December 15, 2022, Alberta Health Services (AHS) formally requested the City continue providing hygiene resources until the Shigella outbreak is declared over until spring of 2024 as a preventative measure. The province has not provided funding for these additional safety measures.
2.7	Tax Penalties (<i>Corporate Revenues, Corporate Programs</i>) Greater than budgeted tax penalties due to higher than expected penalties in 2023. Arrears penalties are up by approximately 13% and current levy penalties by 2% over 2022 values.

4.4	Water Franchise Fees (<i>Corporate Revenues, Corporate Programs</i>) Greater than expected EPCOR water franchise fees due to an increase in customer growth and consumption forecasts.
5.0	Not for Profit Affordable Housing Tax Grant (<i>Corporate Expenditures, Corporate Programs</i>) Not for Profit Affordable Housing Tax Grant is a new grant program offered to property owners who provide affordable housing to citizens of which no less than 25% is allocated as affordable housing. Individual property owners are eligible for a grant of up to a maximum of \$0.25 million based on decision making criteria. This is the first year of this grant program therefore time is required to implement and establish the program as well as raise awareness with the public. As such the budgeted \$6.0 million for this grant was not fully utilized in 2023.
5.5	Grant and Subsidy Payments (<i>Economic Investment Services, Urban Planning and Economy</i>) Lower than budgeted payments due to timing of application process and grant agreement finalization, as well as delays in issuing grant and subsidy payments that are dependent on project completion including programs such as Edmonton Edge Fund, Downtown Vibrancy and the Economic Action Plan Grant. This is partially offset by funding (\$6,400) from the Financial Stabilization Reserve specifically set aside for these programs.
8.0	Outstanding Payables to Vendors (<i>Corporate Expenditures, Corporate Programs</i>) Write off and adjustments of City's outstanding payments and liabilities to various external parties.
8.7	Snow and Ice Control (<i>Snow and Ice Control, City Operations</i>) Favourable budget variance mainly due to less than forecasted snowfall from October to December resulting in reduced usage of materials, labour requirements and contracted work callouts. Labour staff were redeployed to other areas in the Parks and Roads branch that required additional resources or were able to continue work as result of the favourable weather conditions.
10.5	Memberships & Admissions Revenue (<i>Community Recreation And Culture, Community Service</i>) Higher than budgeted revenues due to recreation and attraction facilities achieving higher than expected demand for programs and services.
18.3	2023-2026 Financial Strategies (<i>Corporate Expenditures, Corporate Programs</i>) During the 2023-2026 budget deliberations the Financial Strategies expense budget was adjusted annually over the 2023-2026 time period in order to achieve the desired tax increase for 2023 to 2026. As a part of this strategy the 2023 Financial Strategies expense budget was increased by \$18.3 million and set aside to offset equivalent decreases in future years within Financial Strategies which were required to achieve the desired tax increase in those years. Budget of \$18.3 million from the Financial Strategies account is required to be carried forward to future years in order to offset equivalent decreases within the Financial Strategies account.
(16.5)	Alberta Wildfire Response Costs (<i>Fire Rescue Services, Office of the City Manager</i>) Additional costs incurred by the City in 2023 for wildfire support, including \$3.4 million additional personnel costs and \$13.1 million for materials and equipment.
16.5	Alberta Wildfire Response Reimbursement (<i>Fire Rescue Services, Office of the City Manager</i>) Expected cost recovery from the impacted communities for Alberta and Northwest Territories Wildfire assistance provided by the City of Edmonton in 2023.
12.9	Other net cumulative variances across tax-supported areas.
(48.2)	Total Net Position Budget Variance
(1.4)%	Total Net Position Budget Variance Percentage (based on expense budget)

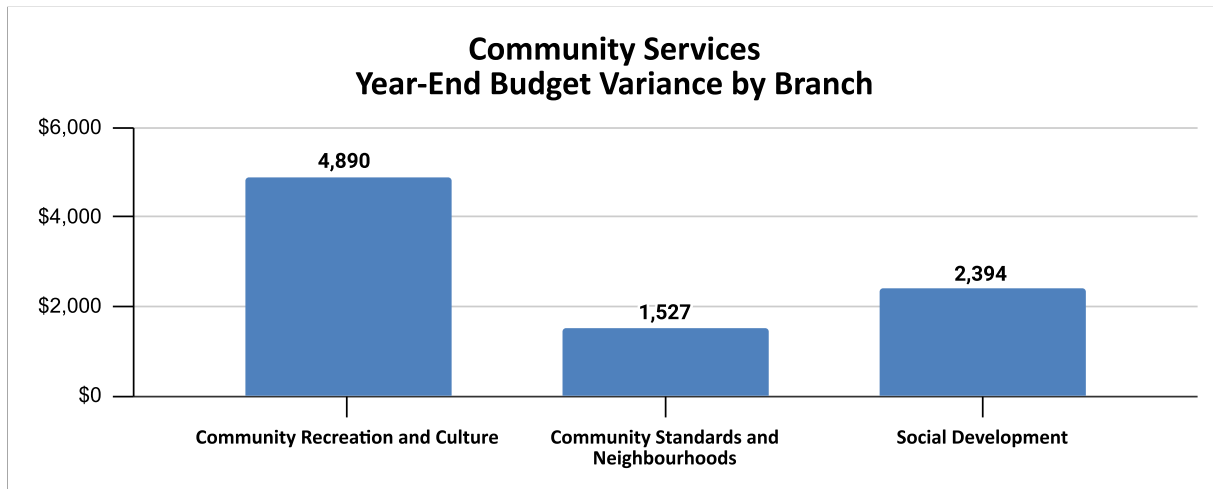
Edmonton Police Services financial results are reflected in the "Edmonton Police Service - Budget Variance for the Period Ending December 31, 2023" section of this report.

Net Position Budget Variance - by Department	
Year-End Variance (in millions \$)	Department
8.8	<i>Community Services</i>
(28.6)	<i>City Operations</i>
6.3	<i>Financial and Corporate Services</i>
2.1	<i>Integrated Infrastructure Services</i>
7.8	<i>Urban Planning and Economy</i>
(3.4)	<i>Office of the City Manager</i>
0.5	<i>Mayor and Councillor Offices</i>
0.5	<i>Office of the City Auditor</i>
0.0	<i>Boards and Authorities</i>
(42.2)	<i>Corporate Programs</i>
(48.2)	Total Net Position Budget Variance

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
(in \$000's)

Community Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	161,943	139,083	(22,860) ●	(14.1)
Expense	354,421	322,750	31,671 ●	8.9
Net Position	(192,478)	(183,667)	8,811 ●	4.6



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

Community Services - Community Recreation and Culture
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	65,254	73,185	7,931	12.2
Expense	146,492	149,533	(3,041)	(2.1)
Net Position	(81,238)	(76,348)	4,890	6.0

	Budget	Actual	Variance \$	%
Revenue	65,254	73,185	7,931	12.2
Expense	146,492	149,533	(3,041)	(2.1)
Net Position	(81,238)	(76,348)	4,890	6.0

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
10.5	Memberships & Admissions Revenue Higher than budgeted revenues due to recreation and attraction facilities achieving higher than expected demand for programs and services.
2.5	Special Events and Concert Revenue Higher than expected special events and concert revenue.
(5.9)	Project Funding - Transfer from Financial Stabilization Reserve (FSR) Projects funded by FSR were delayed/cancelled resulting in lower than budgeted transfer from FSR. This variance is fully offset by the reduced grant expenditure related to the projects.
0.8	Other net cumulative variances
7.9	Revenue Budget Variance
Expense	
5.9	Grant Funding Lower than budgeted grant payments due to project delays/cancellations, fully offset by reduced transfer from FSR.
(1.7)	Special Events and Concert Costs Higher than budgeted costs for special events and concerts.
(3.7)	Personnel Costs Higher than expected personnel costs due to increased staffing requirement to meet higher than expected attendance and demand for registered programs. This is partially offset with personnel vacancies and delays in hiring.
(3.5)	Other net cumulative variances
(3.0)	Expense Budget Variance
4.9	Total Net Position Budget Variance - Community Recreation and Culture
6.0%	<i>Total Net Position Budget Variance Percentage</i>

Community Services - Community Standards and Neighbourhoods
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	9,840	7,767	(2,073) ●	(21.1)
Expense	58,660	55,060	3,600 ●	6.1
Net Position	(48,820)	(47,293)	1,527 ●	3.1

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(2.1)	Other net cumulative variances
(2.1)	Revenue Budget Variance
Expense	
3.1	Personnel Costs Favourable budget variance due to hiring delays for new positions and leaves of absence.
0.5	Other net cumulative variances
3.6	Expense Budget Variance
1.5	Total Net Position Budget Variance - Community Standards and Neighbourhoods
3.1%	<i>Total Net Position Budget Variance Percentage</i>

Community Services - Social Development
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	86,849	58,131	(28,718) ●	(33.1)
Expense	149,269	118,157	31,112 ●	20.8
Net Position	(62,420)	(60,026)	2,394 ●	3.8

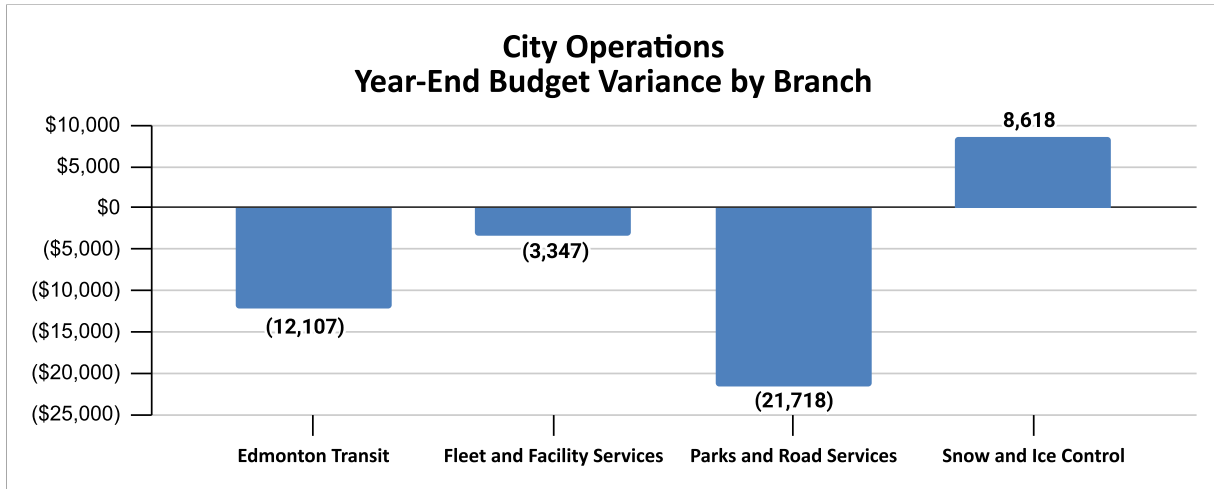
Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
	Day Services & Transit Outreach Team
(2.6)	Day Services (\$1.6 million) and Community Outreach Transit Teams (\$1.0 million) were approved for multi-year funding through the Financial Stabilization Reserve (FSR). Expenses are expected to be incurred in 2024 and 2025, with the required FSR funding to be transferred to offset expenses in each year. The lower than budgeted transfer from the FSR is offset with lower than budgeted Day Services and Transit Outreach program expenses below.
	Affordable Housing Subsidies
(13.2)	Lower than expected transfer from the Affordable Housing Reserve and use of Provincial Block Funding to pay for affordable housing subsidies related to the Rapid Housing Initiative hotel conversions (\$6.6 million), Affordable Housing Investment Program (\$5.3 million) and the Ogilvie Site Servicing Subsidy (\$1.25 million). The subsidies are not being provided as expected due to slower than anticipated construction progress by funding partners. The funding for this program is released from the Affordable Housing Reserve and deferred revenue as construction milestones are met. The lower than budgeted transfer from the Affordable Housing Reserve and deferred revenue is offset with lower than budgeted subsidy expenses below.
	CMHC Renewal Funding
(13.3)	Lower than budgeted funding recognized from Canada Mortgage and Housing Corporation (CMHC) for renewal projects with subsidies to be distributed between 2023 and 2026. This variance is fully offset by corresponding subsidy expense variance below.
0.4	Other net cumulative variances
(28.7)	Revenue Budget Variance
Expense	
	CMHC Renewal Subsidies
13.3	CMHC Renewal subsidies to be distributed between 2023 and 2026. This variance is fully offset by corresponding CMHC Renewal funding revenue variance above.
	Affordable Housing Subsidies
13.2	Subsidies for the Rapid Housing Initiative hotel conversions (\$6.6 million), Affordable Housing Investment Program (\$5.3 million) and Ogilvie Site Servicing (\$1.25 million) are lower than budgeted due to progression of construction projects by funding partners.
	Day Services & Transit Outreach Team
2.6	Expenses for Day Services (\$1.6 million) and the Transit Outreach Team (\$1.0 million) are expected to be incurred in 2024 and 2025.
2.0	Other net cumulative variances
31.1	Expense Budget Variance
2.4	Total Net Position Budget Variance - Social Development
3.8%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

City Operations

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	199,014	168,863	(30,151) ●	(15.2)
Expense	766,400	764,803	1,597 ●	0.2
Net Position	(567,386)	(595,940)	(28,554) ●	(5.0)



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

City Operations - Edmonton Transit

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	132,512	115,857	(16,655) ●	(12.6)
Expense	420,712	416,164	4,548 ●	1.1
Net Position	(288,200)	(300,307)	(12,107) ●	(4.2)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(5.4)	LRT Reserve Transfer Lower transfer from the LRT Reserve at year end due to timing of the Valley Line South East project, which is offset with lower expenses below.
(11.7)	Transit Fare Revenue Transit ridership has recovered to pre-pandemic levels for conventional bus service; however, ridership gains are still needed for paratransit and LRT service in order to achieve full ridership recovery. Transit revenue recovery takes a bit longer than ridership recovery due to shifts in fare purchasing behaviour and related changes in travel patterns. In addition, when comparing year-end 2022 to the same timeframe in 2023, fare revenue for adult, youth and Ride Transit monthly passes, youth and seniors tickets, U-Pass, and cash fares have increased.
0.4	Other net cumulative variances
(16.7)	Revenue Budget Variance
Expense	
7.6	LRT Operating Costs Lower than budgeted costs for LRT operations due to delay in opening of the Valley Line South East LRT, that are partly offset with a lower transfer from the LRT Reserve noted above.
2.2	Higher Capital Recoveries Favourable budget variance due to higher recoveries from capital related to Light Rail Vehicle (LRV) capital repair work.
2.0	Smart Fare Favourable budget variance due to lower costs associated with the new phased-in timelines for fare products moving to the new system.
1.9	Fleet Fuel costs Favourable fleet fuel costs primarily due to the move to on demand service resulting in lower fuel consumption than budgeted, this is partially offset by increased fuel prices.
1.6	DATS Contract costs Favourable budget variance for DATS contract costs resulting from lower trip volumes.
(1.8)	Facility Maintenance costs Higher facility maintenance costs due to increased service calls for vandalism, graffiti and increased cost of maintenance due to inflation.
(4.8)	Personnel Costs Higher personnel costs due to higher bus operator overtime to cover for higher than anticipated absenteeism in November and December.
(5.5)	Safety Measures Higher costs for additional safety measures and enhanced cleaning at transit stations and transit centres.
1.4	Other net cumulative variances
4.6	Expense Budget Variance
(12.1)	Total Net Position Budget Variance - Edmonton Transit
(4.2)%	<i>Total Net Position Budget Variance Percentage</i>

City Operations - Fleet and Facility Services
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	8,663	8,074	(589) ●	(6.8)
Expense	74,279	77,037	(2,758) ●	(3.7)
Net Position	(65,616)	(68,963)	(3,347) ●	(5.1)

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(0.6)	Other net cumulative variances
(0.6)	Revenue Budget Variance
Expense	
7.3	Facility Maintenance Services Recoveries Higher Facility Maintenance Services recoveries from various areas due to increased client requests, including unplanned repairs for aging infrastructure, significant incidences of vandalism, and for additional cleaning service requests.
3.2	Personnel Costs Lower than budgeted personnel costs due to unfilled vacancies, partially offset by increased overtime as a result of after hour call-outs.
2.4	Utility Costs Favorable utility costs related to the warmer winter months resulting in lower gas usage as well as power savings related to the delayed start of the Valley Line Southeast LRT.
(5.9)	Material Costs Higher maintenance, parts and material costs due to inflationary cost pressures.
(11.1)	Contract Costs Increased contract work due to unplanned callouts including for aging infrastructure, increased vandalism, inflation pressure on contract costs, enhanced cleaning requests and more work being contracted out due to vacancies.
1.4	Other net cumulative variances
(2.7)	Expense Budget Variance
(3.3)	Total Net Position Budget Variance - Fleet and Facility Services
(5.1)%	<i>Total Net Position Budget Variance Percentage</i>

City Operations - Parks and Road Services
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	55,438	42,570	(12,868) ●	(23.2)
Expense	207,835	216,685	(8,850) ●	(4.3)
Net Position	(152,397)	(174,115)	(21,718) ●	(14.3)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
	Asphalt and Concrete Restoration Program
(1.6)	Lower asphalt and concrete revenues due to the cancellation of the asphalt and concrete restoration (utility cut) program.
	Safe Mobility Program Funding - Transfer from TSAER
(2.9)	Lower than budgeted transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER) as result of lower Safe Mobility program expenses noted below.
	Permit Fee Revenue
(6.8)	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.
(1.6)	Other net cumulative variances
(12.9)	Revenue Budget Variance
Expense	
	Safe Mobility Program Expenses
2.9	YTD & Projected - Lower Safe Mobility program expenses due to timing of program implementation, resulting in lower than expected costs for staffing and procurement of materials.
	Redeployment of Snow and Ice Resources
(1.8)	Due to favorable weather in October to December, there was redeployment of Snow and Ice labour in Q4 to Horticulture, Encampments, Asphalt Road Maintenance, and Shared Use Paths.
	Sidewalk and Path Maintenance
(2.0)	Lower than budgeted recoveries for sidewalk and path maintenance work due to less than expected sidewalk maintenance and paving work, and higher equipment costs as result of redeployed work in Roads and Paths Maintenance.
	Public Washroom Costs
(2.2)	Higher public washroom costs due to Shigella outbreak and associated response. On December 15, 2022, Alberta Health Services (AHS) formally requested the City continue providing hygiene resources until the Shigella outbreak is declared over until spring of 2024 as a preventative measure. The province has not provided funding for these additional safety measures.
	Spring Sweep Program
(2.9)	Higher than budgeted spring sweep costs due to early start to sweeping season as a result of favourable weather.
(2.8)	Other net cumulative variances
(8.8)	Expense Budget Variance
(21.7)	Total Net Position Budget Variance - Parks and Road Services
(14.3)%	<i>Total Net Position Budget Variance Percentage</i>

City Operations - Snow and Ice Control

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	2,401	2,362	(39) ●	(1.6)
Expense	63,574	54,917	8,657 ●	13.6
Net Position	(61,173)	(52,555)	8,618 ●	14.1

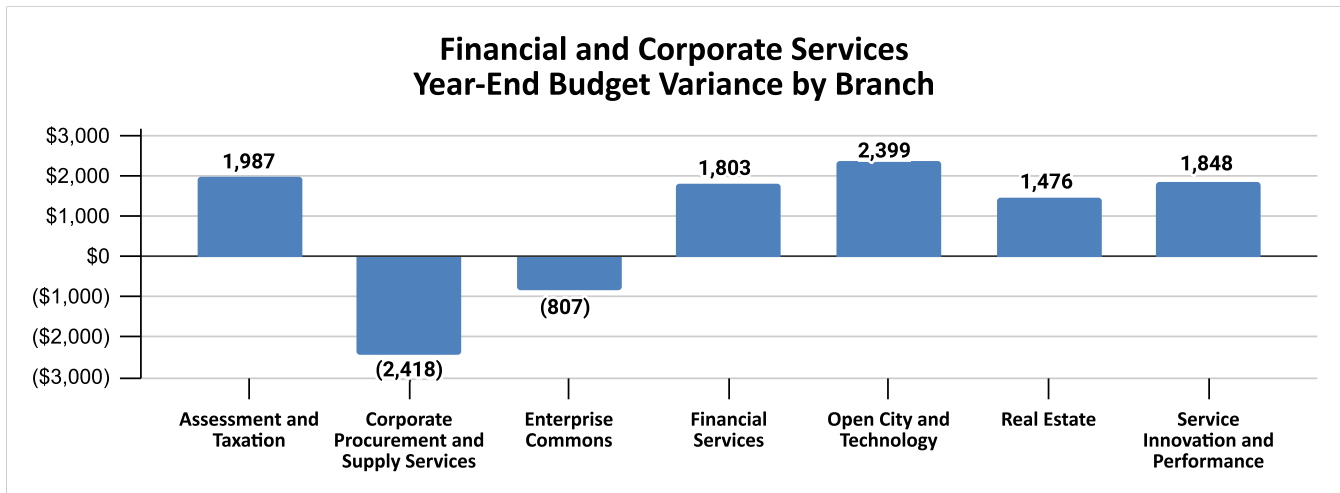
Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Expense	
8.7	<p>Snow and Ice Control Favourable budget variance mainly due to less than forecasted snowfall from October to December resulting in reduced usage of materials, labour requirements and contracted work callouts. Labour staff were redeployed to other areas in the Parks and Roads branch that required additional resources or were able to continue work as result of the favourable weather conditions.</p>
8.7	Expense Budget Variance
8.7	Total Net Position Budget Variance - Snow and Ice Control
0.0%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

Financial and Corporate Services

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	10,544	10,615	71	●	0.7
Expense	185,743	179,526	6,217	●	3.3
Net Position	(175,199)	(168,911)	6,288	●	3.6



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

Financial and Corporate Services - Corporate Procurement and Supply Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	400	573	173	43.3
Expense	13,031	15,622	(2,591)	(19.9)
Net Position	(12,631)	(15,049)	(2,418)	(19.1)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
0.2	Other net cumulative variances
0.2	Revenue Budget Variance
Expense	
(2.6)	Personal Protective Equipment Unbudgeted costs related to the disposal of expired COVID Personal Protective Equipment (PPE).
(2.6)	Expense Budget Variance
(2.4)	Total Net Position Budget Variance - Corporate Procurement and Supply Services
(19.1)%	<i>Total Net Position Budget Variance Percentage</i>

Financial and Corporate Services - Open City and Technology

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	553	506	(47)	(8.5)
Expense	47,922	45,476	2,446	5.1
Net Position	(47,369)	(44,970)	2,399	5.1

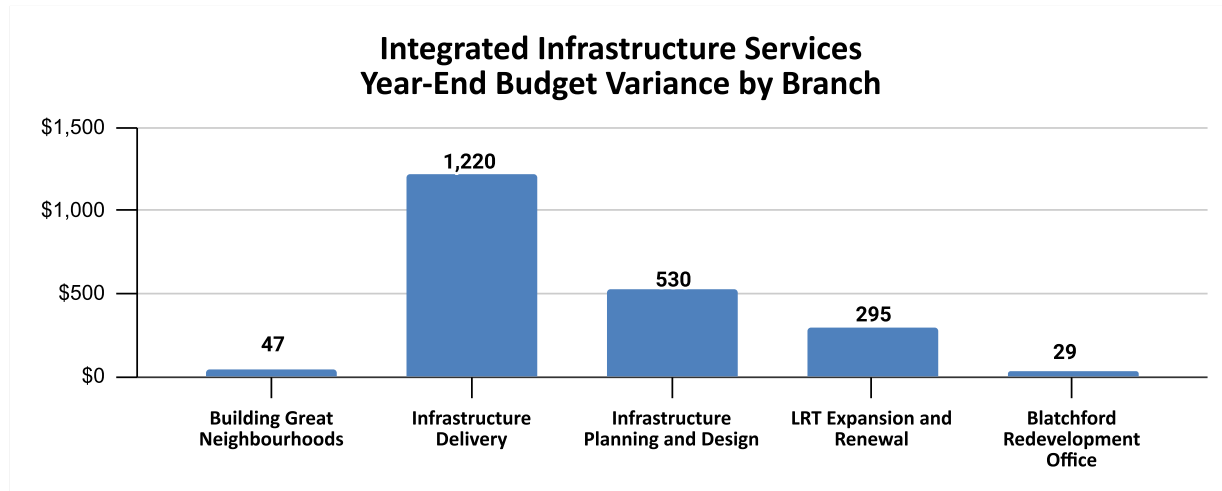
Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Expense	
2.0	Personnel Costs Favourable variance due to unfilled vacancies.
0.4	Other net cumulative variances
2.4	Expense Budget Variance
2.4	Total Net Position Budget Variance - Open City and Technology
5.1%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

Integrated Infrastructure Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	4,568	3,052	(1,516) ●	(33.2)
Expense	25,864	22,227	3,637 ●	14.1
Net Position	(21,296)	(19,175)	2,121 ●	10.0



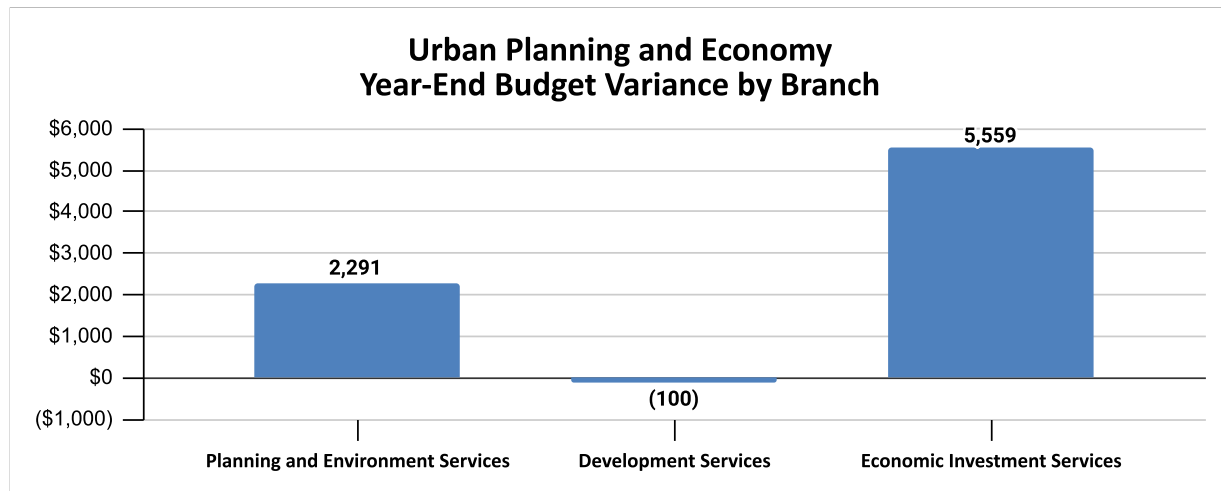
Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

No individually significant Year-End variances to report.

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

Urban Planning and Economy

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	137,276	131,386	(5,890)	(4.3)
Expense	202,275	188,635	13,640	6.7
Net Position	(64,999)	(57,249)	7,750	11.9



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

Urban Planning and Economy - Planning and Environment Services

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	34,927	48,958	14,031	●	40.2
Expense	74,141	85,881	(11,740)	●	(15.8)
Net Position	(39,214)	(36,923)	2,291	●	5.8

	Budget	Actual	Variance \$		%
Revenue	34,927	48,958	14,031	●	40.2
Expense	74,141	85,881	(11,740)	●	(15.8)
Net Position	(39,214)	(36,923)	2,291	●	5.8

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
9.5	Sanitary Servicing Strategy Fund (SSSF) Favourable variance due to higher Sanitary Servicing Strategy Fund permit revenue and SSSF interest income.
3.7	Developer Contributions Favourable variance is primarily from higher cash-in-lieu development levies collected on municipal reserves (Parkland Purchase Reserve Account and the Funds in Lieu Reserve).
0.8	Other net cumulative variances
14.0	Revenue Budget Variance
Expense	
2.1	Contract and Consulting Delay of consulting and contract work in various environment and climate resilience programs and mobility projects.
(2.0)	Energy Rebate Program Unfavourable budget variance due to the reopening the Energy Rebate program.
(3.7)	Developer Contributions Unfavourable variance in transfer to the municipal reserves from higher developer contributions received to purchase and develop parkland.
(9.5)	Sanitary Servicing Strategy Fund (SSSF) Unfavourable expenses related to the delivery of SSSF projects, which is mainly due to revisions of the construction plan, as well as an increased transfer to reserve due to the increase in permit revenue and SSSF interest income.
1.4	Other net cumulative variances
(11.7)	Expense Budget Variance
2.3	Total Net Position Budget Variance - Planning & Environment Services
5.8%	<i>Total Net Position Budget Variance Percentage</i>

Urban Planning and Economy - Economic Investment Services
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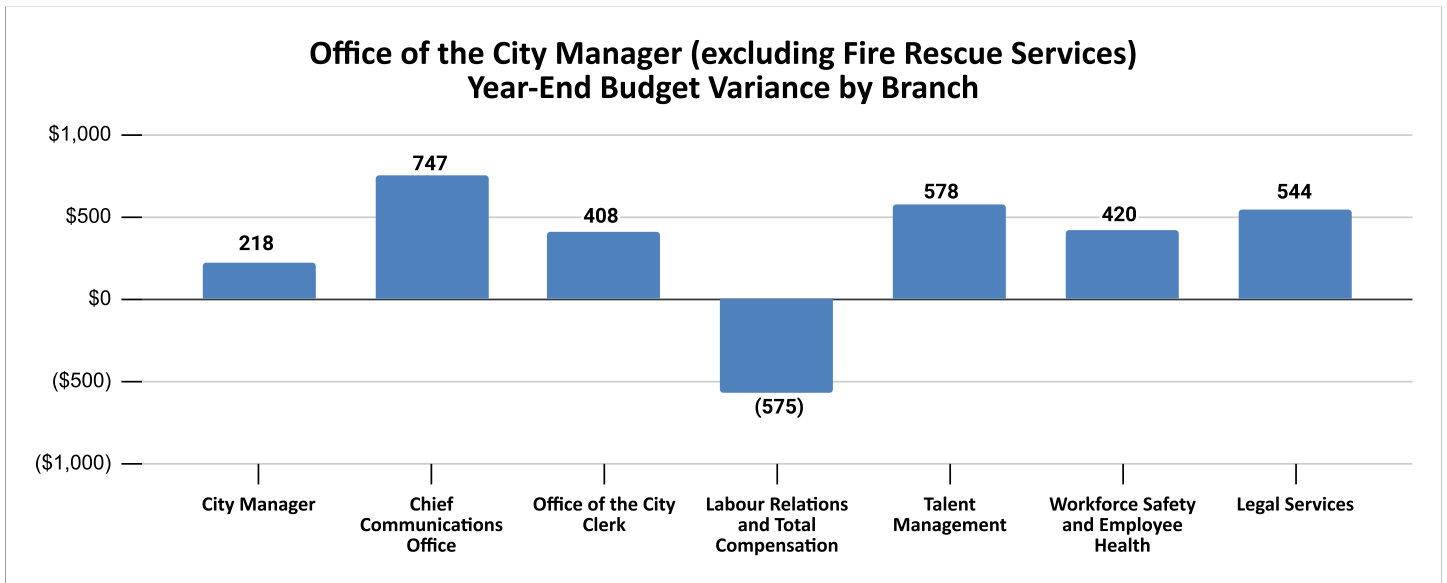
Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	24,033	11,998	(12,035) ●	(50.1)
Expense	41,777	24,183	17,594 ●	42.1
Net Position	(17,744)	(12,185)	5,559 ●	31.3

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(4.9)	Brownfield Phase III Grant - Transfer from Brownfield Redevelopment Reserve Lower than budgeted transfer from the Brownfield Redevelopment Reserve due to lower than budgeted Brownfield Phase III grant payments which are dependent on project completion.
(6.4)	Grant and Subsidy Payments - Transfer from Financial Stabilization Reserve (FSR) Lower than budgeted transfer from FSR is due to timing of application process and grant agreement finalization, as well as delays in issuing grant and subsidy payments that are dependent on project completion including programs such as Edmonton Edge Fund and the Economic Action Plan Grant.
(0.7)	Other net cumulative variances
(12.0)	Revenue Budget Variance
Expense	
11.9	Grant and Subsidy Payments Lower than budgeted payments due to timing of application process and grant agreement finalization, as well as delays in issuing grant and subsidy payments that are dependent on project completion including programs such as Edmonton Edge Fund, Downtown Vibrancy and the Economic Action Plan Grant (some of which is funded by the FSR).
4.9	Brownfield Phase III Grant Lower than budgeted Brownfield Phase III grant payments which include \$3.8 million for a significant project which is currently working its way through the lifecycle process of the grant program. This process takes several years as deliverables are reviewed, feedback is provided, and the applicant works to satisfy the various steps and conditions of the grant.
0.8	Other net cumulative variances
17.6	Expense Budget Variance
5.6	Total Net Position Budget Variance - Economic Investment Services
31.3%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

Office of the City Manager (excluding Fire Rescue Services)

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	4,541	1,844	(2,697) ●	(59.4)
Expense	82,095	77,058	5,037 ●	6.1
Net Position	(77,554)	(75,214)	2,340 ●	3.0



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

Office of the City Manager - Fire Rescue Services
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	1,980	18,998	17,018	● 859.5
Expense	223,274	245,994	(22,720)	● (10.2)
Net Position	(221,294)	(226,996)	(5,702)	● (2.6)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
16.5	Alberta Wildfire Response Reimbursement Expected cost recovery from the impacted communities for Alberta and Northwest Territories Wildfire assistance provided by the City of Edmonton in 2023.
0.5	Other net cumulative variances
17.0	Revenue Budget Variance
Expense	
(1.5)	Personnel Costs Higher overtime costs to cover vacant positions, vacation, sick and other leaves, as well as special assignments.
(1.9)	Repair Costs Higher than expected repair costs due to an aging fleet, increased pumper and ladder maintenance and parts price inflation
(16.5)	Alberta Wildfire Response Reimbursement Additional costs incurred by the City in 2023 for wildfire support, including \$3.4 million additional personnel costs and \$13.1 million for materials and equipment.
(2.8)	Other net cumulative variances
(22.7)	Expense Budget Variance
(5.7)	Total Net Position Budget Variance - Fire Rescue Services
(2.6)%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
(in \$000's)

Mayor and Councillor Offices

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	-	-	-	●	-
Expense	7,052	6,592	460	●	6.5
Net Position	(7,052)	(6,592)	460	●	6.5

No individually significant Year-End variances to report.

Office of the City Auditor

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	-	-	-	●	-
Expense	2,978	2,501	477	●	16.0
Net Position	(2,978)	(2,501)	477	●	16.0

No individually significant Year-End variances to report.

Boards and Authorities*

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	88,163	88,185	22	●	0.0
Expense	210,102	210,114	(12)	●	(0.0)
Net Position	(121,939)	(121,929)	10	●	0.0

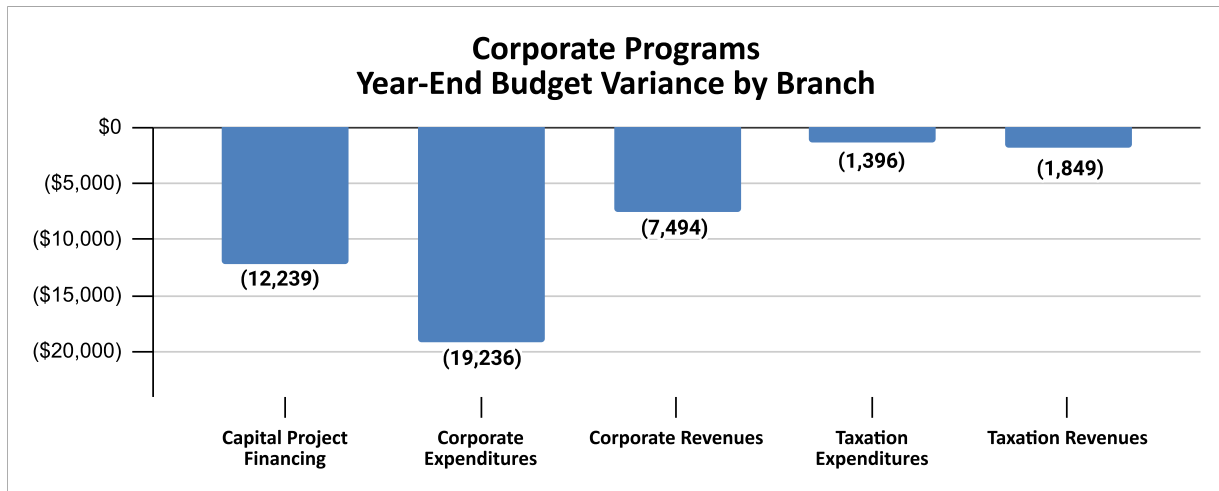
No individually significant Year-End variances to report.

* Boards and Authorities include: Edmonton Arts Council, Edmonton Combative Sports Commission, Explore Edmonton Corporation (previously Edmonton Economic Development Corporation), Edmonton Unlimited, Edmonton Federation of Community Leagues, Fort Edmonton Management Company, Greater Edmonton Foundation Seniors Housing, Edmonton Heritage Council, REACH Edmonton Council for Safe Communities, Edmonton Space & Science Centre Foundation, Edmonton Public Library

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2023
 (in \$000's)

Corporate Programs

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	2,707,911	2,676,888	(31,023)	●	(1.1)
Expense	833,191	844,382	(11,191)	●	(1.3)
Net Position	1,874,720	1,832,506	(42,214)	●	(2.3)



Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

Corporate Programs - Capital Project Financing

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	272,968	244,891	(28,077) ●	(10.3)
Expense	465,056	449,218	15,838 ●	3.4
Net Position	(192,088)	(204,327)	(12,239) ●	(6.4)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(29.3)	Transfer to LRT Reserve Lower than budgeted transfer from the LRT Reserve to offset lower financing costs related to the Valley Line South East LRT noted below in expenses.
1.3	Other net cumulative variances
(28.0)	Revenue Budget Variance
Expense	
29.3	Valley Line South East LRT Financing Costs A portion of the capital repayments to TransEd were expected to occur upon service commencement. As a result of the delayed opening there were lower than expected capital repayments (financing costs) during the year. This favourable variance has been offset by an increased transfer to the LRT reserve, where the unused budget will be held to offset the payments in future periods.
(11.5)	Tax Supported Debt Higher than expected debt servicing costs due to timing of borrowing. More borrowing was completed earlier in the year compared to budget assumptions, resulting in higher debt servicing costs during the year.
(2.0)	Other net cumulative variances
15.8	Expense Budget Variance
(12.2)	Total Net Position Budget Variance - Capital Project Financing
(6.4)%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Corporate Expenditures
--

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	3,185	1,926	(1,259) ●	(39.5)
Expense	100,095	118,072	(17,977) ●	(18.0)
Net Position	(96,910)	(116,146)	(19,236) ●	(19.8)

	Budget	Actual	Variance \$	%
Revenue	3,185	1,926	(1,259) ●	(39.5)
Expense	100,095	118,072	(17,977) ●	(18.0)
Net Position	(96,910)	(116,146)	(19,236) ●	(19.8)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(1.6)	Transfer from Financial Stabilization Reserve - Edmonton Economic Recovery Construction Grant Lower transfer from Financial Stabilization Reserve (FSR) to pay for the Edmonton Economic Recovery Construction Grant due to supply chain delays resulting in slower construction progress.
0.3	Other net cumulative variances
(1.3)	Revenue Budget Variance
Expense	
18.3	2023-2026 Financial Strategies During the 2023-2026 budget deliberations the Financial Strategies expense budget was adjusted annually over the 2023-2026 time period in order to achieve the desired tax increase for 2023 to 2026. As a part of this strategy the 2023 Financial Strategies expense budget was increased by \$18.3 million and set aside to offset equivalent decreases in future years within Financial Strategies which were required to achieve the desired tax increase in those years. Budget of \$18.3 million from the Financial Strategies account is required to be carried forward to future years in order to offset equivalent decreases within the Financial Strategies account.
8.0	Outstanding Payables to Vendors Write off and adjustments of City's outstanding payments and liabilities to various external parties.
5.0	Not for Profit Affordable Housing Tax Grant Not for Profit Affordable Housing Tax Grant is a new grant program offered to property owners who provide affordable housing to citizens of which no less than 25% is allocated as affordable housing. Individual property owners are eligible for a grant of up to a maximum of \$0.25 million based on decision making criteria. This is the first year of this grant program therefore time is required to implement and establish the program as well as raise awareness with the public. As such the budgeted \$6.0 million for this grant was not fully utilized in 2023.
1.6	Edmonton Economic Recovery Construction Grant Program Lower than expected grant payments related to the Downtown Construction Grant due to supply chain delays resulting in slower construction progress. This is fully offset by a transfer from the FSR as noted above.
(2.5)	WCB Premiums Unfavourable WCB premiums as result of higher than expected rate increases.
(2.8)	Insurance Claims Unfavourable insurance claims due to higher than expected property and third party claims.
(47.1)	Salary Settlements Unfavourable budget variance resulting from salary settlements.
1.5	Other net cumulative variances
(18.0)	Expense Budget Variance
(19.3)	Total Net Position Budget Variance - Corporate Expenditures
(19.8)%	Total Net Position Budget Variance Percentage

Corporate Programs - Corporate Revenues
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Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	502,644	495,154	(7,490)	●	(1.5)
Expense	93	97	(4)	●	(4.3)
Net Position	502,551	495,057	(7,494)	●	1.5

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
	Water Franchise Fees
4.4	Greater than expected EPCOR water franchise fees due to an increase in customer growth and consumption forecasts.
	Tax Penalties
2.7	Greater than budgeted tax penalties due to higher than expected penalties in 2023. Arrears penalties are up by approximately 13% and current levy penalties by 2% over 2022 values.
	Business Licensing
(1.5)	Business licensing revenues are lower than budgeted as the impacts of the new Business Licence Bylaw 20002 are realized in 2023. The fee schedule changes included a discounted two-year licence fee, reducing fees for on-time licence renewal and non-resident businesses, and a single fee for licences regardless of the number of licence categories. Adjustments to the budget will be considered in upcoming budget discussions.
	Gas Franchise Fees
(11.3)	Lower than expected franchise fee revenues as a result of lower distribution rates charged by ATCO to customers. The City collects the gas franchise fee based on delivery tariff revenues resulting from the distribution charges. Furthermore January to March, and October to December 2023 was warmer than forecasted resulting in lower actual delivery tariff and franchise fee revenue for those months compared to assumptions used in the budget.
(1.8)	Other net cumulative variances
(7.5)	Revenue Budget Variance
(7.5)	Total Net Position Budget Variance - Corporate Revenues
1.5%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Taxation Expenditures

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	5,432	7,194	1,762	●	32.4
Expense	13,092	16,250	(3,158)	●	(24.1)
Net Position	(7,660)	(9,056)	(1,396)	●	(18.2)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
1.7	Supplemental Municipal Taxes Higher supplemental municipal taxes due to stronger than anticipated construction activity in 2023, especially in the non-residential class.
0.1	Other net cumulative variances
1.8	Revenue Budget Variance
Expense	
(3.2)	Tax Appeals Higher than expected tax appeal losses due to an increase in the number of appeals partially due to market value increases.
(3.2)	Expense Budget Variance
(1.4)	Total Net Position Budget Variance - Taxation Expenditures
(18.2)%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Traffic Safety and Automated Enforcement (TSAE)

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	23,369	29,259	5,890	●	25.2
Net transfer to/(from) TSAE Reserve	23,369	29,259	(5,890)	●	(25.2)
Net Position	-	-	-	●	-

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
5.9	Traffic Safety and Automated Enforcement Fines Higher than budgeted traffic safety and automated enforcement revenues due to higher incidents of speed violations and higher average fines per ticket. The increase in fines per tickets were due to overall better road conditions and more incidents in high speed areas.
5.9	Revenue Budget Variance
Expense	
(5.9)	Traffic Safety and Automated Enforcement Reserve (TSAER) Transfer Higher than budgeted transfer to the TSAER as a result of increased Traffic Safety and Automated Enforcement fines.
(5.9)	Expense Budget Variance
0.0	Total Net Position Budget Variance - Traffic Safety and Automated Enforcement
0.0%	<i>Total Net Position Budget Variance Percentage</i>

Enterprise and Utility Operations
Preliminary Year-End Results
December 31, 2023
(in \$000's)

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

Waste Services - Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	228,985	237,217	8,232	●	3.6
Expense	219,519	212,003	7,516	●	3.4
Net Position	9,466	25,214	15,748	●	7.2

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
3.4	Investment Earnings Increased investment earnings due to higher than expected interest rates and cash balance on hand.
3.0	Single and multi unit revenue Higher than expected single and multi unit customer count resulting in more revenue.
1.7	Innovation and Science Grant Due to negotiated contract amendments, Waste Services has finalized the receipt of grant funding from Alberta Innovates that was originally planned to go to a third party in relation to the "Waste to Biofuels Facility".
0.1	Other net cumulative variances
8.2	Revenue Budget Variance
Expense	
5.7	Contracts Costs Favourable contract cost budget variance due to savings in Collection Services, Integrated Processing and Transfer Facility (IPTF), Refuse Derived Fuel (RDF) Facility, and delays in the cost of service study to 2024.
5.0	Personnel Costs Lower than budgeted personnel costs due to project timing, hiring restraint and position reduction.
4.7	Innovation and Science Grant Due to negotiated contract amendments, Waste Services has finalized the receipt of grant funding from Alberta Innovates that was originally planned to go to a third party in relation to the "Waste to Biofuels Facility".
1.5	Power Costs Lower than budgeted power usage costs as the Residual Dryer Facility was not run in the first quarter of the year as Enerkem (Waste-to-Biofuel) was shut down.
1.5	Consulting Costs Lower than budgeted consulting costs as environmental study will be completed in 2024.
(14.0)	Post-Closure Liability Higher than budgeted landfill post-closure costs for the Clover Bar Landfill as a result of the updated valuation. The increased costs are largely due to inflationary cost impacts and increased complexity in post closure activities.
3.1	Other net cumulative variances
7.5	Expense Budget Variance
15.7	Total Net Position Budget Variance - Waste Services
7.2%	<i>Total Net Position Budget Variance Percentage</i>

Land Enterprise

Land Enterprise - Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	17,440	42,708	25,268	● 144.9
Expense	13,013	23,497	(10,484)	● (80.6)
Net Position	4,427	19,211	14,784	● 113.6

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
22.4	Land Sales Favourable budget variance due to the sale of land budgeted to be sold later in the budget cycle, and unbudgeted surplus sales.
2.9	Other net cumulative variances
25.3	Revenue Budget Variance
Expense	
(9.9)	Cost of land for land sales Unfavourable budget variance due to earlier than budgeted cost of land for land sales, and unbudgeted surplus sales.
(0.6)	Other net cumulative variances
(10.5)	Expense Budget Variance
14.8	Total Net Position Budget Variance - Land Enterprise
113.6%	<i>Total Net Position Budget Variance Percentage</i>

Blatchford Redevelopment

Blatchford Redevelopment - Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	83,826	57,224	(26,602)	● (31.7)
Expense	60,861	42,535	18,326	● 30.1
Net Position	22,965	14,689	(8,276)	● (13.6)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(26.7)	Land Sales Unfavourable budget variance due land sales in the prior year that were budgeted for the current year, and timing of land sales within the budget cycle.
0.1	Other net cumulative variances
(26.6)	Revenue Budget Variance
Expense	
17.9	Cost of land for land sales Favourable budgeted cost of land sales variance due land sales in the prior year that were budgeted for the current year, and timing of land sales within the budget cycle.
0.4	Other net cumulative variances
18.3	Expense Budget Variance
(8.3)	Total Net Position Budget Variance - Blatchford Redevelopment
(13.6)%	<i>Total Net Position Budget Variance Percentage</i>

Blatchford Renewable Energy Utility

Blatchford Renewable Energy Utility - Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	1,141	147	(994) ●	(87.1)
Expense	3,071	2,133	938 ●	30.5
Net Position	(1,930)	(1,986)	(56) ●	(1.8)

No individually significant Year-End variances to report.

Community Revitalization Levy Operations
Preliminary Year-End Results
December 31, 2023
(in \$000's)

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	5,602	5,397	(205)	● (3.7)
Expense	6,874	6,589	285	● 4.1
Net Income /(Deficit)	(1,272)	(1,192)	80	● 6.3
Transfer (to) /from Reserve	1,272	1,192	(80)	● (6.3)
Net Position	-	-	-	● -

Year-end - No significant variances to report.

Capital City Downtown Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	30,310	30,239	(71)	● (0.2)
Expense	33,041	30,522	2,519	● 7.6
Net Income /(Deficit)	(2,731)	(283)	2,448	● 89.6
Transfer (to) /from Reserve	2,731	283	(2,448)	● (89.6)
Net Position	-	-	-	● -

Year-end

Expense - Favourable variance due to lower debt servicing costs, lower than anticipated tax appeal losses, and reduced spending in discretionary external services costs.

Quarters Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	5,219	5,323	104	● 2.0
Expense	9,664	8,187	1,477	● 15.3
Net Income /(Deficit)	(4,445)	(2,864)	1,581	● 35.6
Transfer (to) /from Reserve	4,445	2,864	(1,581)	● (35.6)
Net Position	-	-	-	● -

Year-end

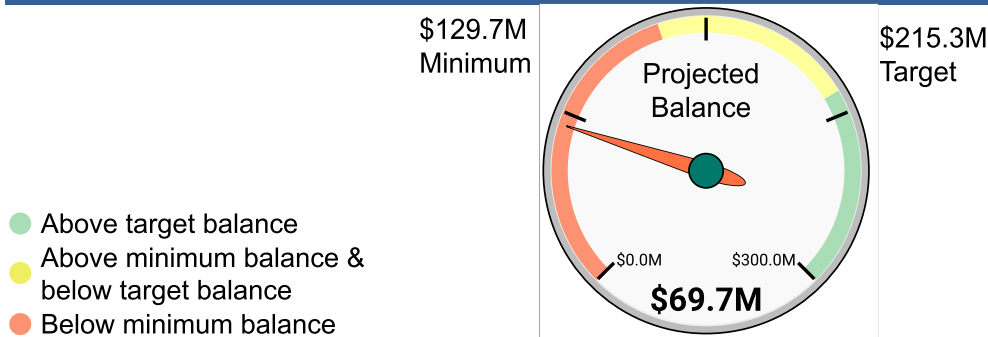
Expense - Favourable variance due to lower debt servicing costs, lower than anticipated tax appeal losses, and reduced spending in discretionary external services costs.

	Belvedere 2013-2032	Capital City Downtown 2015-2034	Quarters 2012-2031
Reserve Balance, December 31, 2023	(\$16,401)	(\$10,529)	(\$19,265)
Revised year the CRL is projected to have an annual positive surplus	2028	2031	2030
Year reserve is sufficient to cover remaining debt servicing	2037	2036	2036

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 Executive Committee on March 20, 2024, Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere report UPE02234.

Reserves Update
December 31, 2023
(\$ millions)

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.

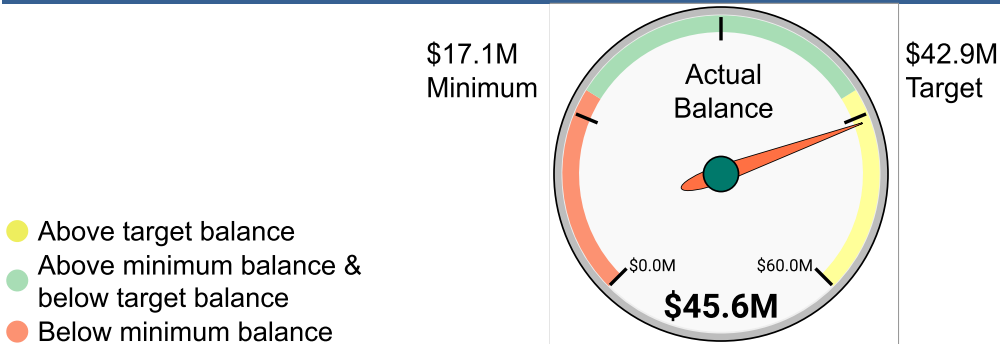
Before considering the tax-supported deficit, carry-forward recommendations, and other uses of the FSR, the FSR balance is \$149.7 million compared to the minimum required balance of \$129.7 million. After considering the tax-supported deficit of \$48.2 million, other uses of the FSR to fund Council approved priorities to date in 2024, and based on the recommendations in this report for operating carry-forwards of \$25.8 million, the projected FSR balance in 2024 is \$69.7 million. This is \$60.0 million below the preliminary required minimum balance of \$129.7 million. The projected FSR balance is further outlined in Attachment 2.

In accordance with the policy, in the event the unappropriated FSR balance falls below the minimum, a strategy will be adopted to achieve the minimum balance over a period not to exceed three years, starting with the subsequent year's operating budget. The strategy may include replenishing the FSR with any unplanned one-time revenues, savings through one-time cost reduction strategies, previously committed one-time appropriated items within the FSR that are no longer required for their original purpose, and transfer of funds from other reserves where the amounts are no longer required for their original purposes. A multi-year tax-levy increase could also be considered.

Based on the preliminary information and proposals in this report, the FSR in 2024 would fall \$60.0 million below the required minimum balance. Council will need to approve a strategy in 2024 in order to restore the FSR back to the minimum balance over a period not exceeding three years, starting in 2025 (the subsequent year's operating budget). This strategy could be approved through the Fall 2024 Supplemental Operating Budget adjustment in November/December 2024.

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 December 31, 2023 year-end reserve balance of \$45.6 million (79.7% of budgeted expenditures) is above its minimum required balance of \$17.1 million for 2023, and above its target balance of \$42.9 million.

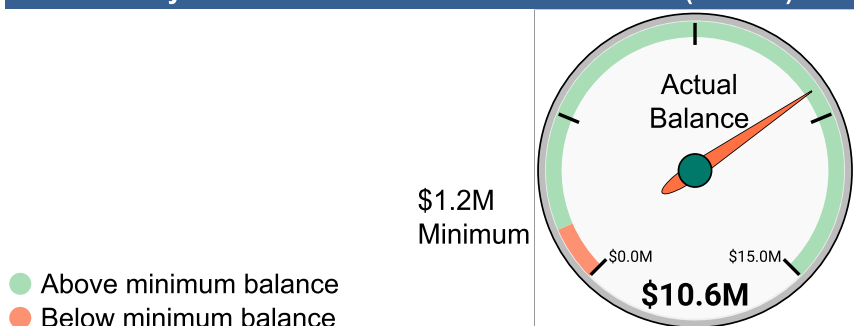
Strengthened development activity led to higher than budgeted revenues, and fiscal restraint in various expense categories resulted in a favourable reserve position at year end. Cost saving measures include:

- reduced reliance on contractor services; and
- lower spending on discretionary expenses (such as materials & equipment, external services, and travel & training).

At the same time, the business has filled front line positions to meet service level demand, leading to expected increased personnel costs in the coming years. The business continues to exercise prudence to align with City Council's direction to reduce spending, while still delivering on service levels.

The reserve balance is budgeted to decrease to the target balance by the end of 2024 year-end. Administration will monitor the Planning and Development Business Model and if needed, adopt a strategy to reduce the balance to the maximum level over a period not to exceed three years, in line with City Policy C610.

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, traffic safety initiatives and other programs approved by City Council through the budget process. This revenue is shared with Parks and Road Services to fund traffic safety measures including technology, engineering measures, signage and signaling.

The December 31, 2023 year-end balance of the reserve is \$10.6 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.

Although a positive balance is projected for the end of 2023, the reserve is anticipated to be in a deficit position at the end of 2024. The projected deficit position is a result of a increased revenue being 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 and Fall 2023 Supplementary Operating Budget Adjustment process Council approved increased tax-levy funding of \$27 million in 2025 and \$7 million in 2026 to the reserve to fund traffic safety initiatives as well as maintaining a balance in the reserve above the minimum required by policy. The reserve is forecasted to be above the minimum balance beginning in 2025. 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 2023 is included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

Traffic Safety and Automated Enforcement Reserve Schedule
December 31, 2023
(\$ millions)

	2023			2024	2025	2026	2024	2025	2026
	Approved Budget ¹	Actual (December 31)	Budget Variance	Projection			Approved Budget ¹		
Transfers to the Reserve									
Automated Enforcement Revenues	23.4	29.3	5.9	20.8	18.7	16.8	20.8	18.7	16.8
Tax Levy ²	-	-	-	-	27.0	8.0	-	27.0	8.0
Interest	-	0.4	-	-	-	-	-	-	-
	23.4	29.7	5.9	20.8	45.7	24.8	20.8	45.7	24.8
Funding from the Reserve									
<i>Operating:</i>									
Safe Mobility Section	(17.1)	(12.9)	(4.2)	(16.6)	(17.0)	(17.0)	(16.6)	(17.0)	(17.0)
	(17.1)	(12.9)	(4.2)	(16.6)	(17.0)	(17.0)	(16.6)	(17.0)	(17.0)
<i>Capital:</i>									
Automated Enforcement Asset Renewal (CM-66-2597)	(1.1)	-	(1.1)	(1.9)	(0.9)	(0.9)	(1.9)	(0.9)	(0.9)
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(0.6)	(0.2)	(0.4)	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(0.2)
Safe Crossings (previously Crosswalk Safety) (CM-66-2585)	(7.5)	(5.3)	(2.2)	(8.6)	(6.4)	(6.4)	(8.6)	(6.4)	(6.4)
School Safety (CM-66-2590)	(0.1)	(0.1)	0.0	-	-	-	-	-	-
Speed Limit Reduction (CM-66-2580)	(0.2)	(0.0)	(0.2)	(0.2)	-	-	(0.2)	-	-
Safe and Livable Community Streets (CM-66-2596)	(3.7)	(1.5)	(2.2)	(4.2)	(6.0)	(5.5)	(4.2)	(6.0)	(5.5)
	(13.2)	(7.1)	(6.1)	(15.2)	(13.5)	(12.9)	(15.2)	(13.5)	(12.9)
Total funding from the reserve	(30.3)	(20.0)	(10.3)	(31.9)	(30.5)	(29.9)	(31.9)	(30.5)	(29.9)
Annual Surplus/(Deficit)	(6.9)	9.7		(11.1)	15.2	(5.1)	(11.1)	15.2	(5.1)
Opening Reserve Balance	0.9	0.9		10.6	(0.4)	14.8	10.6	(0.4)	14.8
Closing Reserve balance (Cumulative) ²	(6.0)	10.6		(0.4)	14.8	9.7	(0.4)	14.8	9.7
Minimum reserve balance - 5% of budgeted revenues	1.2	1.2		1.0	0.9	0.8	1.0	0.9	0.8
Available funds (closing reserve balance less minimum reserve balance)	-	9.4		-	13.9	8.9	-	13.9	8.9

Transfers to the Reserve variance explanation:

Higher than budgeted traffic safety and automated enforcement revenues due to higher incidents of speed violations and higher average fines per ticket. The increase in fines per tickets were due to overall better road conditions and more incidents in high speed areas.

Notes:

- Funding from the reserve for 2023 is based on the approved 2023-2026 operating and capital budgets, and approved carryforward of unspent 2022 budgets.
- Although a positive balance is projected for the end of 2023, the reserve is anticipated to be in a deficit position at the end of 2024. The projected deficit position is a result of a increased revenue being 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.

Through the 2023-2026 budget and Fall 2023 Supplementary Operating Budget Adjustment process Council approved increased tax-levy funding of \$27 million in 2025 and \$7 million in 2026 to the reserve to fund traffic safety initiatives as well as maintaining a balance in the reserve above the minimum required by policy. The reserve is forecasted to be above the minimum balance beginning in 2025. 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.



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: January 29, 2024

SUBJECT: Budget Variance for the Period Ending December 31, 2023

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 year ending December 31, 2023.

COMMENTS / DISCUSSION:

Operating

On August 23, 2023, City Council approved the revised EPS Funding Formula and final budget allocation for 2024-2026 was made during the Fall Supplemental Operating Budget Adjustment process.

The operating results for the period ending December 31, 2023, indicate a net deficit position of \$1.414 million or 0.3% (revenue surplus of \$6.887 million, offset by an expense overspend of \$8.300 million), to be partially funded by a \$0.312 million surplus in the Edmonton Police Service Operating Reserve leaving a deficit of \$1.102 million.

The revenue surplus is due to the recognition of former Police Support Grant revenue, and the new Alberta Mental Health Grant, which is offset by lower than budgeted Traffic Safety Act (TSA) revenue.

The overspend in personnel expense is primarily due to increased overtime as a result of maintaining minimum staffing levels.

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

Capital Results

The 2023-2026 Capital Budget is comprised of 10 active profiles (4 standalone profiles and 6 composite profiles). The total 2023-2026 Capital Budget is \$89.108 million which includes the initial approved budget, 2019-2022 budget carryforward, 2023 Spring and Fall Supplemental Capital Budget Adjustments (SCBA), and Year-end Administrative Adjustments.

In December 2022, City Council approved approximately 25% of the Commission supported budget requirement for Police Equipment, Radio Lifecycle, IT Applications and IT Infrastructure renewal projects for 2023-2026. In December 2023, during the 2023 Fall SCBA, City Council approved the City Administration 2024 funding recommendation of \$10.610 million for a portion of the unfunded renewal profiles. This results in 41% of the Commission supported budget requirement for Police Equipment, Radio Lifecycle, IT Applications and IT Infrastructure renewal projects for 2023-2026 and a \$40.489 million shortfall.

This is the first year of the four-year Capital budget cycle (2023 to 2026) and the results are outlined in attachment III and IV.

ADDITIONAL INFORMATION ATTACHED:

Attachments:

- I. Operating Budget Variance by Major Category of Revenue & Expenditures
- II. Explanation of Variances by Major Category of Expenditures and Revenues
- III. Capital Budget Performance
- IV. 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, Chief Administrative Officer, Corporate Services Bureau *JK*

Chief of Police: _____

Date: January 29, 24

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending December 31, 2023
(\$000's)

	Current Period				2022 Year to Date				2023 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Revenue												
Traffic Safety Act Fines (Note 1)	\$ 798	\$ 483	\$ (315)	-39.5%	\$ 11,198	\$ 7,729	\$ (3,469)	-31.0%	\$ 11,060	\$ 7,545	\$ (3,515)	-31.8%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ 495	\$ -	(495)	-100.0%	22,292	22,292	-	0.0%	\$ 1,982	\$ 1,982	-	0.0%
Provincial Grants (Note 3)	26,516	28,969	2,453	9.3%	30,099	32,256	2,157	7.2%	31,574	40,600	9,026	28.6%
Other Revenue (Note 4)	2,804	4,389	1,585	56.5%	34,706	34,681	(25)	-0.1%	35,027	36,403	1,376	3.9%
Secondments	1,075	1,625	550	51.2%	13,480	13,396	(84)	-0.6%	13,448	14,746	1,298	9.7%
Tow Lot	596	636	40	6.7%	7,150	6,077	(1,073)	-15.0%	7,150	6,175	(975)	-13.6%
PICS and Alarm Control	616	560	(56)	-9.1%	6,785	6,525	(260)	-3.8%	6,756	7,375	619	9.2%
Extra Duty ¹	393	448	55	14.0%	3,349	3,173	(176)	-5.2%	3,217	3,524	307	9.5%
E911 Fees	112	79	(33)	-29.3%	1,350	1,338	(12)	-0.9%	1,340	1,259	(81)	-6.0%
School Resource Officer (SRO)	(36)	3	39	-109.1%	818	936	117	14.3%	950	994	44	4.6%
Other ²	49	(375)	(423)	-866.9%	1,774	3,235	1,461	82.4%	2,165	2,329	163	7.5%
Total Revenue	30,613	33,841	3,228	10.5%	98,295	96,958	(1,337)	-1.4%	79,643	86,530	6,887	8.6%
Expense												
Personnel												
Salary and benefits (Note 5)	32,831	1,729	31,102	94.7%	384,425	378,479	5,946	1.5%	393,157	392,673	484	0.1%
EPS Overtime (Note 6a)	1,026	1,534	(508)	-49.5%	10,145	15,938	(5,793)	-57.1%	10,328	19,166	(8,838)	-85.6%
External Overtime (Note 6b)	34	86	(52)	-150.8%	407	481	(74)	-18.2%	407	573	(166)	-40.8%
	33,891	3,349	30,542	90.1%	394,977	394,898	79	0.0%	403,892	412,412	(8,520)	-2.1%
Non-Personnel												
Furniture, equipment, IT, materials and supplies (Note 7)	7,378	2,988	4,390	59.5%	21,390	21,908	(518)	-2.4%	24,223	24,602	(379)	-1.6%
Contracts and services (Note 8)	4,494	5,570	(1,076)	-23.9%	29,222	28,359	863	3.0%	28,544	31,982	(3,438)	-12.0%
Vehicles (Note 9)	822	804	18	2.2%	8,600	8,979	(379)	-4.4%	9,767	9,627	140	1.4%
Facilities (Note 10)	4,899	2,106	2,793	57.0%	24,337	20,693	3,644	15.0%	23,803	20,565	3,238	13.6%
Other Expenditures ¹ (Note 11)	7,647	7,980	(333)	-4.4%	10,101	9,246	855	8.5%	11,958	11,299	659	5.5%
	25,240	19,448	5,792	22.9%	93,650	89,185	4,465	4.8%	98,295	98,075	220	0.2%
Total Expense	59,131	22,797	36,334	61.4%	488,627	484,083	4,544	0.9%	502,187	510,487	(8,300)	-1.7%
Position before Adjustments	28,518	(11,044)	39,562	138.7%	390,332	387,125	3,207	0.8%	422,544	423,958	(1,414)	-0.3%
Tangible Capital Assets Budget adjustment (Note 12)												
Transfer to/(from) EPS Reserve (Note 13)					-	3,207	(3,207)	0.0%	-	(1,414)	1,414	-0.3%
Net Position	\$ 28,518	\$ (11,044)	\$ 39,562	138.7%	\$ 390,332	\$ 390,332	\$ -	0.0%	\$ 422,544	\$ 422,544	\$ -	0.0%

1 Extra Duty Revenue received from other City Departments is reclassified from expense recovery to revenue.

2 Other Revenue includes E911 landline fees, 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 December 31, 2023

1. Traffic Safety Act (TSA) Fines Revenue

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

Under budget because of lower-than-expected number of tickets issued. Traffic members are spending increased time in court to address previous years incidents, which has resulted in a decline of issued tickets. In addition, members are diverted to other operational pressures which further decreases tickets issued.

2. Transfer from Reserve - Office of Traffic Safety (OTS) and Financial Stability Reserve (FSR)

In 2022, this was a transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER) and in 2023 the transfer was replaced with tax levy funding (as approved by City Council motion passed on June 7, 2022). On August 15, 2022, City Council approved multi-year one time funding for Healthy Streets Operation Centre (HSOC). Subsequently, FSR was identified as a funding source for 2023 (Budget Deliberations, December 2022).

There is no variance to budget.

3. Provincial Grants

Provincial Grants include the Policing Support Grant, the E911 Grant, Victim Services Grant, Drug Impairment Grant, and Indigenous Grant.

Over budget due to the recognition of revenue from the former Police Officer Grant, and the recognition of revenue from the new Alberta Mental Health and Addiction Grant, which is offset by increased contract and services costs.

ATTACHMENT II – EPS

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.

Over budget due to increased Secondments, PICS and Extra Duty revenue as demand for service requests increases. This is partially offset by decreased Tow Lot revenue due to fewer tows of seized vehicles, which is offset by lower contracts and service expenses.

5. Salary and Benefits

Salary and benefits are 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.

Slightly under budget.

The sworn member attrition for the full year is:

Attrition	December	December YTD	Full Year
Original Projection	7	90	90
Actual & Updated Projection	6	84	97

As of December 31st, 2023, thirty-seven sworn members have tendered their resignation, forty-two announced retirement, four are deceased, and one was released for an attrition total of eighty-four.

ATTACHMENT II – EPS**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 levels in the Community Policing Bureau, and the Emergency Communications Operations Management Branch (ECOMB), which is directly offset by increased revenue as part of the E911 Provincial Grant for emergency communication services. Also contributing to the overspend is increased investigations work within the Investigation and Support Services Bureau.

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 software expenses, which are offset by Grant revenue, and increased expenses for Rapid DNA.

8. Contracts & Services

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, Human-Centered Engagement Liaison Program (HELP) navigators, Legal Services, and Psychological Counseling.

Over budget due to increased DNA program expenditures, as well as increased psych counselling expenses, navigators, paramedic, and health care practitioners supporting the Alberta Mental Health and Addiction work, which is recovered through the Alberta Mental Health and Addictions Grant.

ATTACHMENT II – EPS**9. Vehicle Costs**

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

Under budget mainly due to less helicopter maintenance requirements.

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 funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility, and lower custodial and maintenance fees from the COE.

11. Other Expenditures

This category includes travel and training expenditures, insurance premiums, debt servicing costs, and memberships. Extra Duty Revenue received from other City Departments are reclassified from expense to revenue.

Under budget due to less travel and training, and increased recoveries from the COE for the Integrated Call Evaluation and Dispatch Centre.

12. Tangible Capital Assets

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

ATTACHMENT II – EPS

13. Transfer to/from EPS Reserve

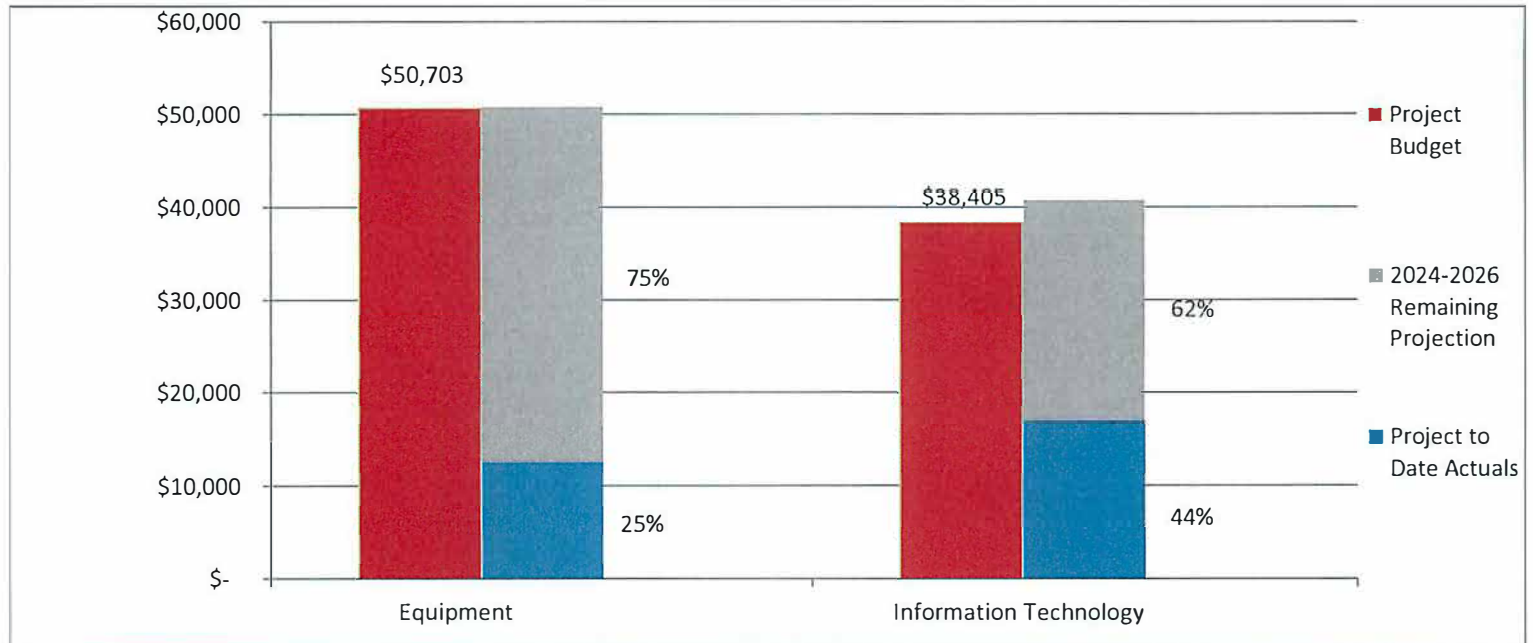
On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three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

Over the 2019-2022 budget cycle Edmonton Police Service managed significant costs related to the COVID-19 global pandemic and the City of Edmonton Enterprise Commons project with no additional funding. After addressing these unplanned expenditures, the balance in the EPS Operating Reserve as of December 31, 2023, is a deficit of **\$1.102 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
- 2023 (\$1.414) million

Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending Dec 31, 2023
(\$000's)

Capital Profile	Project To Date Actuals	2024-2026 Projection	Total Projection	Approved Budget Prior Years	2023-2026 Approved Budget	Total Approved Budget	Variance
	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)	(G=F-C)
Radio Life Cycle (Note 1, 9)	131	7,900	8,031	-	8,031	8,031	-
Vehicles (Note 2, 9)	9,531	27,617	37,148	-	37,148	37,148	-
Police Equipment (Note 3, 9)	1,692	2,677	4,369	-	4,369	4,369	-
In Car Video (Note 4)	1,265	-	1,265	1,040	115	1,155	(110)
Equipment	\$ 12,619	\$ 38,194	\$ 50,813	\$ 1,040	\$ 49,663	\$ 50,703	\$ (110)
IT - Infrastructure Sustainment	1,898	5,848	7,746	-	7,746	7,746	-
IT - Applications Sustainment	888	4,295	5,183	-	5,183	5,183	-
IT - Applications Enhancement	1,803	9,850	11,653	-	11,763	11,763	110
IT Systems - Total (Note 6, 9)	4,589	19,993	24,582	-	24,692	24,692	110
Automated Fingerprint Identification System (Note 5)	857	143	1,000	459	541	1,000	-
Enterprise Commons (Note 7)	893	1,708	2,601	163	-	163	(2,438)
CRIMM-CAD-RMS Integration, Modernization & Maximization (Note 8)	10,690	1,860	12,550	6,477	6,073	12,550	-
Information Technology	\$ 17,029	\$ 23,704	\$ 40,733	\$ 7,099	\$ 31,306	\$ 38,405	\$ (2,328)
Total	\$ 29,648	\$ 61,898	\$ 91,546	\$ 8,139	\$ 80,969	\$ 89,108	\$ (2,438)
Northwest Campus (Note 10)	118,346	1,129	119,475	116,971	2,504	119,475	-



* The 2023-2026 budget includes the approved 2022 carryforward, initially and subsequently approved budgets, 2023 Spring and Fall Supplemental Capital Budget Adjustments, and the 2023 Yearend Administrative Adjustments.

* Project to Date Actuals includes 2023 actuals.

* Projections include Q1 2024 to Q4 2026.

* Percentages for 2024-2026 remaining projection and project to date actuals add up to 106% due to Enterprise Commons projecting to be over budget.

ATTACHMENT IV – EPS

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

1 Radio Life Cycle

This renewal composite profile is to maintain the two-way radio communications equipment such as portable and mobile radios, radio dispatch consoles, and recording equipment for communication calls. (2023-2026 EPC supported \$13.402 million, City Council initially approved \$3.407 million and subsequently approved \$4.493 million during the 2023 Fall Supplemental Capital Budget Adjustment (SCBA), unfunded \$5.502 million).

Project to date – Portable radios have been purchased for the Human Centered Engagement and Liaison Partnership (HELP) program.

Project forecast – There is a consideration to upgrade the current radio model and radios will be purchased in 2024. Expected to be on budget at the end of the 4-year budget cycle.

2 Vehicles

This renewal composite profile includes the life cycle replacement of owned marked, unmarked and specialty vehicles.

Project to date – 26 marked, 33 unmarked and 6 covert vehicles were put into service plus 32 marked, 27 unmarked and 1 covert vehicle were delivered as of Q4. Some of the 2023 vehicle orders were cancelled by the dealership due to supply chain issues. 87 vehicles are currently on order.

Project forecast – Due to supply chain issues and long delivery times, vehicles are needing to be ordered up to 2 years in advance. Expected to be on budget at the end of the 4-year budget cycle.

3 Police Equipment

This renewal composite profile is for the replacement of police equipment which includes personal protective equipment, health and safety equipment, and training equipment. (2023-2026 EPC supported \$8.082 million, City Council initially approved \$2.054 million and subsequently approved \$1.331 million during the 2023 Fall SCBA, unfunded \$4.697 million).

ATTACHMENT IV – EPS

Edmonton Police Service
 Explanation of Variances by Capital Project – Notes
 For the Period Ended December 31, 2023

Project to date – Major expenditures include soft and hard body armor, wiretap data server, Police Headquarters parking lot gate, carbine accessories and firearms examination unit renovation. There was a yearend administrative budget adjustment to transfer \$0.568 million from operating to capital for items budgeted in operating but determined to be capital in nature under the tangible capital accounting rules.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle.

4 In-Car Video Pilot Project

This standalone growth profile is a pilot project to equip police vehicles with a video system which will provide an audio/visual record of events within the viewing area of the cameras as they occur.

Project to date – The proof of concept continued into early Q2 before it was put on hold due to the Provincial Body Worn Video announcement. The final expenditures have been processed which leaves an overspend of \$0.110 million.

Project forecast – A 2024 Spring SCBA will be requested to cover the overspend from IT Applications – Enhancement profile. No expenditures are anticipated in 2024 as the service focuses on pilot deployment of body worn cameras.

5 Police IT Systems

Infrastructure-Sustainment

Infrastructure-Sustainment is a composite renewal profile of infrastructure components that maintain the capability of EPS network, server, storage, telephony and security systems deployed in support of police operations. (2023-2026 EPC supported \$28.053 million, City Council initially approved \$7.131 million and subsequently approved \$3.293 million during the 2023 Fall SCBA, unfunded \$17.629 million).

Project to date – Equipment has been received for lifecycle replacement of switches, corporate Wi-Fi and mobile workstations.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle.

ATTACHMENT IV – EPS

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

Applications - Sustainment

Applications-Sustainment is a composite renewal profile encompassing various initiatives that maintain the capability of EPS software applications and systems that are deployed in support of police operations. System portfolios include: Dispatch, Operational Records, Operational Video, Administrative and Intelligence. (2023-2026 EPC supported \$18.978 million, City Council initially approved \$4.824 million and subsequently approved \$1.493 million during the 2023 Fall SCBA, unfunded \$12.661 million).

Project to date – Major project expenditures include Coveo Cloud Migration project and Interview Room Upgrade.

Project forecast – Activities on several continuing projects will ramp up in 2024. Expected to be on budget at the end of the 4-year budget cycle.

Applications – Enhancement

Applications-Enhancement is a composite growth profile encompassing various initiatives which includes enhancement of existing systems and implementation of new software applications and systems that are deployed in support of police operations. System portfolios include: Dispatch, Operational Records, Operational Video, Administrative and Intelligence. (2023-2026 EPC supported \$14.440 million, City Council approved \$11.835 million, unfunded \$2.605 million).

Project to date – Expenditures include Live External Operational Video Management, NG911 Voice and Real Time Texting (RTT), Body Worn Video Pilot, and Enterprise Analytics-Power BI pilot project.

Project forecast – Project activities will ramp up in 2024 for the NG911 Voice and RTT and may extend into 2025. Expected to be on budget at the end of the 4-year budget cycle.

6 Automated Fingerprint Identification System (AFIS)

The standalone renewal profile is to upgrade the Automated Fingerprint Identification System (AFIS) which is used to register and store fingerprint transactions for criminal offences.

ATTACHMENT IV – EPS

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

Project to date – Data migration has been completed and the majority of the hardware equipment has been received.

Project forecast – System acceptance test is nearly completed and final migration and go-live will be completed in Q1 2024. The project is expected to be on budget.

7 Enterprise Commons

This standalone growth profile is to transition the aging enterprise technology systems to a single, modernized technology system that spans the enterprise core functions including Finance, Human Resources, Supply Chain Management. This project is a City of Edmonton initiative and requires integration with EPS applications.

Project to date – The project is currently in the deliver and test phase and expenditures include information technology resources, business resources and integration services with the Alberta Government Justice Online Information Network (JOIN). There was a yearend administrative adjustment to transfer remaining budget and expenditures of \$1.460 million to operating due to accounting treatment under tangible capital rules, consistent with City of Edmonton approach.

Project forecast – The currently scheduled go-live date is late 2024. There is a projected overspend of \$2.438 million based on current timelines (under review and subject to change).

8 CAD-RMS Integration, Modernization & Maximization (CRIMM)

This standalone growth profile is to modernize and upgrade EPS' records management processes and systems which includes the Computer Automated Dispatch System (CAD) and core Records Management System (RMS) functionality.

Project to date – Expenditures to date include information technology and business resources, integrations consulting, software licensing and computer hardware.

Project forecast – The DataVault project timelines have extended to Q1 2024. Property Module project is underway and is expected to be complete by Q3 2024. Expected to be on budget.

ATTACHMENT IV – EPS

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
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9 Composite Projects

Composite projects share similar attributes and activities that are repetitive in nature and completed in shorter timelines. Composite projects may include individual growth projects less than \$2 million or individual renewal projects less than \$5 million with an estimated completion timeline of under two years.

10 Northwest Campus

This standalone growth profile is for the construction of Northwest Campus.

Project to date – The building was substantially completed at the end of 2018. The building experienced a number of roof leaks and a full roof replacement was required. Remaining equipment modifications have been completed. There is a budget carryforward of \$1.129 million to 2024.

Project forecast – Legal arbitration hearing for the roof replacement is set for Q1 2024.

Tax-Supported Operations - December 31, 2023 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	Actual	Variance \$	%	
<u>Community Services</u>						
Community Recreation and Culture	Revenue	65,254	73,185	7,931	●	12.2
	Expense	146,492	149,533	(3,041)	●	(2.1)
	Net Position	(81,238)	(76,348)	4,890	●	6.0
Community Standards and Neighbourhoods	Revenue	9,840	7,767	(2,073)	●	(21.1)
	Expense	58,660	55,060	3,600	●	6.1
	Net Position	(48,820)	(47,293)	1,527	●	3.1
Social Development	Revenue	86,849	58,131	(28,718)	●	(33.1)
	Expense	149,269	118,157	31,112	●	20.8
	Net Position	(62,420)	(60,026)	2,394	●	3.8
<u>Community Services</u>						
	Revenue	161,943	139,083	(22,860)	●	(14.1)
	Expense	354,421	322,750	31,671	●	8.9
	Net Position	(192,478)	(183,667)	8,811	●	4.6
<u>City Operations</u>						
Edmonton Transit	Revenue	132,512	115,857	(16,655)	●	(12.6)
	Expense	420,712	416,164	4,548	●	1.1
	Net Position	(288,200)	(300,307)	(12,107)	●	(4.2)
Fleet and Facility Services	Revenue	8,663	8,074	(589)	●	(6.8)
	Expense	74,279	77,037	(2,758)	●	(3.7)
	Net Position	(65,616)	(68,963)	(3,347)	●	(5.1)
Parks and Road Services	Revenue	55,438	42,570	(12,868)	●	(23.2)
	Expense	207,835	216,685	(8,850)	●	(4.3)
	Net Position	(152,397)	(174,115)	(21,718)	●	(14.3)
Snow and Ice Control	Revenue	2,401	2,362	(39)	●	(1.6)
	Expense	63,574	54,917	8,657	●	13.6
	Net Position	(61,173)	(52,555)	8,618	●	14.1
<u>City Operations</u>						
	Revenue	199,014	168,863	(30,151)	●	(15.2)
	Expense	766,400	764,803	1,597	●	0.2
	Net Position	(567,386)	(595,940)	(28,554)	●	(5.0)

Tax-Supported Operations - December 31, 2023 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	Actual	Variance \$	%
Financial and Corporate Services					
Assessment and Taxation	Revenue	320	249	(71) ●	(22.2)
	Expense	19,870	17,812	2,058 ●	10.4
	Net Position	(19,550)	(17,563)	1,987 ●	10.2
Corporate Procurement and Supply Services	Revenue	400	573	173 ●	43.3
	Expense	13,031	15,622	(2,591) ●	(19.9)
	Net Position	(12,631)	(15,049)	(2,418) ●	(19.1)
Enterprise Commons	Revenue	-	-	- ●	-
	Expense	15,474	16,281	(807) ●	(5.2)
	Net Position	(15,474)	(16,281)	(807) ●	(5.2)
Financial Services	Revenue	722	820	98 ●	13.6
	Expense	22,198	20,493	1,705 ●	7.7
	Net Position	(21,476)	(19,673)	1,803 ●	8.4
Open City and Technology	Revenue	553	506	(47) ●	(8.5)
	Expense	47,922	45,476	2,446 ●	5.1
	Net Position	(47,369)	(44,970)	2,399 ●	5.1
Real Estate	Revenue	6,936	6,993	57 ●	0.8
	Expense	39,181	37,762	1,419 ●	3.6
	Net Position	(32,245)	(30,769)	1,476 ●	4.6
Service Innovation and Performance	Revenue	1,613	1,474	(139) ●	(8.6)
	Expense	28,067	26,080	1,987 ●	7.1
	Net Position	(26,454)	(24,606)	1,848 ●	7.0
Financial and Corporate Services		10,544	10,615	71 ●	0.7
		185,743	179,526	6,217 ●	3.3
		(175,199)	(168,911)	6,288 ●	3.6

Tax-Supported Operations - December 31, 2023 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	Actual	Variance \$	%
<u>Integrated Infrastructure Services</u>					
Building Great Neighbourhoods	Revenue	-	-	-	●
	Expense	2,337	2,290	47	●
	Net Position	(2,337)	(2,290)	47	●
Infrastructure Delivery	Revenue	1,237	578	(659)	●
	Expense	5,540	3,661	1,879	●
	Net Position	(4,303)	(3,083)	1,220	●
Infrastructure Planning and Design	Revenue	2,876	2,021	(855)	●
	Expense	16,629	15,244	1,385	●
	Net Position	(13,753)	(13,223)	530	●
LRT Expansion and Renewal	Revenue	455	453	(2)	●
	Expense	1,149	852	297	●
	Net Position	(694)	(399)	295	●
Blatchford Redevelopment Office	Revenue	-	-	-	●
	Expense	209	180	29	●
	Net Position	(209)	(180)	29	●
<u>Integrated Infrastructure Services</u>		4,568	3,052	(1,516)	●
		25,864	22,227	3,637	●
		(21,296)	(19,175)	2,121	●
<u>Urban Planning and Economy</u>					
Planning and Environment Services	Revenue	34,927	48,958	14,031	●
	Expense	74,141	85,881	(11,740)	●
	Net Position	(39,214)	(36,923)	2,291	●
Development Services	Revenue	78,316	70,430	(7,886)	●
	Net transfer to/(from) P&D Reserve	(1,330)	5,671	(7,001)	●
	Expense	87,687	72,900	14,787	●
		(8,041)	(8,141)	(100)	●
Economic Investment Services	Revenue	24,033	11,998	(12,035)	●
	Expense	41,777	24,183	17,594	●
	Net Position	(17,744)	(12,185)	5,559	●
<u>Urban Planning and Economy</u>		137,276	131,386	(5,890)	●
		202,275	188,635	13,640	●
		(64,999)	(57,249)	7,750	●

Tax-Supported Operations - December 31, 2023 Financial Results and Projections

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- Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)			
		Budget	Actual	Variance \$	%
Office of the City Manager					
City Manager	Revenue	2,578	774	(1,804) ●	(70.0)
	Expense	11,153	9,131	2,022 ●	18.1
	Net Position	(8,575)	(8,357)	218 ●	2.5
Chief Communications Office	Revenue	1,077	448	(629) ●	(58.4)
	Expense	10,325	8,949	1,376 ●	13.3
	Net Position	(9,248)	(8,501)	747 ●	8.1
Office of the City Clerk	Revenue	886	621	(265) ●	(29.9)
	Expense	16,295	15,622	673 ●	4.1
	Net Position	(15,409)	(15,001)	408 ●	2.6
Labour Relations and Total Compensation	Revenue	-	1	1 ●	-
	Expense	8,229	8,805	(576) ●	(7.0)
	Net Position	(8,229)	(8,804)	(575) ●	(7.0)
Talent Management	Revenue	-	-	- ●	-
	Expense	13,087	12,509	578 ●	4.4
	Net Position	(13,087)	(12,509)	578 ●	4.4
Workforce Safety and Employee Health	Revenue	-	-	- ●	-
	Expense	9,173	8,753	420 ●	4.6
	Net Position	(9,173)	(8,753)	420 ●	4.6
Legal Services	Revenue	-	-	- ●	-
	Expense	13,833	13,289	544 ●	3.9
	Net Position	(13,833)	(13,289)	544 ●	3.9
Office of the City Manager (excluding Fire Rescue Services)	Revenue	4,541	1,844	(2,697) ●	(59.4)
	Expense	82,095	77,058	5,037 ●	6.1
	Net Position	(77,554)	(75,214)	2,340 ●	3.0
Fire Rescue Services	Revenue	1,980	18,998	17,018 ●	859.5
	Expense	223,274	245,994	(22,720) ●	(10.2)
	Net Position	(221,294)	(226,996)	(5,702) ●	(2.6)
Office of the City Manager	Revenue	6,521	20,842	14,321 ●	219.6
	Expense	305,369	323,052	(17,683) ●	(5.8)
	Net Position	(298,848)	(302,210)	(3,362) ●	(1.1)

Tax-Supported Operations - December 31, 2023 Financial Results and Projections

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- Unfavourable budget variance, > (10)%

(in \$000's)		Year-to-Date (YTD)			
		Budget	Actual	Variance \$	%
Mayor and Councillor Offices	Revenue	-	-	-	●
	Expense	7,052	6,592	460	●
	Net Position	(7,052)	(6,592)	460	●
Office of the City Auditor	Revenue	-	-	-	●
	Expense	2,978	2,501	477	●
	Net Position	(2,978)	(2,501)	477	●
Boards and Authorities	Revenue	88,163	88,185	22	●
	Expense	210,102	210,114	(12)	●
	Net Position	(121,939)	(121,929)	10	●
Sub-Total Department Programs	Revenue	608,029	562,026	(46,003)	●
	Expense	2,060,204	2,020,200	40,004	●
	Net Position	(1,452,175)	(1,458,174)	(5,999)	●

Tax-Supported Operations - December 31, 2023 Financial Results and Projections

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- Unfavourable budget variance, > (10)%

	(in \$000's)	Year-to-Date (YTD)			
		Budget	Actual	Variance \$	%
Corporate Programs					
Capital Project Financing	Revenue	272,968	244,891	(28,077) ●	(10.3)
	Expense	465,056	449,218	15,838 ●	3.4
	Net Position	(192,088)	(204,327)	(12,239) ●	(6.4)
Corporate Expenditures	Revenue	3,185	1,926	(1,259) ●	(39.5)
	Expense	100,095	118,072	(17,977) ●	(18.0)
	Net Position	(96,910)	(116,146)	(19,236) ●	(19.8)
Corporate Revenues	Revenue	502,644	495,154	(7,490) ●	(1.5)
	Expense	93	97	(4) ●	(4.3)
	Net Position	502,551	495,057	(7,494) ●	(1.5)
Taxation Expenditures	Revenue	5,432	7,194	1,762 ●	32.4
	Expense	13,092	16,250	(3,158) ●	(24.1)
	Net Position	(7,660)	(9,056)	(1,396) ●	(18.2)
Taxation Revenues	Revenue	1,900,313	1,898,464	(1,849) ●	(0.1)
	Expense	-	-	- ●	-
	Net Position	1,900,313	1,898,464	(1,849) ●	(0.1)
Traffic Safety and Automated Enforcement	Revenue	23,369	29,259	5,890 ●	25.2
	Net transfer to/(from)	23,369	29,259	(5,890) ●	25.2
	Net Position	-	-	- ●	-
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	- ●	-
	Expense	174,386	174,386	- ●	-
	Net Position	(174,386)	(174,386)	- ●	-
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	- ●	-
	Expense	57,100	57,100	- ●	-
	Net Position	(57,100)	(57,100)	- ●	-
Corporate Programs					
	Revenue	2,707,911	2,676,888	(31,023) ●	(1.1)
	Expense	833,191	844,382	(11,191) ●	(1.3)
	Net Position	1,874,720	1,832,506	(42,214) ●	(2.3)

Tax-Supported Operations - December 31, 2023 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	Actual	Variance \$	%
Total	Revenue	3,315,940	3,238,914	(77,026)	● (2.3)
Tax-Supported Operations (excluding Police Services)	Expense	2,893,395	2,864,582	28,813	● 1.0
	Net Position	422,545	374,332	(48,213)	● (1.7)
Police Services	Revenue	78,525	85,345	6,820	● 8.7
	Expense	501,070	509,304	(8,234)	● (1.6)
	Net Position	(422,545)	(423,959)	(1,414)	● (0.3)
	Net transfer to/(from) EPS Reserve	-	(1,414)	1,414	● -
	Net Position	(422,545)	(422,545)	-	● -
Total Tax-Supported Operations	Revenue	3,394,465	3,324,259	(70,206)	● (2.1)
	Expense	3,394,465	3,372,472	21,993	● 0.6
	Net Position	-	(48,213)	(48,213)	