The Edmonton logo is a dark blue square with the word "Edmonton" in white, sans-serif font.

# **Operating and Capital Financial Update - December 31, 2023**

City Council  
*March 12, 2024*

# Presentation Overview



## Economic Update

- Population growth
- Building construction price inflation
- Economic outlook



## Capital Financial Update December 31, 2023

- Budget cycle spend
- Significant project results
- City's forecasted debt servicing

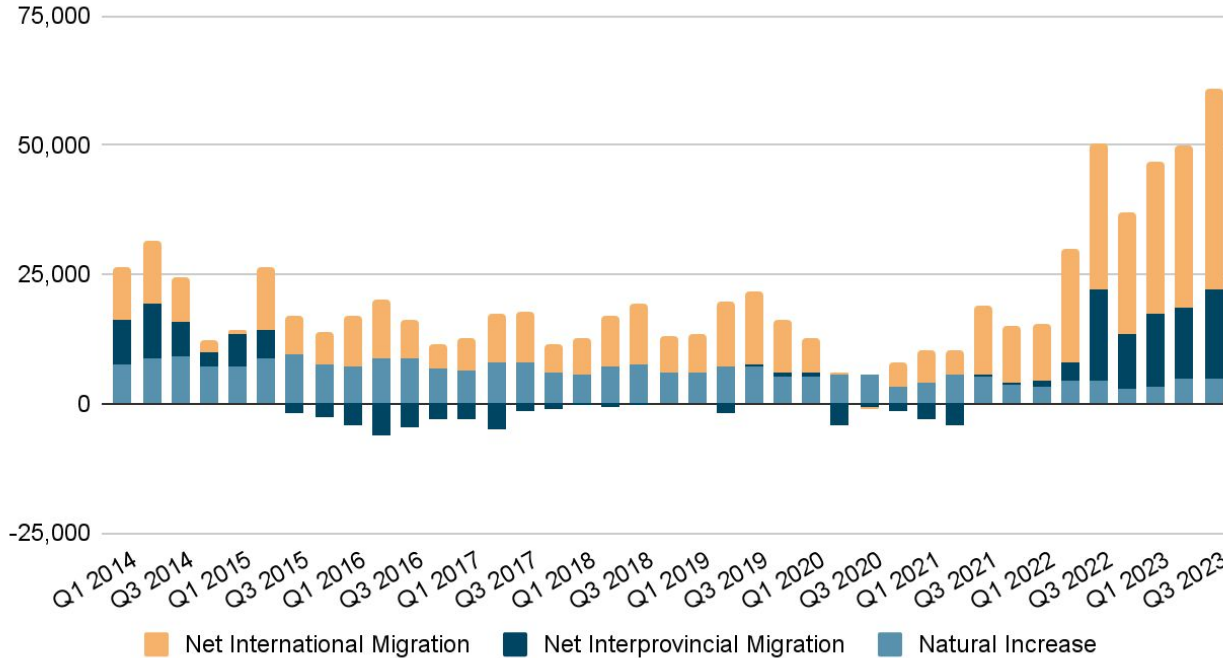


## Operating Financial Update December 31, 2023

- Enterprise & Utility programs
- Tax supported operations
- FSR and operating carry-forward recommendations
- Reserve update

# Economic Update

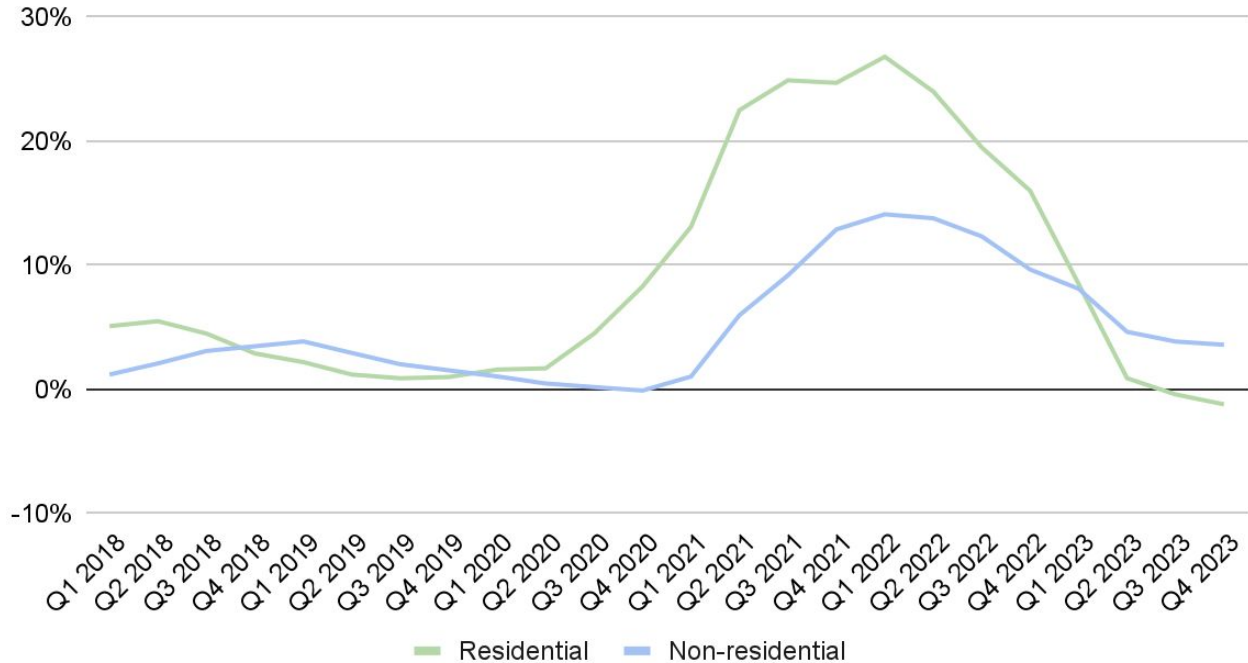
## Components of population growth - Alberta



Source: Statistics Canada  
 Note: calculations by City of Edmonton

# Economic Update

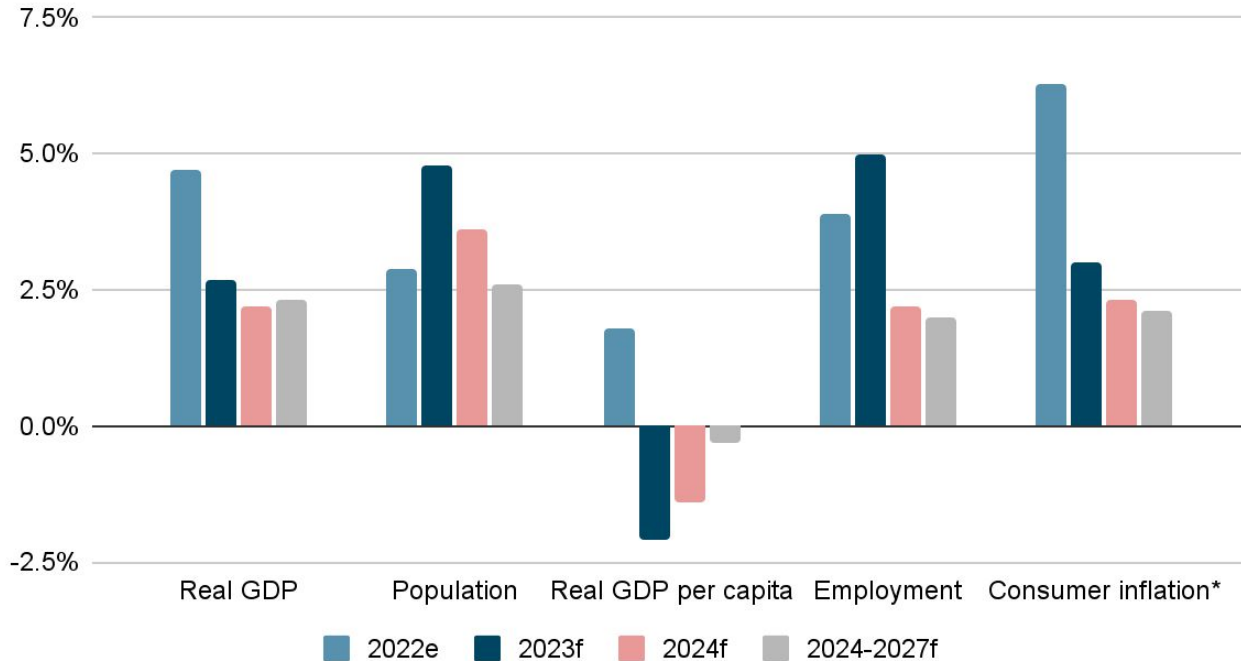
## Annualized Building Construction Price Inflation - Edmonton CMA



Source: Statistics Canada

# Economic Update

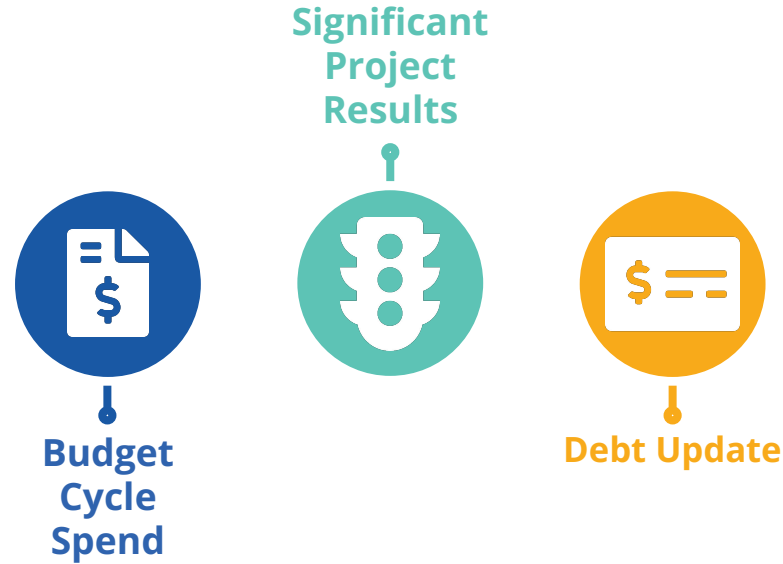
## Growth Forecast, Select Indicators - Edmonton



Sources: Alberta Treasury Board and Finance, City of Edmonton, and Stokes Economics

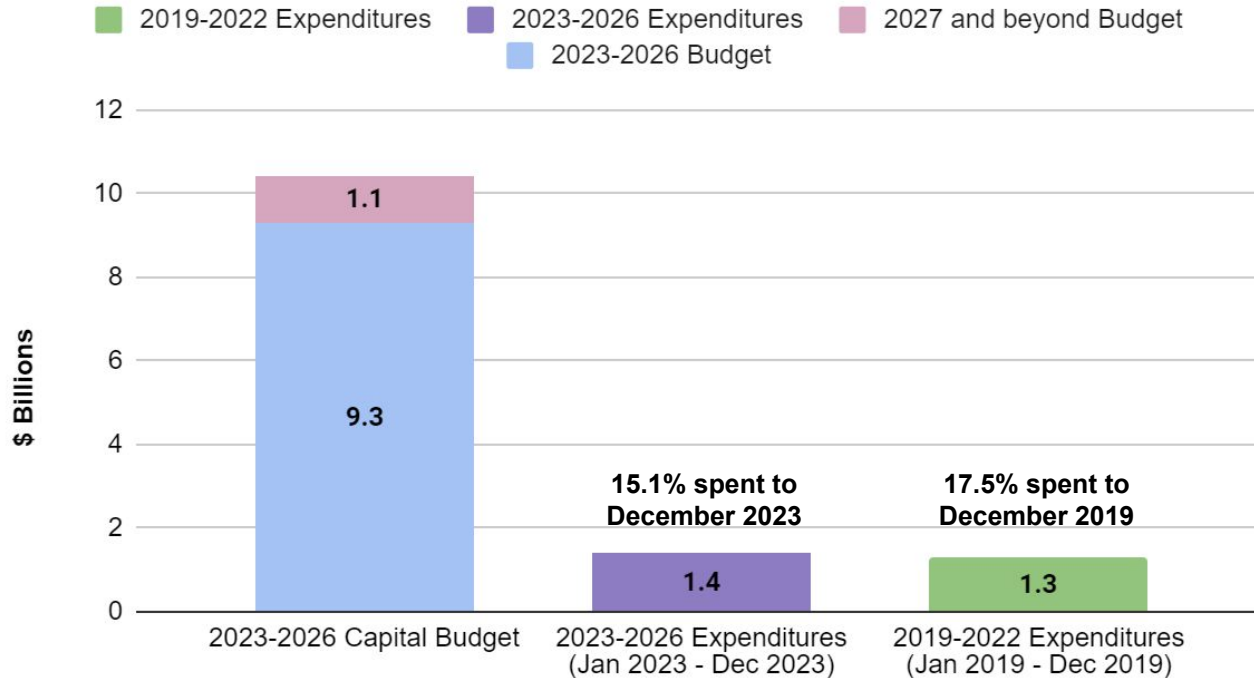
Note: "e" = estimate; "f" = forecast; \* signifies CMA-level indicator

# Capital Results - December 31, 2023

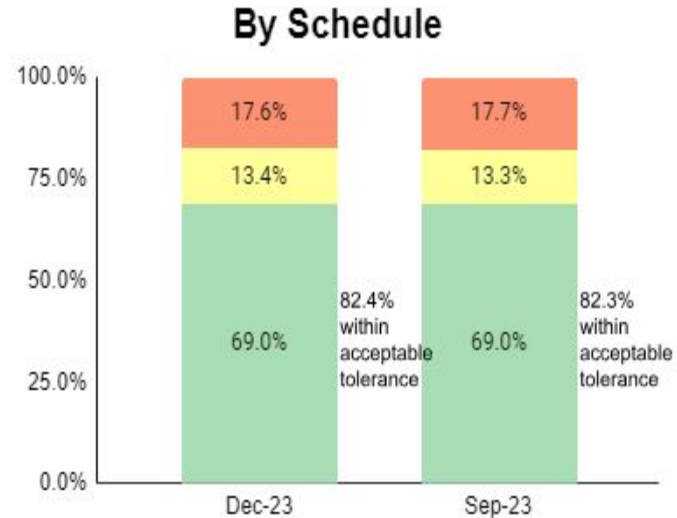
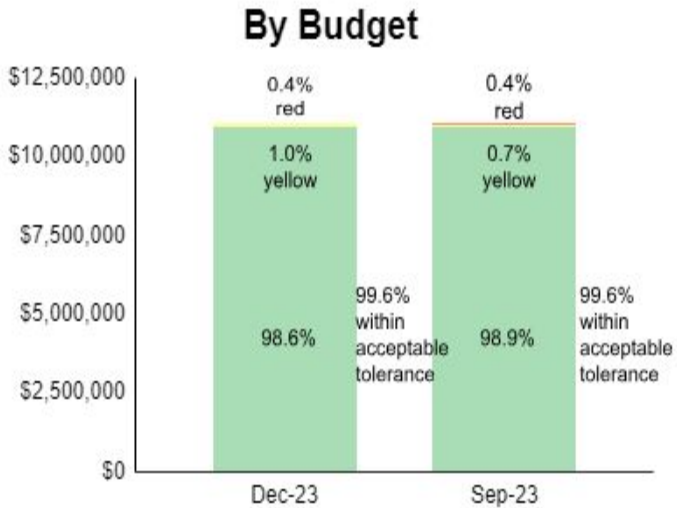


# Budget Cycle Spend

## 2023-2026 Capital Budget Expenditures



# Significant Capital Project Status Summary

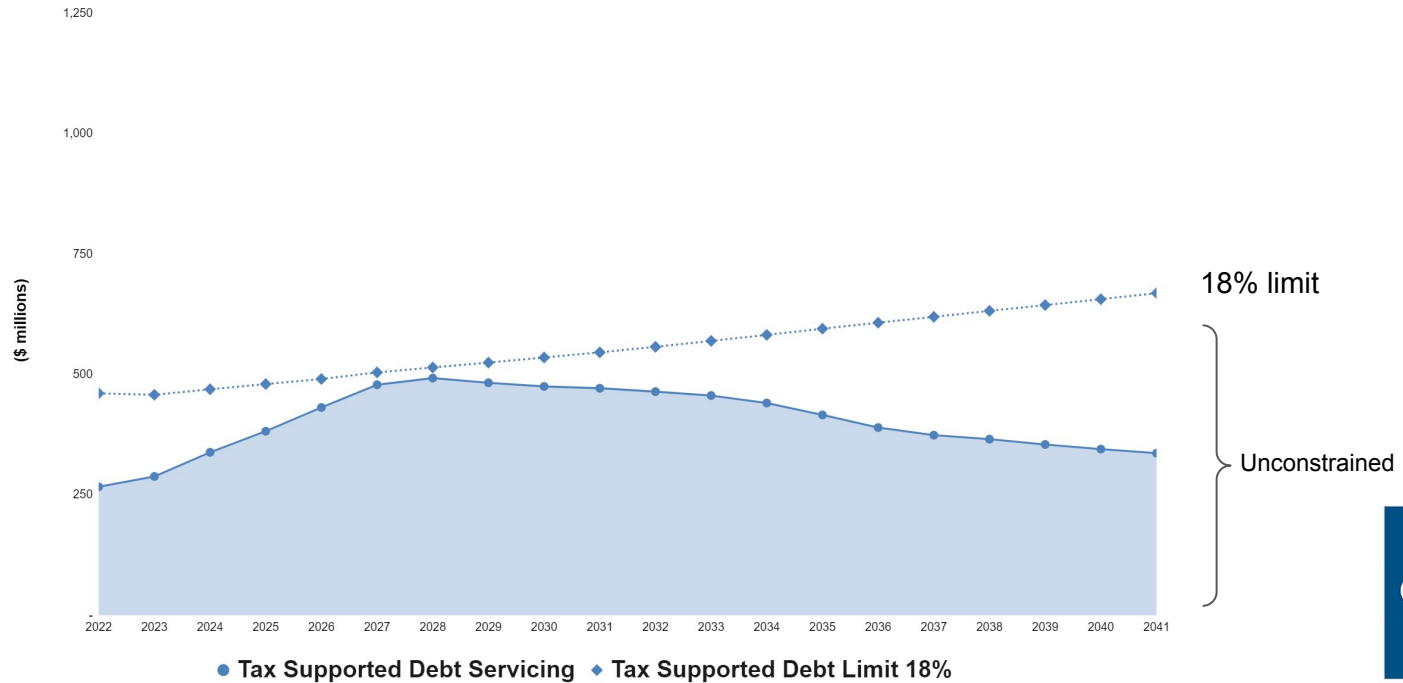


\*The budget and schedule status charts above are weighted by the profiles approved budget.



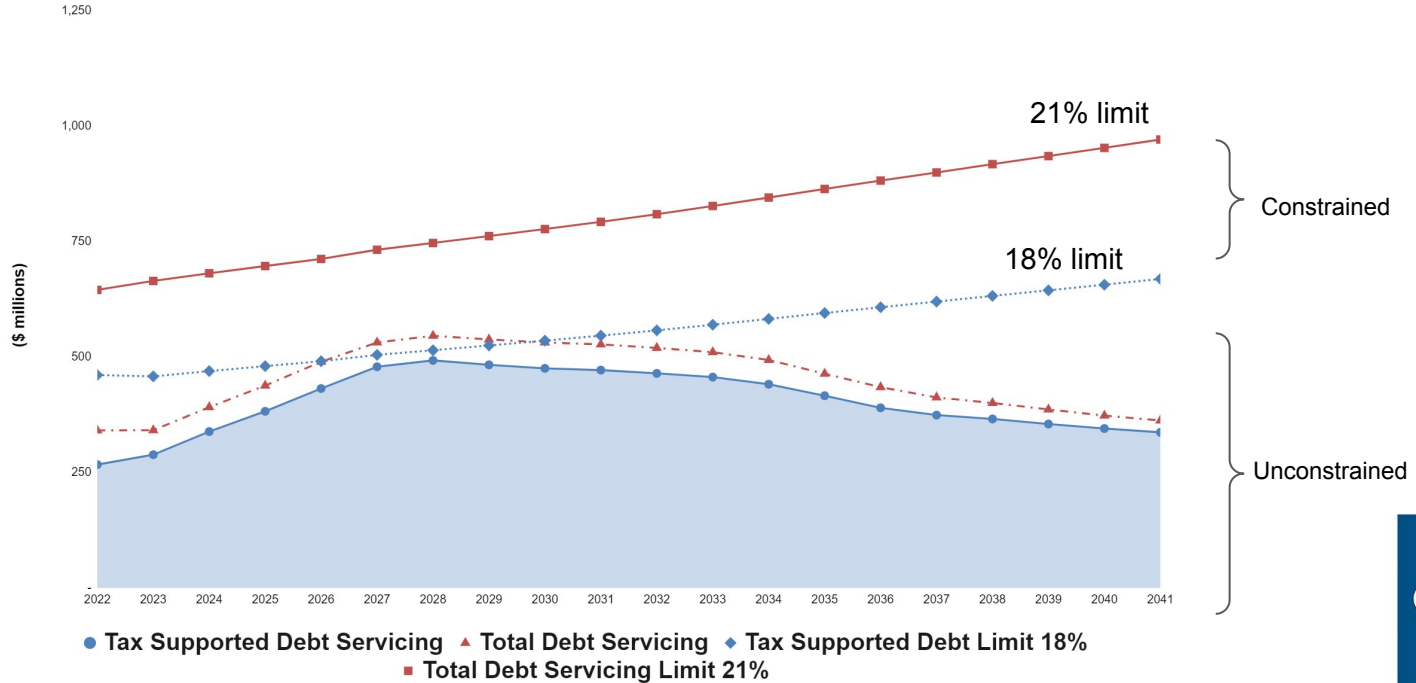
# Debt Management Fiscal Policy

## Debt Servicing Limits (\$M)



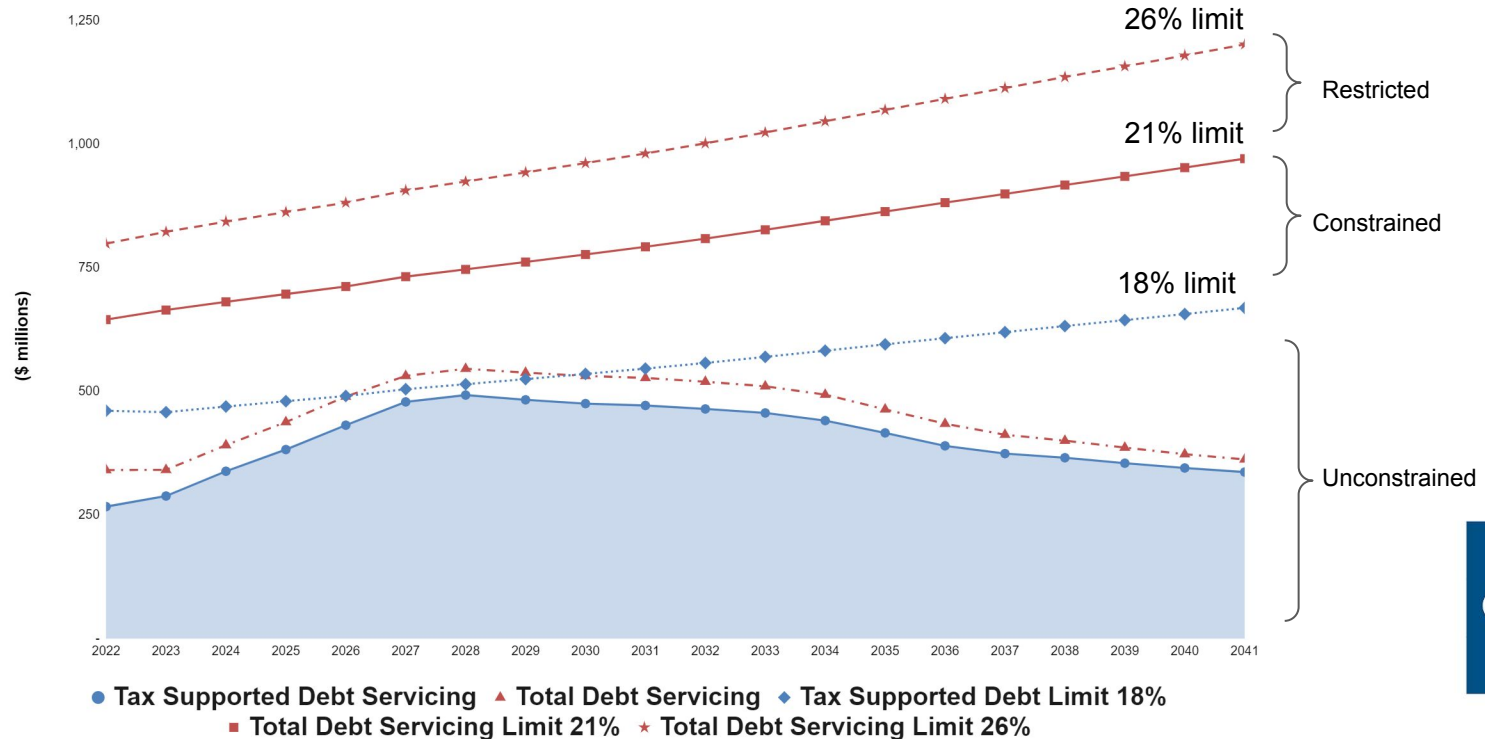
# Debt Management Fiscal Policy

## Debt Servicing Limits (\$M)



# Debt Management Fiscal Policy

## Debt Servicing Limits (\$M)



# Operating Results - December 31, 2023

Tax-Supported  
Operations



Enterprise  
& Utility  
Operations









Reserve Update



# Enterprise and Utility Operations

Dec. 31, 2023 - Net Position Budget Variance (\$M)

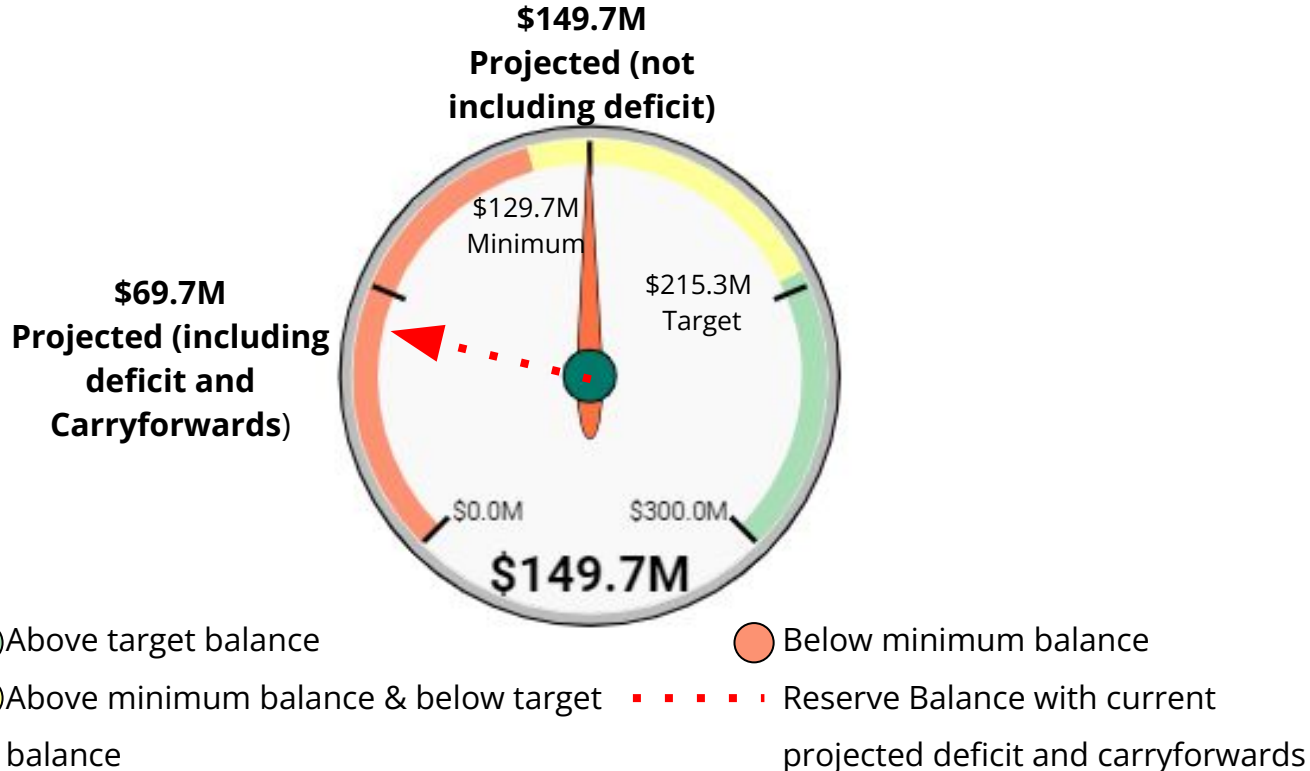
 Favourable  Unfavourable	Year-End Variance
Waste Services	15.7 
Land Enterprise	14.8 
Blatchford Redevelopment	(8.3) 
Blatchford Renewable Energy Utility	(0.1) 

# Tax-Supported Operations (excluding EPS)

Year-End Variance	Description	<span style="color: green;">●</span> Favourable <span style="color: red;">●</span> Unfavourable
(47.1)	● Salary Settlements	
(11.7)	● Transit Fare Revenue (Edmonton Transit)	
(11.5)	● Tax Supported Debt (Capital Project Financing)	
(11.3)	● Gas Franchise Fees (Corporate Revenues)	
(11.0)	● Contract Costs ( <i>Fleet and Facility Services</i> )	
8.7	● Snow and Ice Control ( <i>Snow and Ice Control</i> )	
10.5	● Memberships & Admissions Revenue ( <i>Community Recreation And Culture</i> )	
18.3	● 2023-2026 Financial Strategies ( <i>Corporate Expenditures</i> )	
(16.5)	● 2023 Alberta Wildfire Response Costs ( <i>Fire Rescue Services</i> )	
16.5	● 2023 Alberta Wildfire Response Reimbursement ( <i>Fire Rescue Services</i> )	
6.9	● Other Cumulative Variances	
<b>(48.2)</b>	● <b>Total</b>	
(1.4)%	● Percent of Annual Budget	

# Reserve Update (\$M)

## Financial Stabilization Reserve (Unappropriated)



# Operating Carryforwards

## (Recommendation 2) - Decrease in FSR Balance

There was [\\$25.8 million expenses to occur in 2023 that are recommended for carry-forward](#) of funds, with new funding from the FSR:

Carry-Forward Request	Amount (\$ millions)
Financial Strategies - 2023-2026	18.3
Downtown Vibrancy & Chinatown Strategic Plan (UPE)	4.7
Scona Pool Demolition (IIS)	1.0
Valley Zoo & NE River Valley Park Master Plan (Community Services)	0.6
2025 Election Costs (Office of the City Manager)	0.4
Council Contingency	0.4
124 Street Decorative Light Canopy Project (City Ops)	0.2
Business Census (UPE)	0.2
<b>Total</b>	<b>25.8</b>



# Operating Carryforwards

## (Other Recommendations) - No Impact to FSR Balance

- The following recommendations are for carry-forward of funds previously appropriated in the FSR, funded through other reserves, or non-tax levy sources.
- These recommendations do not impact the unappropriated FSR or the surplus.

Recommendation	Amount (\$millions)
<b>Recommendation 1</b> - Carry-forward of items previously appropriated in the FSR with expenses in 2024	13.6
<b>Recommendation 3 - 10</b> - Operating commitments funded through reserves or external non tax-levy funds in the 2023 approved budget that were not completed by year-end. Budget adjustments are recommended to reallocate 2023 expenses and offsetting funding sources into the 2024 operating budget, with no impact to the Financial Stabilization Reserve or the 2024 tax-levy position.	40.4

# Reserve Update (\$M)

Projected December 31, 2023 Balance

### Planning & Development Reserve



### Traffic Safety & Automated Enforcement Reserve



- Above minimum balance & below target balance
- Above target balance (Planning & Development Reserve)
- Below minimum balance

# Next Steps

- City of Edmonton Consolidated Financial Statements - December 31, 2023
  - April 15 - Audit Committee
  - April 23 - City Council (for approval)

Questions?