

## Unquantified Budget Risk Items

The following are potential items that could be a risk to the City's current budget. These items were not included in the attachments for FCS02478 Financial Stability: Addressing Budget and Growth Challenges (August 14, 2024, Executive Committee) because they:

- do not have specific dollar values yet,
- are one-time or multi-year and, therefore, will be resolved over time,
- have smaller dollar values that are currently being managed within the branch (continuing to monitor), or
- are items that will put pressure on the budget in the future but are currently not structural budget issues today.

Note that this list is not comprehensive, as there are other one-time pressures the City is experiencing. As with all existing and potential risks, Administration is monitoring and addressing where necessary.

Item Name (Dept/Branch)	Brief Description
Asset Condition Assessment Program  (Integrated Infrastructure Services - <b>Infrastructure Planning and Design (IP&amp;D)</b> )	<b>Challenges in Meeting City Asset Assessment Targets</b>  IP&D faces difficulties meeting assessment targets for city assets due to limited resources and expanding infrastructure, particularly for facility assets.
Boyle Plaza  (Community Services - <b>Community Standards and Neighbourhoods</b> )	<b>Boyle Community League Building Management</b>  In 2018, the Boyle Community League, under the Tripartite Agreement, turned over their building to the City. An indefinite funding agreement was made with the YMCA to operate the building, without a corresponding budget.
Boyle Renaissance Condo  (Community Services - <b>Community Standards and Neighbourhoods</b> )	<b>Boyle Plaza Maintenance Oversight</b>  In 2015, Council directed the City to undertake maintenance of the Boyle Plaza, with no funding provided.
Council Directed Operational Funding  (Community Services - <b>Social Development</b> )	<b>Council-directed Funding and Its Challenges</b>  Operating funding for external organizations that is directed outside of formal programs, generally by Council, may address specific needs or strategies, but often lacks clear criteria, raises inequity concerns and can be difficult to adjust as City needs change.

## Attachment 1

<p>Coyote Management</p> <p>(Community Services - Community Standards and Neighbourhoods)</p>	<p><b>Rising Coyote Conflicts and Budget Impact</b></p> <p>Increased demand for lethal coyote management exceeds the pest control budget, causing a budget variance since 2023.</p>
<p>Facility Enhancements</p> <p>(Community Services - Community Recreation and Culture (CRC))</p>	<p><b>Lack of Funding for CRC Facility Upgrades</b></p> <p>No funding is available for CRC facility upgrades to meet demand, accessibility needs and safety standards.</p>
<p>Fleet replacements above budget</p> <p>(City Operations - Fleet and Facility Services)</p>	<p><b>Fleet Reserve Budget Impact</b></p> <p>Inflation has increased fleet reserve contributions by about 20 per cent, exceeding the budget. The fleet reserve study will determine the full impact.</p>
<p>Heavy Apparatus Fleet Reserve Contributions</p> <p>(Office of the City Manager - Fire Rescue Services)</p>	<p><b>Pumper Truck Replacement Timeline Adjustment and Budget Impact</b></p> <p>To align with industry best practice and to optimize downtime and maintenance costs, the pumper truck replacement cycle was adjusted in 2012 from 17 to 13 years without a corresponding budget adjustment. As well, recent significant replacement cost increases have negatively impacted the budget.</p>
<p>Narcan administration</p> <p>(Community Services - Community Standards and Neighbourhoods)</p>	<p><b>Opioid Hazard Management and Budget Impact</b></p> <p>Rising overdose incidents have created a budget variance despite the \$25,000 annual CSWB allocation.</p>
<p>Peace Officer Induction - Training Costs</p> <p>(Community Services - Community Standards and Neighbourhoods)</p>	<p><b>Community Peace Officer Induction Program and Training Facility Challenges</b></p> <p>The City lacks a permanent training facility, relying on unfunded short-term leases, impacting the timing to have frontline staff onboarded. This ongoing challenge to appropriately accommodate training has created a structural budget challenge since 2005.</p>
<p>Public Washroom / Shigella Response</p> <p>(City Operations - Parks and Roads Services)</p>	<p><b>Extension of Public Washroom Services (one-time)</b></p> <p>Public washroom operations with added services in response to Shigella, implemented in 2022 have been extended through to September 2024 without funding.</p>
<p>Security Costs</p> <p>(Community Services - Community Recreation and Culture)</p>	<p><b>Enhanced Security for Community Recreation Facilities</b></p> <p>Since 2022, rising incidents prompted the need for enhanced security and extended staffing hours at larger recreation facilities. In 2024, the CRC budget was increased to address the higher demand for security (offset by higher user fee revenue), however actual incidents have exceeded estimates, creating an even greater need for security support.</p>
<p>Service Levels</p> <p>(Community Services - Community Recreation and Culture)</p>	<p><b>Declining Access to Community Recreation Centers</b></p> <p>Population growth and expanding neighbourhoods create challenges to maintain service levels.</p>

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<p>Software Licensing and Maintenance</p> <p>(Financial &amp; Corporate Services - <b>Open City &amp; Technology</b>)</p>	<p><b>Duplicate Licensing Costs for Legacy Systems (multi-year)</b></p> <p>Legacy systems during Enterprise Commons testing and implementation are incurring duplicate licensing costs</p>
<p>Unfunded Enhanced Special Waste Operations</p> <p>(City Operations - <b>Parks and Roads Services</b>)</p>	<p><b>Special Waste Clean-Up Funding</b></p> <p>Parks and Roads Services handled special waste clean-up (e.g. Special Waste clean up work performed by Center City crew who removed biohazards, needles, and litter) without dedicated funding for three years. One-time funding for 2024, but there is no funding for 2025 despite high demand.</p>
<p>Valley Line West Detours</p> <p>(City Operations - <b>Edmonton Transit Service</b>)</p>	<p><b>Valley Line West Project and ETS Detour Costs (multi-year)</b></p> <p>The Valley Line West budget doesn't cover ETS detour costs, which ETS must absorb for the project's duration.</p>
<p>Renewal Deficit Risk</p> <p>(Various Departments)</p>	<p><b>Costs for Maintenance</b></p> <p>One of the most significant risks highlighted in FCS02478 is the impact of underfunding renewal in the capital budget. Administration continues to analyze and monitor the interconnections between the operating and capital budgets. The operating budget is experiencing increased financial pressure due to the lack of renewal funding in the capital budget. Lack of renewal funding in the capital budget leads to increased costs for maintenance in the operating budget; aging infrastructure waiting for renewal often costs more to maintain and is at a higher risk of requiring costly repairs or requiring total replacement. Likewise, shortfalls in the operating budget resulting in inability to maintain at appropriate levels decreases the life of assets and places a heavier burden on the renewal budget. This budget pressure will continue to grow as renewal remains underfunded.</p>