

December 31, 2025
Capital and Operating Financial
Update

March 17, 2026

City Council

Edmonton

Agenda

Economic Update

Capital Financial Update

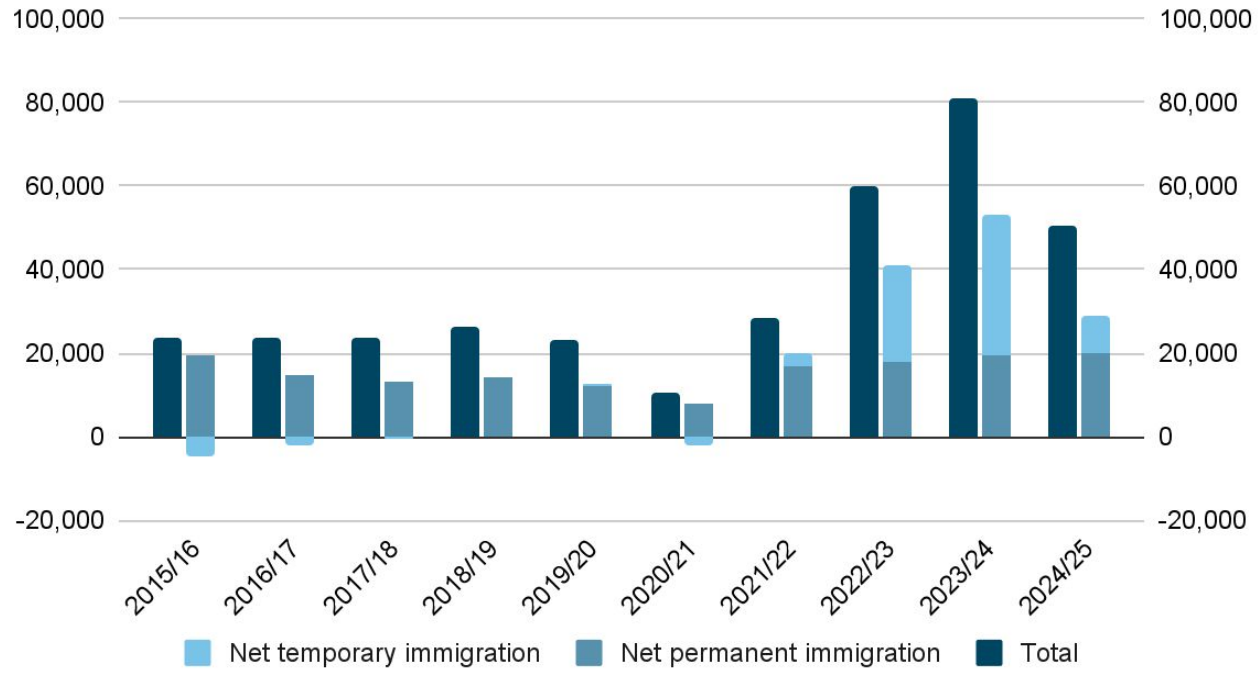
Operating Financial Update

Structural Budget Variance Update

Key Takeaways and Next Steps

Economic Update

Population change - Edmonton CMA

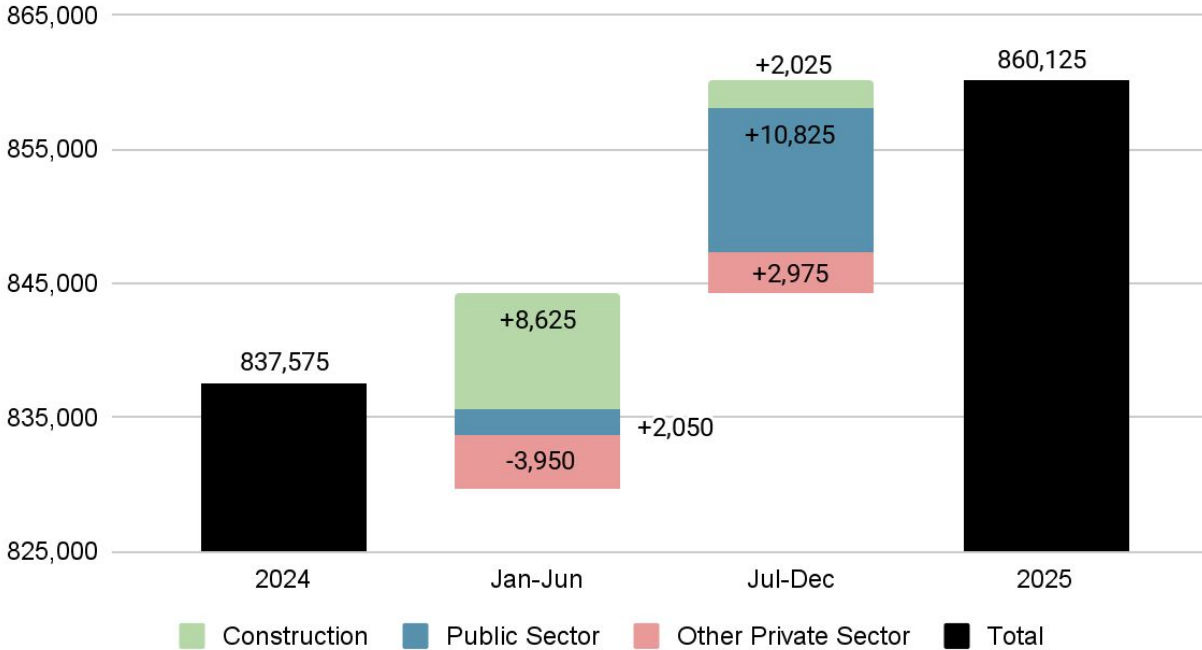


Source: Statistics Canada



Economic Update

Contribution to annual change in average employment - Edmonton CMA

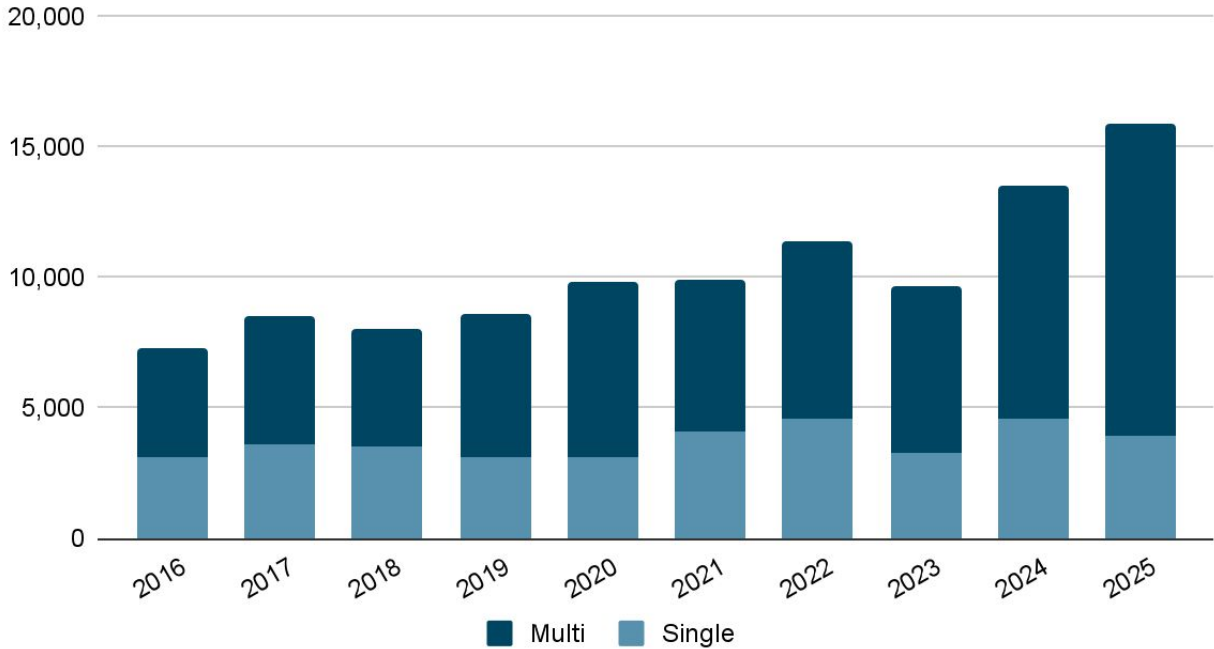


Source: Statistics Canada

Notes: Contributions based on sector year-over-year changes for time period, divided by two for contribution to annual average change; public and private sectors based on Statistics Canada definitions.

Economic Update

Housing starts - Edmonton



Source: Canada Mortgage and Housing Corporation
Note: multi includes semi-detached, row and apartment dwellings.

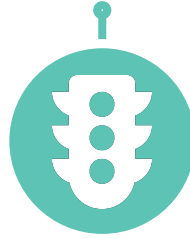
Capital Financial Update

December 31, 2025



Budget
Cycle
Spend

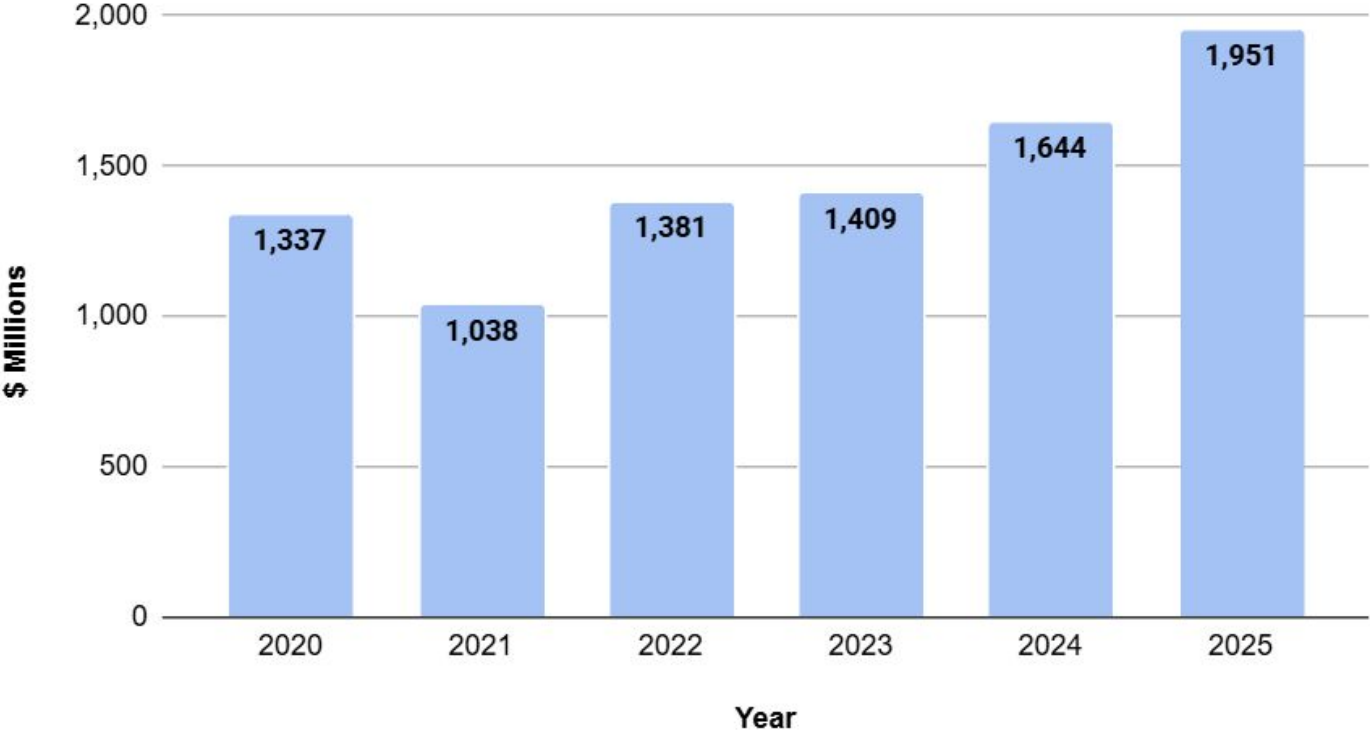
Significant
Project
Results



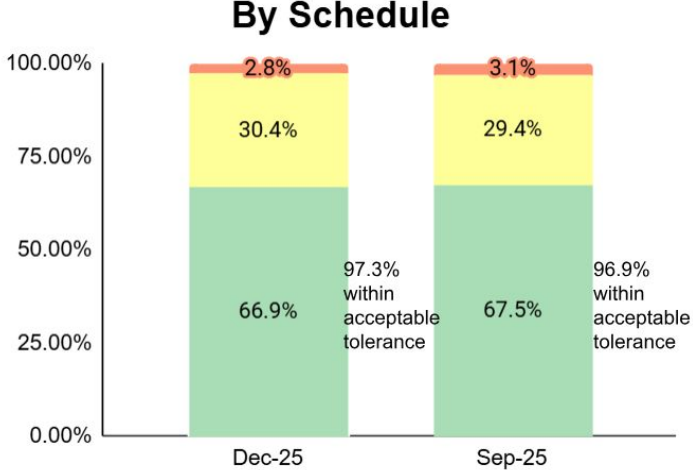
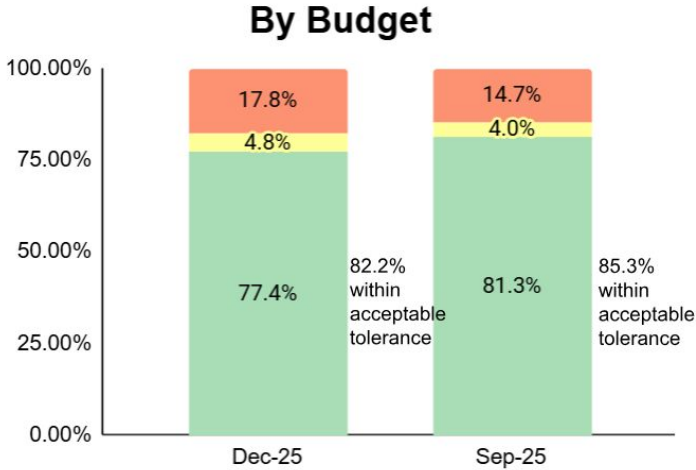
Debt Update

Annual Capital Spend

Year over year comparison



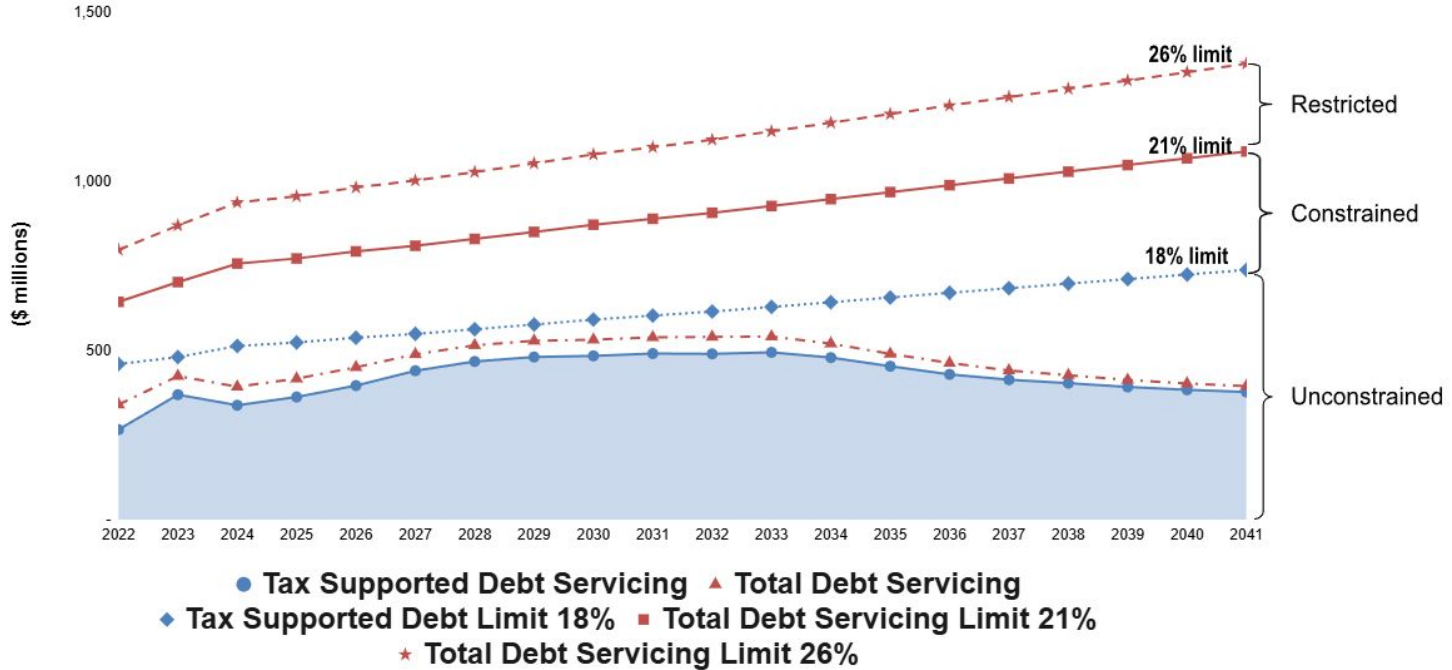
Significant Capital Project Status Summary



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

Debt Management Fiscal Policy

Debt Servicing Limits (\$M)



Operating Financial Update

December 31, 2025



**Enterprise
& Utility
Operations**

**Tax-
Supported
Operations**



**FSR and
Operating
Carry Forward
Requests**









Reserve Update



Enterprise and Utility Operations

December 31, 2025 - Net Position Budget Variance
(in \$ millions)

 Favourable  Unfavourable	Year-End Variance
Waste Services	7.2 
Land Enterprise	(1.0) 
Blatchford Redevelopment	(2.8) 
Blatchford Renewable Energy Utility	0.0 

Tax-Supported Operations (excluding EPS)

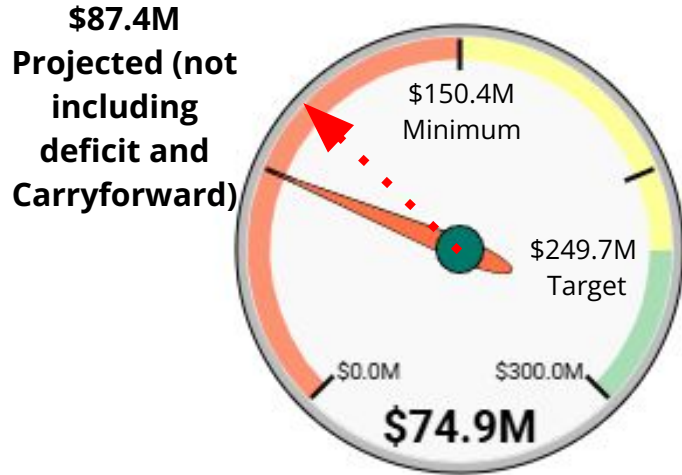
Year-End Variance	Description	● Favourable ● Unfavourable
20.9	● Financial Strategies (<i>Corporate Expenditure</i>)	
12.5	● Power Franchise Fees (<i>Corporate Revenues</i>)	
10.3	● Memberships & Admissions Revenue (<i>Community Recreation and Culture</i>)	
7.6	● Benefits Coverage for Staff on Long-Term Disability (<i>Corporate Expenditures</i>)	
6.3	● Tax Penalties (<i>Corporate Revenues</i>)	
5.8	● Fuel Costs (<i>Edmonton Transit Services</i>)	
5.0	● Downtown Action Plan Fund (<i>Economic & Investment Services</i>)	
4.5	● Supplemental Municipal Taxes (<i>Taxation Expenditures</i>)	
4.5	● Tax Appeals (<i>Taxation Expenditures</i>)	
(5.4)	● Advertising Revenue (<i>Edmonton Transit Service</i>)	
(5.6)	● Permit Fee Revenue (<i>Parks and Road Service</i>)	
(7.4)	● Recreation and Attraction Facilities Costs (<i>Community Recreation and Culture</i>)	
(9.1)	● Snow and Ice Control (<i>Parks and Road Service</i>)	
(25.2)	● Personnel Costs (<i>All Departments</i>)	
6.4	● Other Cumulative Variances	
31.1	● Total	
(12.1)	Estimated 2025 Carryforward	
19.0	Net Surplus available for FSR	

Tax-Supported Operations Budget Variance by Department *(excluding EPS)*

Net Position Budget Variance - by Department	
Year-End Variance (in millions \$)	Department
(6.7)	<i>Community Services</i>
(33.6)	<i>City Operations</i>
0.0	<i>Financial and Corporate Services</i>
0.9	<i>Integrated Infrastructure Services</i>
11.9	<i>Urban Planning and Economy</i>
0.3	<i>Office of the City Manager</i>
0.3	<i>Mayor and Councillor Offices</i>
0.2	<i>Office of the City Auditor</i>
0.1	<i>Boards and Authorities</i>
57.7	<i>Corporate Programs</i>
31.1	Total Net Position Budget Variance

Reserve Update (\$M)

Financial Stabilization Reserve (unappropriated)



● Above target balance

● Above minimum balance & below target balance

● Below minimum balance

..... Reserve Balance with current projected deficit and carryforwards

Operating Carryforwards

(Recommendation 2 and 12) - Decrease in FSR Balance

Carry-Forward Request	Amount (\$ millions)
Events and Attraction Program (Community Services)	2.7
Homeward Trust Operating Subsidy (Community Services)	0.6
Recreation and Partnership Facility Investment Program (Community Services)	0.3
Assisted Snow Program Pilot (Community Services)	0.1
Downtown Action Plan (formerly known as Downtown Vibrancy) (UPE)	4.4
Energy Transition Strategy Implementation (UPE)	1.4
Intermunicipal Collaborative Frameworks & Intermunicipal Development Plans (UPE)	1.2
Climate Adaptation Strategy Implementation (UPE)	0.5
Future Growth Area Servicing Study (UPE)	0.3
Chinatown Strategy Plan (UPE)	0.3
Mayor's Chief of Staff Recruitment (Mayor and Councillor Offices)	0.1
Total - Recommendation 2	11.9
Recommendation 12 - Special Tax for Alley Lighting Maintenance	0.2
Total impact to FSR	12.1

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)
Recommendation 1 - Carry-forward of items previously appropriated in the FSR with expenses in 2026	7.2
Recommendation 3 - 11 - Operating commitments funded through reserves or external non tax-levy funds in the 2025 approved budget that were not completed by year-end. Budget adjustments are recommended to reallocate 2025 expenses and offsetting funding sources into the 2026 operating budget, with no impact to the Financial Stabilization Reserve or the 2026 tax-levy position.	32.3

Reserve Update (\$M)

December 31, 2025 Balance

Planning & Development Reserve



Traffic Safety & Automated Enforcement Reserve



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

Structural Budget Variances

<i>Annual net budget variance \$000s favourable/(unfavourable)</i>	Total Identified (Q3 2025)	Addressed through Fall 2025 SOBA	Revised SBV Estimates (Dec 2025)	Left to Address	Tax Increase Equivalent
Inflationary	(2,360)	2,360	0	0	0.0%
Revenue Shortfalls	(17,428)	159	(200)	(17,469)	0.8%
External Factors	(19,926)	4,560	(3,717)	(19,083)	0.8%
Administration or Council Directed	(12,550)	6,133	770	(5,647)	0.2%
Total	(52,264)	13,212	(3,147)	(42,199)	1.8%

Structural Budget Variances - December 31, 2025



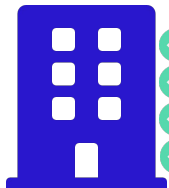
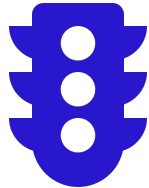
Transit: \$18.5 Million

- Fare Revenue - \$9.4M
- Operator OT - \$7.3M
- ~~Bus Cleaning - \$1.2M~~
- ~~In-Private - \$1.8M~~



Parks & Roads: \$12.7 Million

- OSCAM - \$4.5M
- ~~Detour Revenues - \$0.7M~~
- ~~SNIC Sand Removal - \$2.3M~~
- ~~Spring Sweep - \$1.1M~~
- Paving Operations - \$4.0M
- Parking Revenue - \$0.9M
- Parkade Security - \$1.1M
- Moving Permits - \$0.4M
- Edm Locate Consortium - \$1.0M
- ~~Streetlight O&M - \$1.0M~~
- RRU Permitting - \$0.8M



Fleet & Facility: \$0

- ~~Living Wage - \$0.6M~~
- ~~Parts Inflation - \$1.5M~~
- ~~Facility Maintenance - \$0.6M~~
- ~~Vandalism - \$2.1M~~



Community Standards: \$0.6 Million

- Pet Licensing - \$0.6M
- ~~Animal Care and Control Centre - \$1.0M~~
- ~~Parking Enforcement - \$0.2M~~



Social Development: \$0.5 Million

- Boyle Street Plaza and Renaissance Condo - \$0.5M



Fire Rescue Services: \$3.1 Million

- Overtime - \$2.9M
- Reclass/Compression - \$0.1M
- ~~External Contract - \$0.2M~~
- Communication Position - \$0.1M



Corporate Programs: \$6.5 Million

- ~~Insurance Premiums - \$0.5M~~
- Claims Settlement - \$2.0M
- ~~WCB Premiums - \$4.5M~~



Talent Management: \$0.3 Million

- Recruitment Services - \$0.3M

Next Steps

- City of Edmonton Audited Financial Statements - December 31, 2025
 - April 10 - Audit Committee
 - April 15 - City Council (for approval)
- Spring 2026 Tax-Levy Confirmation Report
 - April 15 - Finalize 2026 tax increase

Questions?