

OPERATING FINANCIAL UPDATE

December 31, 2025

Table of Contents

1. Tax-Supported Operations - Summary	3
2. Tax-Supported Operations (excluding Edmonton Police Services) - By Department	
a. Community Services.....	7
b. City Operations.....	12
c. Financial and Corporate Services.....	17
d. Integrated Infrastructure Services.....	19
e. Urban Planning and Economy.....	20
f. Office of the City Manager.....	24
g. Mayor and Councillor Offices.....	26
h. Office of the City Auditor.....	26
i. Boards and Authorities.....	26
j. Corporate Programs.....	27
3. Enterprise and Utility Operations	33
4. Community Revitalization Levy Operations	36
5. Reserves Update	38
6. Traffic Safety and Automated Enforcement Reserve Schedule	41
7. Edmonton Police Service (Tax-Supported Operations) - Budget Variance for the Period Ending December 31, 2025	42

Supplemental Information

- Table: Tax-Supported Operations by Branch - December 31, 2025 Preliminary Year-End Results

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, 2025
(in \$000's)

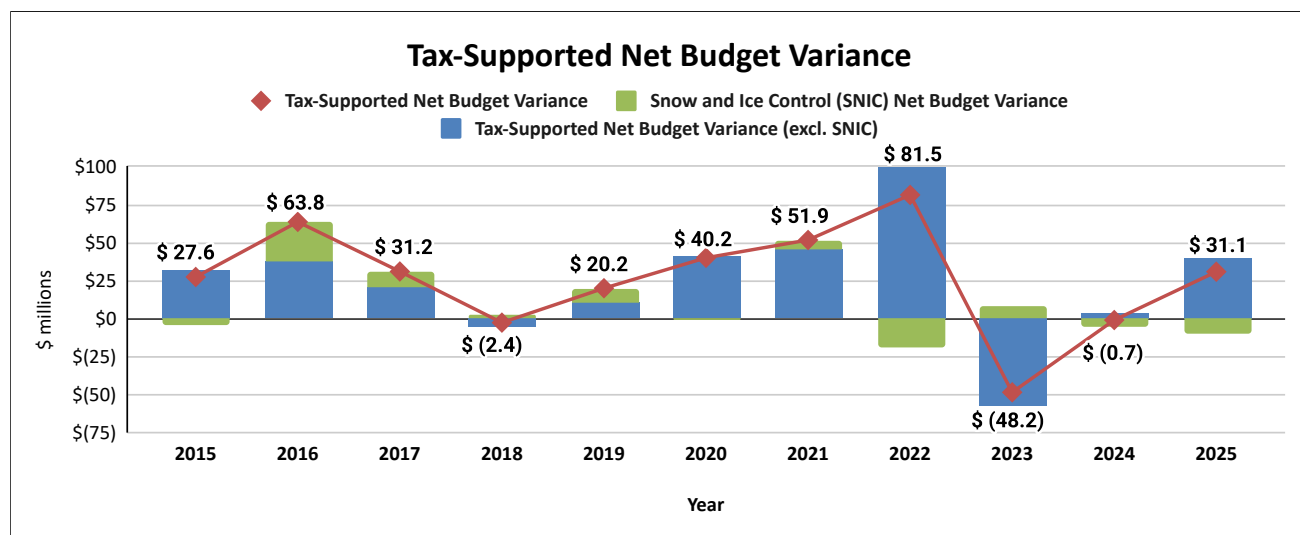
Net Position Budget Variance - Summary [Favourable/ (Unfavourable)]

Tax-Supported Operations (excluding Police Services) - Year-End					
	Budget	Actual	Variance \$		%
Revenue	3,729,033	3,757,034	28,001	●	0.8
Expense	3,227,970	3,224,919	3,051	●	0.1
Net Position	501,063	532,115	31,052	●	1.0 *

* Net position percentage based on annual expense budget

Edmonton Police Services - Year-End					
	Budget	Actual	Variance \$		%
Revenue	97,235	102,859	5,624	●	5.8
Expense	598,298	608,717	(10,419)	●	(1.7)
Net Position	(501,063)	(505,858)	(4,795)	●	(0.8)
Net transfer to/(from)					
EPS Reserve	-	(4,795)	4,795		-
Net Position	(501,063)	(510,653)	-	●	-

Total Tax-Supported Operations - Year-End					
	Budget	Actual	Variance \$		%
Revenue	3,826,268	3,859,893	33,625	●	0.9
Expense	3,826,268	3,828,841	(2,573)	●	(0.1)
Net Position	-	31,052	31,052	●	0.8



Preliminary Year-End Variance - Tax-supported operations ended the year with a net favourable year-end position of \$31.1 million, equivalent to a 0.8% variance when compared to the overall expense budget. The favourable year-end budget position is due to a favourable variance for financial strategies, increased power franchise fee revenue, higher than budgeted membership and admission revenues due to more than anticipated demand for programs and services including bookings, rentals and special events (which are offset by higher than budgeted recreation and facilities costs due to increased demand), lower estimated City benefit obligations for staff on Long-Term Disability (LTD), higher than expected tax penalty revenue, reduced fuel costs due to lower prices and volumes, and lower than budgeted costs due to timing of spending to support the implementation of the Downtown Action Plan. These favourable budget variances are partially offset with higher than budgeted personnel costs across the organization, largely due to overtime cost for Edmonton Transit to cover sick time and Workers Compensation Board claims for transit operators, overtime costs in Fire Rescue Services to maintain minimum staffing requirements, and higher personnel costs in Community Recreation and Culture due to increased staffing and security requirements to meet higher than expected demand. Additionally, the City exceeded its snow and ice control budget mainly due to heavy snowfall in December, and experienced lower than budgeted permit fee and transit advertising revenues.

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
20.9	Financial Strategies (<i>Corporate Expenditures, Corporate Programs</i>) The Financial Strategies budget incorporates risk-adjusted budget estimates. These estimates enable the City to centrally manage the risks associated with highly volatile budget line items, such as fuel, utilities and inflationary impacts on contracts, parts and materials, as well as collective bargaining risk.
12.5	EPCOR Power Franchise Fees (<i>Corporate Revenues, Corporate Program</i>) Power franchise fee revenue was greater than budgeted due to increased consumption caused by colder than expected weather in February and December, and extended high summer temperatures, as well as additional franchise fees from prior years recognized in 2025.
10.3	Memberships, Admissions, Sales and Special Event Revenue (<i>Community Recreation and Culture, Community Services</i>) Greater than budgeted revenues due to higher than expected demand for programs and services including bookings, rentals and special events.
7.6	Benefits Coverage for Staff on Long-Term Disability (LTD) (<i>Corporate Expenditures, Corporate Programs</i>) The City must continue to pay the employer portion of benefit costs (continuation of pension, medical, dental and other benefits coverage) for employees on LTD leave. Accounting standards require the City to recognize a liability for the estimated employer contributions payable for these benefit plans while the employee is on leave. The 2025 year-end actuarial estimate showed a reduction of \$7.6 million compared to the 2025 budget for this obligation. The actuarial attributed the decreased obligation primarily to two factors: more employees than expected coming off LTD and the cost of new claimants being lower than estimated.
6.3	Tax Penalties (<i>Corporate Revenues, Corporate Program</i>) Higher than budgeted tax penalty revenues due to a larger number of accounts with outstanding balances from previous years.
5.8	Fuel Costs (<i>Edmonton Transit Service, City Operations</i>) Less than budgeted fuel costs due to lower fuel prices and volumes than anticipated in the budget.
5.0	Downtown Action Plan Fund (<i>Economic Investment Services, Urban Planning and Economy</i>) Favourable budget variance is related to the timing of spending to support the implementation of the Downtown Action Plan (DAP) which was received for information in May 2025. Implementing DAP involves a variety of actions that required time to complete, including building community partnerships, grant program development, project plans and other strategic actions. The expectation is that the majority of the spending will take place in 2026. The budget is committed to implementing the Downtown Action Plan. As such, a carryforward of the committed funds are requested as part of this report.
4.5	Supplemental Municipal Taxes (<i>Taxation Expenditures, Corporate Program</i>) Higher than anticipated supplementary tax revenue due to greater than expected construction activity in 2025.
4.5	Tax Appeals (<i>Taxation Expenditures, Corporate Program</i>) Favourable due to better than anticipated results on non-residential complaints and fewer than expected mid-year exemption changes.
3.5	Environment and Climate Resilience Group (<i>Planning and Environment Services, Urban Planning and Economy</i>) Favourable budget variance mainly due to timing of consulting and contract work across Environment and Climate Resilience programs due to project delays and deferrals (\$4.3 million), partially offset by \$0.8 million in other unfavourable budget variances within the area. The budget is committed to implementing the Environment & Climate projects. As such, a carryforward of the committed funds are requested as part of this report.
3.4	Taxation Revenue (<i>Taxation Revenues, Corporate Program</i>) Favourable realty taxation revenue variance reflects a one-time difference in the taxation bylaw and approved budgeted revenues.

2.7	<p>Grant Funding (<i>Community Recreation and Culture, Community Services</i>) Lower than budgeted grants for event attraction initiatives due to project delays and timing.</p>
(3.0)	<p>Vandalism Costs (<i>Fleet and Facility Services, City Operations</i>) Largely due to more than expected costs to address vandalism of City assets as a result of increased social disorder in public places.</p> <p><i>(Structural Budget Variance - this structural budget variance was funded starting in 2026 through the Fall 2025 Supplemental Operating Budget Adjustment report)</i></p>
(3.3)	<p>Insurance Claims and Premiums (<i>Corporate Expenditures, Corporate Program</i>) The City's insured claims are increasing in frequency and severity. The top three exposures are: 1) damages and repairs to City assets (first party claims), 2) legal settlements (third party claims) and 3) timing of First Party Claims recoveries. First party claims are up due to asset growth, inflation, aging infrastructure, climate change, and vandalism. Third party claims are also up due to growth, inflation, and higher injury settlements.</p> <p>A review of the insurance program continued in 2025 which resulted in cost avoidance, but external factors and market conditions, growth and increased exposure on cyber, property and terrorism insurance required enhanced coverage and higher premiums contributing to the variance.</p> <p>This structural budget variance was partially funded for \$1.0 million starting in 2026 through the Fall 2025 Supplemental Operating Budget Adjustment report - \$0.5 million related to claims liability and \$0.5 million related to insurance premiums.</p> <p><i>(Structural Budget Variance related to claims liability - Refer to Attachment 3 for detailed action plan to address the structural budget variance)</i></p>
(3.4)	<p>Road Maintenance (<i>Parks and Road Services, City Operations</i>) Higher than budgeted road maintenance work and pothole repairs due to favourable weather, through utilization of overtime and redeployment from Snow & Ice Control during Q1 and extended season in the fall due to favourable weather.</p>
(4.1)	<p>Computer Software (<i>Open City and Technology, Financial and Corporate Services</i>) Higher than anticipated computer software costs primarily related to remote access investments.</p>
(4.1)	<p>ATCO Gas Franchise Fees (<i>Corporate Revenues, Corporate Programs</i>) Lower than budgeted gas franchise fees due to delivery tariff revenue reductions, resulting from a combination of lower customer usage and lower delivery rates.</p>
(5.4)	<p>Advertising Revenue (<i>Edmonton Transit Service, City Operations</i>) The advertising market is recovering slower than expected resulting in lower than budgeted ETS advertising revenues in 2025. The majority of ETS advertising contracts expire December 2025, and a new RFP is being issued in 2026. The RFP will inform advertising revenue projections for the next budget cycle.</p>
(5.6)	<p>Permit Fee Revenue (<i>Parks and Road Services, City Operations</i>) Lower permitting demands than budgeted mainly relating to On-Street Construction and Maintenance (OSCAM), and other Traffic Controls fees for developer signs, and moving permits.</p> <p><i>(Structural Budget Variance related to permit fee revenue - Refer to Attachment 4 for detailed action plan to address the structural budget variance)</i></p>
(7.4)	<p>Recreation and Attraction Facilities Costs (<i>Community Recreation and Culture, Community Services</i>) Higher Recreation and Attraction Facility costs associated with higher demand for programs, services and special events.</p>

(9.1)	<p>Snow and Ice Control (<i>Snow and Ice Control, City Operations</i>) The following factors lead to the overall unfavourable budget variance for snow and ice control operations in 2025:</p> <ul style="list-style-type: none"> - \$(2.2) million - unbudgeted costs for Q1 cul-de-sac clearing - \$(1.4) million - unbudgeted costs for removal of contaminated sand piles at snow storage facilities - \$(13.2) million - costs exceeded budget due to extensive snow and ice control efforts required for December snowfall, including additional traction (sand/salt) used, overtime, and additional contractors - \$2.5 million - lower than budgeted equipment and labour costs in routed roadway clearing related to dry weather conditions in Q1 - \$5.2 million - October and November realized a favourable budget variance associated with reduced snowfall activity. <p><i>(Structural Budget Variance related to contaminated sand piles - Refer to Attachment 4 for detailed action plan to address the structural budget variance)</i></p>
(25.2)	<p>Personnel costs, net of discounting and significant recoveries (<i>all departments</i>) Unfavourable personnel budget variance mainly due to higher overtime costs for Edmonton Transit to cover sick time and Workers Compensation Board claims for transit operators, and Fire Rescue Services saw increased overtime costs due to the need to maintain minimum staffing requirements and unbudgeted salary settlements. Additionally, Community Recreation and Culture saw higher costs due to increased staffing and security requirements to meet higher than expected attendance and demand for programs, services and special events, this is offset with vacancies across the organization.</p> <p><i>(Structural Budget Variance related to overtime - Refer to Attachment 3 for detailed action plan to address the structural budget variance)</i></p>
14.7	Other net cumulative variances across tax-supported areas.
31.1	Total Net Position Budget Variance
0.8%	Total Net Position Budget Variance Percentage (based on expense budget)

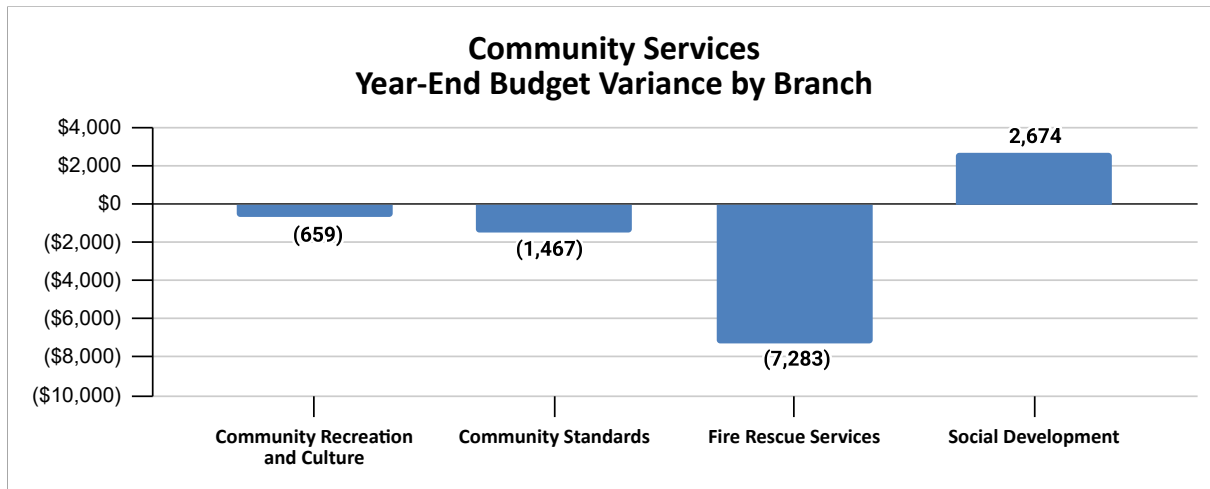
Edmonton Police Services financial results are reflected in the "Edmonton Police Service - Budget Variance for the Period Ending December 31, 2025" section of this report.

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

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
 (in \$000's)

Community Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	156,874	164,256	7,382	4.7
Expense	638,730	652,847	(14,117)	(2.2)
Net Position	(481,856)	(488,591)	(6,735)	(1.4)



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	80,137	87,240	7,103	● 8.9
Expense	176,609	184,371	(7,762)	● (4.4)
Net Position	(96,472)	(97,131)	(659)	● (0.7)

Net Position Budget Variance - Details	
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Year-End Variance (in millions \$)	Variance Explanations
Revenue	
	Memberships, Admissions, Sales and Special Event Revenue
10.3	Greater than budgeted revenues due to higher than expected demand for programs and services including bookings, rentals and special events.
	Reserve Transfers - Financial Stabilization Reserve (Glenridding Heights Partnership and Heritage Valley Project)
(3.5)	Lower transfer from the Financial Stabilization Reserve (FSR) mainly due to delays in grant payments for Glenridding Heights Partnership (\$3.0 million) and planning and design work for the Heritage Valley Project (\$0.5 million).
0.3	Other net cumulative variances
7.1	Revenue Budget Variance
Expense	
	Grants and Other Funding
6.2	Lower than budgeted grant payments and project costs, including the Glenridding partnership, Heritage Valley project and ongoing event attraction initiatives due to project delays and timing. A request will be made to carryforward the unspent budget allocated for these initiatives to 2026.
	Personnel Costs
(5.7)	Higher than expected personnel costs due to increased staffing and security requirements to meet higher than expected attendance and demand for programs, services and special events.
	Recreation and Attraction Facilities Costs
(7.4)	Higher Recreation and Attraction Facility costs associated with higher demand for programs, services and special events.
(0.9)	Other net cumulative variances
(7.8)	Expense Budget Variance
(0.7)	Total Net Position Budget Variance - Community Recreation and Culture
(0.7)%	Total Net Position Budget Variance Percentage

Community Services - Community Standards and Neighbourhoods
Year-End Results

	Budget	Actual	Variance \$		%
Revenue	6,704	6,451	(253)	●	(3.8)
Expense	56,186	57,400	(1,214)	●	(2.2)
Net Position	(49,482)	(50,949)	(1,467)	●	(3.0)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(0.3)	Other net cumulative variances
(0.3)	Revenue Budget Variance
Expense	
(1.2)	Other net cumulative variances
(1.2)	Expense Budget Variance
(1.5)	Total Net Position Budget Variance - Community Standards and Neighbourhoods
(3.0)%	Total Net Position Budget Variance Percentage

Community Services - Fire Rescue Services
Year-End Results

	Budget	Actual	Variance \$		%
Revenue	3,263	5,442	2,179	●	66.8
Expense	266,566	276,028	(9,462)	●	(3.5)
Net Position	(263,303)	(270,586)	(7,283)	●	(2.8)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
2.2	Other net cumulative variances
2.2	Revenue Budget Variance
Expense	
(4.1)	Overtime (<i>Structural Budget Variance related to overtime - Refer to Attachment 3 for detailed action plan to address the structural budget variance</i>) Unfavourable variance due to increased overtime costs necessary to meet minimum staffing levels.
(3.8)	Personnel Costs Unfavourable personnel budget variance due to recent union salary settlement impacts on statutory holiday pay, shift premiums and benefits (\$6.1 million) and other cumulative favourable budget variances, partially offset by savings from vacancies and leaves (\$3 million). The 2026 Spring Tax Levy Confirmation report (April 2026) will include a recommendation for increased salary budget to accommodate the unbudgeted impacts of salary settlements.
(1.6)	Other net cumulative variances
(9.5)	Expense Budget Variance
(7.3)	Total Net Position Budget Variance - Fire Rescue Services
(2.8)%	Total Net Position Budget Variance Percentage

Community Services - Social Development
Year-End Results

	Budget	Actual	Variance \$	%
Revenue	66,770	65,123	(1,647) ●	(2.5)
Expense	139,369	135,048	4,321 ●	3.1
Net Position	(72,599)	(69,925)	2,674 ●	3.7

Net Position Budget Variance - Details

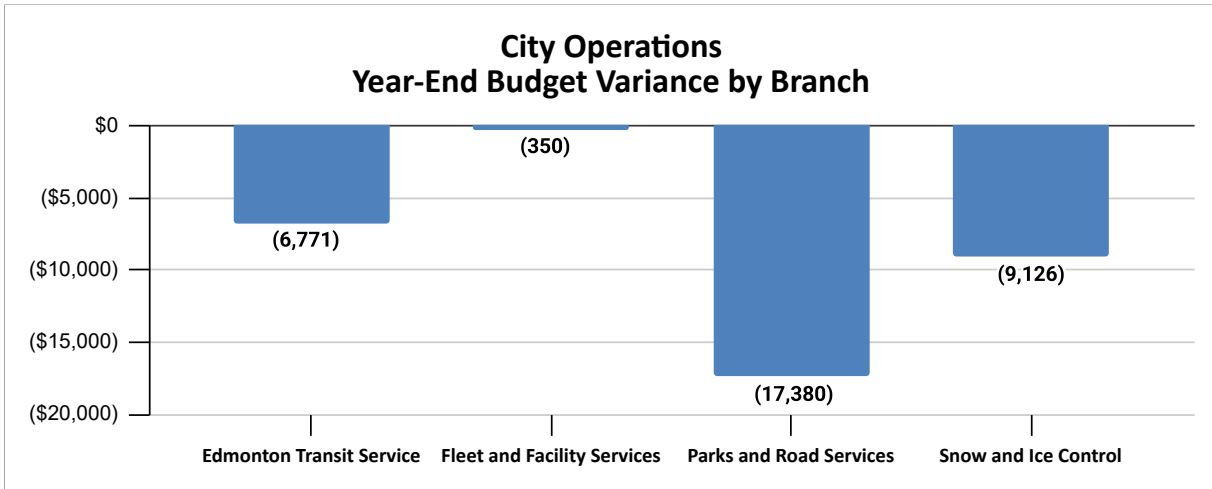
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
	Affordable Housing Grants and Subsidies
10.1	Higher than budgeted transfer from the Affordable Housing Reserve for affordable housing grants and subsidies related to the Affordable Housing Investment Program. The funding for this program is released from the Affordable Housing Reserve as construction milestones are met. In the past few years many projects faced delays due to material scarcity and rising costs forcing some groups to find additional funding, resulting in a higher number of projects reaching construction milestones in 2025, which was later than originally anticipated. This variance is fully offset by corresponding higher than budgeted grant and subsidy expenses below.
(1.9)	Catholic Social Services Funding in the Affordable Housing Reserve for the Catholic Social Services LaSalle affordable housing project was approved on a multi-year basis and work will continue into 2026. This variance is fully offset by a corresponding favourable grant expense variance below.
(4.9)	Coliseum Inn Funding in the Affordable Housing Reserve for the Coliseum Inn project through the Rapid Housing Initiative was approved originally in 2022 but remains unexpensed in 2025 due to construction delays from unanticipated critical structural deficiencies. This variance is fully offset by reduced payments towards the Coliseum Inn project discussed below.
(5.3)	Housing Accelerator Fund Grant Lower than budgeted grant funding recognized during the year from the federal Housing Accelerator Fund as initiatives, including the Downtown Student Housing Initiative, are progressing slower than expected in 2025. This variance is fully offset by a corresponding favourable expense variance below.
0.4	Other net cumulative variances
(1.6)	Revenue Budget Variance
Expense	
5.3	Housing Accelerator Fund Expenses Expenses for the implementation of the Housing Accelerator Fund (HAF) Action Plan, particularly the Downtown Student Housing Initiative, were lower than expected in 2025. Majority of expenses are now anticipated to occur in 2026 and 2027 as the program ramps up. This variance is fully offset by lower than budgeted HAF grant revenue recognized during the year as noted above.
4.9	Coliseum Inn A subsidy for the Coliseum Inn project through the Rapid Housing Initiative was approved originally in 2022 but remains unexpensed in 2025 due to construction delays from unanticipated critical structural deficiencies and a changing project scope. Project completion is projected for Q4 2026. This variance is fully offset by the reduced corresponding Affordable Housing Reserve transfer noted above. As such, a carryforward of the committed funds are requested as part of this report.
1.9	Catholic Social Services A subsidy for the Catholic Social Services LaSalle affordable housing project was approved in 2023 on a multi-year basis. The building permit was issued in 2025, and the project is planned to be completed and operational by Q4 2026. This variance is fully offset by the reduced corresponding Affordable Housing Reserve transfer noted above. As such, a carryforward of the committed funds are requested as part of this report.

(10.1)	Affordable Housing Grants and Subsidies Subsidies for the Affordable Housing Investment Program are higher than budgeted due to more projects reaching construction milestones in 2025, resulting in funding disbursements. In the past few years many projects faced delays due to material scarcity and rising costs forcing some groups to find additional funding, resulting in a higher number of projects reaching construction milestones in 2025, which was later than originally anticipated. This is fully offset by a corresponding increase in Affordable Housing Reserve transfers noted above.
2.3	Other net cumulative variances
4.3	Expense Budget Variance
2.7	Total Net Position Budget Variance - Social Development
3.7%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
 (in \$000's)

City Operations

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	223,910	213,737	(10,173) ●	(4.5)
Expense	902,893	926,347	(23,454) ●	(2.6)
Net Position	(678,983)	(712,610)	(33,627) ●	(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 Service

Year-End Results

	Budget	Actual	Variance \$	%
Revenue	156,287	156,819	532	0.3
Expense	482,556	489,859	(7,303)	(1.5)
Net Position	(326,269)	(333,040)	(6,771)	(2.1)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
4.5	<p>Transit Fare Revenue (<i>Structural Budget Variance related to transit fare revenue - Refer to Attachment 3 for detailed action plan to address the structural budget variance</i>)</p> <p>During the Fall 2024 Supplemental Operating Budget Adjustment discussion, Council approved a \$13 million reduction in ETS' fare revenue budget to reflect the decreasing fare revenues compared to the original budget for each of 2025 and 2026. The decrease in revenues was fully offset with funding from the LRT Reserve in the amount of \$13 million per year for 2025 and 2026, therefore there was no impact on the tax-levy. The intention was to monitor ridership levels and fare revenues over 2025 and 2026 before potentially making permanent changes to the budget, fare revenue structure or service levels to address the transit revenue budget shortfall.</p> <p>Transit fare revenues are performing better than expected, resulting in a 2025 year-end \$4.5 million favourable variance when compared to the adjusted fare revenue budget (i.e. the fare revenue budget after being decreased by \$13 million). In other words, the anticipated shortfall is \$8.5 million lower than the original fare revenue budget for 2025, instead of the original anticipated shortfall of \$13 million. The favourable fare revenue budget variance is fully offset by a lower than budgeted transfer from the LRT Reserve in the same amount (as seen below in the LRT Reserve Transfer budget variance).</p> <p>The favourable transit fare revenue when compared to the adjusted budget is partly due to increased fare inspections being completed by Transit Peace Officers to ensure compliance, implementation of audio and visual reminders in LRT stations to encourage tapping, and the addition of the multi-day Arc pass in February 2025 (this was a part of the action plan implemented to reduce the transit revenue shortfall). Additionally, ETS launched tap-to-pay fare payment, added 50,000 annual service hours in April 2025, and ridership has continued to grow in 2025 compared to the previous year.</p> <p>Actual transit fare revenue is \$102.3 million at year-end, \$4.5 million above the adjusted 2025 budget of \$97.8 million. This is the first year since 2019 that ETS' fare revenue has surpassed \$100 million.</p>
1.1	<p>Reserve Transfers - Light Rail Transit (LRT) Reserve</p> <p>Higher than budgeted transfer of \$5.6 million from the LRT Reserve required to offset increases in the Valley Line Southeast LRT operating costs mainly due to changes in accounting for major rehabilitation payments and increased vandalism. Refer to the LRT operating cost variance below for further details.</p> <p>This is partially offset by a lower than budgeted transfer of \$4.5 million from the LRT Reserve required to offset the Transit Fare Revenue shortfall. Refer to the Transit Fare Revenue variance above for further details.</p>
(5.4)	<p>Advertising Revenue</p> <p>The advertising market is recovering slower than expected resulting in lower than budgeted ETS advertising revenues in 2025. The majority of ETS advertising contracts expire December 2025, and a new RFP is being issued in 2026. The RFP will inform advertising revenue projections for the next budget cycle.</p>
0.3	Other net cumulative variances
0.5	Revenue Budget Variance

Expense	
5.8	<p>Fleet Fuel Costs Less than budgeted fuel costs due to lower fuel prices and volumes than anticipated in the budget.</p>
2.9	<p>Fleet Maintenance Costs Due to personnel shortages the area has been providing reduced service levels and therefore purchasing lower than anticipated parts and supplies resulting in a favourable budget variance of \$6.0 million. This is partially offset by higher than budgeted inflationary pressures on parts purchases (\$1.4 million), more than anticipated overtime to maintain core services (\$1.1 million), and greater than forecasted volume of DATS repairs (\$0.6 million).</p>
(1.8)	<p>Facility Maintenance Costs Higher than budgeted facility maintenance costs due to greater than anticipated service calls for vandalism and graffiti, and higher than expected inflationary impacts on the costs of maintenance.</p>
(5.6)	<p>LRT Operating Costs Unfavourable budget variance due to a change in accounting treatment in 2024 for the major rehabilitation payments related to the Valley Line Southeast LRT P3, resulting in costs exceeding budget by \$3.6 million. New accounting standards require the rehabilitation payments to be recognized on a straight line basis over the term of the contract (i.e evenly over the term of the contract), whereas the budget was based on the actual scheduled payments per the P3 contract. The rehabilitation payments are funded through the LRT reserve (dedicated tax-levy funding) therefore the timing variance between the budget (based on payments per contract) and the expense recognized in the year (based on accounting treatment) will be managed through the LRT Reserve. Accordingly this expense variance is fully offset by an equivalent transfer from the LRT Reserve. Overall the rehabilitation expenses are not impacted over the term of the P3 contract.</p> <p>In addition, there are \$2.0 million greater than budgeted Valley Line Southeast LRT operating costs mainly due to increased vandalism clean-up costs at the LRT stations, which are also offset through funding from the LRT Reserve.</p> <p>These budget variances do not impact the tax-levy net position as they are fully offset by the equivalent amount of funding from the LRT Reserve.</p>
(9.3)	<p>Personnel Costs (<i>Structural Budget Variance related to overtime - Refer to Attachment 2 and 3 for detailed action plan to address the structural budget variance</i>) The unfavourable personnel budget variance is mainly due to higher overtime costs for transit operators and largely due to increases in Short-Term and Long-Term Disability (STD/LTD), sustained increases in Workers Compensation Board (WCB) claims that require the use of overtime to fill shifts. Part of the unfavourable personnel budget variance is also due to various other cumulative net unfavourable personnel variances.</p>
0.7	Other net cumulative variances
(7.3)	Expense Budget Variance
(6.8)	Total Net Position Budget Variance - Edmonton Transit Service
(2.1)%	<i>Total Net Position Budget Variance Percentage</i>

City Operations - Fleet and Facility Services

Year-End Results

	Budget	Actual	Variance \$		%
Revenue	10,663	9,663	(1,000)	●	(9.4)
Expense	93,273	92,623	650	●	0.7
Net Position	(82,610)	(82,960)	(350)	●	(0.4)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(1.0)	Other net cumulative variances
(1.0)	Revenue Budget Variance
Expense	
4.2	Facility Maintenance Services Recoveries Higher than budgeted Facility Maintenance Services recoveries from various areas due to increased client requests, significant incidences of vandalism and living wage impacts. This partially offsets higher contract, vandalism, and material costs (detailed below).
(3.0)	Vandalism Costs (<i>Structural Budget Variance - this structural budget variance was funded starting in 2026 through the Fall 2025 Supplemental Operating Budget Adjustment report</i>) Largely due to more than expected costs to address vandalism of City assets as a result of increased social disorder in public places. These costs are mainly offset by increased Facility Maintenance Services recoveries (detailed above).
(0.6)	Other net cumulative variances
0.6	Expense Budget Variance
(0.4)	Total Net Position Budget Variance - Fleet and Facility Services
(0.4)%	Total Net Position Budget Variance Percentage

City Operations - Parks and Roads Services

Year-End Results

	Budget	Actual	Variance \$		%
Revenue	55,993	46,320	(9,673)	●	(17.3)
Expense	259,510	267,217	(7,707)	●	(3.0)
Net Position	(203,517)	(220,897)	(17,380)	●	(8.5)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
2.2	Reserve Transfers - Tree Management Reserve Higher than budgeted transfer from the Tree Management Reserve to fund additional forestry work noted below.
(5.6)	Permit Fee Revenue (<i>Structural Budget Variance related to permit fee revenue - Refer to Attachment 4 for detailed action plan to address the structural budget variance</i>) Lower permitting demands than budgeted mainly relating to On-Street Construction and Maintenance (OSCAM), and other Traffic Controls fees for developer signs, and moving permits.
(6.1)	Reserve Transfers - Traffic Safety and Automated Enforcement Reserve (Safe Mobility Program) Lower than budgeted transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER) as result of lower Safe Mobility program expenses noted below.
(0.2)	Other net cumulative variances
(9.7)	Revenue Budget Variance

Expense	
6.1	Safe Mobility Program Expenses Lower than budgeted costs for contracted automated enforcement service due to restrictions put in place by the Government of Alberta limiting the scope and scale of enforcement capabilities.
(1.5)	Parkade Operating Costs (<i>Structural Budget Variance related to parkade operating costs - Refer to Attachment 4 for detailed action plan</i>) Higher than budgeted parkade operating costs due to higher security costs at the Stanley Milner Library and City Hall parkade.
(2.5)	Forestry Operations Greater than budgeted costs related to watering and disease pruning contract work of \$2.2 million, offset with funding from the Tree Management Reserve (see above), and other unbudgeted forestry related work.
(1.8)	Spring Sweep Program Spring Sweep commenced ahead of schedule because of favourable weather conditions and due to 230% more traction material applied. Higher than anticipated costs for leased equipment (\$1.3 million) and personnel were incurred, exceeding the allocated budget for these services while meeting service level requirements.
(3.4)	Road Maintenance Higher than budgeted road maintenance work and pothole repairs due to favourable weather, through utilization of overtime and redeployment from Snow & Ice Control during Q1 and extended season in the fall due to favourable weather.
(4.6)	Other net cumulative variances
(7.7)	Expense Budget Variance
(17.4)	Total Net Position Budget Variance - Parks and Roads Services
(8.5)%	Total Net Position Budget Variance Percentage

City Operations - Snow and Ice Control

Year-End Results

	Budget	Actual	Variance \$	%
Revenue	967	935	(32)	(3.3)
Expense	67,554	76,648	(9,094)	(13.5)
Net Position	(66,587)	(75,713)	(9,126)	(13.7)

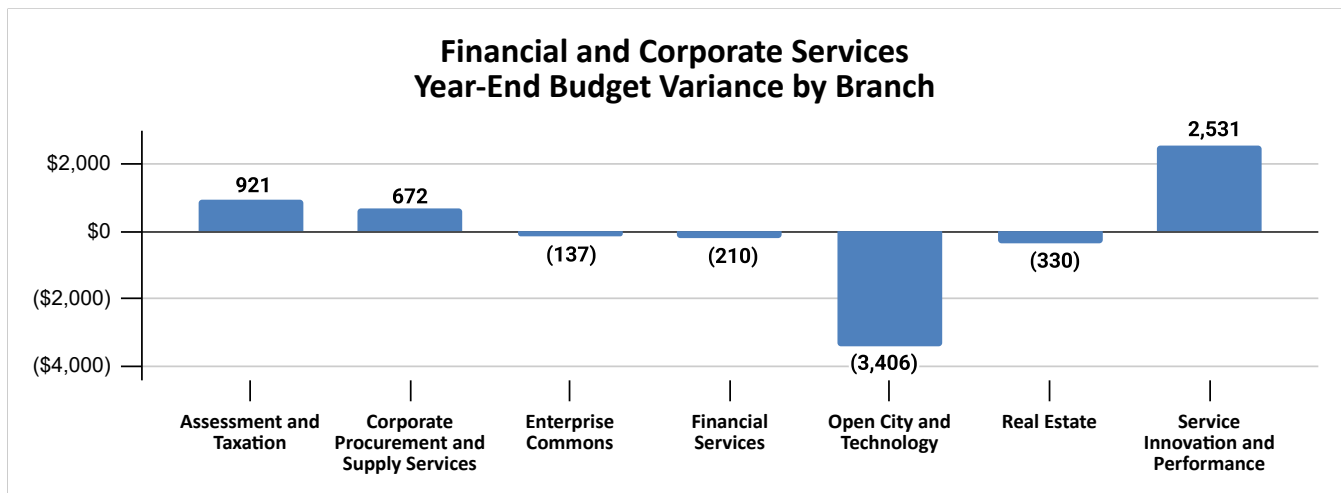
Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Expense	
(9.1)	Snow and Ice Control (<i>Structural Budget Variance related to contaminated sand piles - Refer to Attachment 4 for detailed action plan to address the structural budget variance</i>) The following factors lead to the overall unfavourable budget variance for snow and ice control operations in 2025: - \$(2.2) million - unbudgeted costs for Q1 cul-de-sac clearing - \$(1.4) million - unbudgeted costs for removal of contaminated sand piles at snow storage facilities - \$(13.2) million - costs exceeded budget due to extensive snow and ice control efforts required for December snowfall, including additional traction (sand/salt) used, overtime, and additional contractors - \$2.5 million - lower than budgeted equipment and labour costs in routed roadway clearing related to dry weather conditions in Q1 - \$5.2 million - October and November realized a favourable budget variance associated with reduced snowfall activity.
(9.1)	Expense Budget Variance
(9.1)	Total Net Position Budget Variance - Snow and Ice Control
(13.7)%	Total Net Position Budget Variance Percentage

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
 (in \$000's)

Financial and Corporate Services

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	7,956	8,467	511	●	6.4
Expense	205,914	206,384	(470)	●	(0.2)
Net Position	(197,958)	(197,917)	41	●	0.0



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):

Financial and Corporate Services - Open City and Technology
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Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	553	494	(59) ●	(10.7)
Expense	54,958	58,305	(3,347) ●	(6.1)
Net Position	(54,405)	(57,811)	(3,406) ●	(6.3)

	Budget	Actual	Variance \$	%
Revenue	553	494	(59) ●	(10.7)
Expense	54,958	58,305	(3,347) ●	(6.1)
Net Position	(54,405)	(57,811)	(3,406) ●	(6.3)

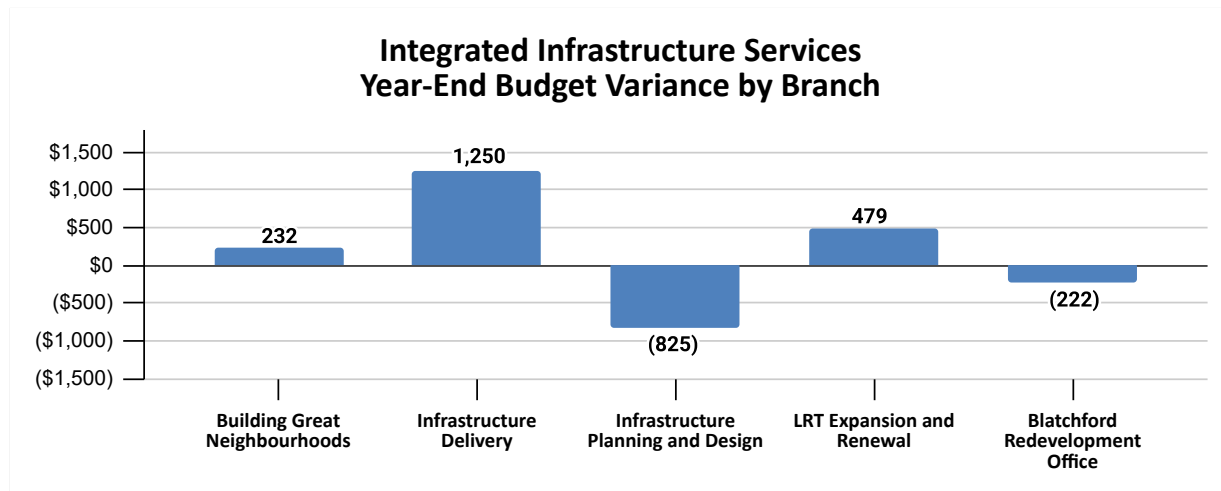
Net Position Budget Variance - Details		
YTD Variance (in millions \$)	Year-End Projected Variance (in millions \$)	Variance Explanations
Revenue		
(0.1)		Other net cumulative variances
(0.1)		Revenue Budget Variance
Expense		
(4.1)		Computer Software Higher than anticipated computer software costs primarily related to remote access investments.
0.8		Other net cumulative variances
(3.3)		Expense Budget Variance
(3.4)		Total Net Position Budget Variance - Open City and Technology
(6.3)%		<i>Total Net Position Budget Variance Percentage</i>

Net Position Budget Variance - Details		
YTD Variance (in millions \$)	Year-End Projected Variance (in millions \$)	Variance Explanations
Revenue		
(0.1)		Other net cumulative variances
(0.1)		Revenue Budget Variance
Expense		
(4.1)		Computer Software Higher than anticipated computer software costs primarily related to remote access investments.
0.8		Other net cumulative variances
(3.3)		Expense Budget Variance
(3.4)		Total Net Position Budget Variance - Open City and Technology
(6.3)%		<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
(in \$000's)

Integrated Infrastructure Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	3,920	3,971	51	1.3
Expense	33,341	32,478	863	2.6
Net Position	(29,421)	(28,507)	914	3.1



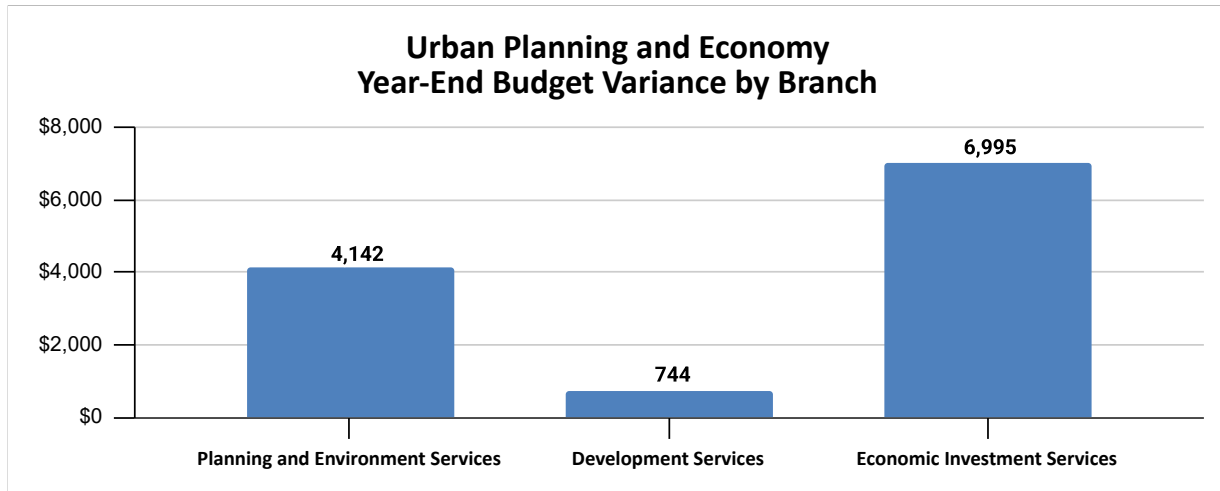
Explanations are provided by branch for Year-End variances from budget that are greater than \$1,500, that contribute to the net tax-supported budget variance (amounts below \$1,500 are not specifically addressed):

No individually significant Year-End variances to report.

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
 (in \$000's)

Urban Planning and Economy

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	130,961	114,983	(15,978) ●	(12.2)
Expense	195,900	168,041	27,859 ●	14.2
Net Position	(64,939)	(53,058)	11,881 ●	18.3



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):

Urban Planning and Economy - Planning and Environment Services

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	25,192	19,300	(5,892) ●	(23.4)
Expense	64,516	54,482	10,034 ●	15.6
Net Position	(39,324)	(35,182)	4,142 ●	10.5

	Budget	Actual	Variance \$	%
Revenue	25,192	19,300	(5,892) ●	(23.4)
Expense	64,516	54,482	10,034 ●	15.6
Net Position	(39,324)	(35,182)	4,142 ●	10.5

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(6.6)	Reserve Transfers - Sanitary Servicing Strategy Fund (SSSF) Lower than budgeted transfer from the SSSF Reserve, fully offset by lower payments to EPCOR for Riverview pump station project (see below).
0.7	Other net cumulative variances
(5.9)	Revenue Budget Variance
Expense	
6.6	Sanitary Servicing Strategy Costs Lower than budgeted payments to EPCOR due to a delay of the Riverview pump station project and therefore less than expected costs for sanitary sewer infrastructure. This is fully offset by lower than budgeted transfer from SSSF Reserve (see above).
3.5	Environment and Climate Resilience Group Favourable budget variance mainly due to timing of consulting and contract work across Environment and Climate Resilience programs due to project delays and deferrals (\$4.3 million), partially offset by \$0.8 million in other unfavourable budget variances within the area. The budget is committed to implementing the Environment & Climate projects. As such, a carryforward of the committed funds are requested as part of this report.
(0.1)	Other net cumulative variances
10.0	Expense Budget Variance
4.1	Total Net Position Budget Variance - Planning & Environment Services
10.5%	<i>Total Net Position Budget Variance Percentage</i>

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(6.6)	Reserve Transfers - Sanitary Servicing Strategy Fund (SSSF) Lower than budgeted transfer from the SSSF Reserve, fully offset by lower payments to EPCOR for Riverview pump station project (see below).
0.7	Other net cumulative variances
(5.9)	Revenue Budget Variance
Expense	
6.6	Sanitary Servicing Strategy Costs Lower than budgeted payments to EPCOR due to a delay of the Riverview pump station project and therefore less than expected costs for sanitary sewer infrastructure. This is fully offset by lower than budgeted transfer from SSSF Reserve (see above).
3.5	Environment and Climate Resilience Group Favourable budget variance mainly due to timing of consulting and contract work across Environment and Climate Resilience programs due to project delays and deferrals (\$4.3 million), partially offset by \$0.8 million in other unfavourable budget variances within the area. The budget is committed to implementing the Environment & Climate projects. As such, a carryforward of the committed funds are requested as part of this report.
(0.1)	Other net cumulative variances
10.0	Expense Budget Variance
4.1	Total Net Position Budget Variance - Planning & Environment Services
10.5%	<i>Total Net Position Budget Variance Percentage</i>

Urban Planning and Economy - Development Services

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	93,566	90,800	(2,766)	●	(3.0)
Net transfer to/(from)					
P&D Reserve	(235)	14,528	(14,763)	●	6,282.1
Expense	101,236	82,963	18,273	●	18.0
Net Position	(7,435)	(6,691)	744	●	10.0

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
10.8	<p>Permit Revenue The favourable budget variance is primarily driven by sustained development activity and higher revenues per permit. This performance reflects the resilience of the Edmonton economy throughout 2025, specifically fueled by a surge in residential construction and redevelopment (infill) activity which carried forward momentum from a record-breaking 2024.</p> <p>While 2025 results remain strong, internal volume projections and economic indicators (including global trade uncertainty and changes to federal immigration policy) suggest a potential moderation in construction activity and permit volumes entering 2026.</p>
2.6	<p>Vehicle for Hire (VFH) Revenue Higher VFH revenues mainly due to increased ridership.</p>
(16.2)	<p>Reserve Transfers - Industrial Infrastructure Cost Sharing Reserve Lower transfers from the Industrial Infrastructure Cost Sharing (IICS) Reserve mainly due to delay in rebate payments that are dependent on applicants meeting program requirements before receiving payment. This is offset by lower rebate payments (see below).</p>
(2.8)	Revenue Budget Variance
Net transfer to/(from) P&D Reserve	
(14.8)	<p>Transfer to Planning & Development Reserve Higher transfer to the Planning & Development Reserve due to higher than anticipated permit revenues and lower than budgeted planning and development operating expenses.</p>
(14.8)	Net transfer to/(from) P&D Reserve Budget Variance
Expense	
16.2	<p>Industrial Cost Sharing Programs - Rebates Delayed rebate payments for industrial infrastructure cost sharing programs that are dependent on applicants meeting program requirements before receiving payment. This is offset by a lower transfer from the IICS Reserve (see above).</p>
3.7	<p>Personnel Costs Favourable personnel budget variance mainly due to unfilled vacancies, time to fill new positions and underspending of the budget related to temporary and student positions.</p>
(3.2)	<p>Reserve Transfers - VFH Higher transfer to the VFH Reserve mainly due to higher revenues.</p>
1.6	Other net cumulative variances
18.3	Expense Budget Variance
0.7	Total Net Position Budget Variance - Development Services
10.0%	Total Net Position Budget Variance Percentage

Urban Planning and Economy - Economic Investment Services
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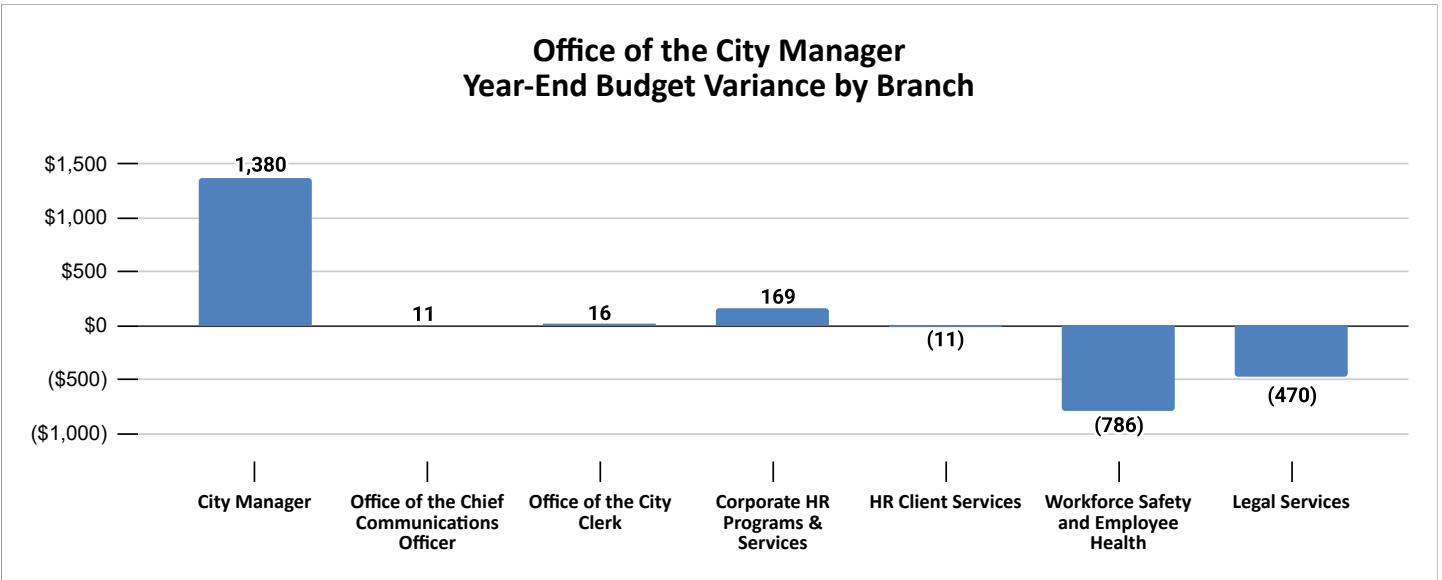
Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	12,203	4,883	(7,320) ●	(60.0)
Expense	30,383	16,068	14,315 ●	47.1
Net Position	(18,180)	(11,185)	6,995 ●	38.5

Net Position Budget Variance - Details	
Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(2.4)	<p>Reserve Transfers - Financial Stabilization Reserve (Edge Fund, Economic Action Plan, Downtown Action Plan Fund) Lower transfer from the Financial Stabilization Reserve (FSR) mainly due to delays in grant and subsidy payments that are dependent on project completion and/or meeting program milestones for Edge Fund, Economic Action Plan grants and Downtown Action Plan Fund (formerly known as the Downtown Vibrancy Fund).</p> <p>The budget for these grants was previously appropriated within the FSR, and as such the funds will be requested to remain appropriated in the FSR at year-end to utilize in future years.</p>
(4.6)	<p>Reserve Transfers - Brownfield Reserve Lower transfer from the Brownfield Reserve is due to timing of grant payments that are dependent on project progress related to applications approved this year, as well as delays in entering a Phase III funding agreement subject to audit requirements.</p>
(0.3)	Other net cumulative variances
(7.3)	Revenue Budget Variance
Expense	
5.0	<p>Downtown Action Plan Fund Favourable budget variance is related to the timing of spending to support the implementation of the Downtown Action Plan (DAP) which was received for information in May 2025. Implementing DAP involves a variety of actions that required time to complete, including building community partnerships, grant program development, project plans and other strategic actions. The expectation is that the majority of the spending will take place in 2026. The budget is committed to implementing the Downtown Action Plan. As such, a carryforward of the committed funds are requested as part of this report.</p>
4.6	<p>Brownfield Redevelopment Grant Lower than budgeted Brownfield Phase III grant payments, as payments are dependent on project progress, related to applications approved this year and delays in entering a Phase III funding agreement subject to audit requirements.</p>
2.1	<p>Grant and Subsidy Payments Lower than budgeted grant and subsidy payments mainly due to delays in projects where payments are dependent on project completion and/or meeting program milestones for various programs such as Edge Fund, Economic Action Plan grants and the Chinatown Strategy Plan. The budgets for these programs are fully committed through funding agreements. As such, a carryforward of the committed funds are requested as part of this report.</p>
2.6	Other net cumulative variances
14.3	Expense Budget Variance
7.0	Total Net Position Budget Variance - Economic Investment Services
38.5%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
 (in \$000's)

Office of the City Manager

Year-End Results				
	Budget	Actual	Variance \$	%
Revenue	11,285	4,960	(6,325) ●	(56.0)
Expense	101,150	94,516	6,634 ●	6.6
Net Position	(89,865)	(89,556)	309 ●	0.3



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):

Office of the City Manager - City Manager

Year-End Results

	Budget	Actual	Variance \$		%
Revenue	3,975	170	(3,805)	●	(95.7)
Expense	14,082	8,897	5,185	●	36.8
Net Position	(10,107)	(8,727)	1,380	●	13.7

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(3.5)	Reserve Transfer - Community Safety and Well-Being Reserve (Community Mobilization Task Force on Housing and Houselessness) Lower than budgeted transfer from the Community Safety and Well-Being (CSWB) Reserve intended to fund housing and houselessness recommendations identified by the Community Mobilization Task Force. In 2024, Council approved \$3.5 million in one-time funding to act as seed funding for ideas identified by the Community Mobilization Task Force on housing and houselessness which remains unexpensed in 2025. This variance is fully offset by a corresponding favourable budget variance related to seed funding below.
(0.3)	Other net cumulative variances
(3.8)	Revenue Budget Variance
Expense	
3.5	Community Mobilization Task Force on Housing and Houselessness Lower than budgeted expenditures related to the seed funding, due to the delayed completion of funding agreements. This variance is fully offset by a reduced transfer from the CSWB Reserve as noted above.
1.8	Anti-Racism Strategy Less than budgeted subsidy costs related to the Anti-Racism strategy.
(0.1)	Other net cumulative variances
5.2	Expense Budget Variance
1.4	Total Net Position Budget Variance - City Manager
13.7%	<i>Total Net Position Budget Variance Percentage</i>

Tax-Supported Operations - By Department
Preliminary Year-End Results
December 31, 2025
(in \$000's)

Mayor and Councillor Offices

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	-	-	-	●	-
Expense	7,914	7,650	264	●	3.3
Net Position	(7,914)	(7,650)	264	●	3.3

No individually significant Year-End variances to report.

Office of the City Auditor

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	-	-	-	●	-
Expense	3,159	2,916	243	●	7.7
Net Position	(3,159)	(2,916)	243	●	7.7

No individually significant Year-End variances to report.

Boards and Authorities*

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	86,356	85,330	(1,026)	●	(1.2)
Expense	217,820	216,682	1,138	●	0.5
Net Position	(131,464)	(131,352)	112	●	0.1

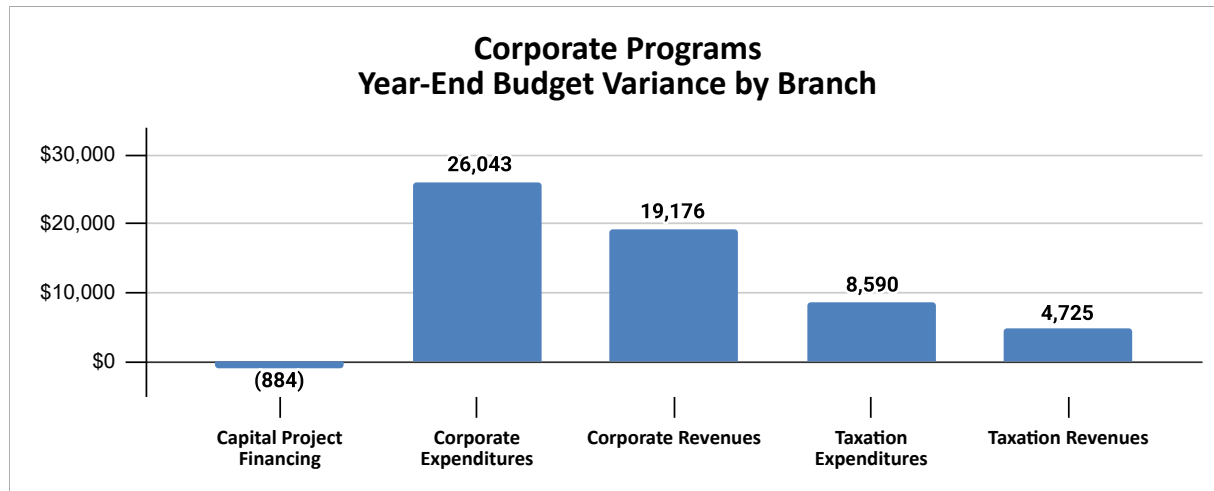
No individually significant Year-End variances to report.

* 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, 2025
 (in \$000's)

Corporate Programs

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	3,107,771	3,161,330	53,559	●	1.7
Expense	921,149	917,058	4,091	●	0.4
Net Position	2,186,622	2,244,272	57,650	●	2.6



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):

Corporate Programs - Capital Project Financing

Year-End Results

	Budget	Actual	Variance \$		%
Revenue	273,599	298,373	24,774	●	9.1
Expense	558,529	584,187	(25,658)	●	(4.6)
Net Position	(284,930)	(285,814)	(884)	●	(0.3)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
31.3	Investment Earnings Investment earnings ended the year higher than anticipated due to a rebalancing of the investment funds and strong performance of equity markets. The increased investment earnings are transferred to the Pay-as-you-go Reserve to support the capital program, as described below.
(5.9)	Local Improvement Decrease in local improvement tax revenue primarily due to lower than estimated local improvement work.
(0.6)	Other net cumulative variances
24.8	Revenue Budget Variance
Expense	
5.9	Reserve Transfers - Local Improvement Lower transfer to Local Improvement Reserve due to lower than estimated local improvement work.
(31.3)	Reserve Transfers - Pay-as-you-go Reserve Greater than budgeted transfer to capital as a result of increased investment earnings. Investment earnings are transferred to the Pay-as-you-go Reserve to support the capital program.
(0.3)	Other net cumulative variances
(25.7)	Expense Budget Variance
(0.9)	Total Net Position Budget Variance - Capital Project Financing
(0.3)%	Total Net Position Budget Variance Percentage

Corporate Programs - Corporate Expenditures

Year-End Results

	Budget	Actual	Variance \$		%
Revenue	8,360	6,311	(2,049)	●	(24.5)
Expense	106,400	78,308	28,092	●	26.4
Net Position	(98,040)	(71,997)	26,043	●	26.6

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
(1.6)	Reserve Transfers - 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 slower construction progress than originally projected by program participants.
(0.4)	Other net cumulative variances
(2.0)	Revenue Budget Variance

Expense	
20.9	<p>Financial Strategies</p> <p>The Financial Strategies budget incorporates risk-adjusted budget estimates. These estimates enable the City to centrally manage the risks associated with highly volatile budget line items, such as fuel, utilities and inflationary impacts on contracts, parts and materials, as well as collective bargaining risk.</p>
7.6	<p>Benefits Coverage for Staff on Long-Term Disability (LTD) (Personnel Costs)</p> <p>The City must continue to pay the employer portion of benefit costs (continuation of pension, medical, dental and other benefits coverage) for employees on LTD leave. Accounting standards require the City to recognize a liability for the estimated employer contributions payable for these benefit plans while the employee is on leave. The 2025 year-end actuarial estimate showed a reduction of \$7.6 million compared to the 2025 budget for this obligation. The actuarial attributed the decreased obligation primarily to two factors: more employees than expected coming off LTD and the cost of new claimants being lower than estimated.</p>
1.6	<p>Edmonton Economic Recovery Construction Grant</p> <p>Lower than expected grant payments related to the Edmonton Economic Recovery Construction Grant due to slower construction progress than originally projected by program participants. This is fully offset by a transfer from the FSR as noted above.</p>
(3.3)	<p>Insurance Claims and Premiums (Structural Budget Variance related to claims liability - Refer to Attachment 3 for detailed action plan to address the structural budget variance)</p> <p>The City's insured claims are increasing in frequency and severity. The top three exposures are: 1) damages and repairs to City assets (first party claims), 2) legal settlements (third party claims) and 3) timing of First Party Claims recoveries. First party claims are up due to asset growth, inflation, aging infrastructure, climate change, and vandalism. Third party claims are also up due to growth, inflation, and higher injury settlements.</p> <p>A review of the insurance program continued in 2025 which resulted in cost avoidance, but external factors and market conditions, growth and increased exposure on cyber, property and terrorism insurance required enhanced coverage and higher premiums contributing to the variance.</p> <p>This structural budget variance was partially funded for \$1.0 million starting in 2026 through the Fall 2025 Supplemental Operating Budget Adjustment report - \$0.5 million related to claims liability and \$0.5 million related to insurance premiums.</p>
1.2	Other net cumulative variances
28.0	Expense Budget Variance
26.0	Total Net Position Budget Variance - Corporate Expenditures
26.6%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Corporate Revenues
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Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	525,895	545,071	19,176	●	3.6
Expense	97	97	-	●	-
Net Position	525,798	544,974	19,176	●	(3.6)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
12.5	EPCOR Power Franchise Fees Power franchise fee revenue was greater than budgeted due to increased consumption caused by colder than expected weather in February and December, and extended high summer temperatures, as well as additional franchise fees from prior years recognized in 2025.
6.3	Tax Penalties Higher than budgeted tax penalty revenues due to a larger number of accounts with outstanding balances from previous years.
1.5	EPCOR Water Franchise Fees Greater than expected water franchise fees due to higher consumption driven by an increase in customer counts and warmer annual temperatures with lower precipitation in 2025 compared to 10 year historical average.
(4.1)	ATCO Gas Franchise Fees Lower than budgeted gas franchise fees due to delivery tariff revenue reductions, resulting from a combination of lower customer usage and lower delivery rates.
3.0	Other net cumulative variances
19.2	Revenue Budget Variance
Expense	
0.0	Expense Budget Variance
19.2	Total Net Position Budget Variance - Corporate Revenues
(3.6)%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Taxation Expenditures

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	5,593	10,096	4,503	●	80.5
Expense	18,739	14,652	4,087	●	21.8
Net Position	(13,146)	(4,556)	8,590	●	65.3

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
4.5	Supplemental Municipal Taxes Higher than anticipated supplementary tax revenue due to greater than expected construction activity in 2025.
4.5	Revenue Budget Variance
Expense	
4.5	Tax Appeals Favourable due to better than anticipated results on non-residential complaints and fewer than expected mid-year exemption changes.
(0.4)	Other net cumulative variances
4.1	Expense Budget Variance
8.6	Total Net Position Budget Variance - Taxation Expenditures
65.3%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Taxation Revenues

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	2,288,426	2,293,261	4,835	●	0.2
Expense	-	110	(110)	●	-
Net Position	2,288,426	2,293,151	4,725	●	(0.2)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
3.4	Taxation Revenue Favourable realty taxation revenue variance reflects a one-time difference in the taxation bylaw and approved budgeted revenues.
1.4	Other net cumulative variances
4.8	Revenue Budget Variance
Expense	
(0.1)	Other net cumulative variances
(0.1)	Expense Budget Variance
4.7	Total Net Position Budget Variance - Taxation Revenues
(0.2)%	<i>Total Net Position Budget Variance Percentage</i>

Corporate Programs - Traffic Safety and Automated Enforcement (TSAE)

Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	5,898	8,218	2,320	●	39.3
Net transfer to/(from)					
TSAE Reserve	5,898	8,218	(2,320)	●	(39.3)
Net Position	-	-	-	●	-

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
2.3	Traffic Safety and Automated Enforcement Fines Higher than budgeted traffic safety and automated enforcement revenue, primarily driven by higher-than-anticipated red light camera violations, as well as playground/school zone speed violations.
2.3	Revenue Budget Variance
Net transfer to/(from) TSAE Reserve	
(2.3)	Reserve Transfers - Traffic Safety and Automated Enforcement Reserve (TSAER) Higher than budgeted transfer to the TSAER, as a result of increased Traffic Safety and Automated Enforcement fines.
(2.3)	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, 2025
(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	239,694	250,782	11,088	●	4.6
Expense	232,149	236,046	(3,897)	●	(1.7)
Net Position	7,545	14,736	7,191	●	3.1

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
6.5	Utility Services Revenue Greater than budgeted single and multi unit revenue due to higher than anticipated bin counts.
6.0	Extended Producer Agreement Revenue Higher than budgeted Extended Producer Agreement revenue as waste volume is higher than budgeted.
(1.4)	Other net cumulative variances
11.1	Revenue Budget Variance
Expense	
7.0	Contractor Costs Lower than budgeted contractor costs related to organics processing which is seeing lower volumes than planned mainly from multi-unit 3 stream rollout, savings for Waste hauling due to using more internal resources than planned, as well as lower Material Recovery Facility recycling costs due to lower volume than planned.
1.7	Fleet Costs Favourable fleet costs due to lower standard repairs than budgeted and lower fuel costs.
(1.9)	Planning and Design Costs Write-off of planning and design costs related to the Material Recovery Facility (MRF), Anaerobic Digester Facility (ADF), and Curesite projects due to change in scope to meet current requirements.
(6.3)	Post-Closure Liability Increased costs related to the Clover Bar Landfill post-closure liability due to inflationary cost impacts and increased complexity in post closure activities.
(6.3)	Personnel Costs Higher than budgeted personnel costs due to lower vacancy rates than anticipated. Staffing is increasing for in-sourced collection work for the communal curbside collection in North-East Edmonton (Area 13) which was previously contracted out. Waste Services is targeting to split the work 50/50, for internal versus external work, reducing reliance on contractors and mitigating risk. Waste Services needed to hire to properly staff the Multi-Unit 3 Stream rollout, which was under-budgeted, and to implement the organics path forward following the shutdown of the Anaerobic Digester. This shutdown requires Waste Services to manage the facility moving forward.
1.9	Other net cumulative variances
(3.9)	Expense Budget Variance
7.2	Total Net Position Budget Variance - Waste Services
3.1%	Total Net Position Budget Variance Percentage

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

Land Enterprise

Land Enterprise - Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	43,447	60,094	16,647	●	38.3
Expense	25,146	42,796	(17,650)	●	(70.2)
Net Position	18,301	17,298	(1,003)	●	(4.0)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
16.6	Land Sales Favourable variance due to shift in project timing and lot absorption with greenfield and surplus sales higher than budgeted.
16.6	Revenue Budget Variance
Expense	
(18.1)	Cost of Land Sold Unfavourable variance for cost of land sales due to shift in project timing and lot absorption.
0.5	Other net cumulative variances
(17.6)	Expense Budget Variance
(1.0)	Total Net Position Budget Variance - Land Enterprise
(4.0)%	<i>Total Net Position Budget Variance Percentage</i>

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

Blatchford Redevelopment

Blatchford Redevelopment - Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	28,744	12,350	(16,394)	●	(57.0)
Expense	21,833	8,203	13,630	●	62.4
Net Position	6,911	4,147	(2,764)	●	(12.7)

Net Position Budget Variance - Details

Year-End Variance (in millions \$)	Variance Explanations
Revenue	
1.0	Lease Revenue Increased lease revenues resulting from a change in a land lease to a higher-value lease.
(17.4)	Land Sales Unfavourable variance due to timing of land sales within the budget cycle.
(16.4)	Revenue Budget Variance
Expense	
13.7	Cost of Land for Land Sales Favourable variance for cost of land sales due to timing of land sales within the budget cycle.
(0.1)	Other net cumulative variances
13.6	Expense Budget Variance
(2.8)	Total Net Position Budget Variance - Blatchford Redevelopment
(12.7)%	<i>Total Net Position Budget Variance Percentage</i>

Renewable Energy Systems Utility

Renewable Energy Systems Utility - Year-End Results					
	Budget	Actual	Variance \$		%
Revenue	803	564	(239)	●	(29.8)
Expense	3,631	3,434	197	●	5.4
Net Position	(2,828)	(2,870)	(42)	●	(1.2)

No individually significant Year-End variances to report.

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

Community Revitalization Levy Operations
Preliminary Year-End Results
December 31, 2025
(in \$000's)

Community Revitalization revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$750. Variances below this amount are not specifically addressed.

Belvedere Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	3,283	1,951	(1,332)	● (40.6)
Expense	4,627	2,043	2,584	● 55.8
Net Income /(Deficit)	(1,344)	(92)	1,252	● 93.2
Transfer (to) /from Reserve	1,344	92	(1,252)	● 93.2
Net Position	-	-	-	● -

Year-End

Revenue - Lower revenue due to delayed land sales.

Expense - Mainly due to lower cost of land sold due to delayed land sales.

Capital City Downtown Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	35,507	35,873	366	● 1.0
Expense	50,784	47,354	3,430	● 6.8
Net Income /(Deficit)	(15,277)	(11,481)	3,796	● 24.8
Transfer (to) /from Reserve	15,277	11,481	(3,796)	● (24.8)
Net Position	-	-	-	● -

Year-End

Expense - Lower debt servicing costs due to timing of borrowing requirement on capital projects.

Quarters Community Revitalization Levy

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	5,880	6,041	161	● 2.7
Expense	9,588	9,505	83	● 0.9
Net Income /(Deficit)	(3,708)	(3,464)	244	● 6.6
Transfer (to) /from Reserve	3,708	3,464	(244)	● 6.6
Net Position	-	-	-	● -

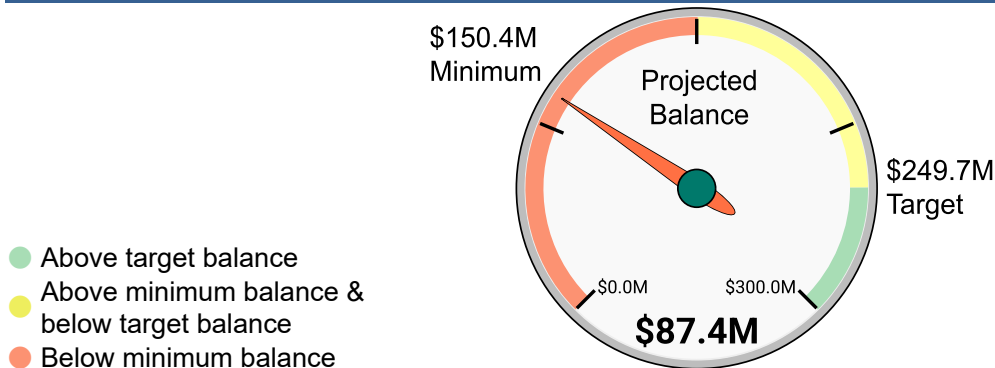
Year-End - No significant variances to report.

	Belvedere 2013-2032	Capital City Downtown 2015-2044	Quarters 2012-2031
Reserve Balance, December 31, 2025	(\$17,107)	(\$20,935)	(\$26,496)
Revised year the CRL is projected to have an annual positive surplus	2026	2033	2033
Year reserve is sufficient to cover remaining debt servicing	2032	2039	2041

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 will be presented to Executive Committee on March 26, 2026, UPE03256 - 2026 Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere.

Reserves Update
December 31, 2025
(\$ 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 surplus, carry-forward recommendations, and other uses of the FSR, the FSR balance is \$74.9 million compared to the preliminary minimum required balance of \$150.4 million. After considering the tax-supported surplus of \$31.1 million, and based on the recommendations in this report for operating carry-forwards and other items of \$12.1 million, and \$6.5 million for Council approved items during 2026, the projected FSR balance in 2026 is \$87.4 million. This is \$63.0 million below the preliminary required minimum balance of \$150.4 million. The projected FSR balance is further outlined in Attachment 2.

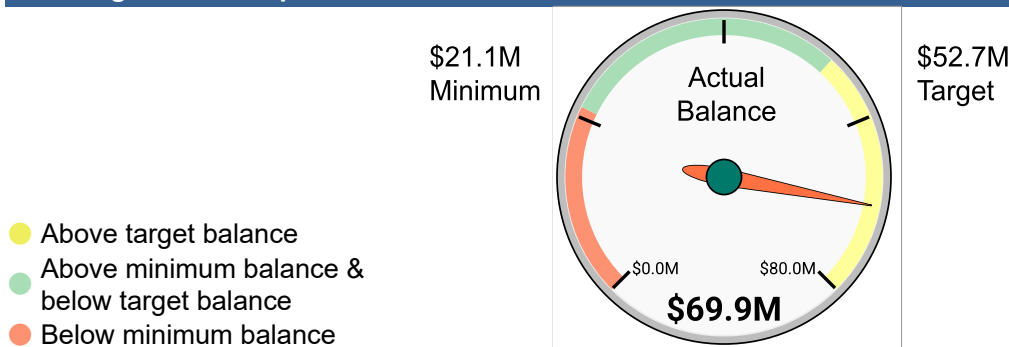
In accordance with the policy, in the event the unappropriated FSR balance falls below the minimum, a strategy will be adopted to achieve the minimum balance over a period not to exceed three years, starting with the subsequent year's operating budget. The strategy may include replenishing the FSR with 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.

Through the Fall 2024 Supplemental Operating Budget Adjustment (SOBA) process, Council approved tax increases in 2025 and 2026 to restore the FSR back to the minimum balance over five years by the end of 2029. To facilitate this, Council approved an exemption to Policy C629 to allow the repayment strategy to occur over five years instead of three. The FSR repayment strategy is based on an assumption of a balanced position from 2025 to 2029 (i.e. no tax-supported surplus or deficit), with no additional spending from the FSR.

Considering the preliminary 2025 tax-supported surplus and recommended carry-forwards the FSR is forecasted to reach its minimum balance in 2028. Once the FSR reaches its minimum balance the funds used to replenish the FSR will be redirected towards a dedicated renewal fund to support the City's capital infrastructure renewal deficit.

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



The Planning and Development Business Model, or PDBM, is a self-sustaining operation that provides activities, programs and services that are included in the Planning and Development Business as outlined in City Policy C610. 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, 2025 year-end reserve balance of \$69.9 million (99.6% of budgeted expenditures) is above its minimum required balance of \$21.1 million for 2025, and above the target balance of \$52.7 million.

The revenue favourability that has led to a growing reserve balance is primarily driven by sustained development activity and higher revenues per permit. This performance reflects the resilience of the Edmonton economy throughout 2025, driven by residential construction and redevelopment (infill) activity, which carried forward momentum from a record-breaking 2024. While 2025 results remain strong, internal volume projections and economic indicators (including global trade uncertainty and changes to federal immigration policy) suggest a potential moderation in construction activity and permit volumes in 2026.

In accordance with City Policy C610, in the event the balance exceeds the target, Administration will develop a strategy to reduce the fund balance over a period not to exceed three years, starting with the operating budget for the subsequent year. The reserve has been above the target balance since 2023, therefore the reserve should be brought below the target balance by the end of 2026.

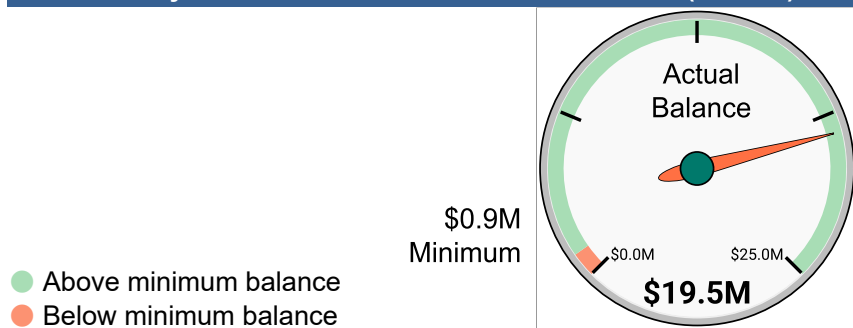
UPE's current strategy to reduce the fund balance includes the following key actions:

- A. Expense Shift: effective January 1, 2025, ongoing expenses related to enforcement, inspection, and landscape security administration, directly associated with Planning & Development Business Model (PDBM) services, have been shifted from tax levy funding to PDBM funding.
- B. Resource Allocation: staffing levels have been increased to address service levels and meet demand.
- C. Fee Adjustment: a 2.1% fee increase, aligned with the initial budget cycle inflation estimate, has been maintained. While recent inflation has surpassed this figure, the City remains committed to providing predictability and minimizing the impact of rising costs on Edmonton Building Partners.
- D. Cost of Service Study: conducted a Cost of Service Study to assess the costs and revenues of services provided by the PDBM to ensure a sustainable business model for the City.

With these strategies and the current economic outlook, the internal forecast indicates that the reserve will be drawn upon by the end of 2026 but will remain above the target balance. This will result in the reserve being in breach of the policy, as the policy requires the reserve to be below the target balance by the end of 2026.

Administration will continue to review forecasts regularly and update projections on when the reserve is expected to drop below the target balance. Consideration will be given to adjusting fees and expense budgets in an effort to draw the reserve below its target balance. There may also be a need to revisit the target balance in the policy, as well as other policy objectives. Administration continues to work on a revised strategy which will be presented to Council in the Q3 2026 operating financial report.

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 Roads Services to fund traffic safety measures including technology, engineering measures, signage and signaling.

The December 31, 2025 year-end balance of the reserve is \$19.5 million. The minimum balance of \$0.9 million is calculated as 5% of annual budgeted Automated Enforcement Revenue in accordance with City Policy C579B *Traffic Safety and Automated Enforcement Reserve*.

Additional details on the reserve as well as a schedule of the reserve balance including the projected balance for 2025 are included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

Traffic Safety and Automated Enforcement Reserve Schedule
December 31, 2025
(\$ millions)

	2025			2026	2026
	Actual (December 31)	Approved Budget	Budget Variance	Annual Projection	Approved Budget
Transfers to the Reserve					
Automated Enforcement Revenues ¹	8.2	5.9	2.3	4.1	4.1
Tax Levy ¹	20.0	20.0	-	8.0	8.0
Interest	0.5	-	0.5	0.1	-
	28.7	25.9	2.8	12.2	12.1
Funding from the Reserve					
<i>Operating:</i>					
Safe Mobility Section	(10.5)	(17.6)	(7.1)	(14.3)	(14.3)
	(10.5)	(17.6)	(7.1)	(14.3)	(14.3)
<i>Capital:</i>					
Automated Enforcement Asset Renewal (CM-66-2597)	(0.2)	(2.9)	(2.7)	(3.4)	(0.8)
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	-	(0.7)	(0.7)	(0.7)	-
Safe Crossings (previously Crosswalk Safety) (CM-66-2585)	(5.9)	(8.2)	(2.3)	(8.7)	(6.4)
School Safety (CM-66-2590)	-	-	-	-	-
Speed Limit Reduction (CM-66-2580)	(0.1)	(0.2)	(0.1)	(0.1)	-
Safe and Livable Community Streets (CM-66-2596)	(3.8)	(8.4)	(4.6)	(8.9)	(4.2)
	(10.0)	(20.4)	(10.4)	(21.8)	(11.4)
Total funding from the reserve	(20.5)	(38.0)	(17.5)	(36.1)	(25.7)
Annual Surplus/(Deficit)	8.2	(12.1)		(23.9)	(13.6)
Opening Reserve Balance	11.3	11.3		19.5	19.5
Closing Reserve balance (Cumulative) ¹	19.5	(0.8)		(4.4)	5.9
Minimum reserve balance - 5% of budgeted revenues ²	0.9	0.9		0.2	0.2
Available funds (closing reserve balance less minimum reserve balance)	18.6	-		-	5.7

Notes:

1. Automated enforcement revenues have experienced a significant decline, attributable to the Government of Alberta's retention of a larger share of revenue, the implementation of increased program restrictions, and shifts in post-COVID revenue trends.

Effective April 2025, amendments by the Government of Alberta to the Automated Traffic Enforcement Guideline have substantially impacted both safety and revenue. These changes include the prohibition of automated enforcement on provincial or numbered highways, restriction of enforcement to playground, school, or construction zones, and limitation of Intersection Safety Devices enforcement exclusively to red light infractions.

Consequently, the original 2025 automated enforcement revenue budget of \$18.7 million was reduced to \$5.9 million during the Fall 2024 Supplemental Operating Budget Process. Council concurrently approved a tax-levy contribution of \$20 million in 2025 and \$8 million in ongoing tax-levy support to the reserve starting in 2026, intended to fund traffic safety initiatives and maintain the minimum policy balance. These policy changes have dramatically diminished automated enforcement revenue, projecting a \$4.4 million reserve deficit by the conclusion of 2026.

Administration presented report CO03044 "Municipal Traffic Safety Expansion Option," during the Fall 2025 Supplemental Operating Budget Adjustment (SOBA) to address service deficiencies resulting from reduced enforcement. Council made the motion to implement Option 2 - Partial Expansion Implementation of the proposed program and service expansions. In that report, Administration identified that the TSAER will be in a deficit position at the end of 2026, and sustainable funding will be required for the 2027-2030 budget cycle to continue programs and services. Administration will present recommendations in Q2 2026 to support long-term TSAER sustainability ahead of the 2027-2030 budget. Should the reserve remain forecasted below the minimum policy balance at the end of 2026, Administration is mandated by City Policy C579B to propose a strategy to achieve the minimum level over a period not exceeding three years, commencing with the 2027 operating budget.

2. As per Policy C579B *Traffic Safety and Automated Enforcement Reserve*, the minimum reserve balance for 2025 is calculated as 5% of the budgeted revenues for 2025, based on the approved 2023-2026 operating and capital budgets, adjustments during the supplemental budget adjustment processes, and approved carryforward of unspent 2024 budgets.



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: February 2, 2026

SUBJECT: Budget Variance for the Period Ending December 31, 2025

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) financial position for the period ending December 2025 and the year-end results reflect organizational decisions and practices.

COMMENTS / DISCUSSION:

Operating

The operating results for the period ending December 31, 2025 indicate a net deficit position of \$4.795 million or 1.0% (revenue surplus of \$5.624 million, offset by expense overspend of \$10.419 million). The balance in the EPS operating reserve is a deficit of \$4.870 million, comprised of the prior deficit balance of \$0.075 million, and 2025 operating deficit of \$4.795 million.

The operating deficit is a result of lower Traffic Safety Act revenue (\$1.6 million), the 2026 collective bargaining impact on 2025 financials (\$1.4 million), a prior year vacation adjustment processed in 2025 (\$1.1 million), and other expenses (\$0.7 million).

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

Capital

The 2023-2026 Capital Budget is comprised of 11 active profiles (5 standalone profiles and 6 composite profiles). The total 2023-2026 Capital Budget is \$105.248 million which includes the initial approved budget, subsequent budget carryforward and supplemental capital budget 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. Subsequently, the following changes were approved by City Council during SCBA discussion:

- \$10.610 million in December 2023
- \$27.380 million in June 2024

This has resulted in funding of 81% of the Commission supported budget requirement and a \$10.452 million shortfall for Police Equipment, IT Applications and IT Infrastructure renewal projects for 2023-2026.

This was the third year of the four-year Capital budget cycle (2023 to 2026) and project to date costs are from the inception of the project or from the beginning of the current budget cycle. 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 i P.

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

Approved By: Kevin KOBİ, Acting Chief Administrative Officer, Corporate Services Bureau

Approved By: Patricia MISUTKA, Chief of Staff

Chief of Police: _____

Date: _____

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending December 31, 2025
(\$000's)

	Current Period				2024 Year to Date				2025 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Revenue												
Traffic Safety Act Fines (Note 1)	\$ 623	\$ 537	\$ (86)	-13.8%	\$ 10,262	\$ 6,959	\$ (3,303)	-32.2%	\$ 8,861	\$ 7,282	\$ (1,579)	-17.8%
Provincial Grants (Note 2)	29,210	29,593	383	1.3%	45,278	50,438	5,160	11.4%	49,477	50,571	1,094	2.2%
Other Revenue (Note 3)	3,571	3,677	106	3.0%	37,438	40,426	2,988	8.0%	38,897	45,006	6,109	15.7%
Secondments	1,303	1,222	(81)	-6.2%	15,473	15,403	(70)	-0.5%	15,962	15,987	25	0.2%
Tow Lot	632	927	294	46.5%	7,588	6,635	(953)	-12.6%	7,588	8,198	610	8.0%
PICS and Alarm Control	564	456	(108)	-19.1%	6,756	7,358	602	8.9%	7,556	7,582	26	0.3%
Extra Duty ¹	268	390	122	45.4%	3,217	5,194	1,977	61.4%	3,217	5,162	1,945	60.5%
E911 Fees	112	91	(20)	-18.1%	1,340	1,264	(76)	-5.7%	1,340	1,108	(232)	-17.3%
School Resource Officer (SRO)	433	465	32	7.4%	1,020	1,091	71	7.0%	1,020	1,626	605	59.3%
Other ²	260	126	(133)	-51.3%	2,044	3,481	1,438	70.4%	2,214	5,343	3,129	141.3%
Total Revenue	33,404	33,807	403	1.2%	92,978	97,823	4,845	5.2%	97,235	102,859	5,624	5.8%
Expense												
Personnel												
Salary and benefits (Note 4)	40,159	45,436	(5,277)	-13.1%	432,551	437,645	(5,094)	-1.2%	471,464	480,265	(8,801)	-1.9%
EPS Overtime (Note 5a)	1,208	1,553	(346)	-28.6%	11,600	18,338	(6,738)	-58.1%	14,218	18,894	(4,676)	-32.9%
External Overtime (Note 5b)	39	43	(3)	-8.5%	472	720	(248)	-52.5%	472	504	(32)	-6.8%
	41,406	47,032	(5,626)	-13.6%	444,623	456,703	(12,080)	-2.7%	486,154	499,663	(13,509)	-2.8%
Non-Personnel												
Furniture, equipment, IT, materials and supplies (Note 6)	5,884	5,757	127	2.2%	26,222	26,629	(407)	-1.6%	28,509	28,943	(434)	-1.5%
Contracts and services (Note 7)	5,809	4,526	1,283	22.1%	37,190	34,186	3,004	8.1%	35,848	33,375	2,473	6.9%
Vehicles (Note 8)	783	1,380	(597)	-76.2%	10,132	10,650	(518)	-5.1%	9,937	10,736	(799)	-8.0%
Facilities (Note 9)	2,220	2,440	(220)	-9.9%	25,378	22,558	2,820	11.1%	23,116	22,454	662	2.9%
Other Expenditures ¹ (Note 10)	9,916	9,126	790	8.0%	16,508	13,145	3,363	20.4%	14,734	13,546	1,188	8.1%
	24,612	23,229	1,383	5.6%	115,430	107,168	8,262	7.2%	112,144	109,054	3,090	2.8%
Total Expense	66,018	70,261	(4,243)	-6.4%	560,053	563,871	(3,818)	-0.7%	598,298	608,717	(10,419)	-1.7%
Position before Adjustments	32,614	36,454	(3,840)	-11.8%	467,075	466,049	1,026	0.2%	501,063	505,858	(4,795)	-1.0%
Tangible Capital Assets Budget adjustment (Note 11)												
Transfer to/(from) EPS Reserve (Note 12)						1,026	(1,026)			(4,795)	4,795	
Net Position	\$ 32,614	\$ 36,454	\$ (3,840)	-11.8%	\$ 467,075	\$ 467,075	\$ -	0.0%	\$ 501,063	\$ 501,063	\$ 0	0.0%

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

2 Other Revenue includes G7 revenue, Federal grants, fines (Gaming and Liquor, Other Bylaw Violations), and sales of unclaimed goods.

Edmonton Police Service**Explanation of Variances by Major Category of Revenues and Expenditures – Notes****For the Period Ended December 31, 2025****1. Traffic Safety Act (TSA) Fines Revenue**

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

Year-end Results - Under budget due to the collection of ticket payments. As ticket volumes increase, it is anticipated that revenue collections will follow, however to date this has been lagging. Investigations continue to understand the lag.

2. Provincial Grants

Provincial Grants include the Policing Support Grant, the 50 New Police Officers Grant, the E911 Grant, the Alberta Mental Health (AMH) Grant, the Guns and Gangs Violence Action Fund (GGVAF) Grant, and Victim Services Grant.

Year-end Results - Over budget due to increased grant revenue for the E911 grant in the Emergency Communication Operations Branch (ECOMB), and for the Body Worn Video Digital Evidence Management System (BWV DEMS), both of which offset additional expenditures.

3. 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 (SRO), gaming and liquor fines, other Bylaw violations, and sales of unclaimed goods.

Year-end Results - Over budget due to Federal Grant revenue recognition for the Edmonton Transit Enhanced Community Safety System (ETECS) development, increased Extra Duty requests, SRO revenue with the addition of new officers at Edmonton Public Schools, and revenue for the G7 Summit, which are offset with additional expenditures.

4. Salary and Benefits

Salary and benefits are for all EPS employees based on collective bargaining agreements with 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.

Year-end Results - Over budget due to lower attrition than planned, higher benefit costs (such as Workers Compensation Board (WCB) expense, major medical and dental premiums, and sick time), a vacation adjustment correction from the prior year, and 2026 settlement impacts.

The sworn member attrition for the full year is:

Attrition	December	Year-End
Original Projection	8	100
Actual & Updated Projection	4	79

As of Dec 31, 2025 forty-nine members have announced retirement, twenty-nine have resigned, and one was released for an attrition total of seventy-nine.

5a. EPS Overtime

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

Year-end Results - Over budget due to maintaining minimum staffing levels and increased training requirements for the Emergency Communications Operations Management Branch (ECOMB) which is partially offset by increased grant revenue, increased protests and investigations, staffing shortages in the Encampment Response Teams, and policing required for the NHL playoffs. Further increased by policing at the G7 Leaders’ Summit, which is offset with increased revenue.

5b. External Overtime

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

Year-end Results - Minimal variance to budget.

6. 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.

Year-end Results - Over budget due to increased ammunition, uniforms, and expenditures for the G7 Summit, which were partially recovered.

7. 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.

Year-end Results - Under budget due to the EPS HELP program costs that are covered by the AMH grant, and delays in Alternative Staffing. In addition, there are lower than expected AMH and GGVAF program expenditures.

8. Vehicle Costs

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

Year-end Results - Over budget due to increased fleet and flight operations maintenance.

9. Facilities

This category includes facility maintenance and custodial expenses for services provided by the City of Edmonton (COE) staff, external space rent, power, natural gas, and telephone charges.

Year-end Results - Under budget due to delays for renovation projects.

10. 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.

Year-end Results - Under budget due to lower organizational travel and training costs.

11. Tangible Capital Assets

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

12. Transfer to/from EPS Reserve

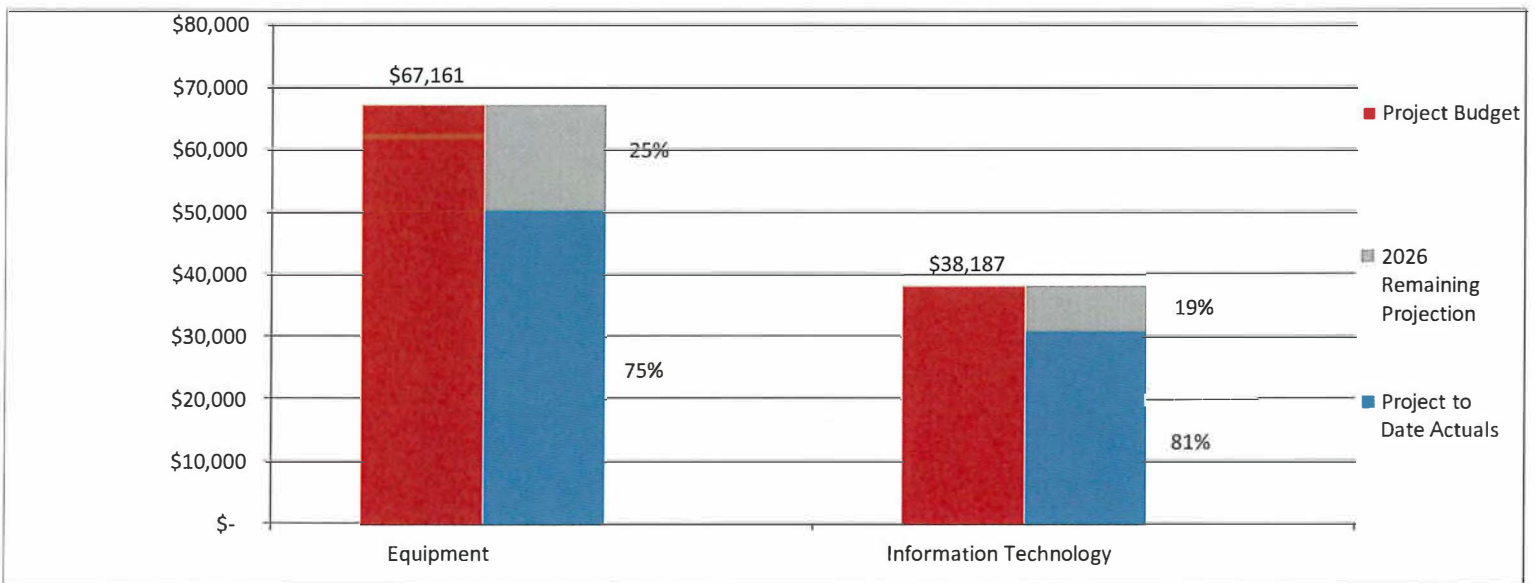
On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget. The strategy may include replenishing the reserve with any unplanned one-time revenues, adjustments to capital priorities and managing operating expenditures.

The operating results for the period ending December 31, 2025 indicate a net deficit position of \$4.795 million to be funded from the EPS operating reserve. The balance in the EPS operating reserve is a deficit of \$4.870 million, which is comprised of the following annual transfers:

2019 – 2022 Budget Cycle	\$0.312 million
2023 Year-end deficit	(\$1.414) million
2024 Year-end surplus	\$0.522 million
2025 Enterprise Commons adjustment	\$0.504 million
2025 Year-end deficit	(\$4.795) million

Edmonton Police Service
 Capital Budget Performance
 Financial Report for the Period Ending Dec 31, 2025
 (\$000's)

Capital Profile	Project To Date Actuals	2026 Projection	Total Projection	Approved Budget Prior Years	2025-2026 Approved Budget	Total Approved Budget	Variance
	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)	(G=F-C)
Radio Life Cycle (Note 1, 10)	8,879	5,167	14,046	8,031	6,015	14,046	-
Vehicles (Note 2, 10)	31,261	8,727	39,988	18,362	21,626	39,988	-
Police Equipment (Note 3, 10)	8,153	3,054	11,207	5,285	5,922	11,207	-
In Car Video (Note 4)	1,323	-	1,323	1,323	-	1,323	-
Body Worn Video (Note 5)	597	-	597	597	-	597	-
Equipment	\$ 50,213	\$ 16,948	\$ 67,161	\$ 33,598	\$ 33,563	\$ 67,161	\$ -
IT - Infrastructure Sustainment	8,799	4,106	12,905	7,754	5,151	12,905	-
IT - Applications Sustainment	2,236	2,481	4,717	1,659	3,058	4,717	-
IT - Applications Enhancement	5,265	593	5,858	3,222	2,636	5,858	-
IT Systems - Total (Note 6, 10)	16,300	7,180	23,480	12,635	10,845	23,480	-
Automated Fingerprint Identification System (Note 7)	995	-	995	949	46	995	-
Enterprise Commons (Note 8)	763	159	922	616	272	888	(34)
CRIMM-CAD-RMS Integration, Modernization & Maximization (Note 9)	12,824	-	12,824	12,688	136	12,824	-
Information Technology	\$ 30,882	\$ 7,339	\$ 38,221	\$ 26,888	\$ 11,299	\$ 38,187	\$ (34)
Total	\$ 81,095	\$ 24,287	\$ 105,382	\$ 60,486	\$ 43,862	\$ 105,348	\$ (34)
Northwest Campus (Note 11)	103,466	-	103,466	103,461	921	104,382	916



Notes:

A - Project to Date Actuals are from the inception of the project or from the beginning of the current budget cycle, including Q4 2025.

B - Projections include Q1 2026 to Q4 2026.

E - The 2025-2026 budget includes the approved budget, prior year carryforward and 2025 Yearend Administrative Capital Budget Adjustments.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2025

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 \$9.995 million during the 2023 Fall Supplemental Capital Budget Adjustment (SCBA) and 2024 Spring SCBA. Profile is fully funded).

Project to date – Actuals include 2023 and 2025 portable radios for the Human Centered Engagement and Liaison Partnership (HELP) program, 2024 and 2025 portable radios purchases for 50 police officers recruitment and lifecycle replacement, video downlink and communications recorder.

Project forecast – Expecting a large replacement order for mobile radios by the end of 2026. 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. Vehicles continually go through the stages of being ordered, delivered, fit up and placed into service.

Project to date – 142 marked, 98 unmarked and 12 covert vehicles were put into service since the beginning of Q1, 2023.

Project forecast – Supply chain issues have improved for vehicle orders and deliveries. 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 \$5.360 million during the 2023 Fall SCBA and 2024 Spring SCBA, unfunded \$0.668 million).

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2025

Project to date – Major expenditures include soft and hard body armor and carriers, other protective equipment, investigative technology equipment, wiretap data server, Police Headquarters (PHQ) 3rd floor renovations, PHQ parking lot gate, G7 Summit equipment, downlink transmitter, DNA instrument and firearms examination unit renovation.

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 was put on hold due to the Provincial Body Worn Video announcement.

Project forecast – No further expenditures are anticipated as the service focuses on deployment of body worn cameras. The project is closed.

5 Body Worn Video

This standalone growth profile is to equip police officers with a body worn camera which will provide an audio/visual record of events within the viewing area of the cameras as they occur, as mandated by the Province of Alberta on March 14, 2023.

Project to date – As part of project implementation, 200 cameras were deployed in 2024 and an additional 80 in Q1 2025. Expenditures include project resource time and hardware and licensing costs. An administrative yearend adjustment was made to transfer costs and budget related to the camera and video cloud solution from capital to operating that are considered operating in nature under the Tangible Capital Assets accounting standards.

Project forecast – The capital project is closed. Funding for full implementation of Body Worn Video service package has been approved within the operating budget to support ongoing costs for the technology as well as operational and administrative functions.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2025

6 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 \$17.913 million during the 2023 Fall SCBA and 2024 Spring SCBA, unfunded \$3.009 million).

Project to date – Equipment has been received for lifecycle replacement of servers, mobile workstations, switches, firewall security appliances and access control readers.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle and evaluating impact of unfunded portion of capital profile of \$3.009 million.

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, subsequently approved \$4.722 million during the 2023 Fall SCBA and 2024 Spring SCBA, unfunded \$6.775 million).

Project to date – Major project expenditures include Interview Room Upgrade, External Websites Cloud Migration project and FOIPNet Replacement.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle and evaluating impact of unfunded portion of capital profile of \$6.775 million.

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).

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2025

Project to date – Expenditures include Digital Evidence Management and Disclosure, Live External Operational Video Management, and NG911 Voice and Real TimeTexting (RTT).

Project forecast – A 2026 Spring SCBA will be requested to decrease the budget for scope changes in the Records Management System (RMS) Implementation project funded by partnership funding. Expected to be on budget at the end of the 4-year budget cycle.

7 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.

Project to date – System migration went live in Q4 2024. Hardware equipment has been received. Milestone 5 payment was made in Q1 2025. The project is complete and all payments have been made.

Project forecast – The profile is closed.

8 Enterprise Commons (EC)

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 (COE) 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).

Project forecast – City Administration has extended the timelines and associated costs are being assessed. A 2026 Spring SCBA will transfer funding from operating for EPS specific capital costs for EC implementation of \$0.034 million.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2025

9 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. The DataVault and Property Module initiative is complete.

Project forecast – The project is closed.

10 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 and renewal projects less than \$10 million.

11 Northwest Campus

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

Project to date – The legal settlement related to the Northwest Campus roof leak replacement has been completed.

Project forecast – City of Edmonton will close this capital profile once all the subsequent to legal settlement activities are complete.

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

(in \$000's)		Year-End			
		Budget	Actual	Variance \$	%
Community Services					
Community Recreation and Culture	Revenue	80,137	87,240	7,103 ●	8.9
	Expense	176,609	184,371	(7,762) ●	(4.4)
	Net Position	(96,472)	(97,131)	(659) ●	(0.7)
Community Standards	Revenue	6,704	6,451	(253) ●	(3.8)
	Expense	56,186	57,400	(1,214) ●	(2.2)
	Net Position	(49,482)	(50,949)	(1,467) ●	(3.0)
Fire Rescue Services	Revenue	3,263	5,442	2,179 ●	66.8
	Expense	266,566	276,028	(9,462) ●	(3.5)
	Net Position	(263,303)	(270,586)	(7,283) ●	(2.8)
Social Development	Revenue	66,770	65,123	(1,647) ●	(2.5)
	Expense	139,369	135,048	4,321 ●	3.1
	Net Position	(72,599)	(69,925)	2,674 ●	3.7
Community Services					
	Revenue	156,874	164,256	7,382 ●	4.7
	Expense	638,730	652,847	(14,117) ●	(2.2)
	Net Position	(481,856)	(488,591)	(6,735) ●	(1.4)
City Operations					
Edmonton Transit Service	Revenue	156,287	156,819	532 ●	0.3
	Expense	482,556	489,859	(7,303) ●	(1.5)
	Net Position	(326,269)	(333,040)	(6,771) ●	(2.1)
Fleet and Facility Services	Revenue	10,663	9,663	(1,000) ●	(9.4)
	Expense	93,273	92,623	650 ●	0.7
	Net Position	(82,610)	(82,960)	(350) ●	(0.4)
Parks and Road Services	Revenue	55,993	46,320	(9,673) ●	(17.3)
	Expense	259,510	267,217	(7,707) ●	(3.0)
	Net Position	(203,517)	(220,897)	(17,380) ●	(8.5)
Snow and Ice Control	Revenue	967	935	(32) ●	(3.3)
	Expense	67,554	76,648	(9,094) ●	(13.5)
	Net Position	(66,587)	(75,713)	(9,126) ●	(13.7)
City Operations					
	Revenue	223,910	213,737	(10,173) ●	(4.5)
	Expense	902,893	926,347	(23,454) ●	(2.6)
	Net Position	(678,983)	(712,610)	(33,627) ●	(5.0)

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

(in \$000's)		Year-End				
		Budget	Actual	Variance \$	%	
Financial and Corporate Services						
Assessment and Taxation	Revenue	-	-	-	●	-
	Expense	21,631	20,710	921	●	4.3
	Net Position	(21,631)	(20,710)	921	●	4.3
Corporate Procurement and Supply Services	Revenue	715	880	165	●	23.1
	Expense	16,564	16,057	507	●	3.1
	Net Position	(15,849)	(15,177)	672	●	4.2
Enterprise Commons	Revenue	-	-	-	●	-
	Expense	19,379	19,516	(137)	●	(0.7)
	Net Position	(19,379)	(19,516)	(137)	●	(0.7)
Financial Services	Revenue	722	959	237	●	32.8
	Expense	23,928	24,375	(447)	●	(1.9)
	Net Position	(23,206)	(23,416)	(210)	●	(0.9)
Open City and Technology	Revenue	553	494	(59)	●	(10.7)
	Expense	54,958	58,305	(3,347)	●	(6.1)
	Net Position	(54,405)	(57,811)	(3,406)	●	(6.3)
Real Estate	Revenue	5,889	5,774	(115)	●	(2.0)
	Expense	38,093	38,308	(215)	●	(0.6)
	Net Position	(32,204)	(32,534)	(330)	●	(1.0)
Service Innovation and Performance	Revenue	77	360	283	●	367.5
	Expense	31,361	29,113	2,248	●	7.2
	Net Position	(31,284)	(28,753)	2,531	●	8.1
Financial and Corporate Services	Revenue	7,956	8,467	511	●	6.4
	Expense	205,914	206,384	(470)	●	(0.2)
	Net Position	(197,958)	(197,917)	41	●	0.0

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

		Year-End			
		Budget	Actual	Variance \$	%
Integrated Infrastructure Services					
Building Great	Revenue	-	-	-	●
Neighbourhoods	Expense	2,100	1,868	232	●
	Net Position	(2,100)	(1,868)	232	●
Infrastructure Delivery	Revenue	387	508	121	●
	Expense	8,100	6,971	1,129	●
	Net Position	(7,713)	(6,463)	1,250	●
Infrastructure Planning and Design	Revenue	2,078	2,054	(24)	●
	Expense	20,734	21,535	(801)	●
	Net Position	(18,656)	(19,481)	(825)	●
LRT Expansion and Renewal	Revenue	1,455	1,409	(46)	●
	Expense	2,186	1,661	525	●
	Net Position	(731)	(252)	479	●
Blatchford Redevelopment Office	Revenue	-	-	-	●
	Expense	221	443	(222)	●
	Net Position	(221)	(443)	(222)	●
Integrated Infrastructure Services	Revenue	3,920	3,971	51	●
	Expense	33,341	32,478	863	●
	Net Position	(29,421)	(28,507)	914	●
Urban Planning and Economy					
Planning and Environment Services	Revenue	25,192	19,300	(5,892)	●
	Expense	64,516	54,482	10,034	●
	Net Position	(39,324)	(35,182)	4,142	●
Development Services	Revenue	93,566	90,800	(2,766)	●
	Net transfer to/(from)	(235)	14,528	(14,763)	●
	P&D Reserve				
	Expense	101,236	82,963	18,273	●
	Net Position	(7,435)	(6,691)	744	●
Economic Investment Services	Revenue	12,203	4,883	(7,320)	●
	Expense	30,383	16,068	14,315	●
	Net Position	(18,180)	(11,185)	6,995	●
Urban Planning and Economy	Revenue	130,961	114,983	(15,978)	●
	Expense	195,900	168,041	27,859	●
	Net Position	(64,939)	(53,058)	11,881	●

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

	(in \$000's)	Year-End			
		Budget	Actual	Variance \$	%
Office of the City Manager					
City Manager	Revenue	3,975	170	(3,805) ●	(95.7)
	Expense	14,082	8,897	5,185 ●	36.8
	Net Position	(10,107)	(8,727)	1,380 ●	13.7
Office of the Chief Communications Officer					
Office of the Chief Communications Officer	Revenue	327	-	(327) ●	(100.0)
	Expense	9,562	9,224	338 ●	3.5
	Net Position	(9,235)	(9,224)	11 ●	0.1
Office of the City Clerk					
Office of the City Clerk	Revenue	6,983	4,789	(2,194) ●	(31.4)
	Expense	28,976	26,766	2,210 ●	7.6
	Net Position	(21,993)	(21,977)	16 ●	0.1
Corporate HR Programs & Services					
Corporate HR Programs & Services	Revenue	-	1	1 ●	-
	Expense	15,447	15,279	168 ●	1.1
	Net Position	(15,447)	(15,278)	169 ●	1.1
HR Client Services					
HR Client Services	Revenue	-	-	- ●	-
	Expense	11,762	11,773	(11) ●	(0.1)
	Net Position	(11,762)	(11,773)	(11) ●	(0.1)
Workforce Safety and Employee Health					
Workforce Safety and Employee Health	Revenue	-	-	- ●	-
	Expense	5,867	6,653	(786) ●	(13.4)
	Net Position	(5,867)	(6,653)	(786) ●	(13.4)
Legal Services					
Legal Services	Revenue	-	-	- ●	-
	Expense	15,454	15,924	(470) ●	(3.0)
	Net Position	(15,454)	(15,924)	(470) ●	(3.0)
Office of the City Manager					
Office of the City Manager	Revenue	11,285	4,960	(6,325) ●	(56.0)
	Expense	101,150	94,516	6,634 ●	6.6
	Net Position	(89,865)	(89,556)	309 ●	0.3

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

(in \$000's)		Year-End				
		Budget	Actual	Variance \$	%	
Mayor and Councillor Offices	Revenue	-	-	-	●	-
	Expense	7,914	7,650	264	●	3.3
	Net Position	(7,914)	(7,650)	264	●	3.3
Office of the City Auditor	Revenue	-	-	-	●	-
	Expense	3,159	2,916	243	●	7.7
	Net Position	(3,159)	(2,916)	243	●	7.7
Boards and Authorities	Revenue	86,356	85,330	(1,026)	●	(1.2)
	Expense	217,820	216,682	1,138	●	0.5
	Net Position	(131,464)	(131,352)	112	●	0.1
Sub-Total Department Programs	Revenue	621,262	595,704	(25,558)	●	(4.1)
	Expense	2,306,821	2,307,861	(1,040)	●	(0.0)
	Net Position	(1,685,559)	(1,712,157)	(26,598)	●	(1.6)

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

(in \$000's)		Year-End				
		Budget	Actual	Variance \$	%	
Corporate Programs						
Capital Project Financing	Revenue	273,599	298,373	24,774 ●	9.1	
	Expense	558,529	584,187	(25,658) ●	(4.6)	
	Net Position	(284,930)	(285,814)	(884) ●	(0.3)	
Corporate Expenditures	Revenue	8,360	6,311	(2,049) ●	(24.5)	
	Expense	106,400	78,308	28,092 ●	26.4	
	Net Position	(98,040)	(71,997)	26,043 ●	26.6	
Corporate Revenues	Revenue	525,895	545,071	19,176 ●	3.6	
	Expense	97	97	- ●	-	
	Net Position	525,798	544,974	19,176 ●	3.6	
Taxation Expenditures	Revenue	5,593	10,096	4,503 ●	80.5	
	Expense	18,739	14,652	4,087 ●	21.8	
	Net Position	(13,146)	(4,556)	8,590 ●	65.3	
Taxation Revenues	Revenue	2,288,426	2,293,261	4,835 ●	0.2	
	Expense	-	110	(110) ●	-	
	Net Position	2,288,426	2,293,151	4,725 ●	0.2	
Traffic Safety and Automated Enforcement	Revenue	5,898	8,218	2,320 ●	39.3	
	Net transfer to/(from)	5,898	8,218	(2,320) ●	(39.3)	
	TSAE Reserve					
	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	3,107,771	3,161,330	53,559 ●	1.7
		Expense	921,149	917,058	4,091 ●	0.4
		Net Position	2,186,622	2,244,272	57,650 ●	2.6

Tax-Supported Operations - December 31, 2025 Financial Results and Projections

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

(in \$000's)		Year-End				
		Budget	Actual	Variance \$		%
Total Tax-Supported Operations (excluding Police Services)	Revenue	3,729,033	3,757,034	28,001	●	0.8
	Expense	3,227,970	3,224,919	3,051	●	0.1
	Net Position	501,063	532,115	31,052	●	1.0
Police Services	Revenue	97,235	102,859	5,624	●	5.8
	Expense	598,298	608,717	(10,419)	●	(1.7)
	Net Position	(501,063)	(505,858)	(4,795)	●	(1.0)
	Net transfer to/(from) EPS Reserve	-	(4,795)	4,795	●	-
	Net Position	(501,063)	(510,653)	-	●	-
Total Tax-Supported Operations	Revenue	3,826,268	3,859,893	33,625	●	0.9
	Expense	3,826,268	3,828,841	(2,573)	●	(0.1)
	Net Position	-	31,052	31,052	●	0.8