

Spring 2020 Supplemental Capital Budget Adjustment

Edmonton

Financial & Corporate Services
City Council - May 25, 2020

Introduction

- Approved 2019-2022 Capital Budget
- Available Funding - Prior to Recommendations
- Recommended Spring 2020 Adjustments
- Available Funding - After Recommendations
- Emerging Items

Approved 2019-2022 Capital Budget (\$000's)

Tax-Supported Operations	2019 to 2022	2023 and Beyond	Total
Approved 2019 - 2022 Capital Budget	\$ 4,755,244	\$ 1,006,096	\$ 5,761,340
2018 Budget Carried Forward	1,258,905	-	1,258,905
2019 Approved Budget Adjustments	1,039,744	1,375,505	2,415,249
Adjusted Budget Prior to Spring 2020 SCBA	\$ 7,053,893	\$ 2,381,601	\$ 9,435,494

Waste Utility	2019 to 2022	2023 and Beyond	Total
Approved 2019 - 2022 Capital Budget	\$ 210,251	\$ 13,000	\$ 223,251
2018 Budget Carried Forward	9,192	-	9,192
2019 Approved Budget Adjustments	(16,261)	-	(16,261)
Total Adjusted Waste Utility Budget	\$ 203,182	\$ 13,000	\$ 216,182

Blatchford DESS Utility	2019 to 2022	2023 and Beyond	Total
Approved 2019 - 2022 Capital Budget	\$ 1,431	\$ -	\$ 1,431
2018 Budget Carried Forward	5,312	\$ -	5,312
2019 Approved Budget Adjustments	4,972	\$ -	4,972
Total Adjusted Blatchford DESS Budget	\$ 11,715	\$ -	\$ 11,715

TOTAL APPROVED CAPITAL BUDGET PRIOR TO SPRING 2020 SCBA	\$ 7,268,790	\$ 2,394,601	\$ 9,663,391
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Status of Available Capital Funding

	NRP Levy	MSI	PAYG	Fuel Tax	Total
Forecasted Funding Balance as at December 13, 2019	\$ 0.5	\$ (4.2)	\$ (12.8)	\$ 56.9	\$ 40.4
<u>Funding Adjustments Since Fall 2019 SCBA:</u>					
2019 Fall SOBA - Alley Renewal Reduction	(20.3)	-	-	-	(20.3)
Federal Gas Tax Fund Reallocation		4.2	52.7	(56.9)	-
2020 Forecast Adjustments and Releases	0.3	0.4	2.5	-	3.2
2020 Spring SOBA - PAYG Reduction	-	-	(4.8)	-	(4.8)
COVID-19 Response - Transfer to Operating	-	-	(46.5)	-	(46.5)
COVID-19 Response - Pre-committed 2023 PAYG	-	-	46.5	-	46.5
Total Adjustments	(20.0)	4.6	50.4	(56.9)	(21.9)
Forecasted Funding Balances Prior to Spring 2020 SCBA	\$ (19.5)	\$ 0.4	\$ 37.6	\$ -	\$ 18.5

All figures in \$millions

Overview of Recommended Adjustments

Category	Net Impact to Approved Capital Budget	Impact to Corporate Funding Pool (negative = reduction to pool)
New Profiles Recommended for Funding	\$ 3.3	-
New Profiles per PDDM	-	-
Scope Changes	\$ 30.1	\$ (14.5)
Recosting	\$ (41.8)	\$ (0.3)
Historical Adjustments	\$ 10.3	\$ 1.6
Funding Source Adjustments (Council)	-	\$ 1.7
Transfers between Profiles	-	-
Transfers from Capital to Operating	\$ (5.5)	-
Transfers from Operating to Capital	\$ 2.6	-
Grand Total	\$ (1.0)	\$ (11.5)

All figures in \$millions

New Profiles Recommended for Funding (New Funding)

Profile #	Profile Name	Amount (\$millions)
CM-66-2580	Speed Limit Reduction	\$2.0
CM-66-2595	2020 Street Safety Priorities	\$1.3
Impact to 2019-2022 Capital Budget (Funding from Traffic Safety and Automated Enforcement Reserve)		\$3.3

New Profiles Recommended for Funding (PDDM)

Profile #	Profile Name	Amount (\$M)
Various	Neighbourhood Renewal Stand-Alone Profiles	\$127.7
20-20-9202	Yellowhead Trail East Widening (61st St. to N. Sask River)	\$36.3
20-12-9200	Civic Precinct Surface Renewal Phase 2	\$12.7
20-12-0220	Confederation Leisure Centre and Arena Renewal	\$11.7
20-12-0230	Ortona Armoury Arts Building Renewal	\$11.3
20-24-0200	Duggan Bridge Replacement	\$9.0
20-20-9201	Yellowhead Trail - 123 Avenue: 156 Street to 142 Street	\$7.6
20-12-0200	ACT Aquatic and Recreation Centre Renewal	\$7.4
20-30-9200	McConachie School GLS	\$2.4
	Total Value of Stand-Alone Profiles	\$226.1

Scope Changes - Impacting Corporate Pool Funding

Profile #	Profile Name	Amount (\$M)
19-18-1904	Enterprise System Transformation Program	\$30.0
Various	Open City Technology Scope Additions	\$3.5
CM-70-0001	Fire Rescue Equipment Replacement	\$1.3
CM-99-4801	Alley Renewal	(\$20.3)
	Total	\$14.5

Enterprise Systems Transformation Program



5,500
SAP Users



>1.1 M
Annual SAP
Transactions



17
Distinct SAP
Modules



380,000
Annual Payroll
Transactions



10,900
External POSSE
Users



3,200
Internal POSSE
Users

Our Enterprise
Systems Manage:

\$3 Billion Annual Operating Budget
\$1 Billion Annual Capital Budget

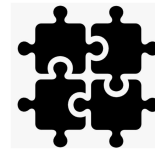
**Enterprise Systems are Foundational to our
Municipal Operations**

Enterprise Systems Transformation Program



**SAP Cloud Solution
selected for:**

- Finance
- Human Resources
- Supply Chain



**System Integration
Partner**



**Program Team
Formation**



Program Governance

Status Update of Available Corporate Pool Funding

	NRP Levy	MSI	PAYG	Fuel Tax	Total
Forecasted Funding Balances Prior to Spring 2020 SCBA	\$ (19.5)	\$ 0.4	\$ 37.6	\$ -	\$ 18.5
<u>Spring 2020 SCBA Recommended Adjustments</u>					
<u>Scope Changes</u>					
Enterprise System Transformation Program	-	-	(30.0)	-	(30.0)
Open City Technology Scope Additions	-	-	(3.5)	-	(3.5)
Fire Rescue Equipment Replacement	-	-	(1.3)	-	(1.3)
Alley Renewal Scope Reduction	20.3	-	-	-	20.3
<u>Recosting, Historical, Funding Source Adjustments</u>	0.1	1.0	1.9	-	3.0
Total Spring 2020 SCBA Recommended Changes	20.4	1.0	(32.9)	-	(11.5)
<u>Other Corporate Pool Adjustments</u>					
Held in Abeyance - Winspear (District Energy)	-	-	(4.5)	-	(4.5)
Total Other Corporate Pool Adjustments	-	-	(4.5)	-	(4.5)
Forecasted Funding Balances Subsequent to Spring 2020 SCBA	\$ 0.9	\$ 1.4	\$ 0.2	\$ -	\$ 2.5

Emerging Items & Other Requests

Emerging Items	Amount	Category
New School Park Site Development	<\$3.6M>	Emerging Item
50th Street CPR Grade Separation	Not known	Emerging Item
Total Emerging Items	<\$3.6M>	
Council Initiated Requests	Amount	Category
Downtown District Energy (Option 1)	<\$7.0M>	Council Request for Profile (Spring 2020 SCBA)
Dog Parks	<\$0.4M>	Council Motion on Floor (Spring 2020 SCBA)
50th Street Park and Ride (Planning and Design)	<\$3.0M>	Council Motion on Floor (Spring 2020 SCBA)
Parsons Road Widening	<\$16.0M>	Council Motion on Floor (Q2 2021)
Total Council Initiated Budget Requests	<\$26.4M>	

Downtown District Energy Initiative

- Option 1 - Proceed - City/EPCOR Ownership
 - Scaled-down approach with the Central District Energy Plant located at the Winspear
 - Total cost - \$27.9M (\$7 million funding gap)
 - City & EPCOR proceed to develop Memorandum of Understanding
- Option 2 - Do Not Proceed - Abandon Plan
 - Provide Winspear \$4.5 million for expansion project and development of own heating plant
 - Funding previously held in abeyance - no additional funding required

Thank you
Questions?