

**OPERATING FINANCIAL UPDATE**  
**DECEMBER 31, 2019**  
***PRELIMINARY RESULTS***

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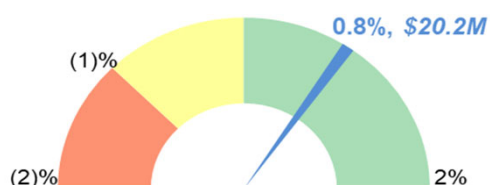
## Supplemental Information

Tax-Supported Operations – December 31, 2019 Financial Results and Projections

**Tax-Supported Operations (excluding Edmonton Police Services)**  
**Summary of Preliminary Year-End Results**  
**December 31, 2019**  
 (in \$000's)

**Net Position Budget Variance - Summary**

- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (1)%
- Unfavourable budget variance, > (1)%



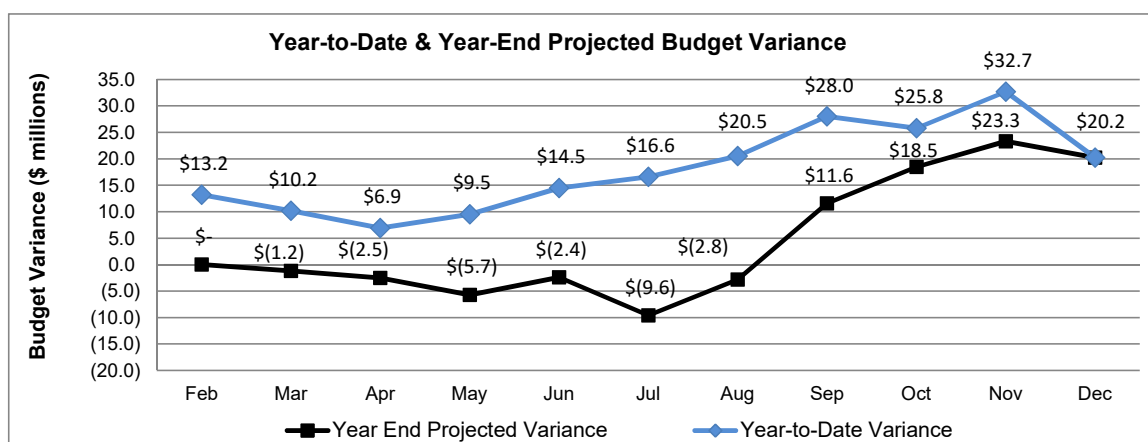
	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,876,078	2,821,724	(54,354)	(1.9) *
Expense	2,518,454	2,443,895	74,559	3.0
<b>Net Position</b>	<b>357,624</b>	<b>377,829</b>	<b>20,205</b>	<b>0.8</b>

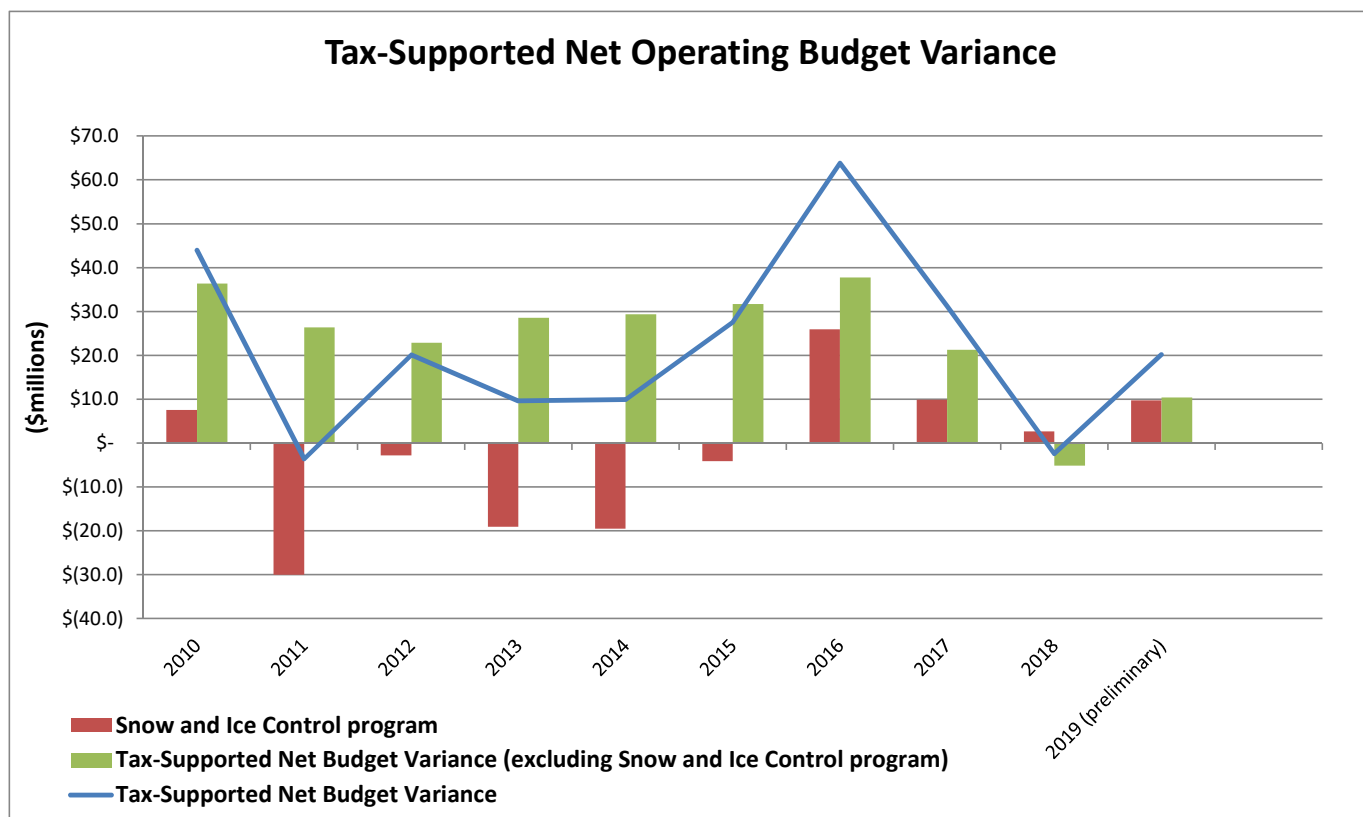
\* Net position percentage based on annual expense budget

As of December 31, 2019, tax-supported operations are reporting a net favourable year-end variance of \$20.2 million, or 0.8% of the overall expense budget. This is mainly due to lower than expected personnel costs due to delays in filling vacancies, lower than budgeted costs for snow & ice control, financial strategies, consulting, and tax appeals, and higher than budgeted tag and fine and utility line assignment permit revenues. There are also various other cumulative favourable variances across all City branches. These favourable budget variances are partially offset by higher than budgeted costs for benefits coverage for staff on long-term disability, and increased tax loss for lower than budgeted grants in lieu taxes, as well as lower than budgeted revenues for community recreation facility revenues, transit fare revenue, On-Street Construction and Maintenance (OSCAM) permit fees, realty tax revenue and other cumulative unfavourable budget variances in various branches.

Recommendation 1 in this report is for the carry-forward of 2019 approved operating budget into 2020 where operating commitments were provided for in the 2019 approved budget and were not utilized by year-end. Recommendation 1 is the only recommendation in this report requiring new funding from the Financial Stabilization Reserve.

Recommendations 1 through 5 are discussed further in Attachment 2 of this report along with the impacts of Recommendation 1 on the Financial Stabilization Reserve.





(\$ millions)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (preliminary)
Tax-Supported Net Budget Variance	44.0	(3.6)	20.1	9.6	9.9	27.6	63.8	31.2	(2.4)	<b>20.2</b>
Less: Snow and Ice Control program	7.6	(30.0)	(2.8)	(19.0)	(19.5)	(4.1)	26.0	9.9	2.7	<b>9.7</b>
Tax-Supported Net Budget Variance (excluding Snow and Ice Control program)	36.4	26.4	22.9	28.6	29.4	31.7	37.8	21.3	(5.1)	<b>10.5</b>
Variance as a % of Expenditure Budget (excluding Snow and Ice Control program)	2.1%	1.5%	1.2%	1.5%	1.4%	1.2%	1.5%	0.8%	0.0%	<b>0.4%</b>

Following are highlights of Preliminary Year-End Financial Results, greater than \$2.0 million, that contribute to the net variance:

<b>Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
15.5	<b>Personnel Costs, net of discounting and significant recoveries</b> <i>(All Departments)</i> Favourable budget variance mainly due to delays in filling vacancies with the larger variances in Fire Rescue Services, Fleet and Facility Services, Edmonton Transit, and Open City and Technology. The year-end personnel cost budget variance is 1.3% of the overall annual tax-supported personnel expense budget.
9.7	<b>Snow and Ice Control Costs</b> <i>(Snow and Ice Control, City Operations)</i> Lower than budgeted snow and ice control costs as a result of favourable weather conditions and efficiencies achieved in the snow and ice management process.
8.3	<b>Financial Strategies</b> <i>(Corporate Expenses, Corporate Programs)</i> Favourable budget variance in the corporate financial strategy budget, which was established to provide flexibility for emerging items.
3.5	<b>Tag and Fine Revenues</b> <i>(Corporate Revenues, Corporate Programs)</i> Higher than budgeted tag and fine revenues mainly due to a one-time adjustment to account for outstanding tickets not previously recorded.
3.4	<b>Consulting Costs</b> <i>(City Planning, Urban Form and Corporate Strategic Development)</i> Lower than budgeted costs due to timing of various projects as well as minor project delays in projects such as Bike Strategy and Envision 109.
2.6	<b>Realty Tax Appeals</b> <i>(Taxation Expense, Corporate Programs)</i> Lower than budgeted tax appeals.
2.1	<b>Utility Line Assignment (ULA) Permit Fee Revenues</b> <i>(Parks and Road Services, City Operations)</i> Higher than budgeted utility line assignment permit fee revenues as a result of additional demand.
(2.0)	<b>Realty Tax Revenues</b> <i>(Taxation Revenues, Corporate Programs)</i> Lower taxation revenues mainly due to assessment corrections processed between the setting of the tax rates and mailing of annual tax notices.
(2.5)	<b>OSCAM Permit Fee Revenue</b> <i>(Parks and Road Services, City Operations)</i> Lower than budgeted net On-Street Construction and Maintenance (OSCAM) permit fees as a result of less than anticipated permitting and delayed program implementation to allow for enhanced stakeholder consultation.
(3.1)	<b>Transit Fare Revenue</b> <i>(Edmonton Transit, City Operations)</i> Lower than budgeted net revenue mainly due to lower than expected sales of fares and passes as ridership levels remain below expectations. This is partially offset with greater than expected growth in UPass revenue.
(3.5)	<b>Facility Revenues</b> <i>(Community &amp; Recreation Facilities, Citizen Services)</i> Lower than budgeted admissions, program registrations and rental revenues.

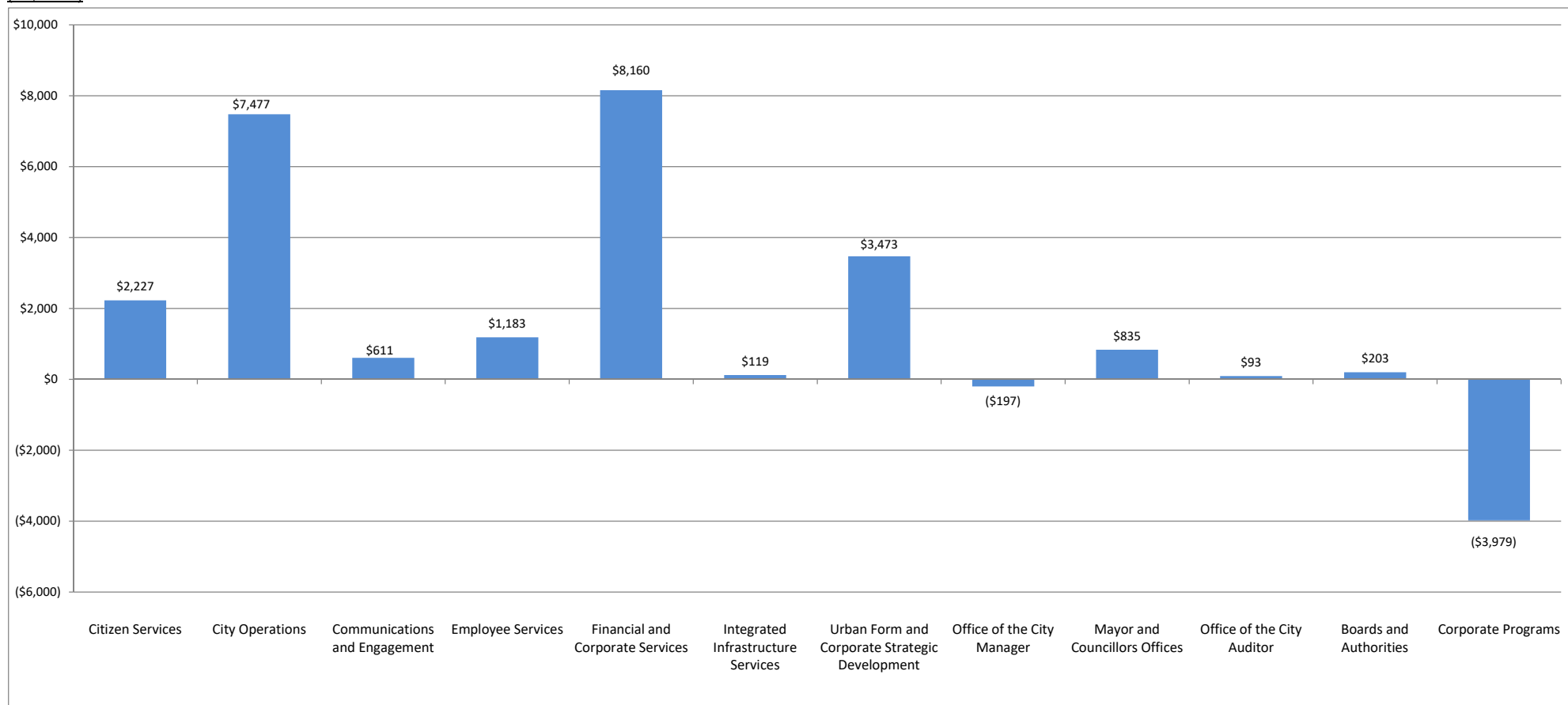
<b>Net Position Budget Variance - Details (cont...)</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
(7.2)	<b>Taxation Loss - Grant in Lieu of Taxes</b> (Taxation Expense, Corporate Programs) Higher than expected tax losses mainly due to lower provincial grants in lieu of taxes. The 2019/2020 provincial budget was released on October 24, 2019 and included a 25% reduction in its grants in lieu of taxes program in 2019/2020, with a further 25% reduction in 2020/2021.
(8.0)	<b>Benefits Coverage for Staff on Long-Term Disability</b> ( <i>Corporate Expenses, Corporate Programs</i> ) Additional obligations related to the continuation of pension, medical, dental and other benefits coverage for employees on long-term disability leave largely due to a change in the actuarial assumptions of the accrued benefit obligations and an increased number of staff on long-term disability leave across the City.
1.4	Other net cumulative variances across tax-supported areas.
<b>20.2</b>	<b>Total Net Position Budget Variance</b>
<b>0.8%</b>	<b>Total Net Position Budget Variance Percentage (based on annual expense budget)</b>

Refer to "Tax-Supported Operations (excluding Edmonton Police Services) - By Department & Branch - Preliminary Year-End Financial Results" included in this report for the detailed results and variance explanations by tax-supported department and branch.

Edmonton Police Services financial results are reflected in the "Edmonton Police Service - Budget Variance for the Period Ending December 31, 2019" section of this report.

**Preliminary Year-End Budget Variances by Tax-Supported Department (excluding Edmonton Police Services)**

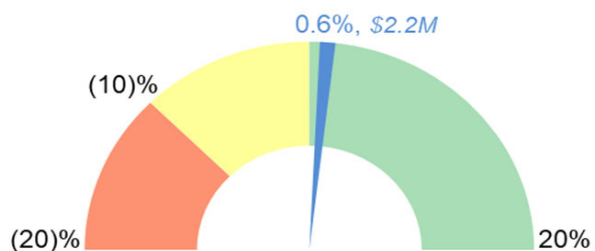
(in \$000's)



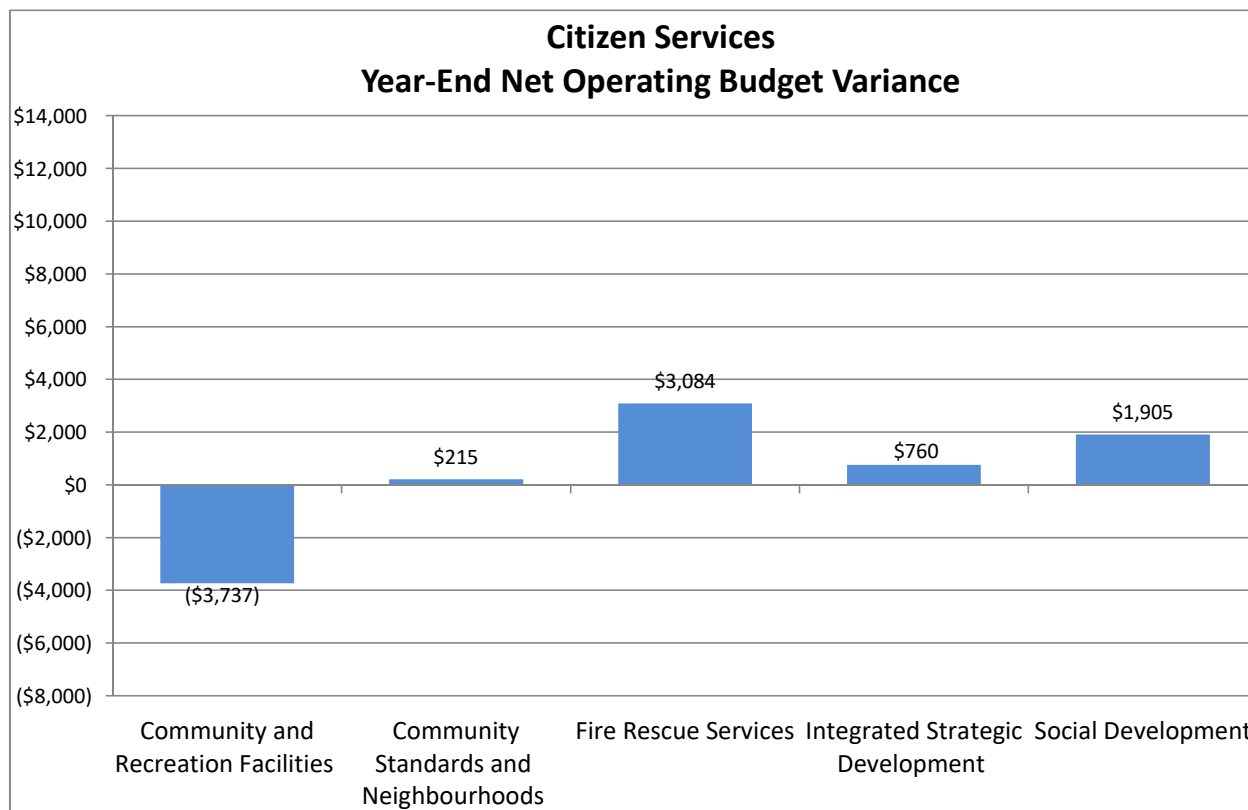
**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

**Citizen Services**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	115,951	105,085	(10,866)	(9.4)
Expense	486,668	473,575	13,093	2.7
Net Position	(370,717)	(368,490)	2,227	<b>0.6</b>





**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**Community and Recreation Facilities**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	71,330	63,215	(8,115) ●	(11.4)
Expense	130,428	126,050	4,378 ●	3.4
Net Position	(59,098)	(62,835)	(3,737) ●	(6.3)

*Revenue* - Unfavourable budget variance as a result of (\$3,517) lower than anticipated admissions, program registrations and rental revenues, (\$1,528) lower revenue due to extended facility shutdowns for Bonnie Doon, Jasper Place, and the Muttart Conservatory, (\$1,365) lower than budgeted revenues as a result of fewer events and attendance at Commonwealth Stadium, weather impacts at the golf courses, and other cumulative unfavourable variances.

*Expense* - Favourable budget variance due to \$1,371 lower than expected costs related to the delay in RAMS implementation, \$1,364 cost savings mainly related to external services, and other cumulative unfavourable variances.

**Community Standards and Neighbourhoods**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	6,318	5,102	(1,216) ●	(19.2)
Expense	51,078	49,647	1,431 ●	2.8
Net Position	(44,760)	(44,545)	215 ●	0.5

Other net cumulative variances.

**Fire Rescue Services**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,267	2,475	208 ●	9.2
Expense	226,638	223,762	2,876 ●	1.3
Net Position	(224,371)	(221,287)	3,084 ●	1.4

*Expense* - Favourable budget variance as a result of \$3,478 lower personnel costs mainly due to delayed backfilling and long term disability leaves; partially offset by (\$1,498) greater than budget expenses for required Self Contained Breathing Apparatus (SCBA) and other fire equipment upgrades.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
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**Integrated Strategic Development**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	46	46	-	-
Expense	7,002	6,242	760	10.9
Net Position	(6,956)	(6,196)	760	10.9

Other net cumulative variances.

**Social Development**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	35,990	34,247	(1,743)	(4.8)
Expense	71,522	67,874	3,648	5.1
Net Position	(35,532)	(33,627)	1,905	5.4

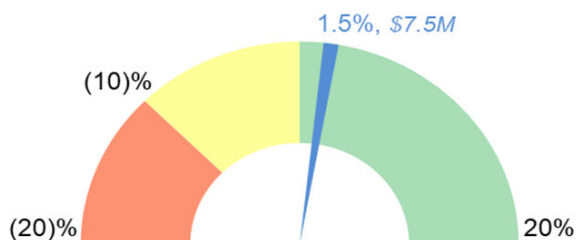
*Revenue* - Unfavourable budget variance of (\$2,744) less than expected transfer from the Affordable Housing Reserve due to lower affordable housing grant expenses, offset by delayed grant expenses within expense below. The unfavourable variance is partially offset by an unbudgeted transfer of \$1,155 from the Financial Stabilization Reserve to offset subsidy payment to Edmonton Community Development Company for a cash in lieu of land transfer.

*Expense* - Favourable budget variance due to \$8,656 lower Affordable Housing Investment Program (AHIP) grant expense and (\$5,912) greater than expected transfer to the Affordable Housing Reserve as the AHIP grant expenses are delayed until 2020; and other cumulative favourable variances. The favourable variance is partially offset by an unbudgeted transfer of (\$1,155) subsidy payment to Edmonton Community Development Company for a cash in lieu of land transfer.

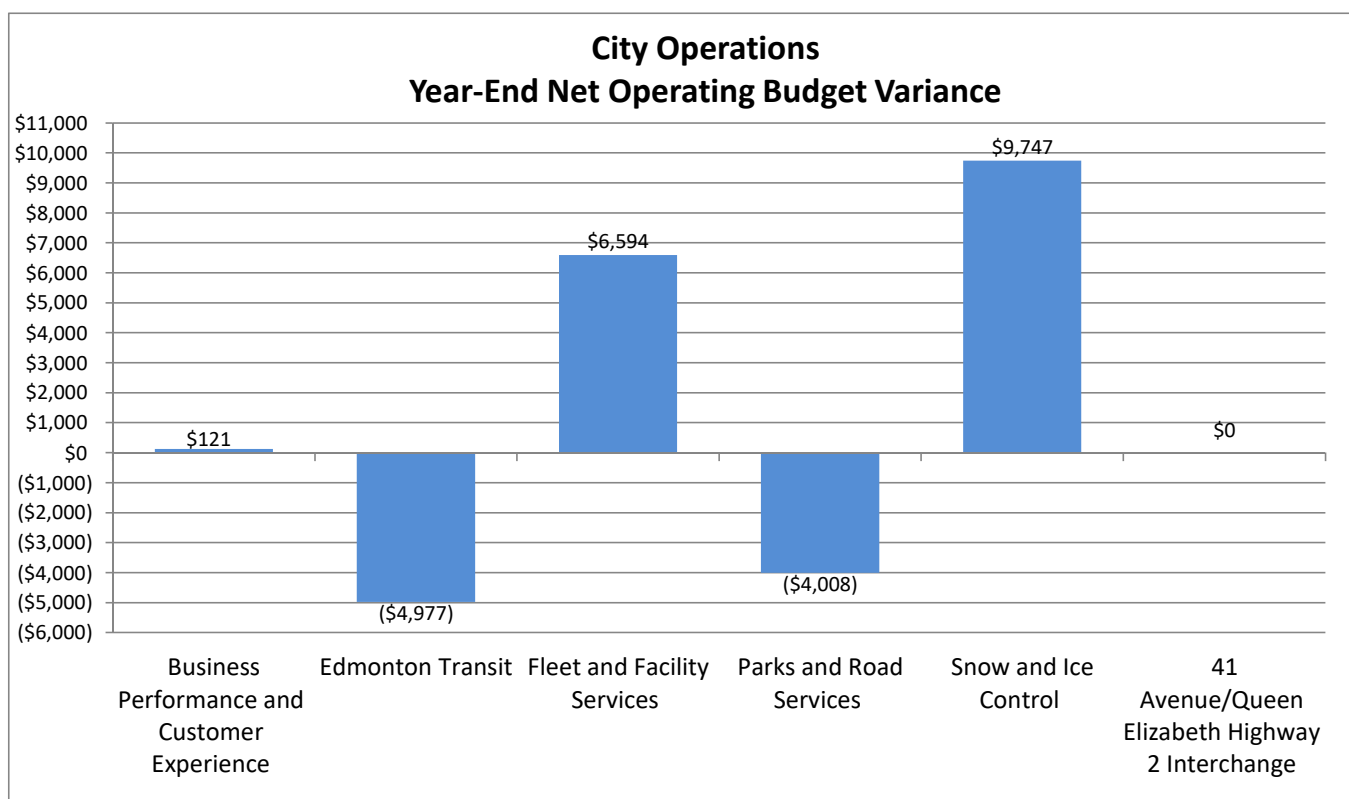
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- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**City Operations**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	207,922	205,524	(2,398)	(1.2)
Expense	708,783	698,908	9,875	1.4
Net Position	(500,861)	(493,384)	7,477	1.5



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
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**Business Performance and Customer Experience**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	●
Expense	2,525	2,404	121	●
Net Position	(2,525)	(2,404)	121	●

Other net cumulative variances.

**Edmonton Transit**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	138,421	135,226	(3,195)	●
Expense	363,340	365,122	(1,782)	●
Net Position	(224,919)	(229,896)	(4,977)	●

*Revenue* - Unfavourable budget variance due to continued downward pressure on cash fares of (\$2,237) and slower than expected growth in the Ride Transit program of (\$2,117), and other unfavourable revenues. These unfavourable variances are partially offset by greater than expected growth in UPass revenues of \$2,090.

*Expense* - Unfavourable budget variance mainly due to (\$1,422) higher than anticipated LRT contract work costs as a result of unbudgeted costs for rail grinding, higher escalator/elevator maintenance costs due to a change in vendor, and a number of one-time unbudgeted items, such as the transport and disposal of Light Rail Vehicles (LRVs), from the City of Calgary, and training materials for Electro Vehicle Mechanics, and other cumulative unfavourable variances. This is partially offset by \$1,845 personnel savings due to timing of hirings.

**Fleet and Facility Services**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	16,950	17,347	397	●
Expense	86,033	79,836	6,197	●
Net Position	(69,083)	(62,489)	6,594	●

*Expense* - Favourable budget variance mainly due to \$2,524 savings in Facility Services related to vacancies awaiting position reclassification for the Facility Maintenance Transformation Project and timing of opening new facilities, \$1,780 in favourable budget variance due to increased Transit Fleet Maintenance recoveries for collision repairs, savings from tire management strategies and lower natural gas charges, and \$1,223 higher than budgeted Municipal Fleet Maintenance recoveries resulting from improved productivity and increased maintenance to support Parks and Roads and Waste Services.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

**Parks and Road Services**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	50,530	52,323	1,793	3.5
Expense	191,137	196,938	(5,801)	(3.0)
Net Position	(140,607)	(144,615)	(4,008)	(2.9)

*Revenue* - Favourable variance is due to \$2,142 higher than budgeted Utility Line Assignment permit revenues mainly related to Telus Fibre Optics work, \$2,227 greater than anticipated parking revenues due to increased demand, and \$1,834 higher Forestry revenues due to increased capital project work and a higher than budgeted transfer from the Tree Management Reserve for increased tree related expenses. The favourable variances are partially offset by (\$2,507) lower than budgeted external On-Street Construction and Maintenance (OSCAM) permit fees as a result of less than anticipated permitting and delayed program implementation to allow for enhanced stakeholder consultation, (\$1,248) lower than budgeted Asphalt Restoration & Concrete restoration revenue due to weather delays, and (\$904) lower transfer from the Traffic Safety and Automated Enforcement Reserve due to lower expenses discussed below. The increased parking revenues are transferred to capital within expenses below, as they were approved to fund the EPark Technology capital project.

*Expense* - Unfavourable variance is mainly due to increased costs of (\$4,227) for vehicle and equipment lease charges and computer hardware and software charges, (\$1,237) higher turf maintenance expenses due to the extension of the 7 day mowing cycle, (\$2,024) higher than budgeted fleet services costs for fuel and maintenance on sanding equipment due to increased usage related to severe weather events, (\$1,860) transfer to capital of the additional parking revenues to fund the EPark Technology capital project, (\$5,487) higher than budgeted personnel costs for paving operations and forestry project work due to higher volumes which are fully recoverable from capital, and higher interdepartmental expenses (\$917) for Staff Support, Law and other unplanned charges. These unfavourable variances are partially offset by favourable variance in the Office of Traffic Safety of \$1,100 due to reduced expenses for professional services, and other cumulative favourable expenses.




**Snow and Ice Control**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	13	26	13	100.0
Expense	63,740	54,006	9,734	15.3
Net Position	(63,727)	(53,980)	9,747	15.3

*Expense* - Lower than budgeted snow and ice control costs as a result of favourable weather conditions and efficiencies achieved in the snow and ice management process.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

**41 Avenue/Queen Elizabeth Highway 2 Interchange**

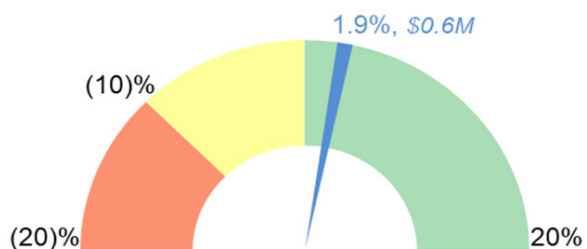
	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,008	602	(1,406) 	(70.0)
Expense	2,008	602	1,406 	70.0
Net Position	-	-	- 	-

The City manages the construction and provides an operating contribution towards the 41st Avenue/Queen Elizabeth II Highway project with funding from developers and grants. The asset is owned by the province and is close to finalization and is awaiting the issuance of the Final Acceptance Certificate (FAC). Repair expenditures are anticipated in 2020 prior to the FAC issuance. Of the remaining expense budget and related funding, \$1,406 is recommended for carry-forward into 2020 for the 41st Avenue/ Queen Elizabeth II Highway Interchange project. In 2020, after FAC issuance, remaining funds will be released and reallocated to corporate capital funding through future Supplemental Capital Budget Adjustments.

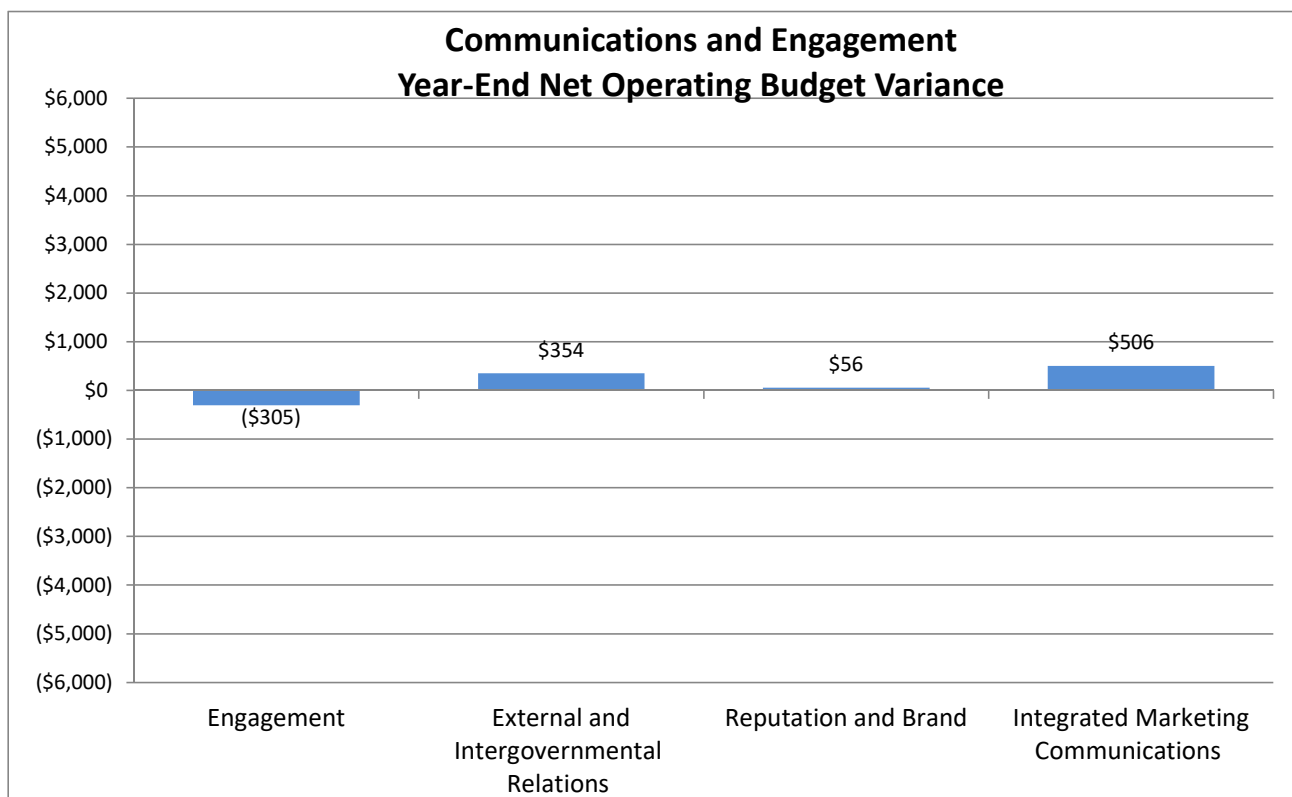
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- Unfavourable budget variance, > (10)%

**Communications and Engagement**






	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,166	1,530	(636)	(29.4)
Expense	35,075	33,828	1,247	3.6
Net Position	(32,909)	(32,298)	611	1.9



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
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**Engagement**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	590	457	(133) 	(22.5)
Expense	17,561	17,733	(172) 	(1.0)
Net Position	(16,971)	(17,276)	(305) 	(1.8)




Other net cumulative variances.

**External and Intergovernmental Relations**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	- 	-
Expense	3,374	3,020	354 	10.5
Net Position	(3,374)	(3,020)	354 	10.5




Other net cumulative variances.

**Reputation and Brand**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	265	198	(67) 	(25.3)
Expense	2,845	2,722	123 	4.3
Net Position	(2,580)	(2,524)	56 	2.2

Other net cumulative variances.

**Integrated Marketing Communications**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	1,311	875	(436) 	(33.3)
Expense	11,295	10,353	942 	8.3
Net Position	(9,984)	(9,478)	506 	5.1

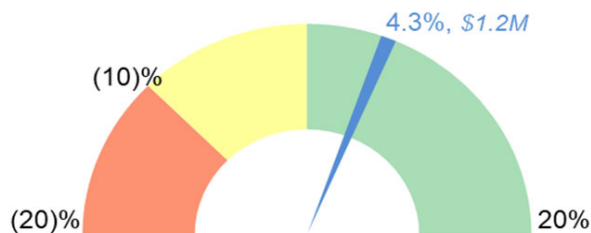
Other net cumulative variances.



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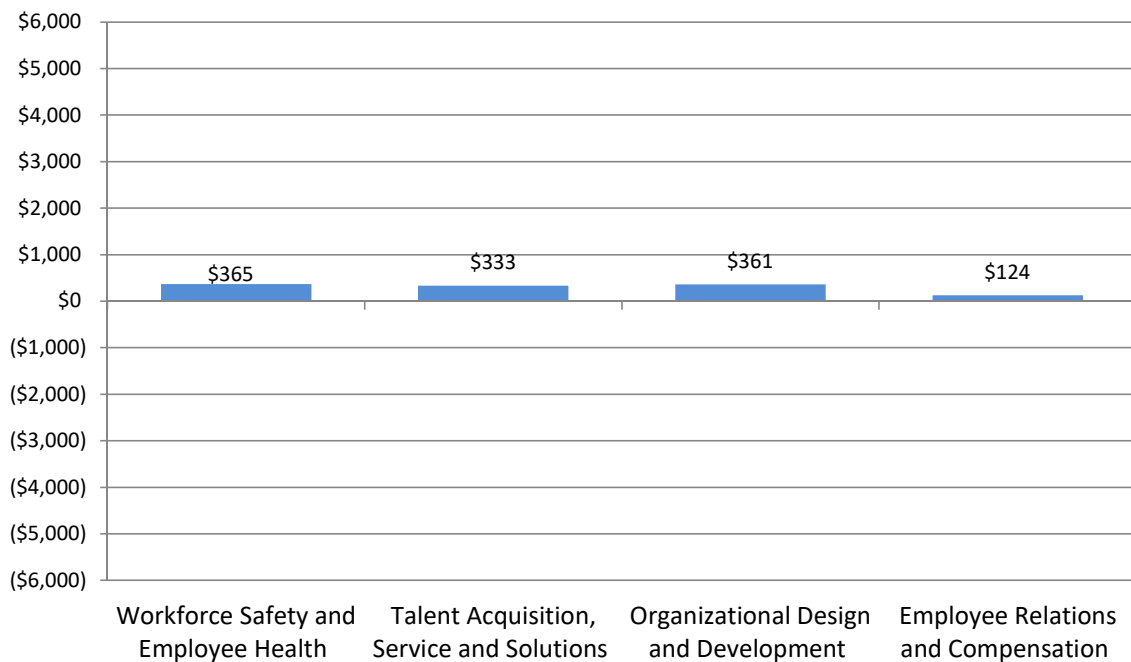
- Favourable budget variance, >= 0%
- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Employee Services**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	9	9	● -
Expense	27,523	26,349	1,174	● 4.3
Net Position	(27,523)	(26,340)	1,183	● 4.3

**Employee Services**  
**Year-End Net Operating Budget Variance**



**Tax-Supported Operations - By Department and Branch**  
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**Workforce Safety and Employee Health**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	-
Expense	7,344	6,979	365	5.0
Net Position	(7,344)	(6,979)	365	5.0

Other net cumulative variances.

**Talent Acquisition, Service and Solutions**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	4	4	-
Expense	13,021	12,692	329	2.5
Net Position	(13,021)	(12,688)	333	2.6

Other net cumulative variances.

**Organizational Design and Development**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	1	1	-
Expense	2,840	2,480	360	12.7
Net Position	(2,840)	(2,479)	361	12.7

Other net cumulative variances.

**Employee Relations and Compensation**

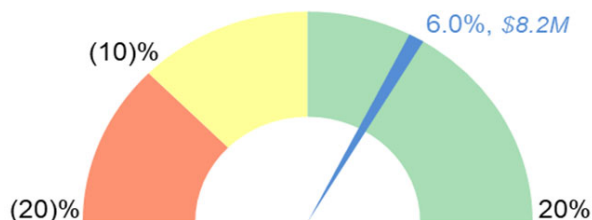
	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	4	4	-
Expense	4,318	4,198	120	2.8
Net Position	(4,318)	(4,194)	124	2.9

Other net cumulative variances.

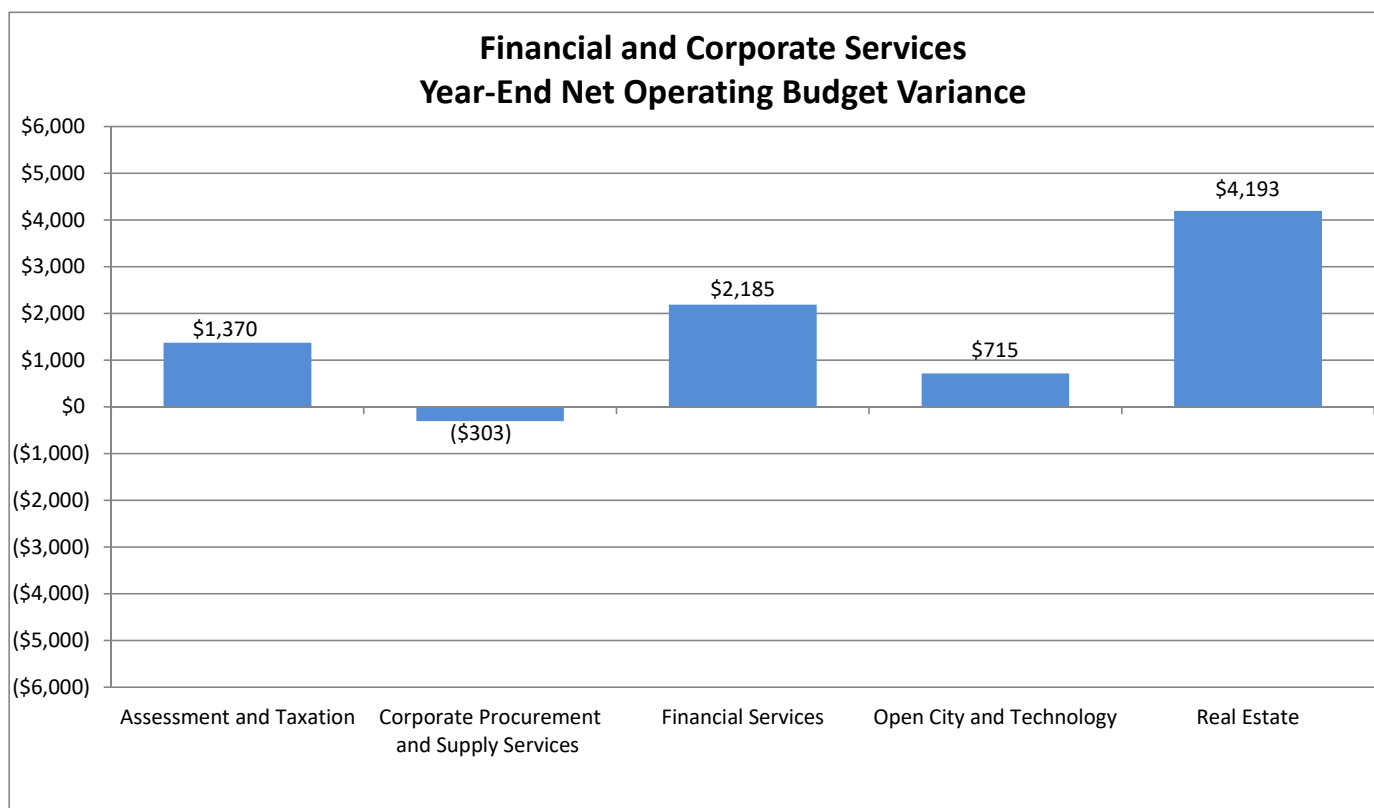
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- Unfavourable budget variance, between 0% and (10)%
- Unfavourable budget variance, > (10)%

**Financial and Corporate Services**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	13,612	20,511	6,899	● 50.7
Expense	149,916	148,655	1,261	● 0.8
Net Position	(136,304)	(128,144)	8,160	● 6.0



**Tax-Supported Operations - By Department and Branch**  
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**Assessment and Taxation**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	-	11	11	●	-
Expense	21,752	20,393	1,359	●	6.2
Net Position	(21,752)	(20,382)	1,370	●	6.3

*Expense* - Favourable variance mainly due to \$756 project delays for the TACS maintenance project related to strategy and scope changes and other cumulative favourable variances.

**Corporate Procurement and Supply Services**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	362	668	306	●	84.5
Expense	18,172	18,781	(609)	●	(3.4)
Net Position	(17,810)	(18,113)	(303)	●	(1.7)

Other net cumulative variances.

**Financial Services**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	1,866	1,704	(162)	●	(8.7)
Expense	22,692	20,345	2,347	●	10.3
Net Position	(20,826)	(18,641)	2,185	●	10.5

*Expense* - Favourable variance due to \$4,720 lower than budgeted personnel costs as a result of unfilled vacancies and other cumulative variances; partially offset with (\$3,525) lower recovery from capital for Enterprise System Transformation Project (ESTP) personnel savings.

**Open City and Technology**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	627	684	57	●	9.1
Expense	50,068	49,410	658	●	1.3
Net Position	(49,441)	(48,726)	715	●	1.4

*Expense* - Favourable variance mainly due to \$1,439 lower than budgeted personnel costs as a result of vacancies currently in recruitment.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

**Real Estate**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	10,757	17,444	6,687	62.2
Expense	37,232	39,726	(2,494)	(6.7)
Net Position	(26,475)	(22,282)	4,193	15.8

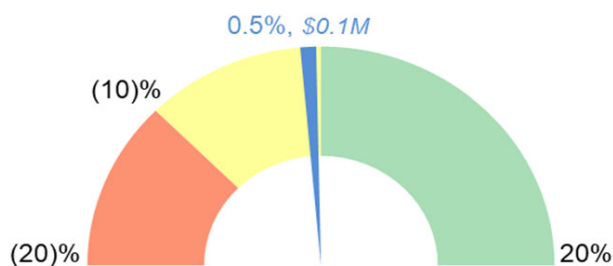
*Revenue* - Favourable budget variance is mainly due to \$4,660 greater than expected First Place Program unit sales fully offset by increased expenses for this program noted below in expenses, \$1,150 unbudgeted tenant improvement allowance related to improvements to the 311 call centre, and \$943 unbudgeted lease revenue due to the extension of the Edmonton City Centre ground lease extension. The tenant improvement allowance relates to \$629 renovation costs incurred in 2018, \$272 in 2019 and \$249 expected in 2020.

*Expense* - Unfavourable budget variance mainly due to (\$4,660) costs related to the First Place Program sales. These costs included (\$2,033) greater than budgeted transfer of sales proceeds to the Affordable Housing Reserve, (\$2,033) increased distribution of sales proceeds to the Edmonton school boards, and (\$594) increased costs of land sold. This is partially offset by \$997 lower parking and operating costs for the Edmonton Tower.

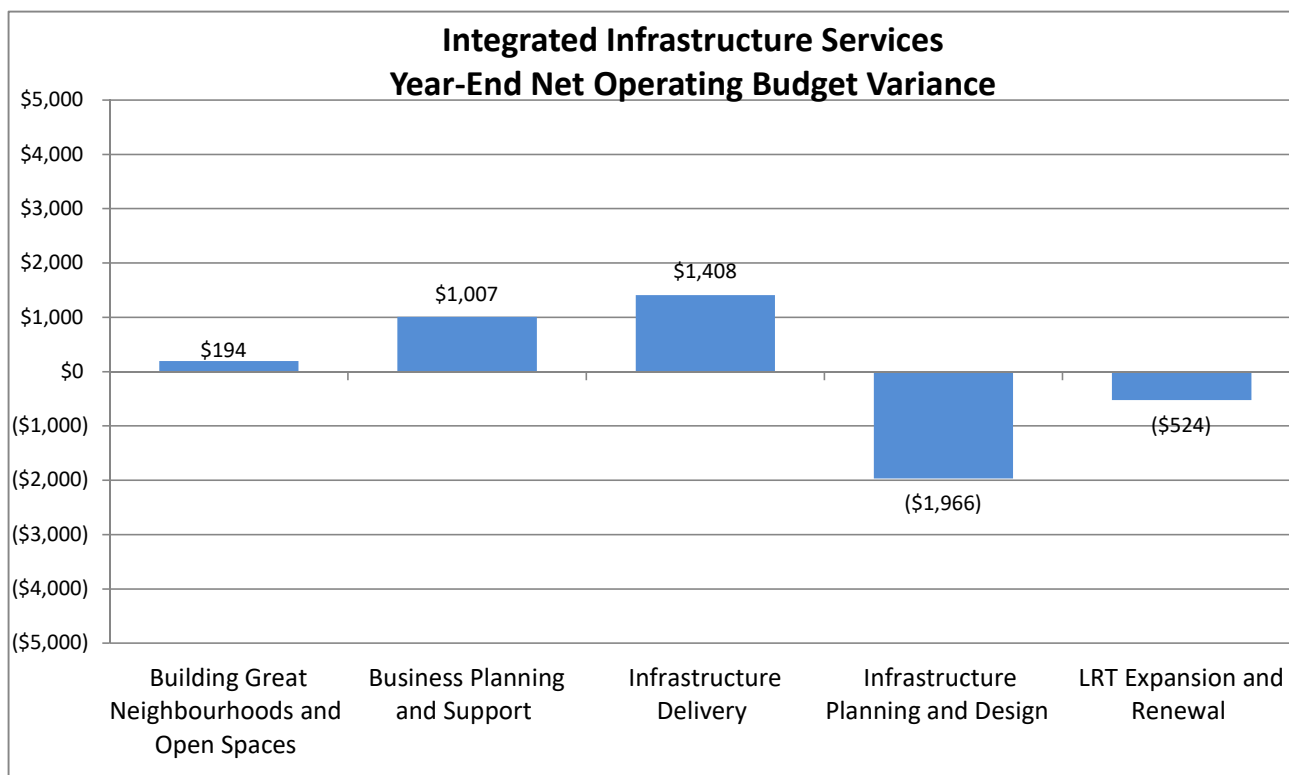
**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

**Integrated Infrastructure Services**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	5,997	7,918	1,921	● 32.0
Expense	28,636	30,438	(1,802)	● (6.3)
Net Position	(22,639)	(22,520)	119	● 0.5



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**Building Great Neighbourhoods and Open Spaces**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	-	459	459	●	-
Expense	2,643	2,908	(265)	●	(10.0)
Net Position	(2,643)	(2,449)	194	●	7.3

Other net cumulative variances.

**Business Planning and Support**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	645	793	148	●	22.9
Expense	7,143	6,284	859	●	12.0
Net Position	(6,498)	(5,491)	1,007	●	15.5

Other net cumulative variances.

**Infrastructure Delivery**

	Year-End				
	Budget	Actual	Variance \$	%	
Revenue	4,520	2,521	(1,999)	●	(44.2)
Expense	9,158	5,751	3,407	●	37.2
Net Position	(4,638)	(3,230)	1,408	●	30.4

*Revenue* - Unfavourable budget variance is due to (\$1,712) lower than budgeted transfer from the Financial Stabilization Reserve due to lower than budgeted expenses for the Queen Elizabeth II Park - Wastewater Treatment Plant Demolition.

*Expense* - Favourable budget variance is due to \$1,712 lower than budgeted expenses for the Queen Elizabeth II Park - Wastewater Treatment Plant Demolition due to contractor efficiencies. Also contributing to the variance is \$1,000 lower than budgeted costs for the Kennedale contaminated sites as this was accounted for in 2018, this is offset by a transfer to Pay-As-You-Go Capital in Capital Project Financing, Corporate Programs.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
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(in \$000's)

**Infrastructure Planning and Design**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	117	2,789	2,672	2,283.8
Expense	8,259	12,897	(4,638)	(56.2)
Net Position	(8,142)	(10,108)	(1,966)	(24.1)

*Revenue* - Favourable budget variance of \$2,650 due to an unbudgeted transfer from the Interim Financing Reserve to offset the contaminated Sites liability expense for the Westwood Bus Barn noted in expense below. The reserve is used to accommodate the timing difference between the accounting treatment and budgeted tax levy for this liability.

*Expense* - Unfavourable variance is mainly due to (\$2,650) unbudgeted contaminated sites liability expense for the Westwood Bus Barn, and (\$2,193) lower recoveries from capital related to timing of capital projects, partially offset by personnel savings.

**LRT Expansion and Renewal**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	715	1,356	641	89.7
Expense	1,433	2,598	(1,165)	(81.3)
Net Position	(718)	(1,242)	(524)	(73.0)

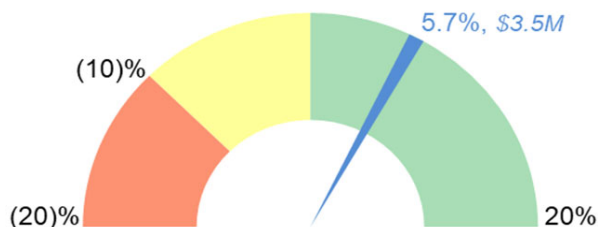
Other net cumulative variances.



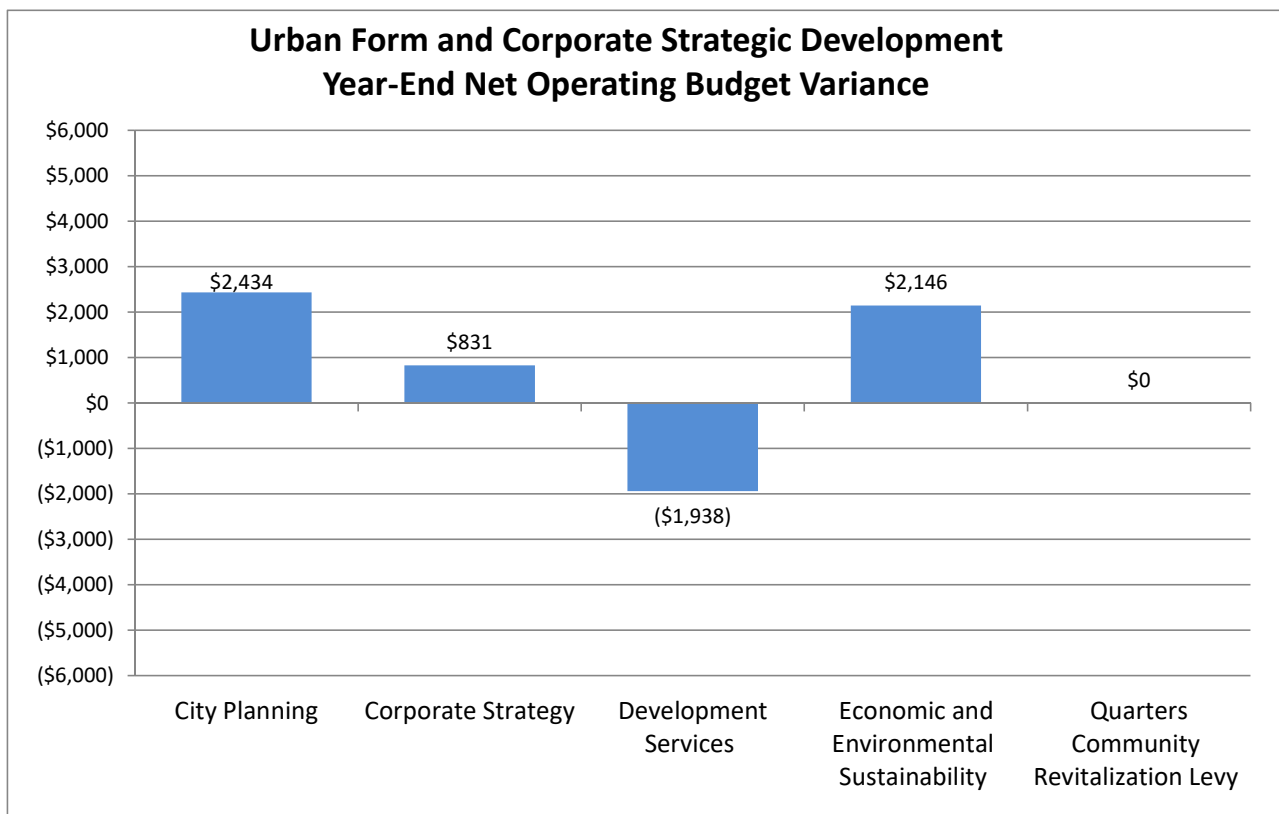
**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

**Urban Form and Corporate Strategic Development**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	158,223	116,818	(41,405)	(26.2)
Expense	218,776	173,898	44,878	20.5
Net Position	(60,553)	(57,080)	3,473	5.7



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**City Planning**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	75,413	45,754	(29,659) ●	(39.3)
Expense	97,080	64,987	32,093 ●	33.1
Net Position	(21,667)	(19,233)	2,434 ●	11.2

*Revenue* - Unfavourable budget variance of (\$20,030) due to a delayed transfer from the RISF reserve, fully offset by lower rebates and debt servicing costs within expenses below. There is also an unfavourable net Sanitary Services Strategy Fund (SSSF) budget variance of (\$11,710) due to lower than expected SSSF developer fees of (\$5,521), as a result of a decline in the development market, and lower than expected transfer from the SSSF reserve of (\$6,189) as a result of slower than expected progress on EPCOR SSSF projects. The net SSSF revenue budget variance is fully offset within expenses below. There is also (\$1,219) lower transfer from the Financial Stabilization Reserve due to project delays. Partially offsetting the unfavourable variances is \$4,012 land sale proceeds and cash-in-lieu dedications received from developers related to the Leduc County Annexation which were not previously anticipated. These dedications collected are held within the Parkland Purchase Reserve for the purposes of purchasing and developing parkland in residential areas.

*Expense* - Favourable budget variance of \$20,030 lower RISF debt servicing costs due to less than expected borrowing, \$11,710 as a result of lower than budgeted reimbursement to EPCOR for SSSF projects due to slower than expected progress on projects, and \$3,427 lower consulting costs due to various minor project delays. The favourable variances are partially offset by (\$4,012) unbudgeted transfer to the Parkland Purchase reserve for the land sale proceeds and cash-in-lieu dedications noted in revenue above.

**Corporate Strategy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	650	-	(650) ●	(100.0)
Expense	7,108	5,627	1,481 ●	20.8
Net Position	(6,458)	(5,627)	831 ●	12.9

Other net cumulative variances.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
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**Development Services**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	69,277	59,978	(9,299) ●	(13.4)
Net transfer to/(from) Reserve	4,307	1,567	2,740 ●	63.6
Expense	70,848	66,227	4,621 ●	6.5
Net Position*	(5,878)	(7,816)	(1,938) ●	(33.0)

\* The net position reflects the tax-levy impact of tax-supported services managed within the Development Services Branch. The tax-levy position will not impact the Planning & Development Reserve.

*Revenue* - Unfavourable variance due to (\$10,726) lower than budgeted permit and licensing revenues. Budgeted revenues were based on anticipated favourable economic conditions that were not realized in the year. This is partially offset by a recovery of \$1,048 from Corporate Revenues, Corporate Programs as a result of an over contribution of business licensing revenue to Corporate Revenues in 2018.

*Net transfer to/(from) Planning & Development Reserve* - Lower than budgeted transfer to the reserve mainly due to lower than budgeted permit and licensing revenues, net of expense savings and recovery of business licensing revenues from Corporate Revenues, Corporate Programs. Further details on the Planning & Development Reserve are available in the "Reserves Update" section of this report.

*Expense* - Favourable variance is mainly due to personnel savings and cost efficiencies related to the lower permit and licensing revenue activity, partially offset by an higher than budgeted transfer to the Vehicle for Hire Reserve due to a better than expected year-end net position for the program.

**Economic and Environmental Sustainability**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	7,942	6,321	(1,621) ●	(20.4)
Expense	34,350	30,583	3,767 ●	11.0
Net Position	(26,408)	(24,262)	2,146 ●	8.1

*Revenue* - Unfavourable variance mainly due to (\$854) lower than budgeted transfer from the Brownfield Redevelopment Reserve due to fewer Brownfield grant agreements this year.

*Expense* - Favourable variance is mainly due to \$854 lower expenditures for Brownfield Redevelopment, \$759 lower personnel costs due to delayed hiring and staff turnover, and other favourable net cumulative variances.

**Quarters Community Revitalization Levy**

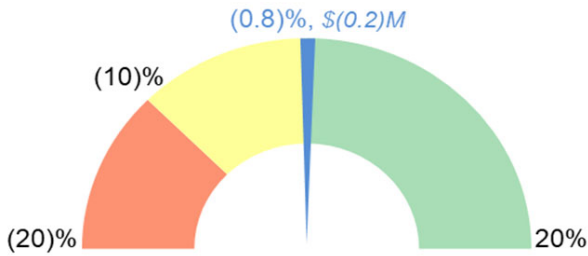
	Year-End			
	Budget	Actual	Variance \$	%
Net Position	(142)	(142)	- ●	-

In the 2012 Operating budget, City Council approved an operating expense budget of \$620 for The Quarters project office, offset by \$478 in CRL revenues and tax-levy of \$142. Additional details on the Community Revitalization Levy programs are included in the section titled "Community Revitalization Levy Operations".

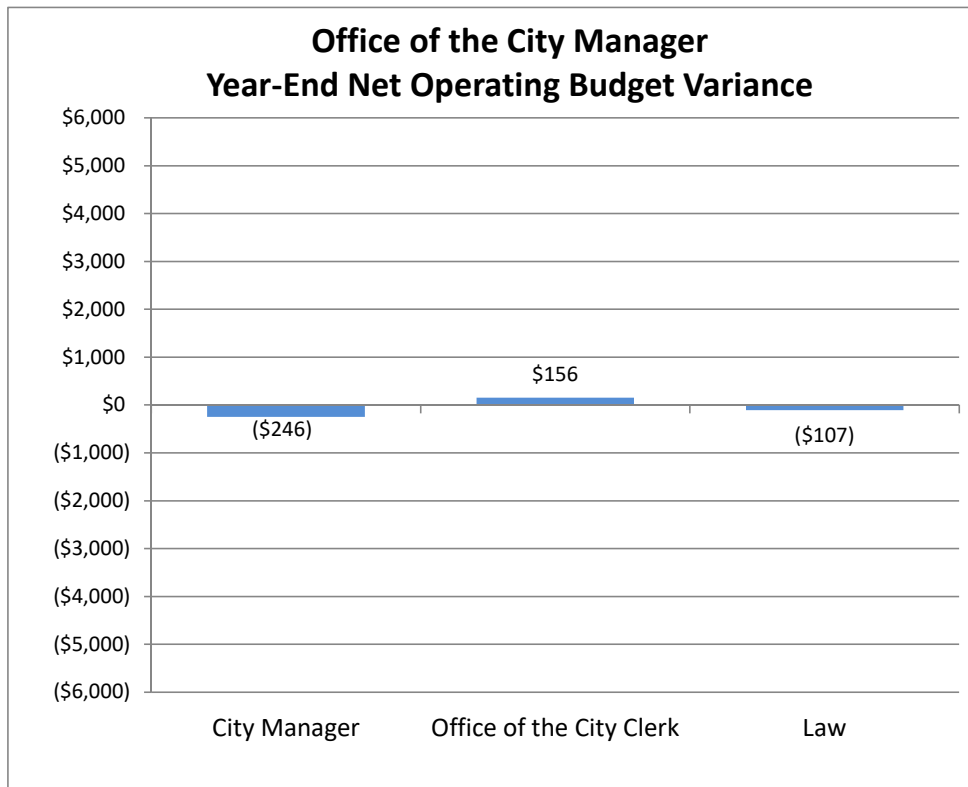
**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

**Office of the City Manager**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,034	895	(1,139)	(56.0)
Expense	27,808	26,866	942	3.4
Net Position	(25,774)	(25,971)	(197)	(0.8)



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
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(in \$000's)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**City Manager**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	●
Expense	2,058	2,304	(246)	● (12.0)
Net Position	(2,058)	(2,304)	(246)	● (12.0)

Other net cumulative variances.

**Office of the City Clerk**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,034	892	(1,142)	● (56.1)
Expense	13,866	12,568	1,298	● 9.4
Net Position	(11,832)	(11,676)	156	● 1.3

Other net cumulative variances.

**Law**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	3	3	●
Expense	11,884	11,994	(110)	● (0.9)
Net Position	(11,884)	(11,991)	(107)	● (0.9)

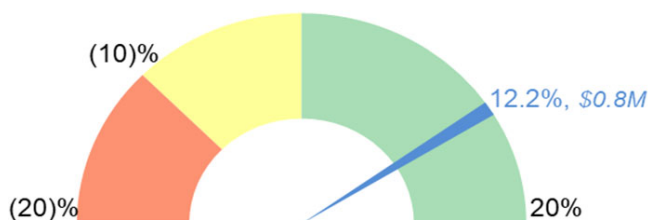
Other net cumulative variances.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

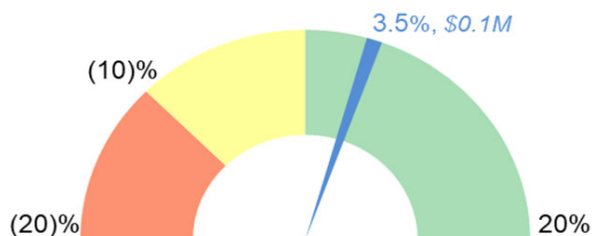
**Mayor and Councillors Offices**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	25	34	9	● 36.0
Expense	6,883	6,057	826	● 12.0
Net Position	(6,858)	(6,023)	835	● 12.2

Other net cumulative variances.

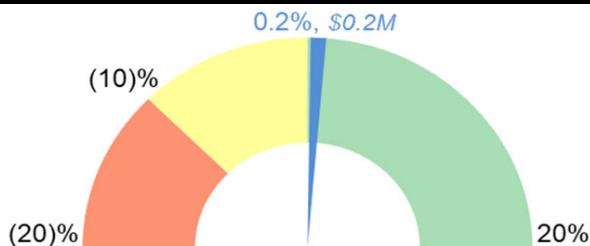
**Office of the City Auditor**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	● -
Expense	2,626	2,533	93	● 3.5
Net Position	(2,626)	(2,533)	93	● 3.5

Other net cumulative variances.

**Boards and Authorities**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	3,759	559	(3,200)	● (85.1)
Expense	115,719	112,316	3,403	● 2.9
Net Position	(111,960)	(111,757)	203	● 0.2

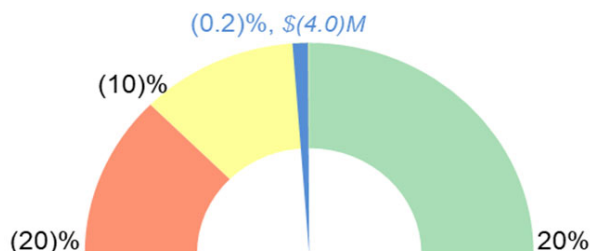
**Revenue** - Unfavourable budget variance mainly due to (\$3,196) lower revenues related to the extended closure of Fort Edmonton Park to allow for facility enhancements and upgrades. The park is expected to be fully operational again in 2021.

**Expense** - Favourable budget variance mainly due to \$3,196 lower costs related to the extended closure of Fort Edmonton Park to allow for facility enhancements and upgrades. The park is expected to be fully operational again in 2021.

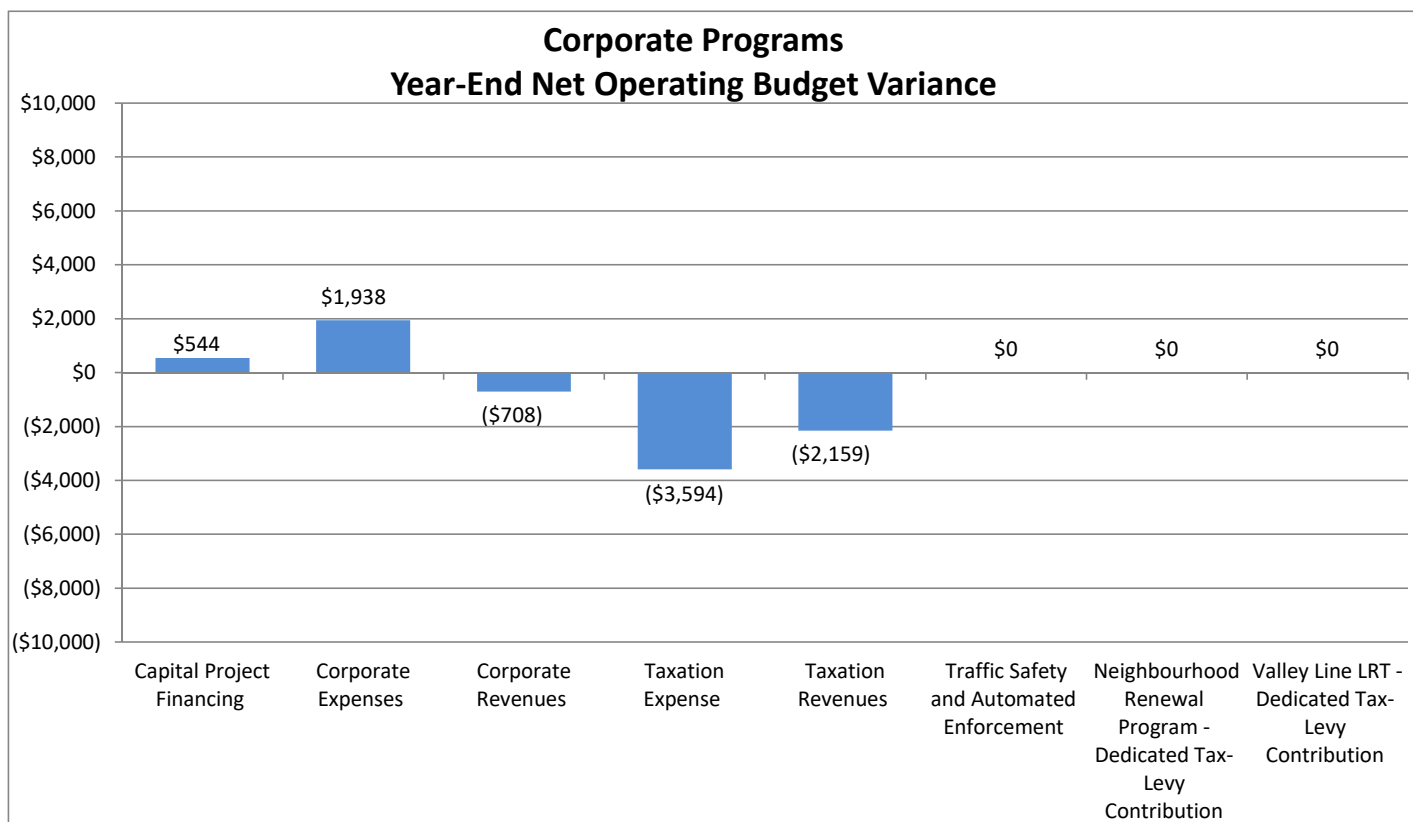
**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

**Corporate Programs**



	Year-End			
	Budget	Actual	Variance \$	%
Revenue	2,366,389	2,362,841	(3,548)	● (0.1)
Expense	710,041	710,472	(431)	● (0.1)
Net Position	1,656,348	1,652,369	(3,979)	● (0.2)



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

**Capital Project Financing**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	259,399	256,284	(3,115)	● (1.2)
Expense	432,710	429,051	3,659	● 0.8
Net Position	(173,311)	(172,767)	544	● 0.3

*Revenue* - Unfavourable budget variance due to (\$6,622) lower than budgeted transfer from the LRT reserve to offset reduced financing costs related to the Valley Line LRT noted below in expenses, and (\$2,175) lower than budgeted local improvement taxation revenue due to the timing of construction and billing of projects, this is offset with a lower transfer to the Local Improvements Reserve noted in expenses below. This is partially offset by \$6,143 higher investment earnings as a result of market conditions. The change in investment earnings is offset with a transfer to capital for funding on a pay-as-you-go basis within expenses below.

*Expense* - Favourable budget variance due to \$6,622 lower financing costs for the Valley Line LRT due to slower than expected construction progress, and \$3,126 lower transfer to the Local Improvements Reserve mainly due to lower revenues. This is partially offset by (\$5,654) higher than budgeted transfer to capital on a pay-as-you go basis mainly due to increased investment earnings.

**Corporate Expenses**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	1,045	1,066	21	● 2.0
Expense	23,497	21,580	1,917	● 8.2
Net Position	(22,452)	(20,514)	1,938	● 8.6

*Expense* - Favourable budget variance in the corporate financial strategy budget of \$8,287, which provides flexibility for emerging items. The favourable projected budget variance is net of a \$3,210 million repayment to the Financial Stabilization Reserve (FSR) for operating costs interim financed from the reserve (approved through the 2019 Spring Supplemental Operating Budget Adjustment (SOBA) report). The repayment to the FSR was originally included in the 2020 financial strategies budget. As a result of the favourable financial strategies position in 2019 the repayment is being advanced to 2019. The 2020 operating budget will be adjusted to remove the budgeted repayment to the FSR through a future SOBA report. \$1,500 unbudgeted lower grant expense due to the repayment of a prior year grant by Waste ReSolutions. The favourable variances are partially offset by (\$7,976) additional obligations related to the continuation of pension, medical, dental and other benefits coverage for employees on long-term disability leave largely due to a change in the actuarial assumptions of the accrued benefit obligations and an increased number of staff on long-term disability leave across the City.



**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

**Corporate Revenues**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	397,763	396,333	(1,430)	(0.4)
Expense	88	(634)	722	820.5
Net Position	397,675	396,967	(708)	(0.2)

*Revenue* - Unfavourable budget variance of (\$1,500) unbudgeted transfer to the Financial Stabilization reserve for the repayment of the Waste ReSolutions grant noted in Corporate Expenses, (\$1,426) lower business licensing revenue mainly due to reimbursement of business licensing revenues to the Planning and Development Reserve as a result of a 2018 over contribution of business licensing revenue to Corporate Revenues, (\$1,416) due to lower than budgeted gas franchise fees as a result of less than expected consumption, and (\$1,394) lower transfer from the Financial Stabilization Reserve for stranded costs related to the transfer of Drainage Services to EPCOR in 2017. Branches, such as Real Estate, were able to reduce costs so the full budgeted transfer was not required. These unfavourable variances are partially offset by \$3,458 higher than budgeted tag and fine revenues mainly due to a one-time adjustment to account for outstanding tickets not previously recorded, \$1,506 greater than budgeted tax penalty revenues due to increased late payments, and \$1,109 provincial grant funding for cannabis related costs that was received in 2019 but budgeted for in 2020.

**Taxation Expense**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	4,700	5,734	1,034	22.0
Expense	11,250	15,878	(4,628)	(41.1)
Net Position	(6,550)	(10,144)	(3,594)	(54.9)

*Revenue* - Higher than budgeted supplementary taxation revenues due to greater than anticipated taxes for multi-residential and commercial properties completed this year.

*Expense* - Unfavourable budget variance due to (7,229) higher than expected tax losses mainly due to lower provincial grants in lieu of taxes. The 2019/2020 provincial budget was released on October 24, 2019 and included a 25% reduction in its grants in lieu of taxes program in 2019/2020, with a further 25% reduction in 2020/2021. The unfavourable variance is partially offset by \$2,608 lower than budgeted tax appeals.

**Taxation Revenues**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	1,652,732	1,650,573	(2,159)	(0.1)
Expense	-	-	-	-
Net Position	1,652,732	1,650,573	(2,159)	(0.1)

*Revenue* - Unfavourable taxation revenues mainly due to assessment corrections processed between the setting of the tax rates and mailing of annual tax notices.

**Tax-Supported Operations - By Department and Branch**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

**Traffic Safety and Automated Enforcement**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	50,750	52,851	2,101	4.1
Net transfer to/(from) Reserve	50,750	52,851	(2,101)	(4.1)
Net Position	-	-	-	-

*Revenue* - Favourable budget variance due to greater than expected fines revenue from the activation of planned Intersection Safety Device (ISD) sites.

*Net transfer to/(from) Traffic Safety and Automated Enforcement Reserve* - Higher than budgeted transfer to the reserve mainly due to increased fines revenue.

**Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	-
Expense	155,946	155,946	-	-
Net Position	(155,946)	(155,946)	-	-

Results are on budget.

**Valley Line LRT - Dedicated Tax-Levy Contribution**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	-	-	-	-
Expense	35,800	35,800	-	-
Net Position	(35,800)	(35,800)	-	-

Results are on budget.



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2020 February 03

SUBJECT: Budget Variance for the Period Ending December 31, 2019

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#### RECOMMENDATION(S):

That this report be received for information.

#### INTRODUCTION:

This report provides information and updates to the EPC on the EPS current financial position as of December 31, 2019.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending December 31, 2019 indicate a balanced position, after transferring \$1.083 million underspend to EPS reserve.

The underspend in expenditures is mainly due to lower than expected custodial and maintenance costs as a result of delays related to Northwest Campus and higher personnel secondment costs (offset by recoveries from ALERT).

The under budget revenue position is primarily due to lower Traffic Safety Act and vehicle tows revenue, partially offset by increased secondment recoveries from ALERT (offset by higher personnel expenses) and higher Police Information Check Section (PICS) revenue.

## Capital Results


This was the first of a four year Capital budget (2019 to 2022) and the results indicate a significant under spend primarily due to Information Technology projects that are in their early stages of planning and a delay in the Emergency Communication Centre Internet Protocol (IP) Call Handling project.

### ADDITIONAL INFORMATION ATTACHED:

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures

Attachment 2 – Capital Budget Performance

Written By: Kathryn REYNOLDS, Director, Financial Management Branch 

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

Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

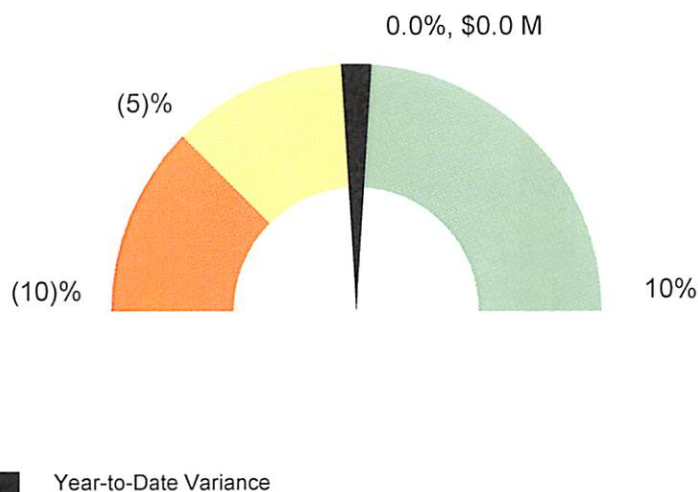
*For information to EDC.*

Chief of Police: \_\_\_\_\_ 

Date: 2/6/20

## Edmonton Police Service Budget Variance by Major Category of Revenue & Expenditures For the Period Ending December 31, 2019

- Favourable budget variance, >= 0%
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, > (5)%



2019 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	96,957	94,470	(2,487)	-2.6%
<i>Personnel</i>	368,575	369,044	(469)	-0.1%
<i>Non-Personnel</i>	86,006	81,967	4,039	4.7%
Expense	454,581	451,011	3,570	0.8%
Transfer to/from				
EPS Reserve				
(Note 1)	-	1,083	(1,083)	0.0%
Net Position	357,624	357,624	0	0.0%

2018 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	95,718	94,742	(976)	-1.0%
<i>Personnel</i>	358,951	359,251	(300)	-0.1%
<i>Non-Personnel</i>	74,144	71,706	2,438	3.3%
Expense	433,095	430,957	2,138	0.5%
Transfer to/from				
EPS Reserve				
(Note 1)	-	1,162	(1,162)	0.0%
Net Position	337,377	337,377	-	0.0%

### Year-to Date

**Revenue** - Under budget primarily due to lower Traffic Safety Act revenue (less tickets issued). Also, the funding for the TD tower renovation and fit ups is also under budget because the corresponding costs were transferred to capital, creating an offsetting under spend in Facilities. This funding will also be transferred to capital in the Spring Supplemental Capital Budget (SCBA).

This is partially offset by increased secondment recoveries from ALERT (offset by higher personnel expenses) and higher Police Information Check Section (PICS) revenue.

**Personnel** - Over budget as a result of being over strength, higher part time costs in Police Communication Branch (PCB) as a result of 911 position civilianization and higher secondment costs (offset by recoveries from ALERT) partially offset by funds not needed to support NHL Playoffs.

**Non-Personnel** - Under budget due to lower than expected custodial and maintenance costs primarily due to delays related to Northwest Campus. Also, the TD Tower renovations and fit up was budgeted as operating expenses. Due to the nature of these expenditures they were capitalized creating an underspend in renovations. There is a corresponding under budget position within Revenue where the funding for was approved and subsequently will be transferred to capital.

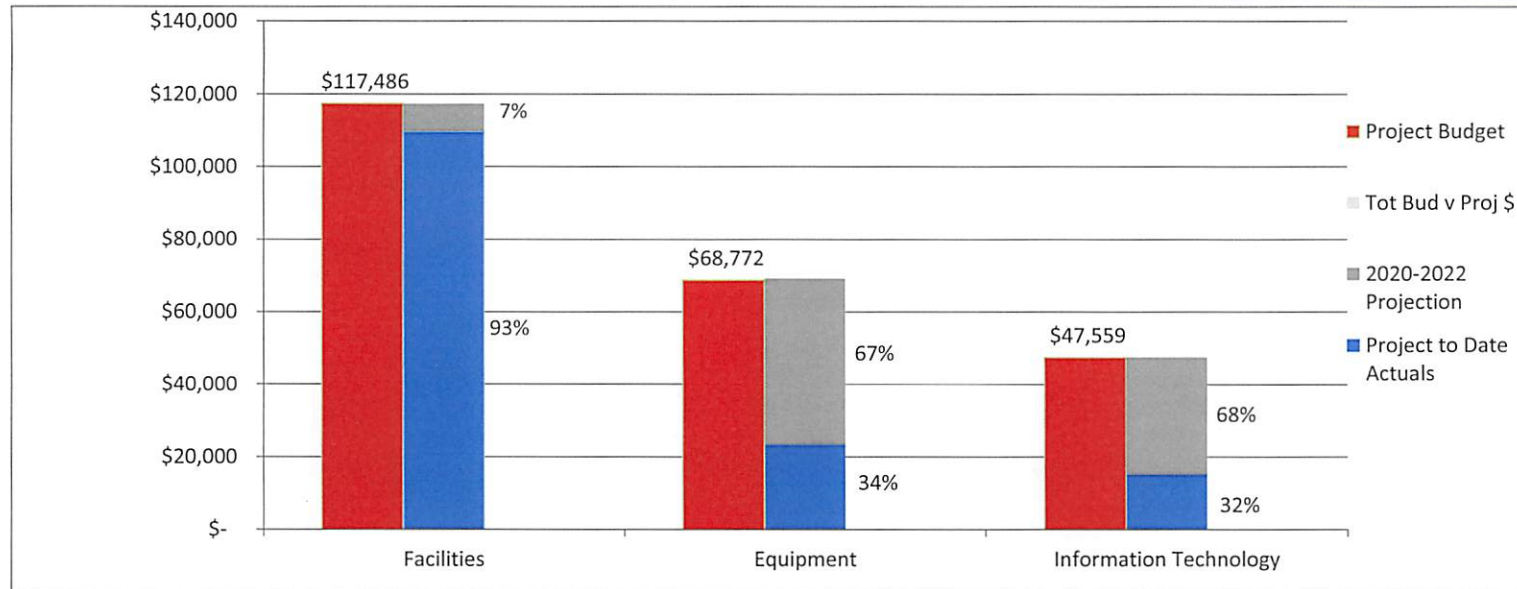
### Notes:

(1) 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. \$1.083 million has been transferred to the EPS reserve and the balance as at December 31, 2019 is \$2.245 million.



Edmonton Police Service  
 Capital Budget Performance  
 Financial Report for the Period Ending Dec 31, 2019 (\$000's)

Profile Category	2019 Actuals	Project To Date Actuals	2020-2022 Projection	Total Projection	Approved Budget Prior Years	2019 Approved Budget*	2020-2022 Approved Budget*	Total Approved Budget	Total Bud v Proj \$
Facilities (Note 1)	\$ 7,689	\$ 109,631	\$ 7,760	\$ 117,391	\$ 101,942	\$ 13,419	\$ 2,125	\$ 117,486	\$ 95
Equipment (Note 2)	\$ 18,819	\$ 23,428	\$ 45,784	\$ 69,212	\$ 4,609	\$ 27,100	\$ 37,063	\$ 68,772	\$ (440)
Information Technology (Note 3)	\$ 9,412	\$ 15,245	\$ 32,314	\$ 47,559	\$ 5,833	\$ 13,757	\$ 27,969	\$ 47,559	\$ -
	\$ 35,920	\$ 148,304	\$ 85,858	\$ 234,162	\$ 112,384	\$ 54,276	\$ 67,157	\$ 233,817	\$ (345)



<sup>1</sup> The 2019 Budget includes amounts approved in the 2019 Fall Supplemental Capital Budget Adjustment (SCBA).

<sup>2</sup> The 2020-2022 Budget includes amounts to be requested in the 2020 Spring SCBA.

**Edmonton Police Service  
Capital Budget Performance  
Financial Report for the Period Ending December 31, 2019  
(\$000's)**

**1 Facilities**

- Roofing repair work is currently underway. Once the City of Edmonton is confident the roofing issues have been resolved, an in-service date will be determined. Administration will seek to recover all remediation costs as well as costs that have been incurred because of the delayed opening. Budget of \$2,953K will be carried forward to 2020 for the remaining costs.
- Westwood Central Stores construction is expected to be completed in Q3 2020. Budget of \$2,641K will be carried over to 2020 to complete the remaining project.
- The Operations & Intelligence Command Centre is fully functional however there are some outstanding expenditures. Budget of \$136K will be carried over to 2020, and current projections indicate that approximately \$95K may be released to the EPS capital reserve once the final expenditures are processed.

**2 Equipment**

- The Request for Proposal for the Emergency Communication Centre Internet Protocol Call Handling Project was released in Q4 2019. Budget of \$3,358K will be carried over to 2020.
- Work on the new H125 helicopter began in the last quarter of 2019. \$1,702K will be carried over to 2020. Expected completion date is the last half of 2020.
- The Public Safety Radio Network project is progressing. Budget of \$3,717K will be carried over to 2020 and extended coverage work is expected to be complete by Q2. The project may be approximately \$440K over budget, however the projection is currently under review.
- Vehicle costs are \$8,283K. Budget of \$146K will be carried forward to 2020.

**3 Information Technology (IT)**

- Expenditures include CAD Upgrade, EPROS lifecycle, Data Manager Retirement, Situational Awareness & e-Ticketing as well as equipment such as servers and TD Tower IT fit-up. e-Ticketing vendor negotiations will begin in 2020 and enhancement projects related to EPROS have been put on hold pending a report of the EPS Records Management System review which is due in Q1 2020. The Alarm Control project is in progress for a Request for Proposal, and the Detainee Management Unit project is on hold pending Northwest Campus completion and assessment. Budget of \$4,075K will be carried forward to 2020 to complete the remaining IT projects.
- The DAMS Enterprise Content Management System (ECM) is currently being re-evaluated for scope and function. The project will continue into 2020 to support transition from a development project to a sustainment program. Budget of \$269K will be carried forward to 2020.

**Enterprise and Utility Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

Branch revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed.

### Waste Services

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	230,929	218,812	(12,117) <span style="color: yellow;">●</span>	(5.2)
Expense	217,303	237,886	(20,583) <span style="color: yellow;">●</span>	(9.5)
Net Position	13,626	(19,074)	(32,700) <span style="color: red;">●</span>	<b>(240.0)</b>

*Revenue* - Unfavourable budget variance due to lower program revenues of (\$3,177) from Construction & Demolition (C&D) as this site is closed, (\$2,404) lower recyclables revenues at the Materials Recovery Facility due to decreases in commodity prices, (\$2,370) lower Green House Gas revenue (GHG) due to GHG protocol adjustments for credits generated from 2015 - 2017, resulting in an accrual adjustment of (\$1,500), and also lower revenues due to the closure of the ECF, (\$1,769) lower biosolids revenue, and (\$1,187) lower program revenues from lower compost sales, Eco station revenue, aggregates and commercial collections. These unfavourable variances are partially offset by \$1,164 higher than anticipated investment returns.

*Expense* - Unfavourable budget variance mainly due to an unbudgeted non-cash expense related to (\$20,567) increase in the Clover Bar Landfill post closure liability for future closure expenses, and (\$3,870) unbudgeted non-cash expense for the remaining write down of the ECF resulting from permanent closure of the facility. There are also various other unfavourable budget variances including (\$4,904) increased contracted landfill and hauling costs related to the closure of the ECF and delayed commissioning of the ADF, and (\$1,942) higher contract costs to bring the ADF on line. These unfavourable variances are partially offset by cost savings of \$2,935 lower collection contractor costs, \$2,014 as a result of the closure of the ECF, \$1,616 decreased amortization due to lower capital activity than anticipated, \$1,343 lower contract costs for various projects such as Source Separated Organic (SSO), \$1,292 lower power costs, \$1,245 lower contractor costs due to the C&D site closure, \$1,212 lower direct material costs due to facility closures, and other cumulative favourable variances.

Although the non-cash expenses related to landfill liability adjustment and additional write down of the ECF will be reported as expenses on the Waste Services financial statements in 2019, these expenses will be recovered from ratepayers over a longer period of time to minimize rate impact. Specifically, expenses related to the ECF equipment write down will be recovered utilizing a regulatory deferral account. The Waste Services deferral account is a rate regulated accounting mechanism which allows the Utility to minimize rate volatility for ratepayers by recovering approved cost from ratepayers over a period of time compared to when the costs are actually incurred.

Additionally, in its approved 2020 Rate Filing, Waste Services included a provision to collect \$1.3 million annually, starting in 2020, over the next 25 years to fully fund the landfill liability.



**Enterprise and Utility Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

### Land Enterprise

Year-End				
	Budget	Actual	Variance \$	%
Revenue	41,428	23,474	(17,954) <span style="color: red;">●</span>	(43.3)
Expense	27,160	14,967	12,193 <span style="color: green;">●</span>	44.9
Net Position	14,268	8,507	(5,761) <span style="color: red;">●</span>	<b>(40.4)</b>

Revenue - Unfavourable budget variance due to (\$19,926) lower than expected sales due to market conditions and development of land for civic use that was previously intended to be sold, partially offset by \$1,506 greater than anticipated sales of residential properties.

Expense - Favourable budget variance mainly due to \$12,088 lower cost of land sold as a result of a change in the mix and timing of anticipated sales.

### Blatchford Redevelopment

Year-End				
	Budget	Actual	Variance \$	%
Revenue	8,627	6,008	(2,619) <span style="color: red;">●</span>	(30.4)
Expense	12,629	8,804	3,825 <span style="color: green;">●</span>	30.3
Net Position	(4,002)	(2,796)	1,206 <span style="color: green;">●</span>	<b>30.1</b>

Revenue - Unfavourable budget variance due to delayed land sales.

Expense - Favourable budget variance due to lower cost of land sold due to delays in land sales.

### Blatchford Renewable Energy Utility

Year-End				
	Budget	Actual	Variance \$	%
Revenue	536	7	(529) <span style="color: red;">●</span>	(98.7)
Expense	2,115	1,627	488 <span style="color: green;">●</span>	23.1
Net Position	(1,579)	(1,620)	(41) <span style="color: yellow;">●</span>	<b>(2.6)</b>

Unfavourable budget variance mainly due to lower than anticipated customer billing and power charges as a result of delayed home builder construction activities and lower than expected customer counts, offset by lower spending on facility maintenance, and operating contracts.

**Community Revitalization Levy Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2019**  
(in \$000's)

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

Community Revitalization revenue and expense variances are explained where individual variances for revenues, expenses, recoveries and transfers to/from reserves exceed \$0.75 million. Variances below this amount are not specifically addressed. The annual CRL update report was presented to City Council on December 10, 2019 provides an update on the long-term CRL forecasts.

**Belvedere Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	5,645	1,002	(4,643) <span style="color: red;">●</span>	(82.2)
Expense	6,283	1,997	4,286 <span style="color: green;">●</span>	68.2
Net Income				
/(Deficit)	(638)	(995)	(357) <span style="color: red;">●</span>	(56.0)
Transfer (to)				
/from Reserve	638	995	357 <span style="color: green;">●</span>	56.0
Net Position	-	-	- <span style="color: green;">●</span>	-

*Revenue* - Unfavourable budget variance due to delay in land sales.

*Expense* - Favourable budget variance mainly due to lower than expected cost of land sold as a result of delayed land sales.

**Capital City Downtown Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	25,289	24,816	(473) <span style="color: yellow;">●</span>	(1.9)
Expense	24,887	21,102	3,785 <span style="color: green;">●</span>	15.2
Net Income				
/(Deficit)	402	3,714	3,312 <span style="color: green;">●</span>	823.9
Transfer (to)				
/from Reserve	(402)	(3,714)	(3,312) <span style="color: green;">●</span>	823.9
Net Position	-	-	- <span style="color: green;">●</span>	-

*Expense* - Favourable budget variance of \$2,023 due to lower than expected debt servicing cost for the Downtown Stormwater Drainage Servicing project as a result of less borrowing, and \$1,339 lower than budgeted tax appeals. These lower expenses are offset with an increased transfer to the Community Revitalization Levy - Downtown Reserve.

**Quarters Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	4,273	4,317	44 <span style="color: green;">●</span>	1.0
Expense	5,084	4,907	177 <span style="color: green;">●</span>	3.5
Net Income				
/(Deficit)	(811)	(590)	221 <span style="color: green;">●</span>	27.3
Transfer (to)				
/from Reserve	669	448	(221) <span style="color: red;">●</span>	(33.0)
Net Position	(142)	(142)	- <span style="color: green;">●</span>	-

	<b>Belvedere</b>	<b>Capital City Downtown</b>	<b>Quarters</b>
Reserve Balance, December 31, 2019 (preliminary)	(\$10,093)	(\$19,872)	(\$8,650)
First year the CRL is projected to have an annual positive surplus	2028	2024	2024
Year reserve is sufficient to cover remaining debt servicing	N/A	2032	2030

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 report was presented to City Council on December 10, 2019 Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere report CR\_7543.

**Belvedere CRL**

Market conditions in the Belvedere Community Revitalization Levy area have been weak and private development progress has been slow. As a result, the revenue projections have been revised downwards by \$6.4 million compared to the 2018 analysis. With these reduced revenues, the projections indicate revenues from the Community Revitalization Levy and land sales will be insufficient to cover all outstanding principal and interest charges before the 2032 expiry of the Levy. The shortfall is projected to be \$6.9 million. Ongoing municipal tax revenues that continue beyond 2032 would retire the remaining debt by 2035.

A “stress test” scenario was also prepared for Belvedere in addition to the low scenario. In this scenario, the increase in municipal taxes will continue beyond 2032 and would generate enough revenue to repay all outstanding principal and interest charges by 2044.

**Capital City Downtown CRL**

The pace and volume of development underway within the Capital City Downtown Levy Area significantly exceeds what was anticipated when the plan was prepared in 2013; however, this has been offset in part by a decline in office property valuations. Administration prepares high, medium, and low revenue scenarios for the Capital City Downtown levy to reflect the uncertainty inherent in such a forecast and to identify risks and opportunities. In all scenarios, Administration takes a conservative approach in setting assumptions.

The current projections for the Capital City Downtown have increased over the previous year, led by the performance of top-quality office properties and new development proposals:

- The high revenue scenario generates sufficient funding to complete all funded and unfunded catalyst projects included in the Community Revitalization Levy Plan.
- The medium and low scenarios generate sufficient funding to complete most of the catalyst projects included in the Community Revitalization Levy plan.

Administration will continue to monitor revenues and adjust the timing of requests for funding for future catalyst projects as required. Administration will only recommend funding new catalyst projects in future capital budgets once projected revenues are sufficient to cover the capital and debt servicing costs.

In addition to updating the low, medium and high scenarios, a “stress test” scenario has been prepared. The stress test scenario assumes no further development other than the projects currently under construction and assessed values decline sharply and recover slowly. While this scenario is highly unlikely, the anticipated revenue would still be sufficient to pay for all currently approved projects, including principal and interest charges.

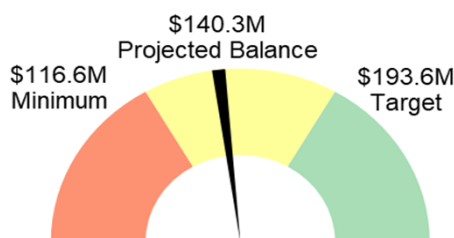
**The Quarters CRL**

The revenue projection for The Quarters Downtown has increased over the previous year, led by high quality residential development proposals. This results in a projection increase of \$18 million for a total of \$161 million over the 20-year levy period. This is sufficient revenue to cover principal and interest costs of all Quarters catalyst projects approved to date.

In addition to updating the low scenario for The Quarters Downtown, a “stress test” scenario has been prepared, with similar assumptions to the Capital City Downtown. While this scenario is highly unlikely, the increase in municipal taxes will continue beyond 2031 and would generate enough revenue to repay all outstanding principal and interest charges by 2040.

**Reserves Update**  
**December 2019**  
(in \$000's)

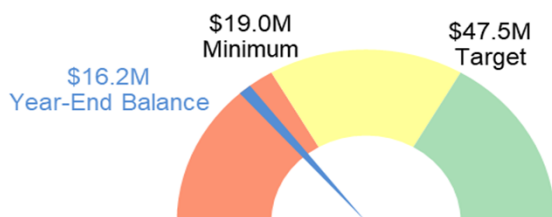
**Financial Stabilization Reserve**



**Below minimum balance**      **Above minimum balance & below target balance**      **Above target balance**

- As outlined in City Policy C217D Reserve and Equity Accounts, the Financial Stabilization Reserve (FSR) is an uncommitted Reserve account established for the purpose of providing funding to address significant emergent financial issues.
- The projected balance includes the 2019 preliminary tax-levy surplus and year-end carry-forward recommendations. The projected FSR balance is further outlined in Attachment 2.
- In accordance with City Policy C217D Reserve and Equity Accounts the minimum and target balances are calculated as 5.0% and 8.3%, respectively, of tax-supported operating expenditures, excluding amortization. The balances are based on preliminary year-end tax-supported results, and are subject to change upon finalization of the City's consolidated financial statements, which will be presented to Audit Committee on April 23, 2020, and provided to City Council for approval on April 27, 2020.

**Planning and Development Reserve**

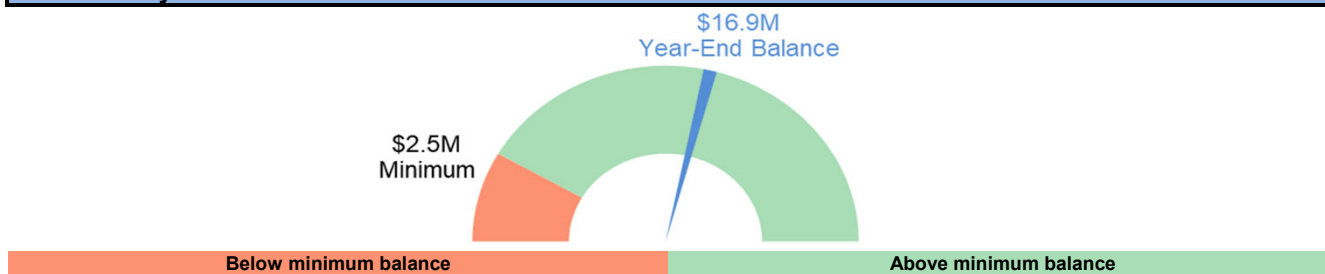


**Below minimum balance**      **Above minimum balance & below target balance**      **Above target balance**

- The December 31, 2019 year-end reserve balance is \$16.2 million, which is below its minimum required balance of \$19.0 million for 2019. As outlined in City Policy C610 Fiscal Policy for the Planning and Development Business the minimum balance is calculated as 30% of budgeted expenditures and the target balance is calculated as 75% of budgeted expenditures in accordance with the reserve policy. The projected year-end reserve balance is 25% of budgeted expenditures.
- This is the fourth consecutive year the reserve has had a balance that is below the minimum requirement. The reserve has been drawn on more than budgeted in recent years mainly due to lower than expected volumes of building applications and permits.
- A report was provided to Executive Committee on January 27, and approved by City Council on February 3 outlining the Planning and Development Business Model fiscal strategy. Council has approved an exception to the Planning and Development Reserve minimum balance requirements under Policy C610 Fiscal Policy for the Planning and Development Business until December 31, 2022.  
*Next steps forward include:*
  - Continue to monitor revenue forecasts and manage costs,
  - Commence Cost of Service study based on 2019 operating costs,
  - Provide a Q1 report to Executive Committee on Permitting and Licensing Improvements.

Further details on the variances from budget in the Development Services program are provided for in "Tax-Supported Operations - By Department and Branch".

## Traffic Safety and Automated Enforcement Reserve



- 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 traffic safety initiatives and other programs approved by City Council through the budget process. Changes in driving behaviour has resulted in declining revenues from automated enforcement. This revenue is shared between the Edmonton Police Service and Parks and Road Services to fund traffic safety measures including technology, engineering measures, signage and signaling. The decrease in revenues must be balanced with continued work to keep motorists, cyclists, and pedestrians safe on our roadways.
- The December 31, 2019 year-end balance of the reserve for 2019 is \$16.9 million, which is above its minimum required balance of \$2.5 million for 2019. The minimum balance is calculated as 5% of budgeted annual revenue in accordance with City Policy *C579B Traffic Safety and Automated Enforcement Reserve*. In the event the reserve balance falls below the minimum level, a strategy is required to achieve the minimum level over a period not to exceed three years.
- The 2019/2020 provincial budget was released October 24, 2019 and included a reduction in the City's share of automated enforcement revenues from 73.3% to 60% starting in 2020 and continuing on an on-going basis. The City is still assessing the impact to annual automated enforcement revenues and the Traffic Safety and Automated Enforcement Reserve. Early analysis indicates annual revenues could decrease in the range of \$7 to \$9 million. Based on this the 2020-2022 revenue budgets were revised as part of the Fall SOBA approved by Council on December 11, 2019. The 2020-2022 budgets have been updated to reflect the approved changes per the SOBA. With the reduced revenue the current budgeted 2022 available funds in the reserve is \$2.7 million. This balance is prior to anticipated 2019 capital budget carryforwards and proposed funding changes.
- Traffic Safety Automated Enforcement Reserve Update report CR\_7853 was presented to the Community and Public Services Committee on February, 26, 2020. This report outlines possible reductions to operating funding budgets to cover the capital carryforwards and to provide possible funding for speed limit reduction. Administration will bring any necessary budget adjustments forward for Council consideration in the upcoming spring Supplemental Operating Budget Adjustment and/or Supplemental Capital Budget Adjustment processes. In Q4 2020, Administration will present the draft Safe Mobility Strategy 2021-2025 and will bring forward a plan that takes into account revised revenue projections while outlining how to achieve a sustainable reserve while funding Operating and Capital Budgets.

A schedule of the reserve balance including the projected balance for 2019 is included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

**Traffic Safety and Automated Enforcement Reserve Schedule**  
**December 2019**  
(\$ millions)

**Summary Schedule**

	2019			2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>
	Approved Budget	Year-to-Date Actual (Dec 31)	Remaining (Budget - Actual)	Approved Budget	Approved Budget	Approved Budget
Transfers to the Reserve: Automated enforcement revenues and interest earnings	50.8	53.2	2.4	45.7	40.9	38.3
Funding from the reserve	(56.8)	(51.7)	(5.1)	(48.4)	(46.2)	(42.6)
<b>Annual Surplus/(Deficit)</b>	<b>(6.0)</b>	<b>1.5</b>		<b>(2.7)</b>	<b>(5.3)</b>	<b>(4.3)</b>
Opening Reserve Balance	15.4	15.4		16.9	14.2	8.9
<b>Closing Reserve balance (Cumulative)</b>	<b>9.4</b>	<b>16.9</b>		<b>14.2</b>	<b>8.9</b>	<b>4.6</b>
Minimum reserve balance - 5% of budgeted revenues	2.5	2.5		2.3	2.0	1.9
Available funds (closing reserve balance less minimum reserve balance)	6.9			11.9	6.9	2.7

(Detailed schedule on next page)

**Traffic Safety and Automated Enforcement Reserve Schedule**  
**December 2019**  
**(\$ millions)**

**Detailed Schedule**

	2019			2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>
	Approved Budget	Year-to-Date Actual (Dec 31)	Remaining (Budget - Actual)	Approved Budget	Approved Budget	Approved Budget
Transfers to the Reserve:						
Automated enforcement revenues	50.8	52.9	2.1	45.7	40.9	38.3
Interest earnings	-	0.3	0.3			
	50.8	53.2	2.4	45.7	40.9	38.3
Funding from the reserve:						
<i>Operating:</i>						
Edmonton Police Service	(22.3)	(22.3)	0.0	(22.3)	(22.3)	(22.3)
Traffic Safety section	(14.1)	(13.0)	(1.1)	(14.0)	(14.0)	(13.9)
Road Safety Strategy - Public Engagement (Marketing)	(1.0)	(0.5)	(0.5)	(0.7)	(0.7)	(0.7)
Corporate Traffic Safety Initiatives	(3.3)	(3.3)	-	(2.2)	(1.1)	-
Community Facility Partner Capital Grant Program	(2.9)	(2.9)	-	(2.9)	(1.8)	-
	(43.6)	(42.0)	(1.6)	(42.1)	(39.9)	(36.9)
<i>Capital:</i> <sup>2</sup>						
Traffic Signals - Pedestrian Vehicle Safety (CM-66-2520)	(1.1)	(1.3)	0.2	-	-	-
Community Traffic Safety Countermeasures (CM-66-2555)	(1.5)	(1.2)	(0.3)	-	-	-
Engineering and School Safety Measures (CM-66-2570)	(0.3)	(0.1)	(0.2)	-	-	-
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(0.6)	(0.2)	(0.4)	(0.6)	(0.6)	-
Crosswalk Safety (CM-66-2585)	(3.9)	(2.5)	(1.4)	(3.0)	(3.0)	(3.0)
School Safety (CM-66-2590)	(1.3)	(0.8)	(0.5)	(2.7)	(2.7)	(2.7)
Traffic Safety Engineering Measures (CM-66-2550)	(1.5)	(0.9)	(0.6)	-	-	-
Traffic Safety - Speed Management Equipment (CM-66-2545)	(3.0)	(2.7)	(0.3)	-	-	-
	(13.2)	(9.7)	(3.5)	(6.3)	(6.3)	(5.7)
Total funding from the reserve	(56.8)	(51.7)	(5.1)	(48.4)	(46.2)	(42.6)
<b>Annual Surplus/(Deficit)</b>	<b>(6.0)</b>	<b>1.5</b>		<b>(2.7)</b>	<b>(5.3)</b>	<b>(4.3)</b>
Opening Reserve Balance	15.4	15.4		16.9	14.2	8.9
<b>Closing Reserve balance (Cumulative)</b>	<b>9.4</b>	<b>16.9</b>		<b>14.2</b>	<b>8.9</b>	<b>4.6</b>
Minimum reserve balance - 5% of budgeted revenues	2.5	2.5		2.3	2.0	1.9
Available funds (closing reserve balance less minimum reserve balance)	6.9	14.4		11.9	6.9	2.7



**Traffic Safety and Automated Enforcement Reserve Schedule**

**December 2019**

**(\$ millions)**

**Notes:**

1. Funding from the reserve from for 2019 is based on the approved 2019-2022 operating and capital budgets, approved carryforward of unspent 2018 budgets, and approved budget changes per the 2019 Spring Supplemental Capital Budget Adjustment approved by Council on June 4, 2019.

The 2019/2020 provincial budget was released on October 24, 2019 and included a reduction in the City's share of automated enforcement revenues from 73.3% to 60% starting in 2020 and continuing on an on-going basis. The City is still assessing the impact to annual automated enforcement revenues and the Traffic Safety and Automated Enforcement Reserve. Early analysis indicates annual revenues could decrease in the range of \$7 to \$9 million. Based on this the 2020-2022 revenue budgets were revised as part of the Fall SOBA approved by Council on December 11, 2019. The 2020-2022 budgets have been updated to reflect the approved changes per the SOBA.

2. Road Safety Strategy capital profiles were approved through the Implementation Plan for the 2016-2020 Road Safety Strategy - Report CR\_2981 (November 27, 2015 City Council Meeting) with budget approved into 2019 as part of the 2018 capital budget carryforward process. Additional capital profiles were approved on June 4, 2019 as part of CR\_7087 Unfunded Capital Profile – School Safety Program.

**Tax-Supported Operations - December 31, 2019 Preliminary Financial Results**

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

(in \$000's)	Year-End				
	Budget	Results	Variance \$	%	
<b>Citizen Services</b>					
Community and Recreation Facilities	Revenue	71,330	63,215	(8,115) <span style="color: red;">●</span>	(11.4)
	Expense	130,428	126,050	4,378 <span style="color: green;">●</span>	3.4
	Net Position	(59,098)	(62,835)	(3,737) <span style="color: yellow;">●</span>	(6.3)
Community Standards and Neighbourhoods	Revenue	6,318	5,102	(1,216) <span style="color: red;">●</span>	(19.2)
	Expense	51,078	49,647	1,431 <span style="color: green;">●</span>	2.8
	Net Position	(44,760)	(44,545)	215 <span style="color: green;">●</span>	0.5
Fire Rescue Services	Revenue	2,267	2,475	208 <span style="color: green;">●</span>	9.2
	Expense	226,638	223,762	2,876 <span style="color: green;">●</span>	1.3
	Net Position	(224,371)	(221,287)	3,084 <span style="color: green;">●</span>	1.4
Integrated Strategic Development	Revenue	46	46	- <span style="color: green;">●</span>	-
	Expense	7,002	6,242	760 <span style="color: green;">●</span>	10.9
	Net Position	(6,956)	(6,196)	760 <span style="color: green;">●</span>	10.9
Social Development	Revenue	35,990	34,247	(1,743) <span style="color: yellow;">●</span>	(4.8)
	Expense	71,522	67,874	3,648 <span style="color: green;">●</span>	5.1
	Net Position	(35,532)	(33,627)	1,905 <span style="color: green;">●</span>	5.4
<b>Citizen Services</b>					
	Revenue	115,951	105,085	(10,866) <span style="color: yellow;">●</span>	(9.4)
	Expense	486,668	473,575	13,093 <span style="color: green;">●</span>	2.7
	Net Position	(370,717)	(368,490)	2,227 <span style="color: green;">●</span>	0.6
<b>City Operations</b>					
Business Performance and Customer Experience	Revenue	-	-	- <span style="color: green;">●</span>	-
	Expense	2,525	2,404	121 <span style="color: green;">●</span>	4.8
	Net Position	(2,525)	(2,404)	121 <span style="color: green;">●</span>	4.8
Edmonton Transit	Revenue	138,421	135,226	(3,195) <span style="color: yellow;">●</span>	(2.3)
	Expense	363,340	365,122	(1,782) <span style="color: yellow;">●</span>	(0.5)
	Net Position	(224,919)	(229,896)	(4,977) <span style="color: yellow;">●</span>	(2.2)
Fleet and Facility Services	Revenue	16,950	17,347	397 <span style="color: green;">●</span>	2.3
	Expense	86,033	79,836	6,197 <span style="color: green;">●</span>	7.2
	Net Position	(69,083)	(62,489)	6,594 <span style="color: green;">●</span>	9.5
Parks and Road Services	Revenue	50,530	52,323	1,793 <span style="color: green;">●</span>	3.5
	Expense	191,137	196,938	(5,801) <span style="color: yellow;">●</span>	(3.0)
	Net Position	(140,607)	(144,615)	(4,008) <span style="color: yellow;">●</span>	(2.9)
Snow and Ice Control	Revenue	13	26	13 <span style="color: green;">●</span>	100.0
	Expense	63,740	54,006	9,734 <span style="color: green;">●</span>	15.3
	Net Position	(63,727)	(53,980)	9,747 <span style="color: green;">●</span>	15.3
41 Avenue/Queen Elizabeth Highway 2 Interchange	Revenue	2,008	602	(1,406) <span style="color: red;">●</span>	(70.0)
	Expense	2,008	602	1,406 <span style="color: green;">●</span>	70.0
	Net Position	-	-	- <span style="color: green;">●</span>	-
<b>City Operations</b>					
	Revenue	207,922	205,524	(2,398) <span style="color: yellow;">●</span>	(1.2)
	Expense	708,783	698,908	9,875 <span style="color: green;">●</span>	1.4
	Net Position	(500,861)	(493,384)	7,477 <span style="color: green;">●</span>	1.5

**Tax-Supported Operations - December 31, 2019 Preliminary Financial Results**

- Favourable budget variance, >= 0%
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(in \$000's)	Year-End				
	Budget	Results	Variance \$	%	
<b>Communications and Engagement</b>					
Engagement	Revenue	590	457	(133) <span style="color: red;">●</span>	(22.5)
	Expense	17,561	17,733	(172) <span style="color: yellow;">●</span>	(1.0)
	Net Position	(16,971)	(17,276)	(305) <span style="color: yellow;">●</span>	(1.8)
External and Intergovernmental Relations	Revenue	-	-	- <span style="color: green;">●</span>	-
	Expense	3,374	3,020	354 <span style="color: green;">●</span>	10.5
	Net Position	(3,374)	(3,020)	354 <span style="color: green;">●</span>	10.5
Reputation and Brand	Revenue	265	198	(67) <span style="color: red;">●</span>	(25.3)
	Expense	2,845	2,722	123 <span style="color: green;">●</span>	4.3
	Net Position	(2,580)	(2,524)	56 <span style="color: green;">●</span>	2.2
Integrated Marketing Communications	Revenue	1,311	875	(436) <span style="color: red;">●</span>	(33.3)
	Expense	11,295	10,353	942 <span style="color: green;">●</span>	8.3
	Net Position	(9,984)	(9,478)	506 <span style="color: green;">●</span>	5.1
<b>Communications and Engagement</b>					
	Revenue	2,166	1,530	(636) <span style="color: red;">●</span>	(29.4)
	Expense	35,075	33,828	1,247 <span style="color: green;">●</span>	3.6
	Net Position	(32,909)	(32,298)	611 <span style="color: green;">●</span>	1.9
<b>Employee Services</b>					
Workforce Safety and Employee Health	Revenue	-	-	- <span style="color: green;">●</span>	-
	Expense	7,344	6,979	365 <span style="color: green;">●</span>	5.0
	Net Position	(7,344)	(6,979)	365 <span style="color: green;">●</span>	5.0
Talent Acquisition, Service and Solutions	Revenue	-	4	4 <span style="color: green;">●</span>	-
	Expense	13,021	12,692	329 <span style="color: green;">●</span>	2.5
	Net Position	(13,021)	(12,688)	333 <span style="color: green;">●</span>	2.6
Organizational Design and Development	Revenue	-	1	1 <span style="color: green;">●</span>	-
	Expense	2,840	2,480	360 <span style="color: green;">●</span>	12.7
	Net Position	(2,840)	(2,479)	361 <span style="color: green;">●</span>	12.7
Employee Relations and Compensation	Revenue	-	4	4 <span style="color: green;">●</span>	-
	Expense	4,318	4,198	120 <span style="color: green;">●</span>	2.8
	Net Position	(4,318)	(4,194)	124 <span style="color: green;">●</span>	2.9
<b>Employee Services</b>					
	Revenue	-	9	9 <span style="color: green;">●</span>	-
	Expense	27,523	26,349	1,174 <span style="color: green;">●</span>	4.3
	Net Position	(27,523)	(26,340)	1,183 <span style="color: green;">●</span>	4.3

**Tax-Supported Operations - December 31, 2019 Preliminary Financial Results**

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(in \$000's)	Year-End				
	Budget	Results	Variance \$	%	
<b>Financial and Corporate Services</b>					
Assessment and Taxation	Revenue	-	11	11 ●	-
	Expense	21,752	20,393	1,359 ●	6.2
	Net Position	(21,752)	(20,382)	1,370 ●	6.3
Corporate Procurement and Supply Services	Revenue	362	668	306 ●	84.5
	Expense	18,172	18,781	(609) ●	(3.4)
	Net Position	(17,810)	(18,113)	(303) ●	(1.7)
Financial Services	Revenue	1,866	1,704	(162) ●	(8.7)
	Expense	22,692	20,345	2,347 ●	10.3
	Net Position	(20,826)	(18,641)	2,185 ●	10.5
Open City and Technology	Revenue	627	684	57 ●	9.1
	Expense	50,068	49,410	658 ●	1.3
	Net Position	(49,441)	(48,726)	715 ●	1.4
Real Estate	Revenue	10,757	17,444	6,687 ●	62.2
	Expense	37,232	39,726	(2,494) ●	(6.7)
	Net Position	(26,475)	(22,282)	4,193 ●	15.8
<b>Financial and Corporate Services</b>					
	Revenue	13,612	20,511	6,899 ●	50.7
	Expense	149,916	148,655	1,261 ●	0.8
	Net Position	(136,304)	(128,144)	8,160 ●	6.0
<b>Integrated Infrastructure Services</b>					
Building Great Neighbourhoods and Open Spaces	Revenue	-	459	459 ●	-
	Expense	2,643	2,908	(265) ●	(10.0)
	Net Position	(2,643)	(2,449)	194 ●	7.3
Business Planning and Support	Revenue	645	793	148 ●	22.9
	Expense	7,143	6,284	859 ●	12.0
	Net Position	(6,498)	(5,491)	1,007 ●	15.5
Infrastructure Delivery	Revenue	4,520	2,521	(1,999) ●	(44.2)
	Expense	9,158	5,751	3,407 ●	37.2
	Net Position	(4,638)	(3,230)	1,408 ●	30.4
Infrastructure Planning and Design	Revenue	117	2,789	2,672 ●	#####
	Expense	8,259	12,897	(4,638) ●	(56.2)
	Net Position	(8,142)	(10,108)	(1,966) ●	(24.1)
LRT Expansion and Renewal	Revenue	715	1,356	641 ●	89.7
	Expense	1,433	2,598	(1,165) ●	(81.3)
	Net Position	(718)	(1,242)	(524) ●	(73.0)
<b>Integrated Infrastructure Services</b>					
	Revenue	5,997	7,918	1,921 ●	32.0
	Expense	28,636	30,438	(1,802) ●	(6.3)
	Net Position	(22,639)	(22,520)	119 ●	0.5

**Tax-Supported Operations - December 31, 2019 Preliminary Financial Results**

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(in \$000's)	Year-End			
	Budget	Results	Variance \$	%
<b>Urban Form and Corporate Strategic Development</b>				
City Planning	Revenue	75,413	45,754	(29,659) <span style="color: red;">●</span> (39.3)
	Expense	97,080	64,987	32,093 <span style="color: green;">●</span> 33.1
	Net Position	(21,667)	(19,233)	2,434 <span style="color: green;">●</span> 11.2
Corporate Strategy	Revenue	650	-	(650) <span style="color: red;">●</span> (100.0)
	Expense	7,108	5,627	1,481 <span style="color: green;">●</span> 20.8
	Net Position	(6,458)	(5,627)	831 <span style="color: green;">●</span> 12.9
Development Services	Revenue	69,277	59,978	(9,299) <span style="color: red;">●</span> (13.4)
	Net transfer to/(from)	4,307	1,567	2,740 <span style="color: green;">●</span> 63.6
	P&D Reserve			
	Expense	70,848	66,227	4,621 <span style="color: green;">●</span> 6.5
	Net Position	(5,878)	(7,816)	(1,938) <span style="color: red;">●</span> (33.0)
Economic and Environmental Sustainability	Revenue	7,942	6,321	(1,621) <span style="color: red;">●</span> (20.4)
	Expense	34,350	30,583	3,767 <span style="color: green;">●</span> 11.0
	Net Position	(26,408)	(24,262)	2,146 <span style="color: green;">●</span> 8.1
Quarters Community Revitalization Levy	Net Position **	(142)	(142)	- <span style="color: green;">●</span> -
** In the 2012 Operating budget, City Council approved an operating expense budget of \$620 for The Quarters project office, offset by \$478 in CRL revenues and tax-levy of \$142. Additional details on the Community Revitalization Levy programs are included in the section titled "Community Revitalization Levy Operations".				
<b>Urban Form and Corporate Strategic Development</b>				
	Revenue	158,223	116,818	(41,405) <span style="color: red;">●</span> (26.2)
	Expense	218,776	173,898	44,878 <span style="color: green;">●</span> 20.5
	Net Position	(60,553)	(57,080)	3,473 <span style="color: green;">●</span> 5.7
<b>Office of the City Manager</b>				
City Manager	Revenue	-	-	- <span style="color: green;">●</span> -
	Expense	2,058	2,304	(246) <span style="color: red;">●</span> (12.0)
	Net Position	(2,058)	(2,304)	(246) <span style="color: red;">●</span> (12.0)
Office of the City Clerk	Revenue	2,034	892	(1,142) <span style="color: red;">●</span> (56.1)
	Expense	13,866	12,568	1,298 <span style="color: green;">●</span> 9.4
	Net Position	(11,832)	(11,676)	156 <span style="color: green;">●</span> 1.3
Law	Revenue	-	3	3 <span style="color: green;">●</span> -
	Expense	11,884	11,994	(110) <span style="color: yellow;">●</span> (0.9)
	Net Position	(11,884)	(11,991)	(107) <span style="color: yellow;">●</span> (0.9)
<b>Office of the City Manager</b>				
	Revenue	2,034	895	(1,139) <span style="color: red;">●</span> (56.0)
	Expense	27,808	26,866	942 <span style="color: green;">●</span> 3.4
	Net Position	(25,774)	(25,971)	(197) <span style="color: yellow;">●</span> (0.8)
<b>Mayor and Councillors Offices</b>				
	Revenue	25	34	9 <span style="color: green;">●</span> 36.0
	Expense	6,883	6,057	826 <span style="color: green;">●</span> 12.0
	Net Position	(6,858)	(6,023)	835 <span style="color: green;">●</span> 12.2
<b>Office of the City Auditor</b>				
	Revenue	-	-	- <span style="color: green;">●</span> -
	Expense	2,626	2,533	93 <span style="color: green;">●</span> 3.5
	Net Position	(2,626)	(2,533)	93 <span style="color: green;">●</span> 3.5
<b>Boards and Authorities</b>				
	Revenue	3,759	559	(3,200) <span style="color: red;">●</span> (85.1)
	Expense	115,719	112,316	3,403 <span style="color: green;">●</span> 2.9
	Net Position	(111,960)	(111,757)	203 <span style="color: green;">●</span> 0.2
<b>Sub-Total</b>				
Department Programs	Revenue	509,689	458,883	(50,806) <span style="color: yellow;">●</span> (10.0)
	Expense	1,808,413	1,733,423	74,990 <span style="color: green;">●</span> 4.1
	Net Position	(1,298,724)	(1,274,540)	24,184 <span style="color: green;">●</span> 1.9

**Tax-Supported Operations - December 31, 2019 Preliminary Financial Results**

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(in \$000's)	Year-End			
	Budget	Results	Variance \$	%
<b>Corporate Programs</b>				
Capital Project Financing	Revenue	259,399	256,284	(3,115) ● (1.2)
	Expense	432,710	429,051	3,659 ● 0.8
	<b>Net Position</b>	<b>(173,311)</b>	<b>(172,767)</b>	<b>544 ● 0.3</b>
Corporate Expenses	Revenue	1,045	1,066	21 ● 2.0
	Expense	23,497	21,580	1,917 ● 8.2
	<b>Net Position</b>	<b>(22,452)</b>	<b>(20,514)</b>	<b>1,938 ● 8.6</b>
Corporate Revenues	Revenue	397,763	396,333	(1,430) ● (0.4)
	Expense	88	(634)	722 ● 820.5
	<b>Net Position</b>	<b>397,675</b>	<b>396,967</b>	<b>(708) ● (0.2)</b>
Taxation Expense	Revenue	4,700	5,734	1,034 ● 22.0
	Expense	11,250	15,878	(4,628) ● (41.1)
	<b>Net Position</b>	<b>(6,550)</b>	<b>(10,144)</b>	<b>(3,594) ● (54.9)</b>
Taxation Revenues	Revenue	1,652,732	1,650,573	(2,159) ● (0.1)
	Expense	-	-	- ● -
	<b>Net Position</b>	<b>1,652,732</b>	<b>1,650,573</b>	<b>(2,159) ● (0.1)</b>
Traffic Safety and Automated Enforcement	Revenue	50,750	52,851	2,101 ● 4.1
	Net transfer to/(from)	50,750	52,851	(2,101) ● (4.1)
	TSAE Reserve	-	-	- ● -
	<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>- ● -</b>
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	- ● -
	Expense	155,946	155,946	- ● -
	<b>Net Position</b>	<b>(155,946)</b>	<b>(155,946)</b>	<b>- ● -</b>
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	- ● -
	Expense	35,800	35,800	- ● -
	<b>Net Position</b>	<b>(35,800)</b>	<b>(35,800)</b>	<b>- ● -</b>
<b>Corporate Programs</b>				
	Revenue	2,366,389	2,362,841	(3,548) ● (0.1)
	Expense	710,041	710,472	(431) ● (0.1)
	<b>Net Position</b>	<b>1,656,348</b>	<b>1,652,369</b>	<b>(3,979) ● (0.2)</b>
<b>Total Tax-Supported Operations (excluding Police Services)</b>	<b>Revenue</b>	<b>2,876,078</b>	<b>2,821,724</b>	<b>(54,354) ● (1.9)</b>
	<b>Expense</b>	<b>2,518,454</b>	<b>2,443,895</b>	<b>74,559 ● 3.0</b>
	<b>Net Position</b>	<b>357,624</b>	<b>377,829</b>	<b>20,205 ● 0.0</b>
<b>Police Services</b>				
	Revenue	96,957	94,470	(2,487) ● (2.6)
	Expense	454,581	451,011	3,570 ● 0.8
	<b>Net Income /(Deficit)</b>	<b>(357,624)</b>	<b>(356,541)</b>	<b>1,083 ● 0.3</b>
	Net transfer to/(from)	-	1,083	(1,083) ● -
	EPS Reserve	-	1,083	(1,083) ● -
	<b>Net Position</b>	<b>(357,624)</b>	<b>(355,458)</b>	<b>- ● -</b>
<b>Total Tax-Supported Operations</b>	<b>Revenue</b>	<b>2,973,035</b>	<b>2,916,194</b>	<b>(56,841) ● (1.9)</b>
	<b>Expense</b>	<b>2,973,035</b>	<b>2,895,989</b>	<b>77,046 ● 2.6</b>
	<b>Net Position</b>	<b>-</b>	<b>20,205</b>	<b>20,205 ● 0.0</b>