

December 2010 Preliminary Year-end Financial Results – Operating and Capital

Recommendation:

That the 2011 Operating Budget be amended as follows:

1. That \$6.552 million be transferred from the Financial Stabilization Reserve to cover carry-forward requests where 2011 commitments exist, as outlined in Attachment 1, item 3, of the April 6, 2011, Finance and Treasury Department report 2011CF2049.
2. That \$1.833 million be transferred from the Financial Stabilization Reserve to fund the Council approved contribution to the 2011 Indy, as outlined in Attachment 1, item 4, of the April 6, 2011, Finance and Treasury Department report 2011CF2049.

Report Summary

This report outlines the preliminary financial results for operating and capital as at December 31, 2010, and makes recommendations on how the surplus is to be utilized. Results remain subject to finalization and external audit.

Report

The Corporate Finance area is finalizing the review and consolidation of the 2010 financial results of the City. As well, the external auditors are finishing their audit work. These preliminary results will be updated for any changes, which may be identified and the final audited financial

statements will be provided to Audit Committee on April 18, 2011, and to Council for approval on April 27, 2011.

Tax-supported Operations

With approval of the report recommendations and consistent with City Policy, the net surplus transfer to the Financial Stabilization Reserve relating to 2010 tax-supported operations, is projected to be \$25.6 million.

Preliminary results for 2010 tax-supported operations are for a positive variance of \$42 million (2.5 percent of the 2010 budgeted expenditures), before Council decisions and carry-forward requests. Amounts are being recommended in this report to be carried forward to 2011 to fund expenditures not completed in 2010 (\$6.552 million), and to fund the City sponsorship of the 2011 Indy (\$1.833 million).

Allocations that have been approved by Council during the 2011 budget deliberations or in subsequent decisions total \$8 million. During the 2011 budget discussions, financing requirements for the Abbotsfield Recreation Centre and the capital replacement of seats in Commonwealth Stadium were raised, but funding sources were not identified at that time.

The projected net operating surplus for 2010 of \$25.6 million will be transferred to the Financial Stabilization Reserve. Details on the Financial Stabilization Reserve and the carry-forward requests are found in Attachment 1.

Early indications in 2011 are for snow removal expenditures to exceed budget

and for speed on green enforcement revenues to be less than budgeted. These challenges may require support from the Financial Stabilization Reserve if no offsetting positive budget variances are generated in 2011.

The year-end variance for tax-supported operations is primarily as a result of the following:

- \$11.7 million net variance from Transportation Systems winter and summer road program as a result of weather conditions in 2010.
- \$11.2 million from Corporate Expenditures resulting primarily from lower debt servicing costs and personnel savings initiated from the service and budget review. \$10.8 million of this variance was identified during the year and budget reallocations were approved by Council in November, 2010. Most of the expenditures will not take place until 2011, so carry-forward requests must be approved.
- \$4.1 million net from Public Transit, arising from \$9.1 million in lower personnel costs and contract work deferred to 2011, offset by \$5 million lower than budgeted transit ridership revenue. Year over year actual fare revenue is up 6.7 percent, but this is still below the budgeted increase of 13.3 percent.
- \$3.9 million from Police Services for higher revenues related to enforcement and lower than budgeted operating and personnel costs.
- \$2.6 million from planning, policy and community standards for lower than anticipated grant paid out during the year, e.g. Aboriginal Transitional Component.

- \$8.5 million from all other program areas with individually less than \$2 million in net variance. See Attachment 3 for details.

Additional investment earnings of \$19.7 million were redirected to fund capital consistent with the corporate strategy to manage risks around volatility. This additional funding will assist in making up the shortfall within the 2009-11 Capital Budget for pay-as-you-go financing, with the remaining shortfall of \$8 million to be made up in 2011.

Attachment 2 outlines the preliminary net year-end variances by program. Additional detail explaining significant variances is provided in Attachment 3.

Enterprise and Utility Operations

Preliminary year-end results and variance explanations for the Enterprise and Utility Operations are displayed in Attachments 4 and 5.

Capital Expenditures

2010 is the second year of the three year 2009 – 2011 Capital Budget. At year end, preliminary results are for 2010 capital expenditures of \$1,002.5 million against a budgeted \$1,457.3 million. The variance of \$454.8 million or 31.2 percent of the budget is made up of \$244.1 million from tax-supported programs and \$210.7 million from utility/enterprise programs. These funds will be utilized in 2011 in order to complete the approved projects.

A considerable amount of capital work has been achieved during 2010 and through the 2009 – 2011 budget cycle thus far. Annual capital budgets and

expenditures have ramped up significantly since 2006. The tracking of actual expenditures had been getting closer relative to budget in each of the past four years. However, 2010 ended with a greater variance because of delays caused by weather, land acquisition, resourcing constraints and coordination challenges with partners. Deferrals and uncertainty around the Municipal Sustainability Initiative grant funding impacted the ability to move some of the capital projects forward in a timely manner. There were also fewer projects advanced ahead of schedule in 2010.

Attachment 7 summarizes the year-end capital variances by program and the utilization of financing sources for 2010.

In response to Council's request for enhanced updates on capital projects, further details for significant capital projects (total project budgets greater than \$25 million) have been provided in Attachment 8. Almost all of these significant capital projects are expected to be on budget over the project life.

The New Southwest Transit Garage project number 05-75-3805 is expected to come under budget by \$6.3 million. Once this project is complete this may allow up to \$5.9 million of Municipal Sustainability Initiative grant financing to be reallocated to other eligible projects. An update will be provided with the spring 2011 capital budget adjustment.

Reserves

City policy C217B *Reserve and Equity Accounts* directs the establishment and processes with respect to reserves. A review of reserve balances and related policies was completed in 2009 to

ensure continued prudent financial management and alignment with priorities. The next general reserve review is planned for 2012.

City Policy directs that 100 percent of any tax-supported operating surplus be placed in the Financial Stabilization Reserve, available to address emergent financial issues on a transitional basis. Based on the policy approved in 2009, the Financial Stabilization Reserve is to have a minimum balance of 5 percent with a target balance of 8.3 percent (estimated one month equivalent) of current general government operating expenses.

Attachment 1 provides the background relating to the reserve balance as well as the recommendations for funding raised in this report.

Council has made decisions to apply \$8 million of the 2010 positive operating variance to services, programs and projects in 2011. This report recommends that an additional \$8.4 million in positive variance be carried forward to 2011 to complete approved projects and to fund Council approved contributions to the 2011 Indy.

The remaining net operating surplus from 2010, estimated to be \$25.6 million, would remain in the Financial Stabilization Reserve, available to address future challenges.

Other reserves to note with this reporting include the Current Planning Reserve and the Neighbourhood Renewal Reserve.

Consistent with the Current Planning Reserve concept approved by City

Council, \$6.3 million has been transferred from the 2010 Current Planning program results within Planning and Development to the reserve. This transfer was \$5.4 million higher than the level budgeted for 2010. The Current Planning Reserve is intended to offset planning revenue fluctuation, stabilize resources over extended periods of time and fund initiatives to enhance planning service and accountability. More detail is provided in Attachment 3.

The Neighbourhood Renewal Reserve is dedicated to the Neighbourhood Renewal Program and contains the tax funding that has not been used in the current year for capital expenditures. The reserve ends the year with a balance of \$2.6 million to be utilized in 2011.

Over the years, amounts have been appropriated from the Financial Stabilization Reserve and set aside to fund specific future expenditures. Table 5 of Attachment 1 provides a listing of approved projects/agreements, totalling \$31.6 million, where commitments have been made and expenditures are expected to be incurred in the future, as well as the impact of recommendations within this report.

Financial Trend Information

Summary financial information for 2010 tax-supported operating results and capital spending has been compared to that of the past four years in Attachment 6.

Policy

Finance and Treasury Department report 2011CF2049 contributes to

meeting reporting requirements outlined in the *Municipal Government Act* and is compliant with policy C217B *Reserve and Equity Accounts*.

Corporate Outcomes

This report contributes to Council's strategic plan in terms of ensuring Edmonton's financial stability.

Justification of Recommendation

1. Approval of \$6.552 million from the Financial Stabilization Reserve for carry-forward requests where commitments exist, will allow the continuation of these initiatives.
2. Council has previously approved a contribution to the 2011 Indy, but a funding source had not previously been identified.

Attachments

1. Financial Stabilization Reserve and Carry-forward requests
2. Tax Supported Operations – December 2010 Preliminary Financial Results
3. Tax Supported Operations December 2010 Preliminary Variance Details
4. Enterprise and Utility Operations – December 2010 Preliminary Financial Results
5. Enterprise and Utility Operations December 2010 Preliminary Variance Details
6. Summary Financial Trend Information
7. Preliminary Combined Capital Results – December 2010
8. Significant Capital Projects Update – December 2010

Financial Stabilization Reserve and Carry-forward requests

Table 1 – Application of 2010 Surplus (\$000's)

2010 Operating Results – Preliminary	\$ 41,971
Council approved – 2011 Budget items (Note 1)	(6,950)
Council approved – 311 Financing of capital (Note 2)	(1,077)
Recommendation 1 – Carry-forward requests – existing commitments (Note 3)	(6,552)
Recommendation 2 – 2011 Indy contribution (Note 4)	(1,833)
Adjustment to 2010 Results	(16,412)
2010 Net Operating Surplus – Preliminary (Note 5)	\$ 25,559

Notes:

1. City Council has approved use of the 2010 surplus for the following items in 2011 (\$000's):

2011 budget motions for one-time funding:	
Financial strategies adjustment *	\$ 1,195
Family and Community support services for emergency funding	1,000
Façade Improvement Program	900
Regional economic strategy	860
Tree pruning and watering	750
Glass replacement project at Citadel Theatre	381
Two Mott Mowers	274
World Hockey Championships	250
Churchill Square programming	250
Aviation Museum operations (subject to review by administration)	200
Heavy Oil Congress	200
Installation of park benches	100
Additional temporary weed inspectors	90
Edmonton Salutes	60
Creative Age Festival Arts Council	50
Education & Awareness Campaign on Weed Control	40
EXPO bid cancelled (from the Office of the City Manager)	(900)
	<u>5,700</u>

*An additional amount of \$700 from annualization was approved during the 2011 budget deliberations for a total addition to financial strategies of \$1,895 (total City Council one-time funding was \$6,400).

Design costs for the second floor of the Mill Woods Library Branch (Council approval February 2, 2011)	1,000
Responsible Hospitality Edmonton program initiatives manager and support (Council approval February 16, 2011)	250
	<u>\$ 6,950</u>
2. In the 2010 budget decisions, City Council approved that financing for 311 related capital be provided from future operating surplus. The 311 repayment assumes an eight year repayment schedule, with \$1,077 for years one through seven, with a final payment of \$1,432 in year eight (2017). The second installment of \$1,077 in 2011 will leave a remaining balance of \$6,817 to be financed in future years.	<u>\$ 1,077</u>
3. Recommendation 1 includes operating commitments provided for in the 2010 approved budget that were not completed by year-end. Budget funding will need to be provided in 2011 to complete the related expenditures (\$000's):	
Corporate Programs	
South Edmonton Multicultural Centre	\$ 2,254
Jerry Forbes Centre – Santa's Anonymous	2,000
Management Initiatives (Office of the City Manager)	335
Corporate Services	
2010 Election	467
Major Corporate Events and Emergent Events	261
Assessment Review Board	75
Planning & Development – Planning, Policy and Community Standards	487
Policy initiatives for the Transit-oriented development guidelines, North Bank Project, Strathcona Junction Area Redevelopment Plan and Stadium Station Transit-oriented development plan.	
Community Services – Neighbourhood and Community Development	135
Continuing Support of Mapping and Planning Support (MAPS) work and Community Planning Partnership	
Finance & Treasury	
The Way We Finance and Infrastructure Plan	263
Cognos performance measurement software (DCMO in 2010)	275
	<u>\$ 6,552</u>

4. **Recommendation 2** identifies the 2010 surplus as a funding source for the Council approved contribution to the 2011 Indy. \$ 1,833
5. The remaining balance of the 2010 operating surplus (preliminary estimate of \$25,559) will remain in the Financial Stabilization Reserve unappropriated balance, to provide flexibility to address future challenges and achieve the Financial Stabilization Reserve target balance.

Table 2 – Financial Stabilization Reserve – Position After Recommendations (\$000's)

	Unappropriated	Appropriated
FSR Closing Balance at December 31, 2010 (prior to report recommendations)	\$ 95,100	\$ 31,614
Net FSR Contribution after recommendations (Table 1)	25,559	16,412
FSR Closing Balance (after recommendations)	\$120,659	\$ 48,026

Table 3 – 2010 Financial Stabilization Reserve - Minimum and Target Balances (\$000's)

FSR Minimum Balance (5%) - Preliminary	\$ 72,400
FSR Target Balance (8.3%) - Preliminary	\$ 120,200

Table 4 – Unappropriated Financial Stabilization Reserve – Five Year Trend (\$000's)

	Projection (after recommendations)	2010	2009	2008	2007	2006
Year-End Balance	\$120,659	\$95,100	\$71,366	\$85,413	\$83,953	\$79,368

Table 5 – Financial Stabilization Reserve – Appropriated (\$000's)

The following table represents amounts approved from the Financial Stabilization Reserve (FSR) in the past for projects/agreements where commitments have been made and expenditures are expected to be incurred in the future.

FSR – Appropriated Balance (prior to report recommendations)

Capital Contingency Fund (committed to approved projects) **	\$ 14,740
Sinking Fund Debentures – possible <i>future shortfall</i>	9,000
Ukrainian Archives	3,000
Aboriginal Transitional Component of Boyle Renaissance *	1,660
Trolley decommissioning *	944
World Masters 2005 Legacy Funding	651
Rexall Place rehabilitation *	471
2001 World Championships in Athletics – Legacy Funding	400
Election	334
Homeless Commission *	276
Mainlink System process improvements *	64
Capital City Clean-Up *	62
Downtown Public Washrooms *	12
	31,614
Allocations as noted in Table 1	16,412

FSR – Appropriated Balance (after recommendations) \$ 48,026

* Represents items that are currently appropriated within the FSR and require a 2011 Budget.

**Amounts appropriated in the Capital Contingency Fund relate to the following capital projects:

Capital Project Description	CPP#	Amount
Bus fleet replacement	09-66-1281	\$ 4,713
Multi-Sport tournament & recreation site (MTRS)	07-21-5730	3,835
Emergency communications & resources	09-70-0022	1,600
Project and contract management	09-50-0201	1,095
Vehicle & equipment growth	08-25-8001	983
Assessment Review Board legislative changes	09-18-0702	790
Sir Winston Churchill Square improvement	08-75-3702	700
Washroom facilities in Old Strathcona	10-75-8026	486
Century Place power generation equipment	08-75-5400	223
Rowing Club boat house	07-21-5738	180
Replace aging fire stations	05-75-5179	82
Neighbourhood/district park development	08-28-5215	49
Nordic Ski Club snow making	07-21-5740	4
		<u>\$ 14,740</u>

Tax supported Operations – December 2010 Preliminary Financial Results

(in \$000's)	Year-End			
	Budget	Results	Variance \$	%
Asset Mgmt. & Public Works				
Corporate Properties	47,754	46,186	1,568	3.3
Parks	44,241	44,201	40	0.1
Capital Construction	4,457	4,276	181	4.1
Community Services				
Fire Rescue	152,621	151,622	999	0.7
Community Facility Services	33,068	31,553	1,515	4.6
Neigh.& Community Dev.	34,253	33,255	998	2.9
Corporate Services	89,412	88,163	1,249	1.4
Finance & Treasury	16,257	15,994	263	1.6
Mayor and Council				
Mayor and Councillor Offices	4,502	4,179	323	7.2
Office of the City Auditor	2,023	1,965	58	2.9
Office of the City Manager	1,390	1,299	91	6.5
Office of the Deputy City Manager	19,419	18,175	1,244	6.4
Planning & Development				
Current Planning	-	-	-	-
Planning, Policy & Other	20,928	18,289	2,639	12.6
Assessment & Taxation	19,447	18,478	969	5.0
Housing	12,572	12,538	34	0.3
Police Services	237,450	233,587	3,863	1.6
Transportation				
Transportation Systems	137,506	125,850	11,656	8.5
Public Transit	155,297	151,197	4,100	2.6
Authorities & Boards	62,957	62,547	410	0.7
Net Department Programs	1,095,554	1,063,354	32,200	2.9
Corporate Programs				
Capital Project Financing	133,945	155,756	(21,811)	(16.3)
Corporate Expenditures	34,216	23,009	11,207	32.8
Corporate Revenues	(372,902)	(392,969)	20,067	(5.4)
Traffic Safety (Photo Radar)	(10,600)	(9,629)	(971)	9.2
Taxation Expenditures	5,661	4,212	1,449	25.6
Taxation Revenues	(885,874)	(885,704)	(170)	0.0
Net Corporate Programs	(1,095,554)	(1,105,325)	9,771	0.9
Net Tax Levy Results	-	(41,971)	41,971	

Tax Supported Operations December 2010 Preliminary Variance Details

(\$000's)

The following detailed variance information has been provided by the branch managers in conjunction with Finance staff for revenue or expenditure preliminary year-end variances greater than 5.0%, or where the dollar impact exceeds \$0.5 million.

Asset Management & Public Works – Corporate Properties	
<u>Year-end Variance Net Position</u>	\$1,568 3.3%
<i>Expenditures - \$1,770 2.9%</i>	
<ul style="list-style-type: none"> Lower leasing costs related to space needs being reduced from original plan and favourable market conditions and lease arrangements. 	
<i>Revenue - \$(202) (1.5%)</i>	
<ul style="list-style-type: none"> Revenues from downtown parkades were lower by \$926 partially offset by higher revenues from new leases of City properties with other parties. 	
Asset Management & Public Works – Parks	
<u>Year-end Variance Net Position</u>	\$40 0.1%
<i>Expenditures - \$(776) (1.7%)</i>	
<ul style="list-style-type: none"> Favourable fall weather conditions allowed more work to be completed in tree maintenance. Increased expenses were also incurred from the wind storm damage. 	
<i>Revenue - \$816 75.9%</i>	
<ul style="list-style-type: none"> Higher than expected revenue for sportsfield rentals, unexpected rental revenue from commercial leases, and provincial assistance for wind storm damage. 	
Community Services – Fire Rescue Services	
<u>Year-end Variance Net Position</u>	\$999 0.7%
<i>Expenditures - \$654 0.4%</i>	
<ul style="list-style-type: none"> One-time savings from timing of retirements and recruitment and lower than expected short term disability costs. 	
<i>Revenue - \$345 15.5%</i>	
<ul style="list-style-type: none"> Increase in Enoch fire protection contract and other revenues, e.g. medical assessment fees and dangerous goods permits. 	
Community Services – Community Facility Services	
<u>Year-end Variance Net Position</u>	\$1,515 4.6%
<i>Expenditures - \$3,559 4.9%</i>	
<ul style="list-style-type: none"> Savings from delayed opening of facilities (primarily the Terwillegar Community Recreation Centre - \$2.1 million), savings from temporary facility closures for maintenance. and personnel savings. 	
<i>Revenue - \$(2,044) (5.2%)</i>	
<ul style="list-style-type: none"> Reduced revenue from the delayed opening of facilities (primarily the Terwillegar Community Recreation Centre - \$1.8 million), temporary facility closures for maintenance, 	

and lower attendance at outdoor facilities due to inclement weather.

Community Services – Neighbourhood and Community Development

Year-end Variance Net Position \$998 2.9%

Expenditures - \$(359) (0.7%)

- Increased demand for Recreation Programs.

Revenue - \$1,357 7.6%

- Additional revenue as a result of provincial/federal grant funding for a number of initiatives including REACH Edmonton (Taskforce on Community Safety action plan), as well as increased revenues for Recreation Programs.

Corporate Services

Year-end Variance Net Position \$1,249 1.4%

Expenditures - \$(1,816) (2.0%)

- Additional Microsoft licensing fees, unbudgeted supply chain management initiative costs and unrealized data centre savings, partially offset by personnel savings due to timing of filling positions.

Revenue - \$3,065 107.4%

- Additional grant revenue for Expo bid and IT Services provided to Alberta Health Services.

Office of the Deputy City Manager

Year-end Variance Net Position \$1,244 6.4%

Expenditures - \$916 4.6%

- Lower personnel costs due to delays in filling vacancies as well as lower than anticipated homeowner applications for Carbon Dioxide Reduction Edmonton grants.

Revenue - \$328 111.7%

- Civic event billings as well as grant funds received for such programs as Local Motion, Racism Free Edmonton and Aboriginal Edmonton.

Planning & Development – Current Planning

Year-end Variance Net Position \$0 0.0%

Under a revised business model approved by City Council, the net current planning operating result is transferred to a reserve to be used to fund future service enhancements, additional resources in busier periods, and to offset future revenue shortfalls. For 2010 a net transfer of \$6,314 was made to the Current Planning Reserve, an amount \$5,464 higher than the budgeted transfer. That variance is made up of:

Expenditures - \$1,531 6.5%

- Reduced net expenditures primarily due to additional internal recoveries for permit applications relating to City capital projects or development.

Revenue - \$3,933 16.6%

- Land development application and electrical inspection fees higher than anticipated.

Planning & Development – Planning, Policy and Community StandardsYear-end Variance Net Position \$2,639 12.6%*Expenditures - \$1,983* 6.1%

- Lower grant payments than anticipated from the Development Fund, Façade Program and Aboriginal Transitional Component.

Revenue - \$656 5.7%

- Increase in revenue from business and pet licensing due to collection activities.

Planning & Development – Assessment & TaxationYear-end Variance Net Position \$969 5.0%*Expenditures - \$927* 4.8%

- Personnel savings from higher vacancy rate than anticipated, reduced overtime, car allowance and staff support costs. Reduced legal settlement costs from earlier estimate.

Revenue - \$42 0.0%

- Unexpected grant revenue.

Planning & Development – HousingYear-end Variance Net Position \$34 0.3%*Expenditures - \$16,876* 26.9%

- Lower grant payments than anticipated due to fewer project starts than planned for Affordable Housing initiative.

Revenue - \$(16,842) (33.5%)

- Lower grant revenues and transfers from reserve recognized because of the project timing achieved by partner groups.

Police ServicesYear-end Variance Net Position \$3,863 1.6%*Expenditures - \$1,165* 0.3%

- Lower contracts and services, utility charges, lease renewals, repairs and maintenance, vacation liability; offset by higher fleet services charges, unbudgeted costs associated with conferences and projects covered by additional revenue, notably G8/G20 and the Alberta Law Enforcement Response Team (ALERT) and other miscellaneous net increased costs.

Revenue - \$2,698 4.8%

- Higher revenues than budgeted related to enforcement, Police Security check fees and additional revenue for Alberta Law Enforcement Response Team (ALERT) secondments and G8/G20 recoveries.

Transportation – Transportation Systems

Year-end Variance Net Position \$11,656 8.5%

Expenditures - \$9,526 6.3%

- Mild winter conditions related to snow and ice control (\$7.5 million), inclement summer weather conditions reducing the amount of summer road maintenance (\$7.8 million), more demand for inter-program and inter-municipal recoveries (\$1.5 million).
- Partially offset by unfavourable spring clean-up costs (\$1.7 million), EPCOR power rate increases and other unfavourable material and equipment costs (\$2.2 million), West to Southeast LRT concept plan and Downtown LRT concept plan (\$3.4 million).

Revenue - \$2,130 14.4%

- Additional traffic revenue due to increased demand for parking services, inspection services for private sector construction activities and third party recoveries.

Transportation – Public Transit

Year-end Variance Net Position \$4,100 2.6%

Expenditures - \$9,070 3.4%

- Delay in filling personnel vacancies and delay in hiring contractors for LRT maintenance, environmental assessment of Trolley decommissioning (to be completed in 2011) and savings from capital recoveries from Quesnell and Dawson bridge detours.

Revenue - \$(4,970) (4.6%)

- Sales, revenue and ridership have been trending lower than budget. Less cash sales on the bus, and lower adult passes sold. Year over year actual fare revenue is up 6.7% compared to the budgeted increase of 13.3%.

Corporate Programs – Capital Project Financing

Year-end Variance Net Position \$(21,811) (16.3%)

- Investment earnings in excess of budget have been directed to the pay-as-you-go program consistent with the strategy adopted for 2010 to direct certain more volatile revenues to capital (\$19.7 million).
- Increased New Deal for Cities and Communities (NDCC) grant revenue available to fund SLRT debt servicing costs resulted in an increased amount being transferred to LRT reserve.

Corporate Programs – Corporate ExpendituresYear-end Variance Net Position \$11,207 32.8%

- On November 9, 2010 City Council approved the reallocation of \$10.8 million from portions of the tax-supported debt servicing deferral and one time personnel savings from the 2011 Service and Budget Review. This provided funding for a variety of initiatives. Only one expenditure was made in advance of year end that being for Light Rail Vehicle truck frames for \$0.8 million. The remaining amounts are being requested for carry-forward or formed part of the 2011 budget decisions.
 - Southeast Multicultural Centre (\$2.3 million).
 - Jerry Forbes Centre – Santa’s Anonymous (\$2 million).
 - One time expenditures in the 2011 budget (\$5.7 million, see Note 1 of Attachment 3).
- Reduced risk management expenditures for insurance premiums and reduced claims in tax-supported operations of \$2.0 million. Other net variances of \$2.4 million.
- Offset by 2010 Indy expenditures of \$3.2 million.

Corporate Programs – Corporate RevenuesYear-end Variance Net Position \$20,067 5.4%

- Investment earnings greater than budget, offset by reduced EPCOR dividend relating to Goldbar - available for transfer to capital of \$19.7 million (see also Capital Project Financing Program above).
- Additional gas franchise fees of \$3.4 million, offset by lower franchise fees from power, water and treatment of \$0.7 million.
- Additional tag and tax penalty revenues of \$3.4 million.
- Increased sanitary drainage dividend of \$1.6 million, based on 2009 net income.
- Other miscellaneous variances of \$0.8 million.
- Lower than expected land enterprise dividend of \$2.1 million based on 2009 net income.
- Transfers from reserves lower than expected because of deferred project expenditures of \$6.0 million.

Corporate Programs – Taxation ExpendituresYear-end Variance Net Position \$1,449 25.6%*Expenditures - \$282* 3.9%

- Reduced tax expenditure and adjustments and lower tax sale losses.

Revenue - \$1,167 72.9%

- Increased partial and supplementary tax revenue due to additional housing starts.

Corporate Programs – Traffic Safety

Year-end Variance Net Position $$(971)$ (9.2%)

Expenditures - \$5,453 30.5%

- Capital for photo enforcement equipment is expected to be funded from the enforcement revenue. Because of reduced revenues in 2010, \$6.1 million in equipment added was unable to be funded in the year from the enforcement revenues, resulting in a reduced transfer from operating to capital. The equipment will require funding in a future period. This variance was offset by increased expenses to continue contract service and to allow for costs to process repayment of speed on green.

Revenue - \$(6,424) (22.6%)

- Reduced photo enforcement revenue primarily due to cancellation of speed on green tickets.

Enterprise and Utility Operations – December 2010 Preliminary Financial Results

(in \$000's)	Year-End			
	Budget	Results	Variance	%
			\$	
<u>Fleet Services</u>				
Revenue	9,967	10,746	779	7.8
Recoveries	132,402	130,967	(1,435)	(1.1)
Expenses	141,553	142,722	(1,169)	(0.8)
Net Income	816	(1,009)	(1,825)	(223.7)
<u>Waste Management</u>				
Revenue	129,590	117,735	(11,855)	(9.1)
Expenses	129,590	126,235	3,355	2.6
Net Income (loss)	-	(8,500)	(8,500)	-
<u>Land Enterprise</u>				
Revenue	39,510	20,205	(19,305)	(48.9)
Expenses	24,832	13,782	11,050	44.5
Net Income	14,678	6,423	(8,255)	(56.2)
<u>Drainage Services</u>				
Sanitary Utility*				
Revenue	72,858	69,109	(3,749)	(5.1)
Expenses	62,961	61,383	1,578	2.5
Net Income	9,897	7,726	(2,171)	(21.9)
Design and Construction				
Revenue	5,568	12,628	7,060	126.8
Recoveries	125,004	91,019	(33,985)	(27.2)
Expenses	126,360	102,675	23,685	18.7
Net Income	4,212	972	(3,240)	(76.9)
Land Drainage Utility				
Revenue	26,449	26,914	465	1.8
Expenses	18,086	17,674	412	2.3
Net Income	8,363	9,240	877	10.5

*Net of revenue and expenses related to Gold Bar.

Enterprise and Utility Operations December 2010 Preliminary Variance Details (\$000's)

The following detailed variance information has been provided by the branch managers in conjunction with Finance staff for revenue or expenditure preliminary year-end variances greater than 5%, or where the dollar impact exceeds \$0.5 million.

Fleet Services
Year-End Net Loss \$ (1,009) Year-end Variance Net Position \$(1,825) (223.7%)
<p><i>Revenue Variance - \$779 7.8%</i></p> <ul style="list-style-type: none"> Higher usage by external customers and additional 2010 fuel tax rebate from the provincial government. <p><i>Recoveries Variance - \$(1,435) (1.1%)</i></p> <ul style="list-style-type: none"> Lower than anticipated internal recoveries, maintenance recoveries from fire rescue and lower than expected capital and fabrication shop recoveries partially offset by higher recoveries from fleet IT projects and additional capital charges to fire rescue. <p><i>Expenses Variance - \$(1,169) (0.8%)</i></p> <ul style="list-style-type: none"> Higher planned maintenance costs relating to work activity levels, increased allocation of shared services costs and hazardous waste disposal costs, partially offset by lower amortization expense.
Waste Management
Year-end Net Loss \$ (8,500) Year-end Variance Net Position \$(2,007)*
<p>* Waste Management 2010 budget included a \$6,493 transfer from retained earnings. The year end net loss of \$8,500 is therefore \$2,007 greater than anticipated.</p> <p><i>Revenue Variance - \$(11,885) (9.1%)</i></p> <ul style="list-style-type: none"> Reduced operational revenue primarily from less commercial waste haulers using the Waste Management Centre and delayed implementation of the Construction and Demolition operation which could divert waste material from landfills (delayed legislative changes). <p><i>Expenses Variance - \$3,355 2.6%</i></p> <ul style="list-style-type: none"> Savings from delayed implementation of Construction and Demolition operations, partially offset by increased allocation of shared service costs.

Land Enterprise

Year-end Net Income \$6,423 Year-end Variance Net Position \$(8,255) (56.2%)

Revenue Variance - \$(19,305) (48.9%)

- Due to continued soft market conditions, a deferral of servicing of residential lots to 2011 led to reduced lot production and corresponding sales volume. There was also lower than expected industrial land sales revenue as extensions to closing dates were requested for several large sale agreements.

Expenses Variance - \$11,050 44.5%

- Reduced sales volume has a corresponding reduced cost of sale and staff cost savings were realized as the hiring of the full staff complement for the establishment of the City Centre Lands Office was not necessary to match project progress needs.

Drainage Services – Sanitary Utility

Year-end Net Income \$7,726 Year-end Variance Net Position \$(2,171) (21.9%)

Revenue Variance - \$(3,749) (5.1%)

- Lower utility revenues from less water consumption than budgeted in 2010 (\$2 million residential and \$1.8 million commercial), which forms the basis for the utility charge.

Expenses Variance - \$1,578 2.5%

- Overall expenses on target as much of the Utility's operating costs are fixed costs.

Drainage Services – Design and Construction

Year-end Net Income \$972 Year-end Variance Net Position \$(3,240) (76.9%)

Revenue Variance - \$7,060 126.8%

- Additional revenue from external project work, primarily from Remand Centre.

Recoveries Variance - \$(33,985) (27.2%)

- Reduced project volume in 2010 as result of Drainage's deferral of capital programs. Internal project work to be completed next year.

Expenses Variance - \$23,685 18.7%

- Reduction in expenses primarily as a result of lower volume of work.

Drainage Services – Land Drainage Utility

Year-end Net Income \$9,240 Year-end Variance Net Position \$ 877 10.5%

Revenue Variance - \$465 1.8%

- Customer growth slightly higher than budgeted in 2010.

Expenses Variance - \$412 2.3%

- Savings from positions not filled offset by overtime from pumpwell failures.

Summary Financial Trend Information

Operating

The following table provides a tax-supported operations view of the actual year-end variance and portion of total expenditure budget for 2010 and each of the past four years.

Tax-supported Operating Results (\$ millions)					
	2010 <i>(preliminary)</i>	2009	2008	2007	2006
Actual tax-supported Surplus (Deficit)	\$42.0	\$33.9	\$(20.3)	\$35.1	\$11.2
Variance as a % of Expenditure Budget	2.5%	2.2%	(1.3%)	2.6%	0.9%

Capital

In addition to the departments that report directly to the City Manager, the following capital results also include capital spending incurred by Edmonton Economic Development Corporation, Edmonton Public Library and Edmonton Police Service.

Capital Results (\$ millions)					
	2010 <i>(preliminary)</i>	2009	2008	2007	2006
Budget	\$ 1,457.3	\$1,457.7	\$1,531.4	\$1,123.1	\$ 729.8
Actual Results	1,002.5	1,184.1	1,195.7	847.0	446.2
Variance	\$ 454.8	\$ 273.6	\$ 335.7	\$ 276.1	\$ 283.6
% Variance	31.2	18.8	21.9	24.6	38.9

Preliminary Combined Capital Results – December 2010

(in \$000's)	Year-End			
	Budget	Results	Variance \$	%
<i>Tax-Supported Operations:</i>				
Asset Mgmt. & Public Works				
Corporate Properties	7,291	2,051	5,240	71.9
Parks	48,598	31,964	16,634	34.2
Capital Construction	131,646	112,777	18,869	14.3
Community Services				
Fire Rescue	6,158	1,838	4,320	70.2
Community Facility Services	81,738	63,731	18,007	22.0
Neigh. & Community Dev.	12,097	7,094	5,003	41.4
Corporate Services	11,732	12,626	(894)	(7.6)
Edmonton Economic Dev.	2,558	1,099	1,459	57.0
Edmonton Public Library	13,940	10,960	2,980	21.4
Finance & Treasury	1,397	-	1,397	100.0
Planning & Development	18,047	13,026	5,021	27.8
Police Services	22,329	14,068	8,261	37.0
Transportation				
Transportation Systems	401,414	307,241	94,173	23.5
Public Transit	239,350	175,727	63,623	26.6
	998,295	754,202	244,093	24.5
<i>Enterprise and Utility Operations:</i>				
Asset Mgmt. & Public Works				
Drainage Services	166,591	99,925	66,666	40.0
Land Enterprise	145,159	67,065	78,094	53.8
Waste Management	73,105	33,282	39,823	54.5
Corporate Services				
Fleet Services	74,108	48,036	26,072	35.2
	458,963	248,308	210,655	45.9
Combined Capital Results	1,457,258	1,002,510	454,748	31.2
Capital Financing Distribution - Combined				
General Financing	152,841	111,312	41,529	27.2
Local Improvements	41,573	6,631	34,942	84.0
Other Miscellaneous Financing*	26,850	29,634	(2,784)	(10.4)
Reserves	38,593	26,384	12,209	31.6
Retained Earnings - Utility/Enterprises	226,221	148,492	77,729	34.4
Self-Liquidating Debentures	116,702	66,242	50,460	43.2
Tax Supported Debt	348,327	218,170	130,157	37.4
Developer/Partner Financing	21,236	11,925	9,311	43.8
Grants	484,915	383,720	101,195	20.9
Total Capital Financing	1,457,258	1,002,510	454,748	31.2

*Other miscellaneous financing may include the Sanitary Servicing Strategy Fund, User Fees, recoveries from operations and working capital (to be financed in future).

Significant Capital Projects Update – December 2010

Project	\$000's			\$000's			\$000's			Estimated Completion Date	Variance Explanation		
	2010 Expenditures	Total Project Expenditures To Date		Total Project Expenditures To Date		Total Project Expenditures To Date		Total Project Expenditures To Date					
Number	Name	Budget	Actual	Variance	Budget	Actual	Variance	% Complete	Budget	Projection	Variance		
Asset Management and Public Works													
Drainage Services													
05-23-2160	Opportunistic Sewer Separation - Mill Woods Double Barrel Replace/SESS (South Edmonton Sanitary Sewer) SA1	2,286	1,302	984	13,369	12,405	964	11%	112,384	112,384	-	Dec-29	Final costs of less than \$1M were delayed until 2011 due to the onset of winter in November 2010. The work was planned to be completed by in-house crews. Due to unplanned emergency digups by inhouse workforce, this work was contracted out late in the year. The remaining work for this phase is to be finished by the contractor in spring 2011.
08-23-9202	SA1	8,906	10,023	(1,717)	26,125	27,842	(1,717)	52%	53,163	53,163	-	Mar-14	There were higher start-up costs than originally anticipated, but overall the project is anticipated to be on budget.
05-23-9203	SESS (South Edmonton Sanitary Sewer) SW2 - SW5	621	443	178	26,602	26,424	178	45%	58,934	58,934	-	Dec-17	Overall, the project is on budget and on schedule. A referee decision was made to award a contractor for additional costs for changed ground conditions. The final costs are expected to come in on budget.
04-23-9301	WESS (West Edmonton Sanitary Sewer) - Stage 1	(2,922)	2,158	(5,080)	28,000	33,080	(5,080)	98%	33,601	33,601	-	Dec-11	
04-23-9302	WESS (West Edmonton Sanitary Sewer) W12	6,204	6,911	(707)	28,220	28,927	(707)	64%	44,913	44,913	-	Dec-12	Overall, the project is on budget and on schedule. Drainage Services is advancing capital to keep pace with the neighborhood reconstruction and overlay programs. (Cost %'s: 2009 - 34%, 2010 - 32%, 2011 - 31%)
09-23-9504	WESS (West Edmonton Sanitary Sewer) Sewer Rehabilitation	6,812	13,307	(6,495)	19,800	26,295	(6,495)	70%	37,715	37,715	-	Dec-11	Drainage Services is advancing capital to keep pace with the neighborhood reconstruction and overlay programs. (Cost %'s: 2009 - 36%, 2010 - 26%, 2011 - 38%)
09-23-9510	Mature Neighborhood Rehabilitation - Dr	26,850	28,434	(1,584)	66,136	67,720	(1,584)	62%	108,486	108,486	-	Dec-11	Some projects delayed due to poor weather conditions and a lack of construction crew availability.
07-23-9511	Flood Prevention	17,232	11,050	6,182	71,286	65,113	6,182	51%	127,114	127,114	-	Dec-20	
09-23-9608	Local Improvement Sewers	32,747	589	32,158	39,000	6,842	32,158	19%	36,364	36,364	-	Dec-11	The economic downturn has resulted in several major projects being delayed. It appears that the timing of these projects and potential new projects will be extended to future years. (Costs: 2009 - 17%, 2010 - 2%, 2011 - Unknown)
03-31-9613	Storm water Management Facilities Expansion	4,134	238	3,896	8,907	5,011	3,896	4%	111,427	111,427	-	Dec-29	(The first phase of the current year's work was completed. Maple Ridge. The second phase of the work to be done when the area is developed. Morris Pond: Some of the regulatory and litigation work has had to precede the wetland design work causing the design work to move slower. The variance is due to a delay in the Storm Treatment Facility delivery, which is delayed until January 2011.
09-31-9615	Storm water Quality Enhancement	3,359	883	2,476	3,386	910	2,476	4%	25,456	25,456	-	Dec-29	

Project Number	Project Name	\$000's 2010 Expenditures			\$000's Total Project Expenditures To Date			\$000's Total Project			Estimated Completion Date	Variance Explanation	
		Budget	Actual	Variance	Budget	Actual	Variance	% Complete	Budget	Projection			Variance
Asset Management and Public Works													
Waste Management													
09-33-1933	Infrastructure	8,103	7,608	495	17,160	16,685	495	66%	25,110	25,110	-	Dec-11	Rendering of Research Development Facility (RDF) through equipment suppliers has delayed the project.
07-33-1935	Facility	18,266	3,387	14,879	78,675	63,796	14,879	72%	88,650	88,650	-	Dec-11	
		26,369	10,995	15,374	95,835	80,461	15,374		113,760	113,760	-		
Land													
09-16-2008	New Residential Development	5,979	3,535	2,444	9,868	7,424	2,444	25%	29,628	29,628	-	Dec-11	The acquisition of the land is 100% complete while the servicing and development has just begun.
08-16-2020	Industrial Land Acquisition	1,550	-	1,550	26,461	24,911	1,550	98%	26,461	26,461	-	Dec-11	Remaining cost is the final topping of roadways; they can only do it a couple years later after all the servicing has been done.
10-16-2024	LRT	40,000	17,489	22,511	40,000	17,489	22,511	45%	40,000	40,000	-	Dec-11	Acquisition of land for WLRT and SELRT will continue as properties become available. Budgeted amount is expected to be fully utilized.
07-16-2025	Community Revitalization Land Acquisition	20,279	16,719	3,560	27,148	23,588	3,560	33%	27,148	27,148	-	Dec-11	Service of residential sub-divisions will continue and budget amount is expected to be fully utilized.
04-16-2100	Fort Road Redevelop. Plan Implementation	18,929	2,164	16,765	34,250	17,485	16,765	82%	34,250	34,250	-	Dec-11	Delay due to external partner's delay in their portion of the work. Actual is expected to be close to budget.
10-16-2102	Edmonton City Centre Airport (ECCA)	24,000	12,729	11,271	24,000	12,729	11,271	47%	27,000	27,000	-	Dec-12	Acquisition of outstanding leasehold interests will continue and the balance of the budget is expected to be fully utilized.
09-16-2208	New Commercial/Industrial Development	24,190	13,412	10,778	29,000	20,990	8,010	34%	62,300	62,300	-	Dec-11	Delay in developing industrial land is due to poor demand. The development of industrial land will continue in 2011 and beyond and actual is expected to be close to budget.
		134,927	66,048	68,879	190,727	124,616	66,111		246,787	246,787	-		
Parks													
09-28-1050	New Park Construction	4,964	2,291	2,673	5,712	3,039	2,673	10%	31,341	31,341	-	Dec-13	Projects were influenced by the delays, cuts and deferrals that were associated with the MSI funding, as well as land activities. It is estimated that by December 2011, 26% of the program should be complete, 60% completion by December 2012, and 100% by December 2013.
06-28-5377	Fort Edmonton Park Footbridge	8,724	9,126	(402)	28,229	28,631	(402)	101%	28,229	28,782	(553)	Jun-11	Received additional funding from the River Valley Alliance to complete the paving and landscaping. The additional funding will be reflected in the spring supplemental capital budget adjustment.
		13,688	11,417	2,271	33,941	31,670	2,271		59,570	60,123	(553)		

Project	\$000's 2010 Expenditures			\$000's Total Project Expenditures To Date			\$000's Total Project			Variance Explanation
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Projection	Variance	
Capital Construction										
08-75-2509 Tervillegar Community Recreation Centre	71,969	71,170	799	141,976	141,177	799	156,681	156,681	-	Dec-11 The facility has been opened, and the total project will be under budget. An additional \$4.0M will be spent in 2011 (\$1.7M for Drainage & Roadways assessments, and \$2.3 million for equipment and outstanding contractor/consultant commitments).
05-75-3805 New Southwest Transit Garage	15,790	5,527	10,263	98,832	88,569	10,263	98,832	92,569	6,263	Mar-11 The project is delayed until the Fleet Eilerslie Facility is ready to move the staff and operations out from Westwood Transit Garage.
09-41-6601 Westwood Transit Garage Upgrades	200	5	195	211	16	195	32,600	32,600	-	Dec-13
Community Services										
Fire Rescue										
09-70-0022 Fire Stations - Master Plan Phase 1	5,247	1,571	3,676	5,500	1,824	3,676	25,893	25,893	-	Dec-13 The construction of the Eilerslie Fire Station commenced four months behind the schedule due to unanticipated re-zoning requirement and delay in completing tender documents. The Eilerslie Fire Station will be completed by December 2011. While the rest of the project will be completed in 2013.
Neighborhood and Community Development										
09-21-5800 Great Neighborhoods Initiative	10,888	6,303	4,585	19,445	14,860	4,585	45,000	45,000	-	Dec-12 Variances are due to Coordinated Neighborhood Re-development project is being re-scheduled to 2011 (\$3M) along with streetscape work on 99 Avenue (\$1.6M). 2009 - 19%, 2010 - 24%, 2011 - 47%, 2012 - 10%.
Community Facility Services										
07-21-5730 Multi-Sport Tournament & Recreation Site	13,400	6,495	6,905	14,517	7,612	6,905	28,884	28,884	-	Dec-11 Total project budget includes over \$9 million of partner funding which is dependent on the Negotiated Request for Proposals submissions and the other partner fundraising efforts. Just over \$7 million in Permanent Area Contribution (PAC) costs will be paid out in 2011. The PAC are development costs payable through planning and development to bring services to a development area. City funded construction on the site will be completed in 2011. Variance is due to construction work of North Central Recreation Centre not progressing as scheduled and additional time required to finalize the project scope of the Meadows and Clareview Recreation Centers.
09-21-5826 Multi-Purpose Recreation Centers	35,909	29,424	6,485	39,985	33,510	6,485	295,172	295,172	-	Dec-13 As a result of additional time required for the consultant appointment process, the Design Development Phase of the project was not completed by the end of 2010 as planned.
10-21-0910 Valley Zoo Master Plan Implementation	1,000	513	487	1,000	513	487	43,000	43,000	-	Dec-13
	50,309	36,432	13,877	55,512	41,635	13,877	367,056	367,056	-	

Project Number	Project Name	\$000's 2010 Expenditures			\$000's Total Project Expenditures To Date			\$000's Total Project			Variance Explanation		
		Budget	Actual	Variance	Budget	Actual	Variance	Budget	Projection	Variance		Estimated Completion Date	
Fleet Services													
08-25-8000	Vehicle and equipment replacement	34,743	34,441	302	80,222	78,345	1,877	79%	99,407	99,407	-	Dec-11	As some units are completed over a two year period, remaining funds will be carried forward to 2011 to cover the remaining project expenditures. Project will be 100% complete at end of 2011 as Business Areas refine requirements for equipment/vehicles. Remaining funds will be carried forward to 2011 as Business Areas refine requirements for equipment/vehicles. Project will be 100% complete at end of 2011. During the Fall of 2010, Fleet Services revised the 2010 and 2011 capital work plans to reflect revised retained earnings projections. The total project variance of \$26.4 million will not be realized. The capital profile will be adjusted with the 2012 - 2014 capital plan. The land and building was purchased in 2009 - 46% of the project costs. Due to late start on construction, the remainder of the project will be completed by the end of 2011.
09-25-8001	Vehicle and equipment growth	8,141	3,758	4,383	32,701	29,574	3,127	87%	33,969	33,969	-	Dec-11	
08-25-8002	Mobile Equipment Services Facilities	28,829	8,193	18,636	37,253	18,616	18,637	37%	50,396	23,960	26,436	Ongoing	
09-25-9000	Mobile equipment services heavy repair and equipment building	4,395	1,645	2,750	30,400	27,650	2,750	49%	56,000	56,000	-	Dec-11	
		74,108	48,037	26,071	180,576	154,185	26,391		239,772	213,336	26,436		

Project	\$000's 2010 Expenditures			\$000's Total Project Expenditures To Date			\$000's Total Project			Variance Explanation		
	Budget	Actual	Variance	Budget	Actual	Variance	% Complete	Budget	Projection		Variance	Estimated Completion Date
Transportation Systems												
09-66-1020 Arterial / Primary Highway/Renewal/Crack	40,215	42,363	(2,148)	68,581	70,729	(2,148)	70%	100,865	100,865	-	Dec-11	Increase in volume of work due to infrastructure Stimulus Fund, funding nine additional asphalt overlay locations. 2009-42% 2010-28% Dec 2011-30%
09-66-1040 Bridge Rehabilitation	32,636	25,648	6,988	37,210	30,222	6,988	68%	44,620	44,620	-	Dec-11	Gas, waterline and sidewalks not completed in 2010 for Dawson bridge. Design has begun on Rossdale Road Bridge and MacDonald Drive pedestrian underpass. 2009-10% 2010-58% 2011-32%
09-66-1056 Neighborhood Renewal Program (including 2% Tax Levy)	88,465	72,229	16,236	136,496	120,260	16,236	28%	428,249	428,249	-	Ongoing	Reconstruction of Park Allen and Fulton Place and overlay of Balwin and Westridge deferred to 2011 due to rainy weather. 2009-11% 2010-17% 2011-72%. Any variance will carry forward to continue to advance the neighborhood renewal work.
09-66-1440 Arterial Network Improvements	31,316	19,782	11,534	67,375	55,841	11,534	57%	97,356	97,356	-	Dec-11	Funds committed to complete 137 Ave:140-156 St (\$8 million), Webber Green Drive (\$1.5 million) and Landscaping (\$2 million). 2009-37% 2010-20% 2011-43%
03-66-1461 Whitemud Dr/Terwilligar Dr	734	(122)	856	39,105	38,249	856	98%	39,105	39,105	-	Dec-11	2010 claims lower than anticipated. Funds committed for final completion of expenditures which includes paving & landscaping. 2009-98% 2011-2%
09-66-1462 Whitemud Dr/Quesnell Bridge-Rehab/Growth Inner Ring Loop and Highway Connectors	84,572	60,477	24,095	160,676	136,581	24,095	85%	160,676	160,676	-	Aug-11	Deck paving delayed until 2011 along with other related construction work. 2009-47% 2010-38% 2011-15%
09-66-1480 Highway Connectors	9,200	5,883	3,317	28,225	24,908	3,317	38%	64,902	64,902	-	Dec-11	Whitemud Drive & 17 St contract not awarded until 2011. 2009-29% 2010-9% 2011-62%
06-66-1462 23 Avenue/Gateway Interchange - AMIP	39,628	35,664	3,964	207,684	203,720	3,964	81%	250,450	250,450	-	Sep-11	Final paving for Calgary Trail & Gateway Blvd will be completed in 2011. 2009-67% 2010-14% 2011-19%
10-66-1484 41 Ave/Hwy 2 Interchange	-	-	-	-	-	-	0%	37,590	37,590	-	Dec-14	Provincial Interchange will move to operating budget. Not deemed a tangible capital asset of the City.
06-66-1612 Anthony Henday Drive Ring Road Connectors	35,806	21,846	13,960	51,573	37,613	13,960	43%	87,791	87,791	-	Dec-12	Project delays due to poor weather conditions and timing of land acquisition. 2009-18% 2010-25% 2011-57%
09-66-1950 Environmental Issues	7,622	2,743	4,879	10,858	5,979	4,879	24%	25,142	25,142	-	Dec-11	New Streets Engineering building design is 90% complete. Construction is deferred until 2011.
09-66-1960 Snow Storage Facilities Development	5,567	1,173	4,394	12,268	7,874	4,394	27%	29,600	29,600	-	Dec-11	Change in requirements for the drainage systems & delay in federal approval. 2009-23% 2010-4% 2011-73%
	375,761	287,687	88,074	820,051	731,977	88,074		1,366,346	1,366,346	-		

Project	\$000's 2010 Expenditures			\$000's Total Project Expenditures To Date			\$000's Total Project			Variance Explanation	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Projection	Variance		
Transportation											
Public Transit											
LRT Fleet, Facilities & Equipment Rehab	17,209	10,863	6,346	20,331	13,985	6,346	28,261	28,261	-	Dec-11	Delay in purchase of land for CN right of way. Facilities and equipment contracts behind schedule (escalators and communication upgrades). 2009-11% 2010-38% Dec 2011-51%. Eight LRV retrofits completed out of 37 which is two ahead of schedule. 2009-17% 2010-15% Dec 2011/12-89%.
LRV Retrofit Package	4,760	6,450	(1,690)	11,776	13,466	(1,690)	42,155	42,155	-	Dec-12	Community bus purchases delayed until 2011. 2009-67% 2010-8% Dec 2011-25%.
Transit Fleet Replacement	4,458	3,931	527	36,415	35,888	527	48,089	48,089	-	Dec-11	Contractor was able to complete design review and track circuit replacement earlier than scheduled. 2009-1% 2010-59% Dec 2011-40%. Project complete except for wrap-up costs. 2009-95% 2010-5%.
Replace LRT Signal System	16,045	18,399	(2,354)	16,232	18,586	(2,354)	31,100	31,100	-	Jun-11	Funds committed for future transportation system LRT/bus lane design & construction. 2009-52% 2010-14% Dec 2011-34%.
LRT - Light Rail Vehicles	2,128	2,137	(9)	42,959	42,968	(9)	42,959	42,959	-	Jun-11	Feetway connection at Health Sciences Station was deferred until 2011. Funds committed to finish connection. 2009-94% 2010-4% Dec 2011-2%.
Transit Priority Corridors	9,225	8,980	245	44,313	44,088	245	67,184	67,184	-	Dec-13	Lower EPCOR tunnel construction costs & land commitments outstanding. 2009-6% 2010-9% Dec 2011-85%.
SLRT (Federal Fuel Tax Rebate)	30,728	27,651	3,077	676,709	673,632	3,077	689,858	689,858	-	Dec-11	Funds committed for deficiencies and completion of Lewis Estates Phase I and deficiencies on Meadows Transit Centres. Tenders awarded. 2009-47% 2010-33% Dec 2011-20%.
NLRT	104,030	67,731	36,299	145,990	109,691	36,299	725,000	725,000	-	Dec-14	2009-60% 2010-1% Dec 2011-39%
Bus Facilities & Equipment Growth	15,387	9,787	5,600	29,532	23,932	5,600	30,032	30,032	-	Dec-11	
Transit Vehicle Growth	225	250	(25)	19,022	19,047	(25)	31,080	31,080	-	Dec-11	
	204,195	156,180	48,015	1,043,279	986,264	48,015	1,735,718	1,735,718	-		