

**OPERATING FINANCIAL UPDATE**  
**DECEMBER 31, 2020**  
***PRELIMINARY RESULTS***

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## Supplemental Information

Tax-Supported Operations – December 31, 2020 Financial Results

**Tax-Supported Operations**  
**Summary Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

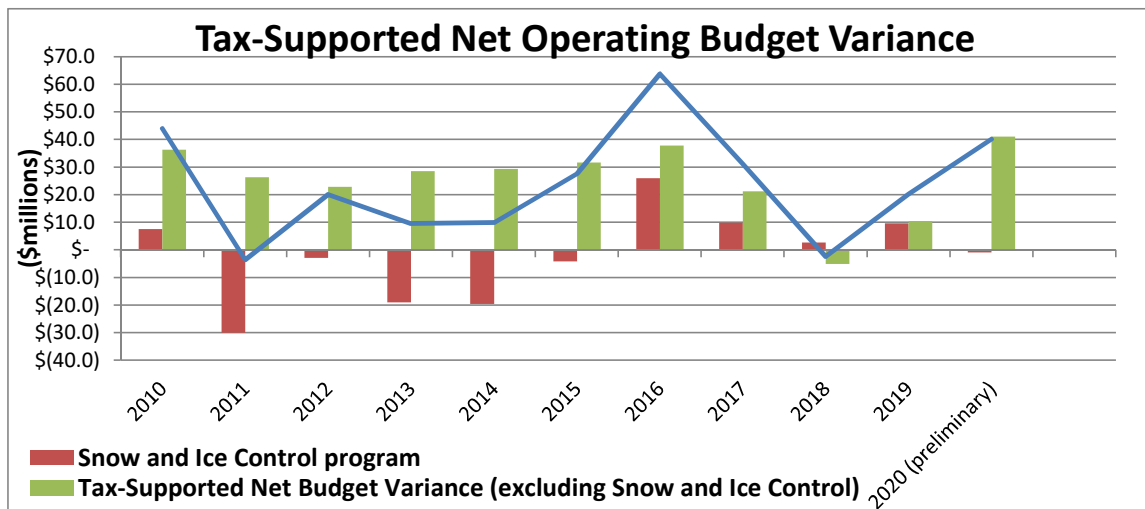
**Net Position Budget Variance - Summary**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	3,036,972	(142,588)	2,894,384	2,869,334	(25,050) ●	(0.9)
Expense	2,659,965	(142,588)	2,517,377	2,452,153	65,224 ●	2.7
<b>Net Position</b>	<b>377,007</b>	<b>-</b>	<b>377,007</b>	<b>417,181</b>	<b>40,174 ●</b>	<b>1.6</b> *

\* Net position percentage based on annual expense budget

<b>Police Services - Year End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	96,946	-	96,946	92,862	(4,084) ●	(4.2)
Expense	473,953	-	473,953	467,620	6,333 ●	1.3
<b>Net Income /(Deficit)</b>	<b>(377,007)</b>	<b>-</b>	<b>(377,007)</b>	<b>(374,758)</b>	<b>2,249 ●</b>	<b>0.6</b>
Net transfer to/(from) EPS Reserve	-	-	-	2,249	(2,249) ●	-
<b>Net Position</b>	<b>(377,007)</b>	<b>-</b>	<b>(377,007)</b>	<b>(377,007)</b>	<b>- ●</b>	<b>-</b>

<b>Total Tax-Supported Operations - Year End</b>						
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	3,133,918	(142,588)	2,991,330	2,962,196	(29,134) ●	(1.0)
Expense	3,133,918	(142,588)	2,991,330	2,922,022	69,308 ●	2.4
<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,174</b>	<b>40,174 ●</b>	<b>-</b>



This report provides the year end operating results against the approved budget after the 2020 Spring Supplemental Budget Adjustment. The revenue and expense budgets were adjusted for the year in response to the COVID-19 pandemic. Revenue budgets were adjusted downward to reflect lower expected demand in transit, parking, and community recreation facilities along with lower anticipated revenues for business licenses and gas franchise fees. Corresponding downward adjustments were made to manage expenses and the remaining shortfall was addressed with a reduction in capital transfers from the operating budget. Actual results reflected in this report are unaudited and subject to change pending the completion of the 2020 audit and approval of the financial statements. The preliminary year-end results are materially affected by COVID-19 due to:

- Reduced revenue within Edmonton Transit resulting from lower ridership, higher than anticipated personnel costs for enhanced bus cleaning as well as reduced contract service costs for DATS due to lower trip demand,
- Lower than expected revenues and operating costs as a result of closure of recreational facilities and attractions during the pandemic,
- Lower than budgeted grant expense for Economic Recovery grant programs,
- Lower than budgeted contract work and materials due to delayed start in maintenance for sidewalks and concrete restoration as a result of the COVID-19 pandemic,
- Greater than anticipated revenue such as franchise fees where the impact of the COVID-19 pandemic was less than initially anticipated, and
- Other cumulative variances indirectly attributable to COVID-19.

The 2020 budget did not contemplate budget support from the federal or provincial budgets as such amounts were not known in the spring. On July 23, 2020 Safe Restart Funding was announced to assist municipalities in funding incremental operating costs incurred as a result of COVID-19 pandemic response, restart, and operating losses or deficits incurred as a result of effect of COVID-19 on municipal revenues and operations. The City received a total funding of \$158.2 million allocated as follows:

- General Operating Component: \$98.5 million,
- Transit Component: \$59.7 million.

On December 7, 2020, in advance of the 2021 budget deliberations, City Council approved FCS00181 COVID-19 2021 Financial Impact and Funding Strategy, with the recommendation to appropriation these funds within the Financial Stabilization reserve to help offset the COVID-19 pandemic related budget impacts.

**Preliminary Year-End Variance** - Tax-supported operations reflect a year-to-date favourable budget variance of \$40.2 million, or 1.6% of the overall expense budget. This is mainly due to:

- Lower than budgeted costs for financial strategies for utility and fuel costs,
- Higher gas franchise fees,
- Higher than anticipated business license revenues,
- Higher tax penalty revenues after adjusting the budgets downward to reflect the deferred payment deadline for property taxes,
- Lower facility maintenance costs, and
- Other cumulative variances.

These favourable budget variances are partially offset by significant reductions in transit fare and Upass revenue in the last quarter of the year as a result of the COVID-19 pandemic.

Recommendation 3 in this report is for the carry-forward of 2020 approved operating budget into 2021 where operating commitments were provided for in the 2020 approved budget and were not utilized by year-end. Recommendations 3-5 are the recommendation in this report require new funding from the Financial Stabilization Reserve. Recommendations 1-2 have previously approved funding to cover the requested carry-forward of operating commitments.

Recommendations 1 through 5 are discussed further in Attachment 2 of this report along with the impacts of the recommendations on the Financial Stabilization Reserve and details of potential budget impacts in 2021.

Following are highlights of Preliminary Year-End Financial Results, greater than \$2.5 million and personnel, that contribute to the net tax-supported variance:

<b>Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
13.9	<b>Financial Strategies</b> ( <i>Corporate Expenditures, Corporate Programs</i> ) The corporate financial strategy budget was established to provide flexibility for emerging items; such as a contingencies for a utility and fuel costs. The overall costs for fuel and utilities did not increase, and with the combined impact of lower prices with lower consumption during the pandemic the closure of facilities and reduced vehicle usage the actual costs were lower than anticipated.
6.5	<b>Recreation Centres Relaunch Net Impact</b> ( <i>Community and Recreation Facilities, Citizen Services</i> ) Recreation centre revenue is reduced this year as a result of the COVID-19 pandemic. Results are \$1.7 higher than budgeted as the budget adjustment approved in April assumed recreation centres would not reopen until mid-September. Some recreations centres started to reopen as early as mid-July, and as a result, recreation centre revenue is favourable. Recreation Centres Relaunch Operating Costs are \$4.8 lower than budget primarily due to savings in external services and utilities due to facility closures and the phased approach for the Recreation Centres Relaunch; including the ordered shut down in December.
6.1	<b>Gas Franchise Fees</b> ( <i>Corporate Revenues, Corporate Programs</i> ) The City received higher gas franchise fees than budgeted. A budget adjustment was processed to reflect less commercial gas volume due to the COVID-19 pandemic, but revenues have been consistent with the original budget.
5.7	<b>Facility Maintenance Contract Costs</b> ( <i>Fleet and Facility Services, City Operations</i> ) There is a favourable budget variance is due to lower contracted services, timing of the opening of new facilities, and lower material costs due to less internal breakdown work. A significant portion of this variance is due to the COVID-19 pandemic.
5.4	<b>Business License Revenues</b> ( <i>Corporate Revenues, Corporate Programs</i> ) Business license revenue is less impacted by the COVID-19 pandemic than initially projected and there is also an increased uptake in online permitting for new business licenses and increased home business licensing. This created the favourable variance.
4.2	<b>Economic Recovery Grant</b> ( <i>Economic and Environmental Sustainability, Urban Form and Corporate Strategic Development</i> ) A favourable budget variance is due to lower than budgeted grant expense for Phase I and II Economic Recovery grant programs; Phase II is planned to occur in 2021.
3.4	<b>Transit Fleet Maintenance</b> ( <i>Edmonton Transit, City Operations</i> ) A favourable budget variance mainly due to lower fleet maintenance demands due to rescheduling of brake and engine repair work as a result of staff redeployments to other maintenance garages to cover sick leaves and COVID-19 pandemic related time-off.
3.4	<b>Tax Penalties</b> ( <i>Corporate Revenues, Corporate Programs</i> ) Tax penalties are higher than budgeted as the budget adjustment approved in April assumed penalty revenue would be reduced due to the removal of the July 1 penalty. The tax penalty revenue is lower than originally budgeted but not as low as anticipated. This is due to higher outstanding taxes due at the end of the year. The collection rate at the payment due date is general 95-96% and for the August 2020 due date it was 95.1%. For the year the collection rate is normally 98.4% but this year it was 96.7%.

<b>Net Position Budget Variance - Details (continued)</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
3.3	<b>DATS Contract Costs</b> ( <i>Edmonton Transit, City Operations</i> ) A favourable budget variance is due to lower contractor costs from lower trip volumes as a result of lower demand.
2.7	<b>Infrastructure Maintenance Costs</b> ( <i>Parks and Road Services, City Operations</i> ) Expenditures are lower than budgeted for contract work and materials due to delayed start in maintenance for sidewalks and concrete restoration as a result of the COVID-19 pandemic, decreased scope of work and weather constraints.
2.0	<b>Personnel Costs, net of discounting and significant recoveries</b> ( <i>All Departments</i> ) A favourable budget variance is mainly due to vacancies and delayed staffing requirements from the deferred opening of new facilities and planned shutdowns in Facility Maintenance, and lower overtime and savings from vacant positions in Fleet Maintenance, and other cumulative variances; partially offset by unbudgeted costs for enhanced cleaning and higher costs for Transit Operators as a result of the COVID-19 pandemic in Edmonton Transit, and higher costs than anticipated for minimal service levels contemplated with the spring budget adjustment for Community and Recreation Facilities. The projected year-end personnel cost budget variance is 0.2% of the overall annual tax-supported personnel expense budget.
(2.9)	<b>Benefits Coverage for Staff on Long-Term Disability</b> ( <i>Corporate Expenditures, Corporate Programs</i> ) Additional obligations are 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. This increase in the long-term disability obligation is mostly driven by the change in discount rate assumption.
(3.2)	<b>Streetlights and Signals Work</b> ( <i>Parks and Road Services, City Operations</i> ) An unfavourable budget variance is due to higher electrical contract work costs as a result of unrealized contract savings, site access and materials disposition.
(14.1)	<b>Transit Fare Revenue</b> ( <i>Edmonton Transit, City Operations</i> ) Unfavourable budget variance due to significant reductions in transit fare and Upass revenue in the last quarter of the year due to the COVID-19 pandemic that were not accounted for in the Spring Supplemental Budget Adjustment.
3.8	Other net cumulative variances across tax-supported areas.
<b>40.2</b>	<b>Total Net Position Budget Variance</b>
<b>1.6%</b>	<b>Total Net Position Budget Variance Percentage (based on annual expense budget)</b>

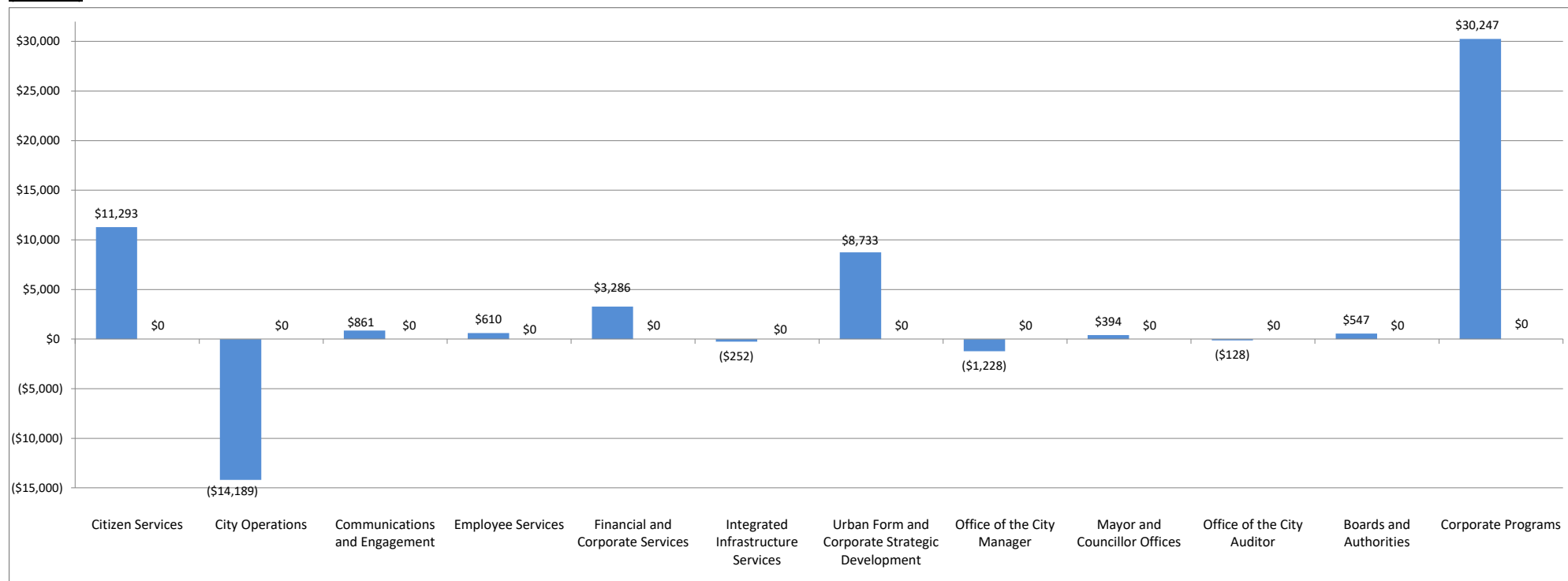
Refer to "Tax-Supported Operations (excluding Edmonton Police Services) - By Department with Significant Variances - Preliminary Year-End Financial Results" included in this report for the detailed results and variance explanations for tax-supported departments that had significant budget variances.

Edmonton Police Services financial results are reflected in the "Edmonton Police Service Budget Variance for the Period Ending December 31, 2020" section of this report.

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

(in \$000's)

■ Year-End Variance

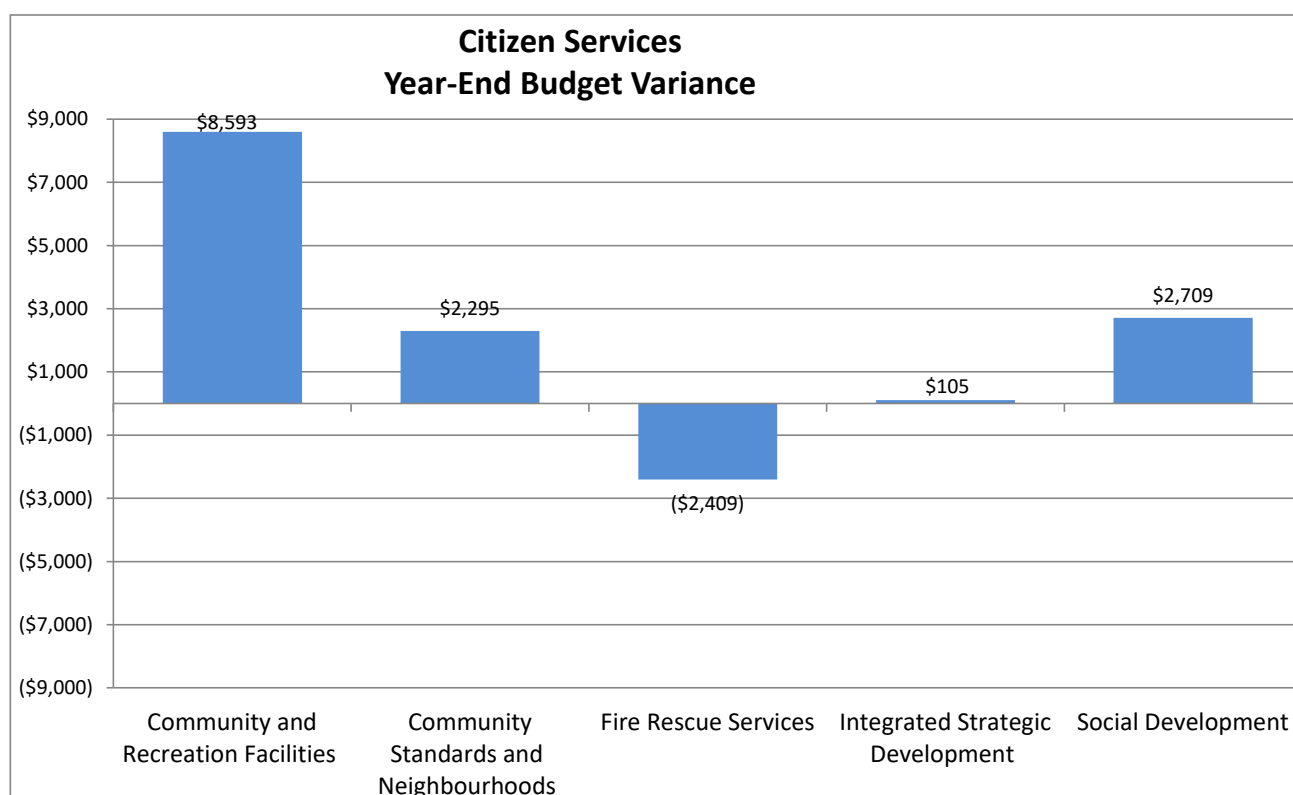


**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
 (in \$000's)

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

**Citizen Services**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
Revenue	123,843	(37,649)	86,194	82,273	(3,921)	(4.5)
Expense	500,338	(32,749)	467,589	452,375	15,214	3.3
Net Position	(376,495)	(4,900)	(381,395)	(370,102)	11,293	<b>3.0</b>





**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

Following are highlights of Preliminary Year-End Financial Results, greater than \$1.0 million, that contribute to the net tax-supported variance:

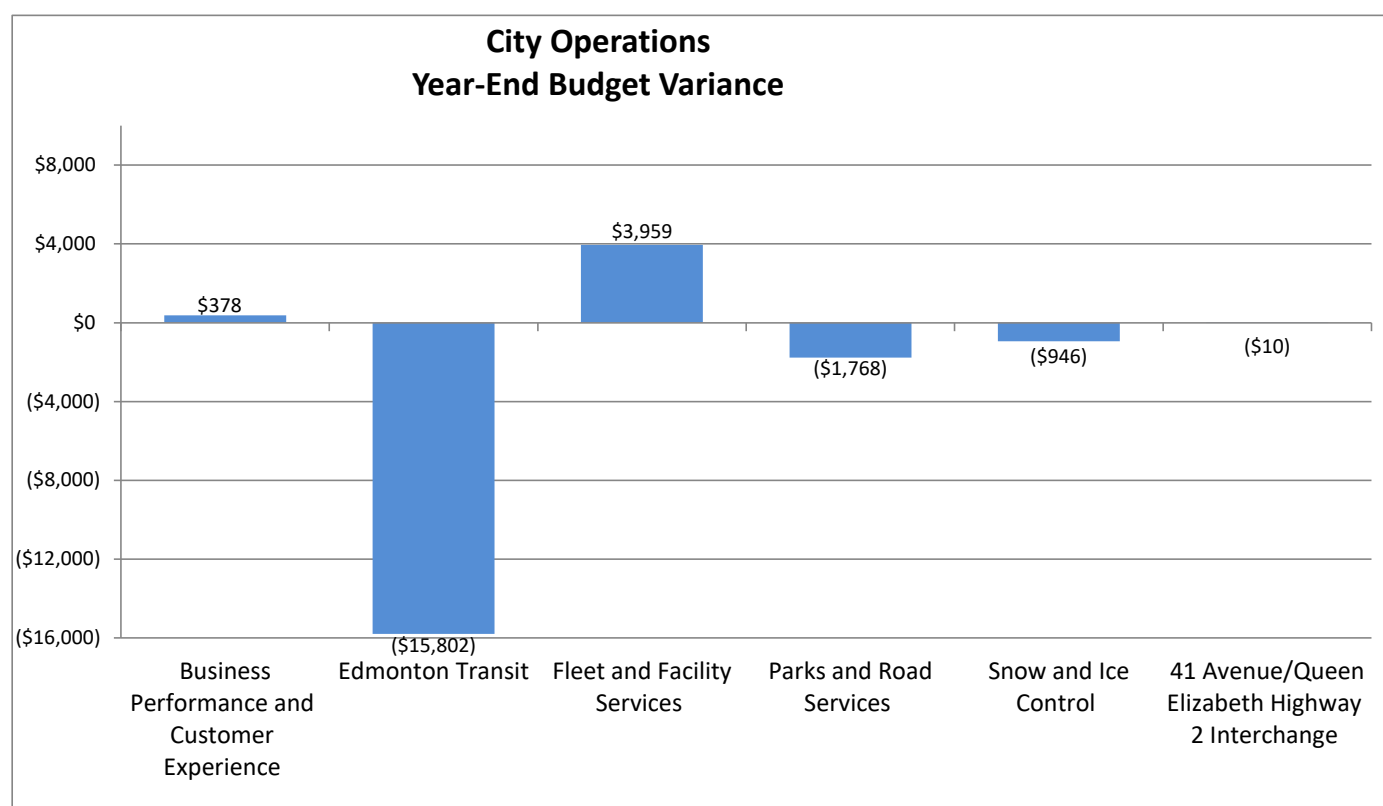
<b>Citizens Services Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
6.5	<b>Recreation Centres Relaunch Net Impact</b> ( <i>Community and Recreation Facilities</i> ) Recreation centre revenue is significantly reduced this year as a result of the COVID-19 pandemic. Actual results are \$1.7 higher than budgeted recreation centre revenues as the budget adjustment approved in April assumed recreation centres would not reopen until mid-September. Some recreations centres started to reopen as early as mid-July and as a result recreation centre revenue is favourable. Recreation Centres Relaunch Operating Costs are \$4.8 lower than budget primarily due to savings in external services and utilities due to facility closures and phased approach for the Recreation Centres Relaunch.
1.8	<b>RAMS Operating Costs</b> ( <i>Community and Recreation Facilities</i> ) Favourable variance is due to cost savings related to RAMS operating costs.
1.2	<b>Community Facility Partner Capital Grant Program</b> ( <i>Social Development</i> ) Favourable variance as the Community Facility Partner Capital Grant Program budget was not fully utilized by the eligible grant applications received in 2020.
1.0	<b>Revitalization Areas Grants</b> ( <i>Community Standard and Neighbourhoods</i> ) Favourable variance is due to delays in awarding of grants due to partner readiness in Neighbourhood projects and Revitalization Areas.
1.0	<b>Security Revenue for Drop-In COVID-19 Day Programs</b> ( <i>Fire Rescue Services</i> ) Favourable budget variance due to external revenue received to cover drop-in security for the COVID-19 pandemic day programs at Homeward Trust and Mustard Seed Housing.
1.0	<b>Cemetery Sales</b> ( <i>Community and Recreation Facilities</i> ) Favourable budget variance due to higher cemetery sales revenue as a budget adjustment was processed to reflect lower sales due the impact of the COVID-19 pandemic, but sales were not as impacted as originally anticipated.
(1.6)	<b>COVID-19 Response Costs</b> ( <i>Fire Rescue Services</i> ) Unfavourable budget variance is mainly due to additional costs related to COVID-19 response for operating the EXPO Centre.
(1.8)	<b>Facility Shutdown and Delayed Openings</b> ( <i>Community and Recreation Facilities</i> ) Lower facility revenues are related to planned facility shutdowns for the Muttart Conservatory, Hardisty and O'Leary recreation centres and delayed openings for the Bonnie Doon and Jasper Place locations.
(2.5)	<b>Personnel Costs, net of discounting and significant recoveries</b> ( <i>All Branches</i> ) Unfavourable budget variance mainly due to higher costs than anticipated for minimal service levels contemplated with the spring budget adjustment for Community and Recreation Facilities.
4.7	Other net cumulative variances across Citizen Services branches.
<b>11.3</b>	<b>Total Net Position Budget Variance - Citizen Services</b>
<b>3.0%</b>	<b>Total Net Position Budget Variance Percentage - Citizen Services (based on annual expense budget)</b>

**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

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

**City Operations**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
Revenue	210,083	(70,644)	139,439	116,663	(22,776)	(16.3)
Expense	706,017	(41,058)	664,959	656,372	8,587	1.3
Net Position	(495,934)	(29,586)	(525,520)	(539,709)	(14,189)	(2.7)



**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

Following are highlights of Preliminary Year-End Financial Results, greater than \$1.5 million, that contribute to the net tax-supported variance:

<b>City Operations Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
5.7	<b>Facility Maintenance Contract Costs</b> ( <i>Fleet and Facility Services</i> ) Favourable budget variance is due to lower contracted services, timing of the opening of new facilities, and lower material costs due to less internal breakdown work. A significant portion of this variance is due to the COVID-19 pandemic.
3.4	<b>Transit Fleet Maintenance</b> ( <i>Edmonton Transit</i> ) Favourable budget variance is mainly due to lower fleet maintenance demands due to rescheduling of brake and engine repair work as a result of staff redeployments to other maintenance garages to cover sick leaves and COVID-19 pandemic related time-off.
3.3	<b>DATS Contract Costs</b> ( <i>Edmonton Transit</i> ) Favourable budget variance is due to lower contractor costs from lower trip volumes as a result of lower demand and using City of Edmonton operators instead of contractors.
2.7	<b>Infrastructure Maintenance Costs</b> ( <i>Parks and Road Services</i> ) Favourable budget variance is due to lower than budgeted contract work and materials due to delayed start in maintenance for sidewalks and concrete restoration as a result of the COVID-19 pandemic, decreased scope of work and weather constraints.
2.4	<b>Regional Smart Fare System</b> ( <i>Edmonton Transit</i> ) Favourable budget variance is due to the timing of implementing the Regional Smart Fare system.
1.7	<b>Light Rail Vehicle (LRV) Recoveries</b> ( <i>Edmonton Transit</i> ) Higher recoveries were charged to capital as more major rehab work has been done on Light Rail Vehicles (LRV), primarily as a result of trains being made available for major overhauls as fewer were required in operations during the COVID-19 pandemic lockdown.
1.7	<b>Integrated Pest Management</b> ( <i>Parks and Road Services, City Operations</i> ) Favourable budget variance is due to lower cost for herbiciding tasks as part of integrated pest management as a result of lower staffing levels due to the COVID-19 pandemic.
1.6	<b>Right of Way (ROW) Permit Revenue</b> ( <i>Parks and Road Services</i> ) Higher than budgeted Right of Way (ROW) permit revenue was as a result of the Telus fiber optics upgrade project.
(1.6)	<b>Municipal Fleet Maintenance Overhead Recoveries</b> ( <i>Fleet and Facility Services</i> ) Lower than budgeted Municipal Fleet Maintenance overhead recoveries were due to the deferral of capital fabrication work to 2021 and a focus on lower labour recovery work than planned.
(1.6)	<b>Reduced Demand in Permits</b> ( <i>Parks and Road Services</i> ) Lower than budgeted net On-Street Construction and Maintenance (OSCAM) revenue was due to reduced demand/duration of permits following the introduction of permit fees.
(1.6)	<b>COVID-19 Response Costs</b> ( <i>Parks and Road Services</i> ) Additions costs are related to the COVID-19 pandemic, such as cost for additional personal protective equipment and servicing of washrooms.
(1.7)	<b>Asphalt and Concrete Revenue</b> ( <i>Parks and Road Services</i> ) Lower than anticipated revenue in asphalt and concrete restoration were as a result of the COVID-19 pandemic and no asphalt sales due to the asphalt plant not operating in 2020.
(1.8)	<b>Labour Cost Recovery</b> ( <i>Fleet and Facility Services</i> ) Lower labour costs were recovered from other areas due to loss of productivity from absences related to the COVID-19 pandemic and lower maintenance demand from reduced vehicle usage during the pandemic.

**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

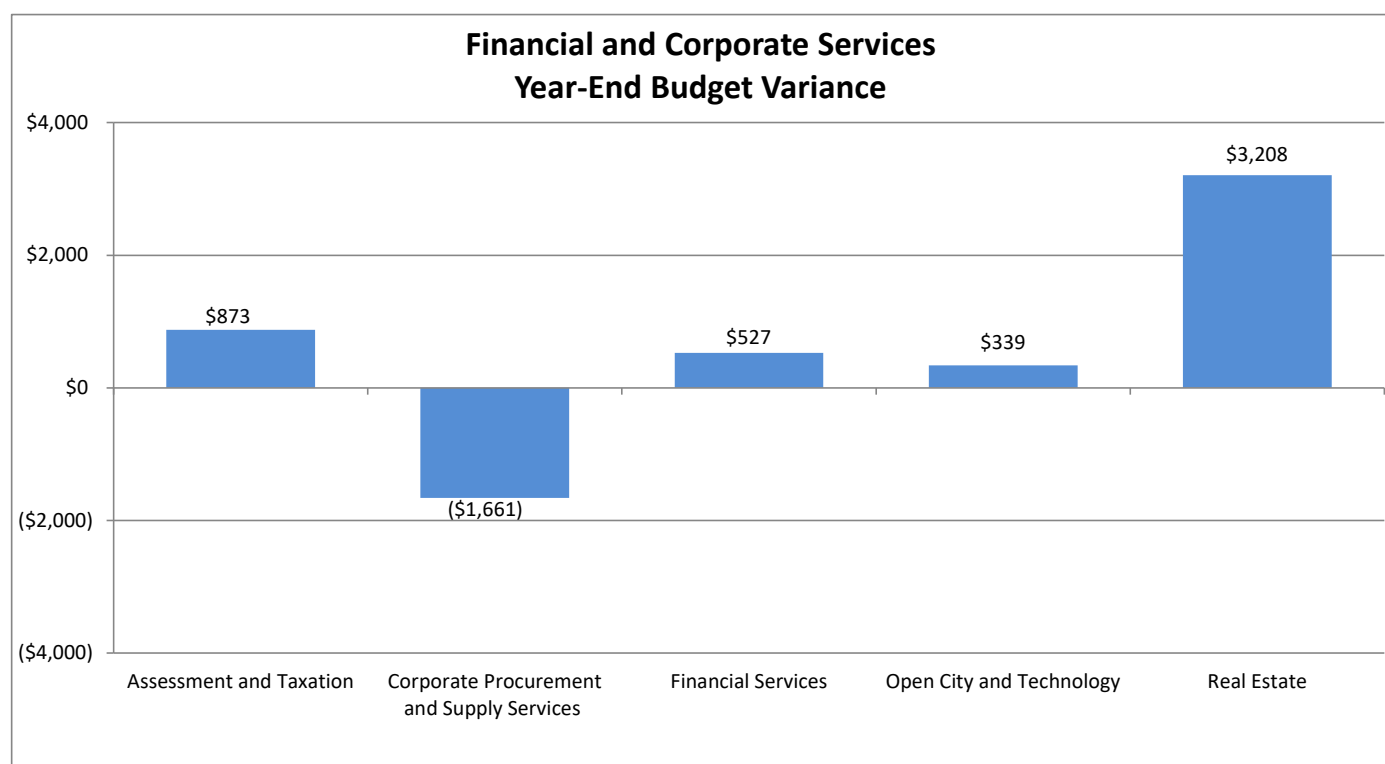
<b>City Operations Net Position Budget Variance - Details (continued)</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
(1.9)	<b>Fuel Costs</b> ( <i>Edmonton Transit</i> ) Unfavourable budget variance due to higher fuel costs than anticipated as service levels increased sooner than originally expected.
(2.3)	<b>Traffic Detour Capital Recoveries</b> ( <i>Parks and Road Services</i> ) An unfavourable budget variance is due to less work completed for traffic detours resulting in lower capital recoveries.
(2.4)	<b>Personnel Costs, net of discounting and significant recoveries</b> ( <i>All Branches</i> ) Enhanced cleaning and higher costs for Transit Operators were a result of the COVID-19 pandemic in Edmonton Transit; partially offset by favourable budget variance mainly due to vacancies and delayed staffing requirements from the deferred opening of new facilities and planned shutdowns in Facility Maintenance, and lower overtime and savings from vacant positions in Fleet Maintenance.
(3.2)	<b>Streetlights and Signals Work</b> ( <i>Parks and Road Services</i> ) Higher electrical contract work costs were as a result of unrealized contract savings, site access and materials disposition.
(14.1)	<b>Transit Fare Revenue</b> ( <i>Edmonton Transit</i> ) Unfavourable budget variance is due to significant reductions in transit fare and Upass revenue in the last quarter of the year due to the COVID-19 pandemic that were not accounted for in the Spring Supplemental Budget Adjustment and the revenue and expense adjustments for the response to the COVID-19 pandemic.
(4.5)	Other net cumulative variances across City Operations branches.
<b>(14.2)</b>	<b>Total Net Position Budget Variance - City Operations</b>
<b>(2.7)%</b>	<b>Total Net Position Budget Variance Percentage - City Operations (based on annual expense budget)</b>

**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

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

**Financial and Corporate Services**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
Revenue	14,661	-	14,661	12,810	(1,851)	(12.6)
Expense	167,425	(5,111)	162,314	157,177	5,137	3.2
Net Position	(152,764)	5,111	(147,653)	(144,367)	3,286	2.2



**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

Following are highlights of Preliminary Year-End Financial Results, greater than \$1.0 million, that contribute to the net tax-supported variance:

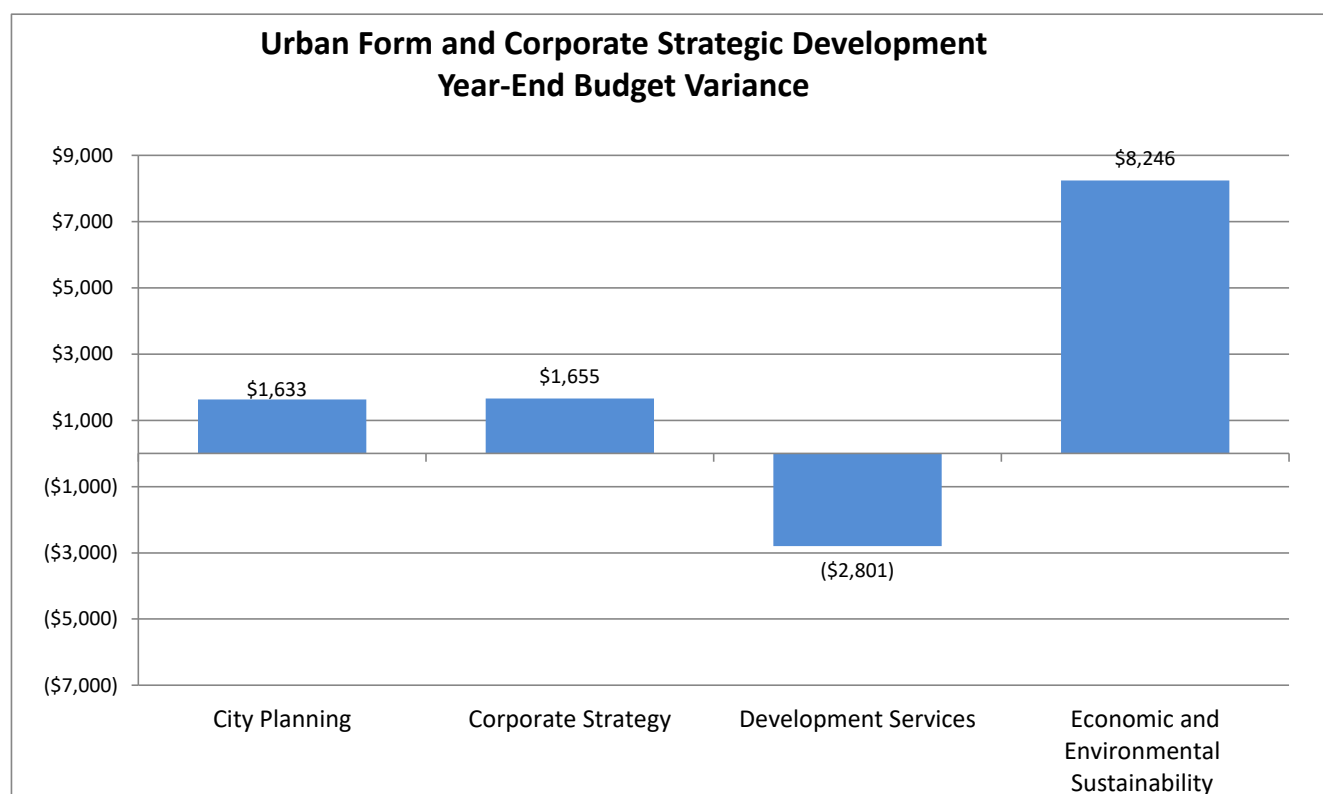
<b>Financial and Corporate Services Net Position Budget Variance - Details</b>	
<b>Year-End Variance</b> (in millions \$)	<b>Variance Explanations</b>
3.2	<b>Various Cost Savings (Real Estate)</b> Favourable budget variance due cumulative net favourable variances, such as lower consulting costs due to deferred projects, and lower facility maintenance and operating costs due to the COVID-19 pandemic.
1.5	<b>Personnel Costs, net of discounting and significant recoveries (All Branches)</b> Favourable budget variance mainly due to intentional vacancy management due to the COVID-19 pandemic.
(1.0)	<b>Obsolete Inventory Write-offs (Corporate Procurement and Supply Services)</b> Unfavourable budget variance due to the unbudgeted write-off of obsolete inventory.
(2.2)	<b>Enterprise Commons Software Costs (Open City and Technology)</b> Unfavourable budget variance mainly due to (\$2,190) unbudgeted SAP licensing costs associated with the Enterprise Commons capital project (fka Enterprise Systems Transformation Program (ESTP)). Administration is assessing and managing the project transition costs.
1.8	Other net cumulative variances across Financial and Corporate Services branches.
<b>3.3</b>	<b>Total Net Position Budget Variance - Financial and Corporate Services</b>
<b>2.2%</b>	<b>Total Net Position Budget Variance Percentage - Financial and Corporate Services (based on annual expense budget)</b>

**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

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

**Urban Form and Corporate Strategic Development**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
Revenue	123,573	(15,000)	108,573	93,218	(15,355)	(14.1)
Expense	185,715	(21,546)	164,169	140,081	24,088	14.7
Net Position	(62,142)	6,546	(55,596)	(46,863)	8,733	15.7



**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

Following are highlights of Preliminary Year-End Financial Results, greater than \$1.0 million, that contribute to the net tax-supported variance:

<b>Urban Form and Corporate Strategic Development Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
4.2	<b>Economic Recovery Grant</b> ( <i>Economic and Environmental Sustainability</i> ) Favourable budget variance due to lower than budgeted grant expense for Phase I and II Economic Recovery grant programs; Phase II is planned to occur in 2021.
3.7	<b>Personnel Costs, net of discounting and significant recoveries</b> ( <i>All Branches</i> ) Favourable budget variance is due to personnel savings from intentional vacancy management in the City Planning and Economic and Environmental Sustainability branches due to the COVID-19 pandemic.
1.4	<b>External Costs</b> ( <i>Economic and Environmental Sustainability</i> ) Favourable budget variance due to lower external services costs, including consulting, space rent, advertising and printing costs, since the COVID-19 pandemic has delayed many activities, resulting in greater utilization of internal resources.
1.0	<b>Renewable Energy Agreement</b> ( <i>Economic and Environmental Sustainability</i> ) Lower than budgeted costs for a related to the 2020 Renewable Energy agreement as a result of a reduced consumption due to the COVID-19 pandemic.
(1.9)	<b>Planning and Development Reserve Transfer</b> ( <i>Development Services</i> ) Planning and Development costs that are supported by tax levy were greater than budgeted as these costs are no longer funded by the Planning and Development Reserve.
0.3	Other net cumulative variances across Urban Form and Corporate Strategic Development branches.
<b>8.7</b>	<b>Total Net Position Budget Variance - Urban Form and Corporate Strategic Development</b>
<b>15.7%</b>	<b>Total Net Position Budget Variance Percentage - Urban Form and Corporate Strategic Development (based on annual expense budget)</b>

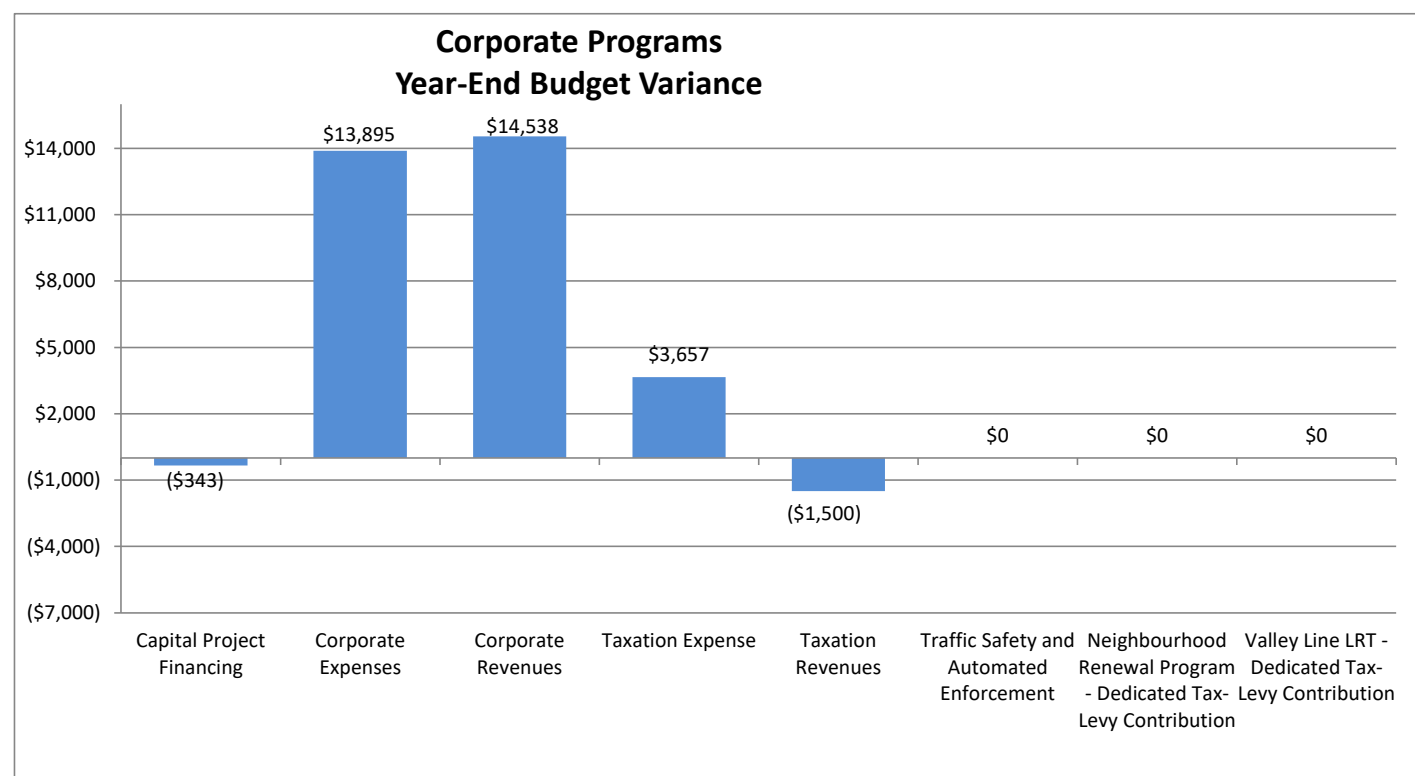


**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
 (in \$000's)

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

**Corporate Programs**

<b>Tax-Supported Operations (excluding Police Services) - Year End</b>						
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
Revenue	2,557,971	(19,252)	2,538,719	2,561,679	22,960	● 0.9
Expense	868,206	(36,086)	832,120	824,833	7,287	● 0.9
<b>Net Position</b>	<b>1,689,765</b>	<b>16,834</b>	<b>1,706,599</b>	<b>1,736,846</b>	<b>30,247</b>	● <b>1.8</b>



**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

Following are highlights of Preliminary Year-End Financial Results, greater than \$1.0 million, that contribute to the net tax-supported variance:

<b>Corporate Programs Net Position Budget Variance - Details</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
13.9	<b>Financial Strategies (Corporate Expenditures)</b> The corporate financial strategy budget, was established to provide flexibility for emerging items; such as a contingencies for a utility and fuel costs. The overall costs for fuel and utilities did not increase and with the combined impact of lower prices with lower consumption during the pandemic with the closure of facilities and reduced vehicle usage the actual costs were lower than anticipated.
6.1	<b>Gas Franchise Fees (Corporate Revenues)</b> Favourable budget variance is due to higher gas franchise fees as a budget adjustment was processed to reflect less commercial gas volume due to the COVID-19 pandemic, but actuals have been consistent with the original budget.
5.4	<b>Business License Revenues (Corporate Revenues)</b> Higher business license revenue was received as activity is less impacted by the COVID-19 pandemic than initially projected and there is also an increased uptake in online permitting for new business licenses and increased home business licensing.
3.4	<b>Tax Penalties (Corporate Revenues)</b> Tax penalties are higher than budgeted as the budget adjustment approved in April assumed penalty revenue would be reduced due to the removal of the July 1 penalty. The tax penalty revenue is lower than originally budgeted but not as low as anticipated. This is due to higher outstanding taxes due at the end of the year. The collection rate at the payment due date is general 95-96% and for the August 2020 due date it was 95.1%. For the year the collection rate is normally 98.4% but this year it was 96.7%.
2.3	<b>Supplementary Taxes (Taxation Expenditures)</b> Favourable budget variance due to higher than budgeted supplementary taxes, net of COVID-19 budget adjustments. The COVID-19 budget adjustment reflected a worst-case scenario but current situation is more optimistic.
2.1	<b>Realty Tax Appeals (Taxation Expenditures)</b> Favourable budget variance reflects that leaves to appeal were resolved with lower losses than originally anticipated. In addition, the estimate for the remaining outstanding appeals was adjusted to be based on an average of losses incurred instead of maximum loss.
1.6	<b>Land Enterprise Dividend (Corporate Revenues)</b> Favourable budget variance is due to higher Land Enterprise dividend than budgeted as budget was based on 25% of Enterprise Land Development 2019 net income in anticipation of a change to City Policy C516B. Council did not approve the recommended changes and the variance reflects the dividend calculated with the existing policy
1.6	<b>Foreign Exchange Gain (Corporate Expenditures)</b> Favourable budget variance is due a foreign currency exchange gain resulting from favourable market conditions and currency exchange rates.
1.3	<b>EPCOR Franchise Fees (Corporate Revenues)</b> Favourable budget variance is mainly due to higher than budgeted sanitary drainage franchise fee revenue related to an adjustment to the fees charged from 2017-2019.
1.2	<b>Property Tax Revenue (Taxation Revenues)</b> Favourable budget variance is due to higher than budgeted property taxes related to assessment changes between the setting of the tax rates and mailing of annual tax notices.

**Tax-Supported Operations - By Department with Significant Variances**  
**Preliminary Year-End Results**  
**December 31, 2020**  
(in \$000's)

<b>Corporate Programs Net Position Budget Variance - Details (continued)</b>	
<b>Year-End Variance (in millions \$)</b>	<b>Variance Explanations</b>
(2.0)	<b>Grants-in-lieu of Taxes</b> ( <i>Taxation Revenues</i> ) Unfavourable taxation revenues is mainly due to assessment corrections processed between the setting of the tax rates and mailing of annual tax notices.
(2.2)	<b>Financial Stabilization Reserve (FSR) Tax Smoothing Transfer</b> ( <i>Corporate Revenues</i> ) Unfavourable budget variance as a transfer funding from the FSR for tax smoothing purposes was not required due to the year end net favourable variance for all tax-supported departments. The FSR tax smoothing budget was a one-time budget to reduce the tax increase and balance the budget.
(2.4)	<b>Tag and Fines Revenue</b> ( <i>Corporate Revenues</i> ) Unfavourable tag and fines revenue is due to significantly reduced parking enforcement tickets as parking volumes were reduced and a portion of the parking fees were waived during the year due to the COVID-19 pandemic.
(2.9)	<b>Benefits Coverage for Staff on Long-Term Disability</b> ( <i>Corporate Expenditures</i> ) Additional obligations are 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. This increase in the long-term disability obligation is mostly driven by the change in discount rate assumption.
0.8	Other net cumulative variances across Corporate Programs branches.
<b>30.2</b>	<b>Total Net Position Budget Variance - Corporate Programs</b>
<b>1.8%</b>	<b>Total Net Position Budget Variance Percentage - Corporate Programs (based on annual expense budget)</b>



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2021 February 1

**SUBJECT:** Budget Variance for the Period Ending December 31, 2020

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#### RECOMMENDATION(S):

That this report be received for information.

#### INTRODUCTION:

This report provides information and updates to the Edmonton Police Commission (EPC) on the Edmonton Police Service (EPS) financial position as of December 31, 2020.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending December 31, 2020 indicate that a \$2.249 million underspend will be transferred to the EPS Operating Reserve.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower demand for Extra Duty services, delays in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives and lower expenses for forensic biology related services.

The revenue shortfall is due to lower demand for several EPS services and fewer Traffic Safety Act fine tickets issued.

The overbudget position in Personnel is primarily the result of higher salary costs due to decreases in vacation taken, higher part time and overtime costs in the Police Communications Branch resulting from 911 position civilianization, largely offset by the savings due to the EPA collective bargaining where the increase was effective December 2020 and lower Community Policing overtime costs.

### COVID-19 Financial Impact

The year-end results include \$8.096 million for increased operating expenses and revenue shortfalls.

### Capital Results


This is the second year of the four year Capital budget (2019 to 2022) and the results indicate a budget carry forward to 2021 of \$18.308 million. The carry forward is predominantly related to Information Technology Systems, Northwest Campus, Vehicles, and Telecommunications.

### ADDITIONAL INFORMATION ATTACHED:

Attachment I - Budget Variance by Major Category of Revenue & Expenditures

Attachment II - Capital Budget Performance

**Written By:** Kathryn REYNOLDS, Director, Financial Management Branch 

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

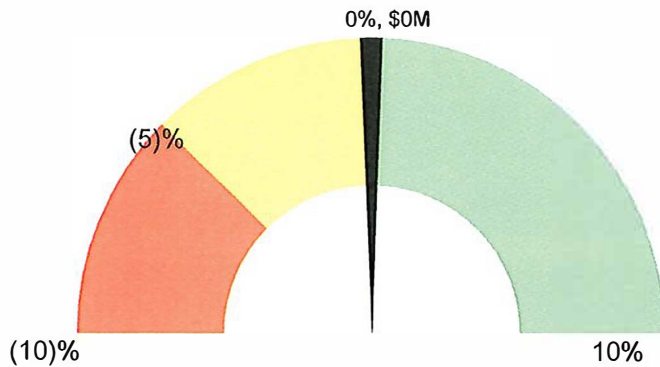
**Approved By:** Darren DERKO, Deputy Chief, Corporate Services Bureau 

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

**Date:** \_\_\_\_\_

**Budget Variance by Major Category of Revenue & Expenditures  
For the Period Ending December 31, 2020**

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



- Year-to-Date Variance
- Projected Year-End Variance

	2020 Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	96,946	92,862	(4,084)	-4.2%
<i>Personnel</i>	381,640	384,712	(3,072)	-0.8%
<i>Non-Personnel</i>	92,313	82,908	9,405	10.2%
Expense	473,953	467,620	6,333	1.3%
Transfer to/(from)				
EPS Reserve (Note 2)	-	2,249	(2,249)	
Net Position	377,007	377,007	-	0.0%

	2019 Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	96,957	94,470	(4,453)	-4.6%
<i>Personnel</i>	368,575	369,044	(3,822)	-1.0%
<i>Non-Personnel</i>	86,006	81,967	8,599	10.7%
Expense	454,581	451,011	4,777	1.0%
Transfer to/(from)				
EPS Reserve (Note 2)	-	1,083	(324)	
Net Position	357,624	357,624	0	0.0%

### Year-to Date

**Revenue** - The under budget position is the result of less demand for Extra Duty services because of the cancellation of several events and fewer tows of seized vehicles, offset by lower contract and service costs. There was also lower demand for Police Information Checks (PICS). Lower Traffic Safety Act revenues were due to a lower number of tickets issued. There were also less E911 Grant related costs resulting in less revenue recognized. The grants received for Municipal Policing Assistance and Drug Impaired Driving were higher than anticipated.

**Personnel** - The over budget position is due to higher salary costs because of decreases in vacation taken, higher part time and overtime costs in the Police Communications Branch (PCB) resulting from 911 position civilianization, and one-time costs related to the Voluntary Retirement Incentive Program. Offsetting these are savings due to the EPA collective bargaining where the increase was effective December 2020 and lower Community Policing overtime due to favorable staffing or deployment.

**Non-Personnel** - The under budget position is due to lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. Also contributing to the under spend are the lower than expected expense for forensic biology related services, and the delay in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives. Travel and training, insurance for vehicles and Air 1 & 2, building maintenance, custodial, and snow removal costs were also lower than anticipated. Additional costs were incurred for PICS online service and credit card processing fees.

### 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.

The unrestricted balance in the EPS Operating Reserve as at December 31, 2020 is \$4.494 million which is comprised of the following annual transfers:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million

The total balance in the EPS Operating Reserve as at December 31, 2020 is \$7.034 million of which \$2.540 million is restricted for Alberta First Responders Radio Communications System (AFRRCS) Government of Alberta access fee and ongoing Information Technology software subscription, maintenance and support costs.



**Enterprise and Utility Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2020**  
(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	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	218,966	(4,199)	214,767	213,700	(1,067)	<span style="color: yellow;">●</span> (0.5)
Expense	221,152	(4,199)	216,953	204,731	12,222	<span style="color: green;">●</span> 5.6
Net Position	(2,186)	-	(2,186)	8,969	11,155	<span style="color: green;">●</span> 510.3

### COVID-19 Budget Adjustments

*Revenue and Expense* - Recommended operating budget changes for the Waste Services Utility as a result of COVID-19. In light of the current pandemic and the immediate limitations it poses to transformational work, Administration is recommended to defer implementation of the Single Unit Waste Set-out program from July 2020 to the first quarter of 2021. By establishing a new timeline for the cart rollout, \$4,200 in costs from 2020 were avoided and those savings passed onto the ratepayer to demonstrate accountability and transparency in managing the utility budget.

### Year End Variances

*Revenue* - Unfavourable budget variance is primarily due to (\$1,744) decrease in Trade Waste revenue due to lower than budgeted volume and lower excess waste revenue offset with expense savings below from the source separated organics program which has been delayed until 2021. Lower customer self-haul revenue of (\$1,031) was due to lower volume. This is partially offset by \$1,955 higher commercial collection revenue as the program was budgeted to fully wind down in 2020, but is now expected to wind down fully in 2021 due to contractual obligations.

*Expense* - Favourable budget variance is mainly due to: \$3,176 lower than anticipated contractor costs for the delayed demolition of Edmonton Composting Facility (ECF), \$2,923 lower amortization than budgeted, \$2,000 personnel savings due to vacancies and lower overtime, \$1,987 Environmental Compliance cost savings related to the Groundwater Diversion Project, \$1,628 lower fuel costs due to lower volume and fuel prices, \$1,292 lower power charges overall plus less demand for feedstock at the Waste to Biofuels and Chemicals Facility, \$1,244 cost savings for Excess Waste collection which is part of the Source Separated Organics program as this program is delayed until 2021. These favourable variances are partially offset with (\$3,473) non-cash expense for the write down of the equipment used at the ECF, as well as (\$897) increased contract landfill and long haul costs as higher volume was sent to the landfill from the closure of the ECF, delay in commissioning of the Anaerobic Digestion Facility (ADF) and decreased feedstock from the Refuse Derived Fuel (RDF) facility.

Although the non-cash expense related to the ECF equipment write down will be reported as an expense on the Waste Services financial statements in 2020, this expense 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.

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

**Enterprise and Utility Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2020**  
(in \$000's)

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

### Land Enterprise

	Year-End					
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Projected (Probable)	Variance \$	%
Revenue	36,165	-	36,165	22,386	(13,779) <span style="color: red;">●</span>	(38.1)
Expense	28,989	-	28,989	11,343	17,646 <span style="color: green;">●</span>	60.9
Net Position	7,176	-	7,176	11,043	3,867 <span style="color: green;">●</span>	<b>53.9</b>

#### Year End Variances

*Revenue* - Unfavourable budget variance is due to (\$13,967) lower than expected sales due to market conditions; partially offset within expenses below.

*Expense* - Favourable budget variance is due to \$17,079 lower cost of land sold due to delays in sales.

### Blatchford Redevelopment

	Year-End					
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	16,525	-	16,525	2,666	(13,859) <span style="color: red;">●</span>	(83.9)
Expense	18,393	-	18,393	4,168	14,225 <span style="color: green;">●</span>	77.3
Net Position	(1,868)	-	(1,868)	(1,502)	366 <span style="color: green;">●</span>	<b>19.6</b>

#### Year End Variances

*Revenue* - Unfavourable budget variance is mainly due to (\$14,010) lower than expected sales due to market conditions.

*Expense* - Favourable budget variance is due to \$13,363 lower cost of land sold due to delay in sales.

### Blatchford Renewable Energy Utility

	Year-End					
	Budget	COVID-19 Budget Adjustments	Adjusted Budget	Actual	Variance \$	%
Revenue	161	-	161	30	(131) <span style="color: red;">●</span>	(81.4)
Expense	2,394	-	2,394	1,415	979 <span style="color: green;">●</span>	40.9
Net Position	(2,233)	-	(2,233)	(1,385)	848 <span style="color: green;">●</span>	<b>38.0</b>

#### Year End Variances

*Expense* - Favourable budget variance is mainly due to lower than anticipated spending on facility maintenance, operating contracts and customer billing as a result of slower development pace and delayed home builder construction activities; partially offset by higher utility costs for the first full year of operation as these costs were higher than initially anticipated.

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



**Community Revitalization Levy Operations**  
**Preliminary Year-End Financial Results**  
**December 31, 2020**  
(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 February 22, 2021, provides an update on the long-term CRL forecasts.

**Belvedere Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	3,780	1,134	(2,646) <span style="color: red;">●</span>	(70.0)
Expense	3,886	2,067	1,819 <span style="color: green;">●</span>	46.8
Net Income /(Deficit)	(106)	(933)	(827) <span style="color: red;">●</span>	(780.2)
Transfer (to) /from Reserve	106	933	827 <span style="color: green;">●</span>	780.2
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 cost of land sold related to delayed land sales.

**Capital City Downtown Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	29,831	30,427	596 <span style="color: green;">●</span>	2.0
Expense	24,744	24,394	350 <span style="color: green;">●</span>	1.4
Net Income /(Deficit)	5,087	6,033	946 <span style="color: green;">●</span>	18.6
Transfer (to) /from Reserve	(5,087)	(6,033)	(946) <span style="color: green;">●</span>	18.6
Net Position	-	-	- <span style="color: green;">●</span>	-

**Quarters Community Revitalization Levy**

	Year-End			
	Budget	Actual	Variance \$	%
Revenue	4,925	5,094	169 <span style="color: green;">●</span>	3.4
Expense	8,046	8,658	(612) <span style="color: yellow;">●</span>	(7.6)
Net Income /(Deficit)	(3,121)	(3,564)	(443) <span style="color: red;">●</span>	(14.2)
Transfer (to) /from Reserve	3,121	3,564	443 <span style="color: green;">●</span>	14.2
Net Position	-	-	- <span style="color: green;">●</span>	-

	<b>Belvedere</b>	<b>Capital City Downtown</b>	<b>Quarters</b>
Reserve Balance, December 31, 2020 (preliminary)	(\$11,026)	(\$13,839)	(\$12,214)
First year the CRL is projected to have an annual positive surplus	2029	2019	2025
Year reserve is sufficient to cover remaining debt servicing	N/A	2033	2031

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 February 22, 2021, Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere report UFCSD00222.

### **Belvedere CRL**

Administration has prepared a revenue scenario for Belvedere. Development in the area has not progressed as anticipated in the original plan. The decrease in market values resulting from the COVID-19 pandemic has further decreased Administration's revenue expectations for the Belvedere Levy by \$1.7 million to \$42.3 million. The projections indicate revenues from the Community Revitalization Levy and land sales will not be sufficient to cover all outstanding principal and interest charges before the 2032 expiry of the Levy. The shortfall is projected to be \$11.9 million. Ongoing municipal tax revenues that continue beyond 2032 would retire the remaining debt by 2038.

A "stress test" scenario was also prepared for Belvedere. In this stress test scenario, the increase in municipal taxes will continue beyond 2032 and would generate enough revenue to repay all outstanding principal and interest charges by 2039.

### **Capital City Downtown CRL**

The pace and volume of development underway within the Levy area 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.

The current projections for the Levy in the medium scenario have decreased by \$64 million from 2019 to \$753 million. This is being driven by decreased assessment values across all property classes resulting from the COVID-19 pandemic, and Council's decision to reduce the tax increase to 0 percent for 2021 and 1.6 percent for 2022. 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 will adjust the implementation schedule of future catalyst projects as required. Administration will only recommend funding unfunded 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 that assessed values will 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.

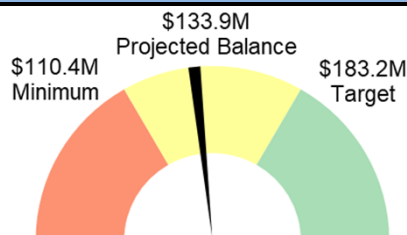
**The Quarters CRL**

Administration has prepared a revenue scenario for the Quarters Downtown. The revenue projection has decreased over the previous year, due to decreases in assessed values. This results in a projection decrease of \$6 million for a total of \$156 million over the 20-year levy period. This revenue is sufficient to cover principal and interest costs of all Quarters catalyst projects approved to date.

In addition to updating the scenario for The Quarters Downtown, a “stress test” scenario has been prepared, with similar assumptions to the Capital City Downtown Levy. While this stress test scenario is unlikely, the increase in municipal taxes will continue beyond 2031 and would generate enough revenue to repay all outstanding principal and interest charges by 2037.

**Reserves Update**  
**December 2020**  
(in \$000's)

**Financial Stabilization Reserve**



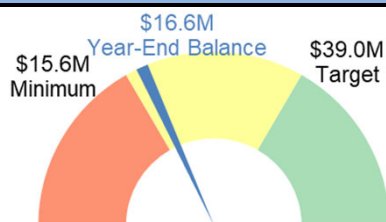
Below minimum balance

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 2020 preliminary tax-levy surplus and year-end recommendations. The projected FSR balance is further outlined in Attachment 2.
- The projected December 31, 2020 year-end balance for the reserve is \$133.9 million, which is above its minimum required balance of \$110.4 million for 2020, but below the target balance of \$183.2 million.
- The minimum and target balances are calculated as 5% and 8.3% of general government expenses, excluding non-cash amortization (as reflected in the most recent audited City financial statements), respectively. 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 16, 2020, and provided to City Council for approval on April 19, 2020.

**Planning and Development Reserve**



Below minimum balance

Above minimum balance & below target balance

Above target balance

- In accordance with 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. The December 31, 2020 year-end reserve balance of \$16.6 million (32%) is above its minimum required balance of \$15.6 million for 2020.
- The reserve has been drawn on more than budgeted in recent years mainly due to lower than expected volumes of building applications and permits. The impacts of the COVID-19 pandemic have further exasperated the decrease in activity. However, application volumes have been higher than anticipated partly due to the availability of online permitting. This has strengthened the position of the Reserve and resulted in a transfer to the Reserve at year-end.
- A report was approved by City Council on February 3, 2020 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. Report CR\_8335 Planning and Development Business Model - Proposed Fiscal Strategy was presented to Council November 16, 2020 with recommendations on a fiscal strategy.
- Current forecasts indicate revenue declines into 2021 that will continue to put pressure on maintaining the reserve balance above zero.

*Next steps forward include:*

- Cost management throughout 2021 & 2022
- Continuing forecasting improvements to support improved resource management
- Targeted fee increases to ensure expected cost recovery
- Reallocation of Business Model overhead costs
- Continue the Permit and Licensing Improvement initiative to improve applicant experience for permit and licensing services, and improve productivity.

## 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, 2020 year-end balance of the reserve for 2020 is \$20.3 million, which is above its minimum required balance of \$2.3 million for 2020. 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. 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. Administration will bring forward a plan for the 2021-2025 period that will address the reduced revenue impact in the spring of 2021.

A schedule of the reserve balance including the projected balance for 2020 is included in the "Traffic Safety and Automated Enforcement Reserve Schedule".

**Traffic Safety and Automated Enforcement Reserve Schedule**  
**December 2020**  
(\$ millions)

**Summary Schedule**

	2020			2021 <sup>1</sup>	2022 <sup>1</sup>
	Approved Budget	Year-to-Date Actual (December 31)	Remaining (Budget - Actual)	Approved Budget	Approved Budget
Transfers to the Reserve: Automated enforcement revenues and interest earnings	45.7	49.7	4.0	40.9	38.3
Funding from the reserve	(53.7)	(46.3)	(7.4)	(45.7)	(41.6)
<b>Annual Surplus/(Deficit)</b>	<b>(8.0)</b>	<b>3.4</b>		<b>(4.8)</b>	<b>(3.3)</b>
Opening Reserve Balance	16.9	16.9		20.3	12.1
<b>Closing Reserve balance (Cumulative)</b>	<b>8.9</b>	<b>20.3</b>		<b>15.5</b>	<b>8.8</b>
Minimum reserve balance - 5% of budgeted revenues	2.3	2.3		2.0	1.9
Available funds (closing reserve balance less minimum reserve balance)	6.6	18.0		13.5	6.9

(Detailed schedule on next page)

**Traffic Safety and Automated Enforcement Reserve Schedule**  
**December 2020**  
(\$ millions)  
**Detailed Schedule**

	2020			2021 <sup>1</sup>	2022 <sup>1</sup>
	Approved Budget	Year-to-Date Actual (December 31)	Remaining (Budget - Actual)	Approved Budget	Approved Budget
Transfers to the Reserve:					
Automated enforcement revenues	45.7	49.5	3.9	40.9	38.3
Interest earnings	-	0.1	0.1		
	45.7	49.7	4.0	40.9	38.3
Funding from the reserve:					
<i>Operating:</i>					
Edmonton Police Service	(22.3)	(22.3)	0.0	(22.3)	(22.3)
Traffic Safety section	(13.5)	(13.4)	(0.1)	(13.0)	(12.9)
Road Safety Strategy - Public Engagement (Marketing)	(0.7)	(0.3)	(0.4)	(0.7)	(0.7)
Corporate Traffic Safety Initiatives	(2.2)	(2.2)	(0.0)	(1.1)	-
Community Facility Partner Capital Grant Program	(2.9)	(2.9)	-	(1.8)	-
	(41.6)	(41.0)	(0.6)	(38.9)	(35.9)
<i>Capital:</i> <sup>2</sup>					
Community Traffic Safety Countermeasures (CM-66-2555)	(0.3)	(0.1)	(0.2)	-	-
Regulated Safety Upgrades at Railway Crossings (CM-66-2194)	(1.0)	(0.2)	(0.8)	(0.6)	-
Crosswalk Safety (CM-66-2585)	(4.7)	(2.5)	(2.2)	(3.0)	(3.0)
School Safety (CM-66-2590)	(2.7)	(1.7)	(1.0)	(2.7)	(2.7)
Traffic Safety Engineering Measures (CM-66-2550)	(0.6)	(0.5)	(0.1)	-	-
2020 Street Safety Priorities (CM-66-2595)	(1.3)	(0.3)	(1.0)	-	-
Speed Limit Reduction (CM-66-2580)	(1.5)	-	(1.5)	(0.5)	-
	(12.1)	(5.3)	(6.8)	(6.8)	(5.7)
Total funding from the reserve	(53.7)	(46.3)	(7.4)	(45.7)	(41.6)
<b>Annual Surplus/(Deficit)</b>	<b>(8.0)</b>	<b>3.4</b>		<b>(4.8)</b>	<b>(3.3)</b>
Opening Reserve Balance	16.9	16.9		16.9	12.1
<b>Closing Reserve balance (Cumulative)</b>	<b>8.9</b>	<b>20.3</b>		<b>12.1</b>	<b>8.8</b>
Minimum reserve balance - 5% of budgeted revenues	2.3	2.3		2.0	1.9
Available funds (closing reserve balance less minimum reserve balance)	6.6	18.0		10.1	6.9

**Traffic Safety and Automated Enforcement Reserve Schedule****December 2020****(\$ millions)****Notes:**

1. Funding from the reserve for 2020 is based on the approved 2019-2022 operating and capital budgets, and approved carryforward of unspent 2019 budgets.

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. 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 2020 as part of the 2019 capital budget carryforward process. Additional capital profiles were approved on June 4, 2019 as part of CR\_7087 Unfunded Capital Profile – School Safety Program and on May 25, 2020 as part of CR\_8009 Spring 2020 Supplemental Capital Budget Adjustment – Safe Mobility Strategy.



**Tax-Supported Operations - December 31, 2020 Preliminary Financial Results**

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

(in \$000's)		Year-to-Date (YTD)					
		Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
<b><u>Citizen Services</u></b>							
Community and Recreation Facilities	Revenue	68,127	(37,649)	30,478	31,017	539 <span style="color: green;">●</span>	1.8
	Expense	129,757	(28,559)	101,198	93,144	8,054 <span style="color: green;">●</span>	8.0
	<b>Net Position</b>	<b>(61,630)</b>	<b>(9,090)</b>	<b>(70,720)</b>	<b>(62,127)</b>	<b>8,593 <span style="color: green;">●</span></b>	<b>12.2</b>
Community Standards and Neighbourhoods	Revenue	7,424	-	7,424	6,410	(1,014) <span style="color: red;">●</span>	(13.7)
	Expense	52,456	(1,331)	51,125	47,816	3,309 <span style="color: green;">●</span>	6.5
	<b>Net Position</b>	<b>(45,032)</b>	<b>1,331</b>	<b>(43,701)</b>	<b>(41,406)</b>	<b>2,295 <span style="color: green;">●</span></b>	<b>5.3</b>
Fire Rescue Services	Revenue	1,367	-	1,367	2,887	1,520 <span style="color: green;">●</span>	111.2
	Expense	227,035	(531)	226,504	230,433	(3,929) <span style="color: yellow;">●</span>	(1.7)
	<b>Net Position</b>	<b>(225,668)</b>	<b>531</b>	<b>(225,137)</b>	<b>(227,546)</b>	<b>(2,409) <span style="color: yellow;">●</span></b>	<b>(1.1)</b>
Integrated Strategic Development	Revenue	46	-	46	-	(46) <span style="color: red;">●</span>	(100.0)
	Expense	6,808	(454)	6,354	6,203	151 <span style="color: green;">●</span>	2.4
	<b>Net Position</b>	<b>(6,762)</b>	<b>454</b>	<b>(6,308)</b>	<b>(6,203)</b>	<b>105 <span style="color: green;">●</span></b>	<b>1.7</b>
Social Development	Revenue	46,879	-	46,879	41,959	(4,920) <span style="color: red;">●</span>	(10.5)
	Expense	84,282	(1,874)	82,408	74,779	7,629 <span style="color: green;">●</span>	9.3
	<b>Net Position</b>	<b>(37,403)</b>	<b>1,874</b>	<b>(35,529)</b>	<b>(32,820)</b>	<b>2,709 <span style="color: green;">●</span></b>	<b>7.6</b>
<b><u>Citizen Services</u></b>							
	Revenue	123,843	(37,649)	86,194	82,273	(3,921) <span style="color: yellow;">●</span>	(4.5)
	Expense	500,338	(32,749)	467,589	452,375	15,214 <span style="color: green;">●</span>	3.3
	<b>Net Position</b>	<b>(376,495)</b>	<b>(4,900)</b>	<b>(381,395)</b>	<b>(370,102)</b>	<b>11,293 <span style="color: green;">●</span></b>	<b>3.0</b>
<b><u>City Operations</u></b>							
Business Performance and Customer Experience	Revenue	-	-	-	-	-	-
	Expense	2,522	-	2,522	2,144	378 <span style="color: green;">●</span>	15.0
	<b>Net Position</b>	<b>(2,522)</b>	<b>-</b>	<b>(2,522)</b>	<b>(2,144)</b>	<b>378 <span style="color: green;">●</span></b>	<b>15.0</b>
Edmonton Transit	Revenue	140,815	(56,674)	84,141	64,057	(20,084) <span style="color: red;">●</span>	(23.9)
	Expense	370,001	(23,474)	346,527	342,245	4,282 <span style="color: green;">●</span>	1.2
	<b>Net Position</b>	<b>(229,186)</b>	<b>(33,200)</b>	<b>(262,386)</b>	<b>(278,188)</b>	<b>(15,802) <span style="color: yellow;">●</span></b>	<b>(6.0)</b>
Fleet and Facility Services	Revenue	17,141	-	17,141	17,785	644 <span style="color: green;">●</span>	3.8
	Expense	85,336	(6,037)	79,299	75,984	3,315 <span style="color: green;">●</span>	4.2
	<b>Net Position</b>	<b>(68,195)</b>	<b>6,037</b>	<b>(62,158)</b>	<b>(58,199)</b>	<b>3,959 <span style="color: green;">●</span></b>	<b>6.4</b>
Parks and Road Services	Revenue	50,708	(13,970)	36,738	34,816	(1,922) <span style="color: yellow;">●</span>	(5.2)
	Expense	186,515	(11,040)	175,475	175,321	154 <span style="color: green;">●</span>	0.1
	<b>Net Position</b>	<b>(135,807)</b>	<b>(2,930)</b>	<b>(138,737)</b>	<b>(140,505)</b>	<b>(1,768) <span style="color: yellow;">●</span></b>	<b>(1.3)</b>
Snow and Ice Control	Revenue	13	-	13	5	(8) <span style="color: red;">●</span>	(61.5)
	Expense	60,237	(507)	59,730	60,668	(938) <span style="color: yellow;">●</span>	(1.6)
	<b>Net Position</b>	<b>(60,224)</b>	<b>507</b>	<b>(59,717)</b>	<b>(60,663)</b>	<b>(946) <span style="color: yellow;">●</span></b>	<b>(1.6)</b>
41 Avenue/Queen Elizabeth Highway 2 Interchange	Revenue	1,406	-	1,406	-	(1,406) <span style="color: red;">●</span>	(100.0)
	Expense	1,406	-	1,406	10	1,396 <span style="color: green;">●</span>	99.3
	<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>(10) <span style="color: green;">●</span></b>	<b>-</b>
<b><u>City Operations</u></b>							
	Revenue	210,083	(70,644)	139,439	116,663	(22,776) <span style="color: red;">●</span>	(16.3)
	Expense	706,017	(41,058)	664,959	656,372	8,587 <span style="color: green;">●</span>	1.3
	<b>Net Position</b>	<b>(495,934)</b>	<b>(29,586)</b>	<b>(525,520)</b>	<b>(539,709)</b>	<b>(14,189) <span style="color: yellow;">●</span></b>	<b>(2.7)</b>

**Tax-Supported Operations - December 31, 2020 Preliminary Financial Results**

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

(in \$000's)		Year-to-Date (YTD)					
		Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
<b>Communications and Engagement</b>							
Engagement	Revenue	118	-	118	-	(118) <span style="color: red;">●</span>	(100.0)
	Expense	19,392	(562)	18,830	17,837	993 <span style="color: green;">●</span>	5.3
	<b>Net Position</b>	<b>(19,274)</b>	<b>562</b>	<b>(18,712)</b>	<b>(17,837)</b>	<b>875 <span style="color: green;">●</span></b>	<b>4.7</b>
External and Intergovernmental Relations	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	3,289	(499)	2,790	1,995	795 <span style="color: green;">●</span>	28.5
	<b>Net Position</b>	<b>(3,289)</b>	<b>499</b>	<b>(2,790)</b>	<b>(1,995)</b>	<b>795 <span style="color: green;">●</span></b>	<b>28.5</b>
Reputation and Brand	Revenue	63	-	63	63	- <span style="color: green;">●</span>	-
	Expense	2,650	(81)	2,569	2,351	218 <span style="color: green;">●</span>	8.5
	<b>Net Position</b>	<b>(2,587)</b>	<b>81</b>	<b>(2,506)</b>	<b>(2,288)</b>	<b>218 <span style="color: green;">●</span></b>	<b>8.7</b>
Integrated Marketing Communications	Revenue	1,338	(43)	1,295	556	(739) <span style="color: red;">●</span>	(57.1)
	Expense	10,611	(522)	10,089	10,377	(288) <span style="color: yellow;">●</span>	(2.9)
	<b>Net Position</b>	<b>(9,273)</b>	<b>479</b>	<b>(8,794)</b>	<b>(9,821)</b>	<b>(1,027) <span style="color: red;">●</span></b>	<b>(11.7)</b>
<b>Communications and Engagement</b>							
	Revenue	1,519	(43)	1,476	619	(857) <span style="color: red;">●</span>	(58.1)
	Expense	35,942	(1,664)	34,278	32,560	1,718 <span style="color: green;">●</span>	5.0
	<b>Net Position</b>	<b>(34,423)</b>	<b>1,621</b>	<b>(32,802)</b>	<b>(31,941)</b>	<b>861 <span style="color: green;">●</span></b>	<b>2.6</b>
<b>Employee Services</b>							
Workforce Safety and Employee Health	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	6,419	(182)	6,237	6,098	139 <span style="color: green;">●</span>	2.2
	<b>Net Position</b>	<b>(6,419)</b>	<b>182</b>	<b>(6,237)</b>	<b>(6,098)</b>	<b>139 <span style="color: green;">●</span></b>	<b>2.2</b>
Talent Acquisition, Service and Solutions	Revenue	130	-	130	127	(3) <span style="color: yellow;">●</span>	(2.3)
	Expense	13,239	(406)	12,833	12,124	709 <span style="color: green;">●</span>	5.5
	<b>Net Position</b>	<b>(13,109)</b>	<b>406</b>	<b>(12,703)</b>	<b>(11,997)</b>	<b>706 <span style="color: green;">●</span></b>	<b>5.6</b>
Organizational Design and Development	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	3,747	(254)	3,493	3,604	(111) <span style="color: yellow;">●</span>	(3.2)
	<b>Net Position</b>	<b>(3,747)</b>	<b>254</b>	<b>(3,493)</b>	<b>(3,604)</b>	<b>(111) <span style="color: yellow;">●</span></b>	<b>(3.2)</b>
Employee Relations and Compensation	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	4,330	(149)	4,181	4,305	(124) <span style="color: yellow;">●</span>	(3.0)
	<b>Net Position</b>	<b>(4,330)</b>	<b>149</b>	<b>(4,181)</b>	<b>(4,305)</b>	<b>(124) <span style="color: yellow;">●</span></b>	<b>(3.0)</b>
<b>Employee Services</b>							
	Revenue	130	-	130	127	(3) <span style="color: yellow;">●</span>	(2.3)
	Expense	27,735	(991)	26,744	26,131	613 <span style="color: green;">●</span>	2.3
	<b>Net Position</b>	<b>(27,605)</b>	<b>991</b>	<b>(26,614)</b>	<b>(26,004)</b>	<b>610 <span style="color: green;">●</span></b>	<b>2.3</b>
<b>Financial and Corporate Services</b>							
Assessment and Taxation	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	20,948	(1,157)	19,791	18,918	873 <span style="color: green;">●</span>	4.4
	<b>Net Position</b>	<b>(20,948)</b>	<b>1,157</b>	<b>(19,791)</b>	<b>(18,918)</b>	<b>873 <span style="color: green;">●</span></b>	<b>4.4</b>
Corporate Procurement and Supply Services	Revenue	380	-	380	584	204 <span style="color: green;">●</span>	53.7
	Expense	14,488	(420)	14,068	15,933	(1,865) <span style="color: red;">●</span>	(13.3)
	<b>Net Position</b>	<b>(14,108)</b>	<b>420</b>	<b>(13,688)</b>	<b>(15,349)</b>	<b>(1,661) <span style="color: red;">●</span></b>	<b>(12.1)</b>
Financial Services	Revenue	1,722	-	1,722	1,542	(180) <span style="color: red;">●</span>	(10.5)
	Expense	38,404	(879)	37,525	36,818	707 <span style="color: green;">●</span>	1.9
	<b>Net Position</b>	<b>(36,682)</b>	<b>879</b>	<b>(35,803)</b>	<b>(35,276)</b>	<b>527 <span style="color: green;">●</span></b>	<b>1.5</b>
Open City and Technology	Revenue	394	-	394	522	128 <span style="color: green;">●</span>	32.5
	Expense	52,702	(2,243)	50,459	50,248	211 <span style="color: green;">●</span>	0.4
	<b>Net Position</b>	<b>(52,308)</b>	<b>2,243</b>	<b>(50,065)</b>	<b>(49,726)</b>	<b>339 <span style="color: green;">●</span></b>	<b>0.7</b>
Real Estate	Revenue	12,165	-	12,165	10,162	(2,003) <span style="color: red;">●</span>	(16.5)
	Expense	40,883	(412)	40,471	35,260	5,211 <span style="color: green;">●</span>	12.9
	<b>Net Position</b>	<b>(28,718)</b>	<b>412</b>	<b>(28,306)</b>	<b>(25,098)</b>	<b>3,208 <span style="color: green;">●</span></b>	<b>11.3</b>
<b>Financial and Corporate Services</b>							
	Revenue	14,661	-	14,661	12,810	(1,851) <span style="color: red;">●</span>	(12.6)
	Expense	167,425	(5,111)	162,314	157,177	5,137 <span style="color: green;">●</span>	3.2
	<b>Net Position</b>	<b>(152,764)</b>	<b>5,111</b>	<b>(147,653)</b>	<b>(144,367)</b>	<b>3,286 <span style="color: green;">●</span></b>	<b>2.2</b>

**Tax-Supported Operations - December 31, 2020 Preliminary Financial Results**

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

(in \$000's)		Year-to-Date (YTD)					
		Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
<b>Integrated Infrastructure Services</b>							
Building Great	Revenue	-	-	-	2	2 <span style="color: green;">●</span>	-
Neighbourhoods and Open	Expense	2,508	(41)	2,467	2,747	(280) <span style="color: red;">●</span>	(11.3)
	Net Position	(2,508)	41	(2,467)	(2,745)	(278) <span style="color: red;">●</span>	(11.3)
Business Planning and Support	Revenue	463	-	463	658	195 <span style="color: green;">●</span>	42.1
	Expense	8,715	(631)	8,084	7,925	159 <span style="color: green;">●</span>	2.0
	Net Position	(8,252)	631	(7,621)	(7,267)	354 <span style="color: green;">●</span>	4.6
Infrastructure Delivery	Revenue	-	-	-	-	- <span style="color: green;">●</span>	-
	Expense	1,765	(32)	1,733	1,555	178 <span style="color: green;">●</span>	10.3
	Net Position	(1,765)	32	(1,733)	(1,555)	178 <span style="color: green;">●</span>	10.3
Infrastructure Planning and Design	Revenue	-	-	-	115	115 <span style="color: green;">●</span>	-
	Expense	9,537	(1,005)	8,532	9,398	(866) <span style="color: red;">●</span>	(10.2)
	Net Position	(9,537)	1,005	(8,532)	(9,283)	(751) <span style="color: yellow;">●</span>	(8.8)
LRT Expansion and Renewal	Revenue	713	-	713	472	(241) <span style="color: red;">●</span>	(33.8)
	Expense	2,510	(2)	2,508	2,022	486 <span style="color: green;">●</span>	19.4
	Net Position	(1,797)	2	(1,795)	(1,550)	245 <span style="color: green;">●</span>	13.6
<b>Integrated Infrastructure Services</b>		1,176	-	1,176	1,247	71 <span style="color: green;">●</span>	6.0
	Expense	25,035	(1,711)	23,324	23,647	(323) <span style="color: yellow;">●</span>	(1.4)
	Net Position	(23,859)	1,711	(22,148)	(22,400)	(252) <span style="color: yellow;">●</span>	(1.1)
<b>Urban Form and Corporate Strategic Development</b>							
City Planning	Revenue	47,598	-	47,598	34,342	(13,256) <span style="color: red;">●</span>	(27.8)
	Expense	65,914	(2,358)	63,556	48,667	14,889 <span style="color: green;">●</span>	23.4
	Net Position	(18,316)	2,358	(15,958)	(14,325)	1,633 <span style="color: green;">●</span>	10.2
Corporate Strategy	Revenue	850	-	850	133	(717) <span style="color: red;">●</span>	(84.4)
	Expense	6,979	(727)	6,252	3,880	2,372 <span style="color: green;">●</span>	37.9
	Net Position	(6,129)	727	(5,402)	(3,747)	1,655 <span style="color: green;">●</span>	30.6
Development Services	Revenue	72,025	(15,000)	57,025	57,503	478 <span style="color: green;">●</span>	0.8
	Net transfer to/(from)	(4,394)	(10,589)	(14,983)	1,192	(16,175) <span style="color: green;">●</span>	108.0
	Expense	82,288	(6,223)	76,065	63,169	12,896 <span style="color: green;">●</span>	17.0
	Net Position	(5,869)	1,812	(4,057)	(6,858)	(2,801) <span style="color: red;">●</span>	(69.0)
Economic and Environmental Sustainability	Revenue	3,100	-	3,100	1,240	(1,860) <span style="color: red;">●</span>	(60.0)
	Expense	34,928	(1,649)	33,279	23,173	10,106 <span style="color: green;">●</span>	30.4
	Net Position	(31,828)	1,649	(30,179)	(21,933)	8,246 <span style="color: green;">●</span>	27.3
<b>Urban Form and Corporate Strategic Development</b>		123,573	(15,000)	108,573	93,218	(15,355) <span style="color: red;">●</span>	(14.1)
	Expense	185,715	(21,546)	164,169	140,081	24,088 <span style="color: green;">●</span>	14.7
	Net Position	(62,142)	6,546	(55,596)	(46,863)	8,733 <span style="color: green;">●</span>	15.7

**Tax-Supported Operations - December 31, 2020 Preliminary Financial Results**

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

(in \$000's)		Year-to-Date (YTD)				
	Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
<b>Office of the City Manager</b>						
City Manager	-	-	-	-	-	-
Revenue	-	-	-	-	-	-
Expense	2,025	(150)	1,875	1,950	(75)	(4.0)
<b>Net Position</b>	<b>(2,025)</b>	<b>150</b>	<b>(1,875)</b>	<b>(1,950)</b>	<b>(75)</b>	<b>(4.0)</b>
<b>Office of the City Clerk</b>						
Revenue	733	-	733	671	(62)	(8.5)
Expense	12,419	(511)	11,908	13,001	(1,093)	(9.2)
<b>Net Position</b>	<b>(11,686)</b>	<b>511</b>	<b>(11,175)</b>	<b>(12,330)</b>	<b>(1,155)</b>	<b>(10.3)</b>
<b>Legal Services</b>						
Revenue	-	-	-	-	-	-
Expense	12,155	(316)	11,839	11,837	2	0.0
<b>Net Position</b>	<b>(12,155)</b>	<b>316</b>	<b>(11,839)</b>	<b>(11,837)</b>	<b>2</b>	<b>0.0</b>
<b>Office of the City Manager</b>						
Revenue	733	-	733	671	(62)	(8.5)
Expense	26,599	(977)	25,622	26,788	(1,166)	(4.6)
<b>Net Position</b>	<b>(25,866)</b>	<b>977</b>	<b>(24,889)</b>	<b>(26,117)</b>	<b>(1,228)</b>	<b>(4.9)</b>
<b>Mayor and Councillor Offices</b>						
Revenue	12	-	12	26	14	116.7
Expense	6,950	(695)	6,255	5,875	380	6.1
<b>Net Position</b>	<b>(6,938)</b>	<b>695</b>	<b>(6,243)</b>	<b>(5,849)</b>	<b>394</b>	<b>6.3</b>
<b>Office of the City Auditor</b>						
Revenue	-	-	-	-	-	-
Expense	2,661	-	2,661	2,789	(128)	(4.8)
<b>Net Position</b>	<b>(2,661)</b>	<b>-</b>	<b>(2,661)</b>	<b>(2,789)</b>	<b>(128)</b>	<b>(4.8)</b>
<b>Boards and Authorities</b>						
Revenue	3,271	-	3,271	1	(3,270)	(100.0)
Expense	107,342	-	107,342	103,525	3,817	3.6
<b>Net Position</b>	<b>(104,071)</b>	<b>-</b>	<b>(104,071)</b>	<b>(103,524)</b>	<b>547</b>	<b>0.5</b>
<b>Sub-Total Department Programs</b>						
Revenue	479,001	(123,336)	355,665	307,655	(48,010)	(13.5)
Expense	1,791,759	(106,502)	1,685,257	1,627,320	57,937	3.4
<b>Net Position</b>	<b>(1,312,758)</b>	<b>(16,834)</b>	<b>(1,329,592)</b>	<b>(1,319,665)</b>	<b>9,927</b>	<b>0.7</b>

**Tax-Supported Operations - December 31, 2020 Preliminary Financial Results**

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

(in \$000's)		Year-to-Date (YTD)					
		Budget	COVID-19 2020 Budget	Adjusted Budget	Actual	Variance \$	%
<b>Corporate Programs</b>							
Capital Project Financing	Revenue	253,686	-	253,686	257,981	4,295	● 1.7
	Expense	418,983	(46,520)	372,463	377,101	(4,638)	● (1.2)
	<b>Net Position</b>	<b>(165,297)</b>	<b>46,520</b>	<b>(118,777)</b>	<b>(119,120)</b>	<b>(343)</b>	● (0.3)
Corporate Expenses	Revenue	987	-	987	1,008	21	● 2.1
	Expense	25,919	10,434	36,353	22,479	13,874	● 38.2
	<b>Net Position</b>	<b>(24,932)</b>	<b>(10,434)</b>	<b>(35,366)</b>	<b>(21,471)</b>	<b>13,895</b>	● 39.3
Corporate Revenues	Revenue	556,605	(17,041)	539,564	553,605	14,041	● 2.6
	Expense	163,268	-	163,268	162,771	497	● 0.3
	<b>Net Position</b>	<b>393,337</b>	<b>(17,041)</b>	<b>376,296</b>	<b>390,834</b>	<b>14,538</b>	● 3.9
Taxation Expense	Revenue	5,000	(2,211)	2,789	5,046	2,257	● 80.9
	Expense	12,300	-	12,300	10,900	1,400	● 11.4
	<b>Net Position</b>	<b>(7,300)</b>	<b>(2,211)</b>	<b>(9,511)</b>	<b>(5,854)</b>	<b>3,657</b>	● 38.5
Taxation Revenues	Revenue	1,696,003	-	1,696,003	1,694,503	(1,500)	● (0.1)
	Expense	-	-	-	-	-	● -
	<b>Net Position</b>	<b>1,696,003</b>	<b>-</b>	<b>1,696,003</b>	<b>1,694,503</b>	<b>(1,500)</b>	● (0.1)
Traffic Safety and Automated Enforcement	Revenue	45,690	-	45,690	49,536	3,846	● 8.4
	Net transfer to/(from)	45,690	-	45,690	49,536	(3,846)	● (8.4)
	<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	● -
Neighbourhood Renewal Program - Dedicated Tax-Levy Contribution	Revenue	-	-	-	-	-	● -
	Expense	155,946	-	155,946	155,946	-	● -
	<b>Net Position</b>	<b>(155,946)</b>	<b>-</b>	<b>(155,946)</b>	<b>(155,946)</b>	<b>-</b>	● -
Valley Line LRT - Dedicated Tax-Levy Contribution	Revenue	-	-	-	-	-	● -
	Expense	46,100	-	46,100	46,100	-	● -
	<b>Net Position</b>	<b>(46,100)</b>	<b>-</b>	<b>(46,100)</b>	<b>(46,100)</b>	<b>-</b>	● -
<b>Corporate Programs</b>							
	Revenue	2,557,971	(19,252)	2,538,719	2,561,679	22,960	● 0.9
	Expense	868,206	(36,086)	832,120	824,833	7,287	● 0.9
	<b>Net Position</b>	<b>1,689,765</b>	<b>16,834</b>	<b>1,706,599</b>	<b>1,736,846</b>	<b>30,247</b>	● 1.8
<b>Total Tax-Supported Operations (excluding Police Services)</b>	<b>Revenue</b>	<b>3,036,972</b>	<b>(142,588)</b>	<b>2,894,384</b>	<b>2,869,334</b>	<b>(25,050)</b>	● (0.9)
	<b>Expense</b>	<b>2,659,965</b>	<b>(142,588)</b>	<b>2,517,377</b>	<b>2,452,153</b>	<b>65,224</b>	● 2.7
	<b>Net Position</b>	<b>377,007</b>	<b>-</b>	<b>377,007</b>	<b>417,181</b>	<b>40,174</b>	● 1.6
<b>Police Services</b>							
	Revenue	96,946	-	96,946	92,862	(4,084)	● (4.2)
	Expense	473,953	-	473,953	467,620	6,333	● 1.3
	Net Income /(Deficit)	(377,007)	-	(377,007)	(374,758)	2,249	● 0.6
	Net transfer to/(from)	-	-	-	2,249	(2,249)	● -
	<b>Net Position</b>	<b>(377,007)</b>	<b>-</b>	<b>(377,007)</b>	<b>(377,007)</b>	<b>-</b>	● -
<b>Total Tax-Supported Operations</b>	<b>Revenue</b>	<b>3,133,918</b>	<b>(142,588)</b>	<b>2,991,330</b>	<b>2,962,196</b>	<b>(29,134)</b>	● (1.0)
	<b>Expense</b>	<b>3,133,918</b>	<b>(142,588)</b>	<b>2,991,330</b>	<b>2,922,022</b>	<b>69,308</b>	● 2.4
	<b>Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,174</b>	<b>40,174</b>	● -