



# COVID-19 2021 Financial Impacts & Funding

Edmonton

*City Council  
December 7, 2020*

# Operating Budget Approach



## 2021 COVID BUDGET STRATEGY *ONE-TIME BUDGET IMPACTS*

- **One-time** reductions to revenue resulting from COVID:
  - Transit
  - Recreation Facilities Revenue
  - Other Revenues
- **One-time** additional costs resulting from COVID
- **One-time** strategies to offset COVID-19 revenue and additional cost impacts



*Focus of Today's Meeting*



## 2021 0% TAX INCREASE *ONGOING BUDGET REDUCTIONS*

- **On-going**, permanent reductions of the base budget
- Used to achieve 0% tax increase in 2021

# 2020 Estimated COVID Impact - Corporate

## COVID-19 2020 Impacts and Funding Strategies

April 27, 2020 Budget Adjustment

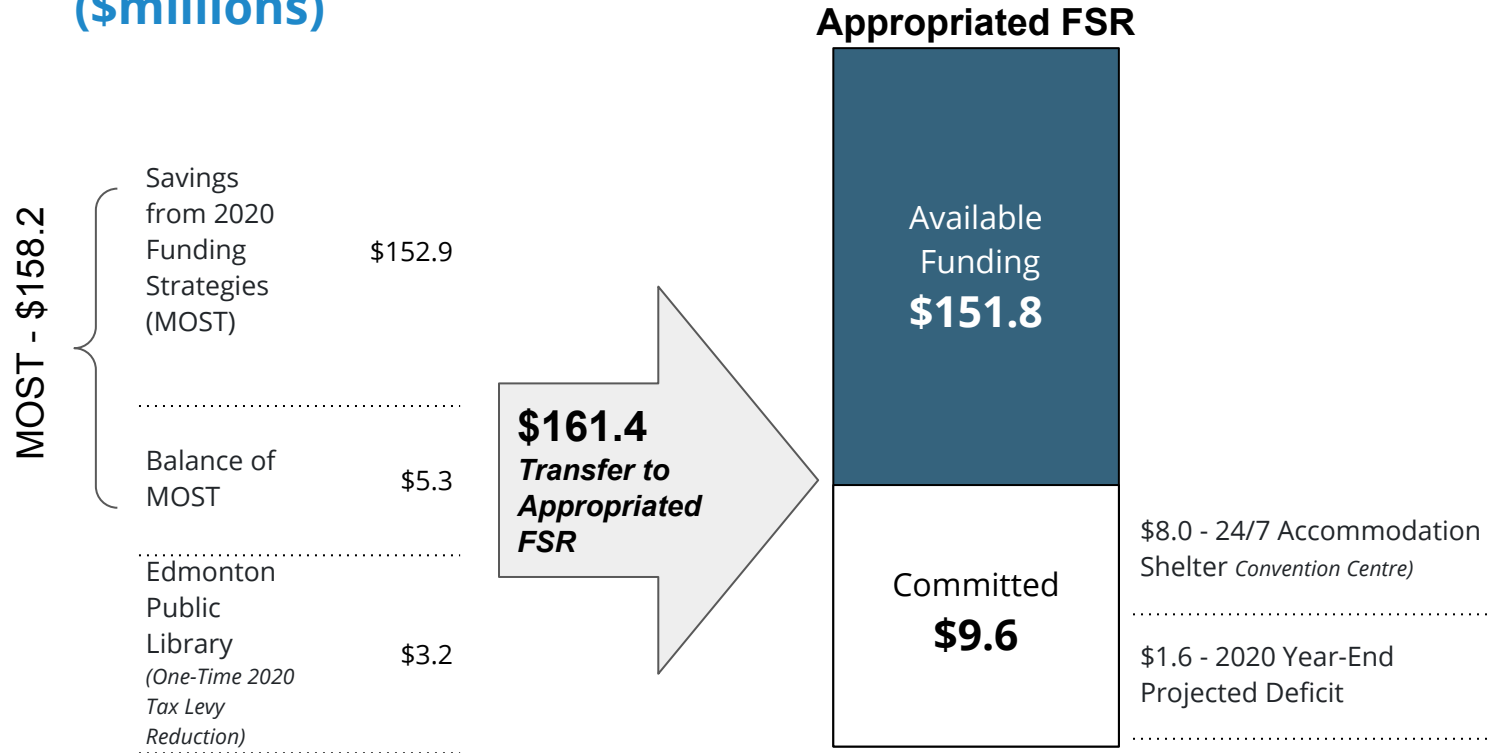
(\$ millions)	2020
Revenue Reductions (All Areas)	(\$143.2)
Additional COVID Costs	(\$9.7)
<b>Total Impact</b>	<b>(\$152.9)</b>
Funding Strategies:	
Expense Reductions/ Reserves	\$106.4
Reduced Transfer to Capital	\$46.5
<b>Total Funding Strategies</b>	<b>\$152.9</b>
<b>COVID-19 2020 Funding Shortfall</b>	<b>-</b>

## COVID-19 Tax-Supported Impact

2020 Projection

**\$138.8**

# COVID Funding - Available (\$millions)



# COVID-19 Financial Assumptions

For the duration of 2021 we made the following assumptions for facilities and services:



## Edmonton Transit

Current:

- Pre-Covid Service Levels



## Community Recreation Facilities

Current:

- Restricted Service Based on Guidance

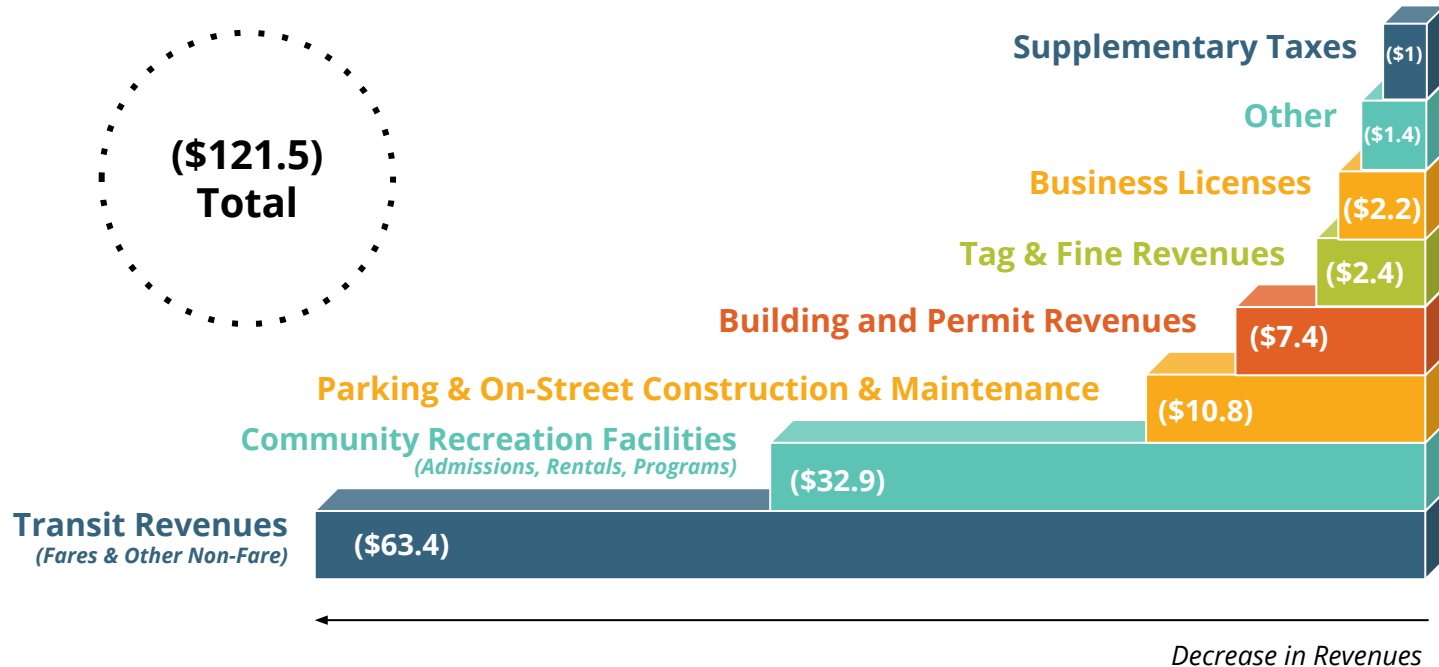
*\*Option for Consideration: Phased Reopening of Certain Facilities*

# 2021 Estimated COVID Impact - Corporate

COVID-19 Impacts Before Funding Strategies	
(\$ millions)	2021
Revenue Reductions (All Areas)	(\$121.5)
Additional COVID Costs	(\$30.5)
<b>Total</b>	<b>(\$152.0)</b>

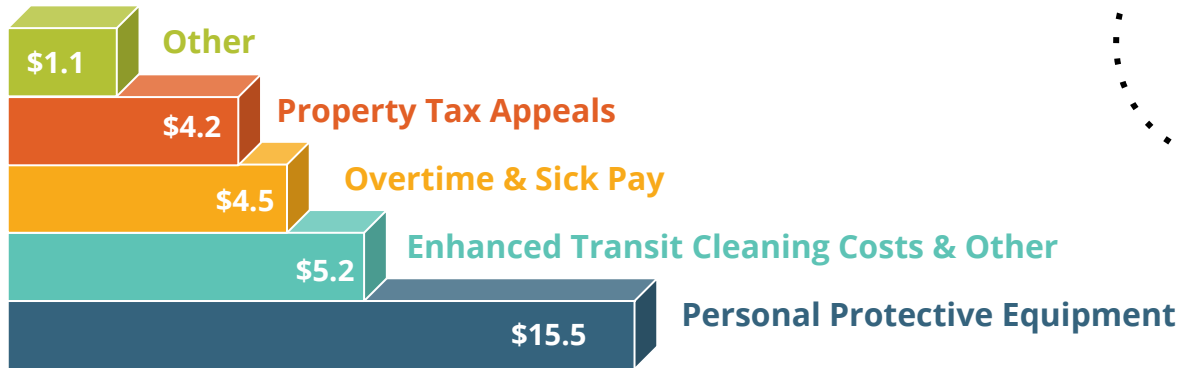
# Estimated COVID Impacts - Revenue Impacts

## 2021 COVID-19 Revenue Reductions (\$ millions)



# Estimated COVID Impacts - Additional Costs

## 2021 COVID-19 Additional Costs (\$ millions)



*Increase in Costs*

**\$30.5  
Total**



# Principles to Address the Financial Impact



**SAFETY** - The public's safety is a top priority.



**LONG RANGE FOCUS** - Address the short term issues but be mindful of the impact on the municipal corporation's long-term financial sustainability.



**LOCAL ECONOMY** - Continue to support stabilization of the local economy.



**HONOUR RELATIONSHIPS** - Workforce strategies will be fair and respectful.



**CITY BUILDING** - Evaluate for 2020 and beyond to determine what advances.



**DEMONSTRATE EMPATHY** - Limit tax increases for Edmontonians.



**COMBINATION OF TOOLS** - Revenue reductions will be addressed with a combination one-time funding as well as and strategic decisions on spending/service reductions.

# COVID-19 Budget Funding Strategy

April 27, 2020

One-Time Budget Adjustment

**2020**

## COVID-19 STRATEGIES

- ✓ Expense Management  
*Used*
- ✗ External Funding  
*Significant uncertainty*
- ✓ Redirection of Capital Funding to Operating  
*Used*
- ✗ Financial Stabilization Reserve  
*Not Required*
- ✗ Financial Strategies Fund  
*Not Required*

December 7, 2020

One-Time Budget Adjustment

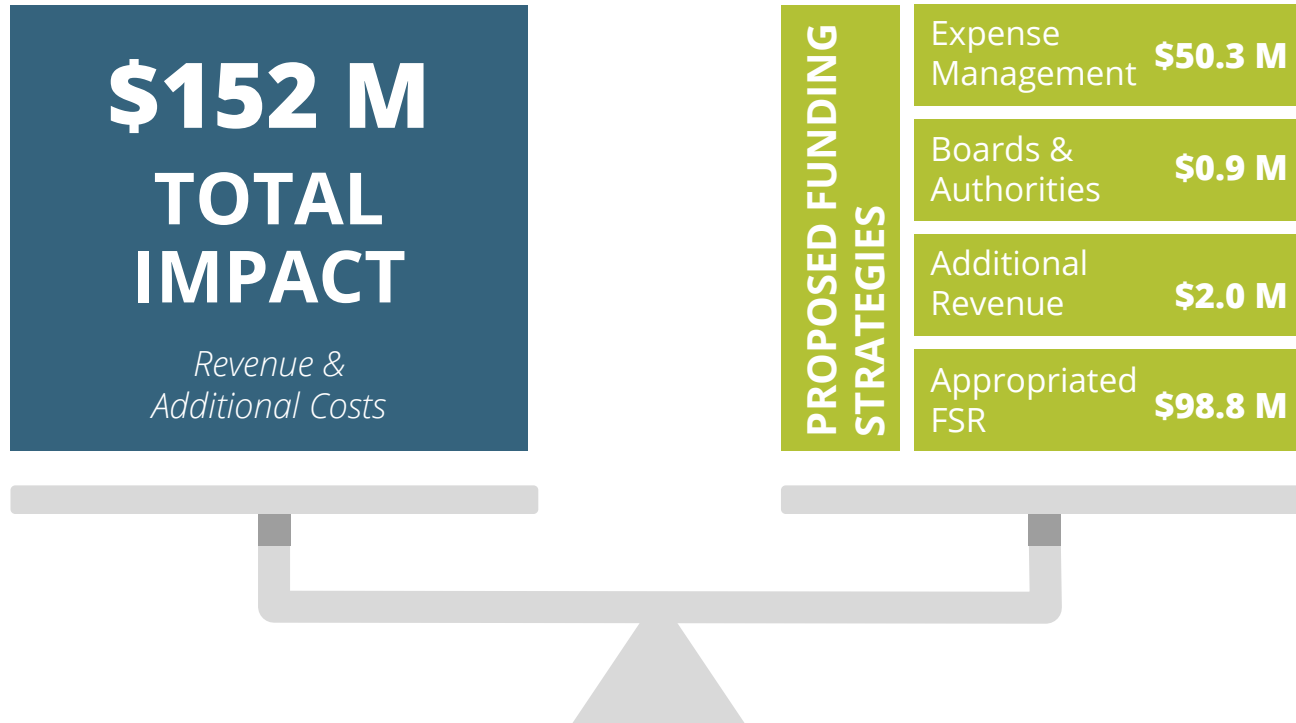
**2021**

## COVID-19 STRATEGIES

- ✚ Expense Management  
*Recommended*
- ✚ External Funding  
*Recommended*
- ⏸ Redirection of Capital Funding to Operating  
*Hold for Emergent/Future Impacts*
- ⏸ Financial Stabilization Reserve  
*Hold for Emergent/Future Impacts*
- ✗ Financial Strategies Fund  
*Not Available (Used for 2021 0% Tax Increase)*

# COVID-19 2021 Net Financial Impact

(\$millions)



# Funding Available to Address Budget Challenges (\$ millions)

COVID Funding Available in Appropriated Financial Stabilization Reserve	\$151.8 M
COVID-19 Estimated 2021 Budget Impact	(\$98.8) M
<b>Balance Available for Emergent Items &amp; Other Potential Impacts</b>	<b>\$53.0 M</b>

## Emergent Items

- YMCA of Northern Alberta - \$1.0M
- Incentives/Rebates to High-Impact Construction Projects - To be determined
- Explore Edmonton - \$13M - \$15M (total)
- Recreation Centre Reopening - \$7.5M

## Potential Risks

- Provincial Budget - 2021
- Funding to Partners
- Funding for Vulnerable Populations
- Additional COVID-19 Budget Impacts

# Explore Edmonton

(\$millions)	FORECAST			
	2021	2022	2023	2024
Funding Request from Explore Edmonton	21.6	18.8	14.5	11.7
<b>City of Edmonton Available Funding:</b>				
Based Funding Explore Edmonton	8.5	8.5	8.5	8.5
Held in Financial Strategies	5.0	5.0	5.0	5.0
	13.5	13.5	13.5	13.5
<b>Funding Gap/(Release)</b>	<b>8.1</b>	<b>5.3</b>	<b>1.0</b>	<b>(1.8)</b>

# Recreation Facility Phased Reopening

(\$millions)

## Reopening Aquatic Amenities

*Net Incremental Impact*

Commonwealth CRC	(\$0.5)
Terwillegar CRC	(\$1.5)
The Meadows CRC	(\$1.1)
<b>Total</b>	<b>(\$3.1)</b>

## Reopening Facilities

*Net Incremental Impact*

Mill Woods Recreation Centre	(\$2.0)
Peter Hemingway LC	(\$1.0)
O'Leary LC	(\$1.4)
<b>Total</b>	<b>(\$4.4)</b>

**Total = (\$7.5)**

Edmonton

### LEGEND

LC - Leisure Centre

CRC - Community Recreation Centre

**Thank You**