

COVID-19 Financial Impacts and Funding Adjustment
(\$000s)

Attachment 2

2021 COVID-19 One-Time Proposed Budget Adjustment				
Revenue		Expenditures		Total Net Impact
Revenue Reduction	Additional Revenue	Additional Costs	Reduced Costs	

1. Impacts of COVID-19 on Branch Budgets:

Citizen Services					
Community & Recreation Facilities	(32,860)	-	-	(26,648)	6,212
<u>Revenue Reduction - (\$32,860)</u>					
Lower admissions, rentals and program revenue of (\$17,479) anticipated from open and partially open recreation facilities and programs as a result of lower capacity restrictions, higher attrition membership rate and higher anticipated Leisure Access Program (LAP) participation; (\$7,932) in lower admissions, rentals and program revenue from other facilities and attractions, including Arenas, Commonwealth Stadium, Muttart Conservatory and Edmonton Valley Zoo; and (\$7,449) in revenue reduction from recreation facilities and attractions anticipated to remain closed throughout 2021.					
<u>Reduced Costs - (\$26,648)</u>					
Lower expenses of (\$5,922) primarily from direct materials, external services and utilities from recreation facility & attraction changes (closures, reduced capacity for open and partially open facilities); reduction of (\$385) primarily in one-time delayed hirings; and other reductions to business travel, hosting, employee recognition and contract work (\$205) and savings through workforce strategies.					
Community Standards & Neighbourhoods	-	-	300	(80)	220
<u>Additional Costs - \$300</u>					
Increase in overtime of \$300 for enforcing COVID health guidelines/bylaws and backfilling peace officers due to illness or isolation requirements.					
<u>Reduced Costs - (\$80)</u>					
Reductions to business travel, hosting and employee recognition of (\$80).					
Fire Rescue Services	-	-	650	(236)	414
<u>Additional Costs - \$650</u>					
Increase in overtime of \$650 for backfilling firefighters in emergency response roles due to illness or isolation requirements.					
<u>Reduced Costs (\$236)</u>					
Temporary reduction of costs in the Office of Emergency Management (\$120) as well as reductions to business travel, hosting, employee recognition and contract work of (\$116).					
Integrated Strategic Development	-	-	-	(114)	(114)
<u>Reduced Costs - (\$114)</u>					
Reductions to business travel, hosting and employee recognition and workforce strategies.					
Social Development	-	-	-	(220)	(220)
<u>Reduced Costs - (\$220)</u>					
Reductions to business travel, hosting, employee recognition and contract work and workforce strategies.					
City Operations					
Edmonton Transit	(63,418)	-	8,778	(13,594)	58,602
<u>Revenue Reduction - (\$63,418)</u>					
Lower transit fares of (\$61,968) due to lower ridership and no UPass revenue anticipated in 2021, and a reduction in non-fare revenue linked to reduced ridership (\$1,450).					
<u>Additional Costs - \$8,778</u>					
Increased costs of \$4,988 for enhanced cleaning of buses, LRV's, transit centres & shelters, DATS vehicles, and transit garages; an increase in costs related to employee sickness, costs as a result of employees needing to self-isolate, and an increase in overtime charges required to manage coverage for areas with increased employee absences due to COVID-19 of \$3,550; and other costs of \$240.					
<u>Reduced Costs - (\$13,594)</u>					
Lower contract service costs for DATS of (\$6,000) due to lower trip demand; one-time reductions of (\$5,067) due to delays in implementing the Bus Network Redesign and launch of the Valley Line Southeast; lower overtime required due to cancellation of special events of (\$1,200); and other cost reductions including workforce strategies.					
Fleet & Facility Services	(400)	-	2,100	(1,919)	581
<u>Revenue Reduction - (\$400)</u>					
Reduction in external facility maintenance revenue of (\$400) due to lower demand from Alberta Health Services, Kinsmen, and Edmonton Research Park.					
<u>Additional Costs - \$2,100</u>					
Increase in expenditures of \$1,200 for labour and supplies for COVID-19 related cleaning, \$900 for the delay in implementing Fleet Optimization by reducing under-utilized fleet units, which cannot be implemented at this time in order to comply with physical distancing guidelines.					
<u>Reduced Costs - (\$1,919)</u>					
Reduction in Contract Work of (\$1,347) as internal resources are able to meet reduced customer demand as a result of facilities being closed/operating at lower capacity, (\$571) in savings as a result of workforce strategies and reductions in business travel, hosting, consulting and contract work.					

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Parks & Roads Services (excl TSAER)	(10,854)	-	2,913	(2,608)	11,159
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Revenue Reduction - (\$10,854)

Reduction in parking revenue from City parkades and on street parking due to temporary suspension of parking fees (\$8,026). Reduction in On-Street Construction and Maintenance permits (\$1,564), reduction in asphalt/concrete restoration revenue (\$853), reduction in Right of Way (ROW) revenue (\$200), and reduction in sports field revenue (\$211); all due to reduced business and public activity due to the effects of COVID-19.

Additional Costs - 2,913

Increase in expenditures for the support of COVID-19 related services and costs such as servicing washrooms, personal protective equipment, signs and detours \$1,500, and increase in personnel costs due to lost time for self isolating pay \$1,413.

Reduced Costs - (\$2,608)

Reduction in related On-Street Construction and Maintenance expenses (\$1,000), and reduction in related expenses in asphalt/concrete restoration program (\$853); other cost savings of (\$682) and savings through workforce strategies.

Communications & Engagement

Engagement	-	-	-	(29)	(29)
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Reduced Costs - (\$29)

Decrease in business expenses of (\$29), primarily employee recognition.

External and Intergovernmental Relations	-	-	-	(33)	(33)
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Reduced Costs - (\$33)

Decrease in business expenses, primarily hosting.

Integrated Marketing Communications	-	-	-	(55)	(55)
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Reduced Costs - (\$55)

Savings as a result of vacancy management, and decreases in business expenses and contract work.

Employee Services

Employee Relations & Compensation	-	-	-	(3)	(3)
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Reduced Costs - (\$3)

Decrease in business expenses related to hosting and employee recognition.

Organizational Design & Development	-	-	-	(70)	(70)
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Reduced Costs - (\$70)

Decrease in business expenses related to contract work, hosting, and employee recognition, and workforce strategies.

Talent Acquisition, Service & Solutions	-	-	-	(174)	(174)
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Reduced Costs - (\$174)

Decrease in business expenses related to hosting, contract work, consulting and employee recognition, and workforce strategies.

Workforce Safety & Employee Health	-	-	-	(7)	(7)
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Reduced Costs - (\$7)

Decrease in business expenses related to hosting, business travel, and employee recognition.

Financial & Corporate Services

Assessment & Taxation	-	-	-	(51)	(51)
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Reduced Costs - (\$51)

Decrease in business expenses and contract work.

Corporate Procurement & Supply Services	-	-	10,500	(82)	10,418
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Additional Costs - \$10,500

Projected expenses of \$875/month for 12 months related to materials and supplies (mainly PPE) distributed to city services in response to COVID-19. These include masks, gloves, overalls, boot covers, cleaning supplies, hand sanitizers, and wipes.

Reduced Costs - (\$82)

Decrease in business expenses related to consulting, employee recognition, hosting, business travel, and contract work.

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Financial Services	-	-	-	(99)	(99)
<u>Reduced Costs - (\$99)</u>					
Decrease in business expenses. Also includes workforce strategies.					
Open City & Technology	-	-	-	(101)	(101)
<u>Reduced Costs - (\$101)</u>					
Decrease in business expenses related to consulting (\$31), employee recognition (\$20), hosting (\$18), contract work (\$17), and business travel (\$15).					
Real Estate	-	-	-	(81)	(81)
<u>Reduced Costs - (\$81)</u>					
Decrease in business expenses related to contracts (\$51), advertising (\$10), consulting (\$7), travel (\$5), hosting (\$5), and recognition (\$3).					
Integrated Infrastructure Services					
Building Great Neighbourhoods and Open Spaces	-	-	-	(9)	(9)
<u>Reduced Costs - (\$9):</u>					
Decrease in business expenses related to contract work, employee recognition and hosting.					
Business Planning & Support	-	-	-	(162)	(162)
<u>Reduced Costs - (\$162):</u>					
Decrease in business expenses related to hosting (\$27) and employee recognition (\$11) and savings through workforce strategies.					
Infrastructure Delivery	-	-	-	(5)	(5)
<u>Reduced Costs - (\$5):</u>					
Decrease in business expenses employee recognition and hosting.					
Infrastructure Planning & Design	-	-	-	(54)	(54)
<u>Reduced Costs - (\$54):</u>					
Decrease in business expenses related to contract work (\$47), employee recognition (\$5) and hosting (\$1).					
LRT Expansion & Renewal	-	-	-	(3)	(3)
<u>Reduced Costs - (\$3):</u>					
Decrease in business expenses related to hosting.					
Mayor & Councillor Offices					
Office of the City Auditor					
	-	-	-	(3)	(3)
<u>Reduced Costs - (\$3):</u>					
Decrease in business expenses related to business travel.					
Office of the City Manager					
City Manager	-	-	-	(10)	(10)
<u>Reduced Costs - (\$10)</u>					
Decrease in business expenses of (\$10).					
Legal Services	-	-	750	(29)	721
<u>Additional Costs - \$750</u>					
Increase of \$750 due to anticipated additional disputes arising from force majeure and other delayed disputes due to the COVID-19 pandemic.					
<u>Reduced Costs - (\$29)</u>					
Decrease in business expenses of (\$29), primarily memberships.					
Office of the City Clerk	-	-	300	(9)	291
<u>Additional Costs - \$300</u>					
Increased costs for the 2021 Municipal Election as a result of COVID-19.					
<u>Reduced Costs - (\$9)</u>					
Decrease in business expenses of (\$7), and consulting (\$2).					

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Urban Form & Corporate Strategic Development					
City Planning	-	-	-	(234)	(234)
<u>Reduced Costs - (\$234)</u>					
Decrease in business expenses related to travel (\$15), hosting (\$13), and recognition (\$3), as well as one-time reductions for River Valley Alliance Support (\$60) and Evolving Infill 2.0 Implementation (\$75). Also includes workforce strategies.					
Corporate Strategy	-	-	-	(32)	(32)
<u>Reduced Costs - (\$32)</u>					
Decrease in business expenses related to consulting (\$38), hosting (\$6), contracts (\$1) travel (\$1), and recognition (\$1), and other.					
Development Services - Tax Supported	-	-	-	(1)	(1)
<u>Reduced Costs - (\$1)</u>					
Decrease in business expenses.					
Economic & Environmental Sustainability	-	-	-	(1,253)	(1,253)
<u>Reduced Costs - (\$1,253)</u>					
Reduction in renewable energy certificate (REC) purchases - the timing of green electricity procurement allows for one-time savings (\$1,000). Reduction in funding to Edmonton Screen Industries Office (ESIO) (\$60). Decrease in business expenses related to hosting (\$29), contract (\$27) travel (\$12), and recognition (\$7). Also includes workforce strategies.					
Boards and Commissions					
Arts Council	-	-	-	(621)	(621)
<u>Reduced Costs - (\$621)</u>					
5% reduction to the Community Investment Program supporting the arts community.					
Heritage Council	-	-	-	(100)	(100)
One year deferral of planned increases to grant programs (\$100).					
REACH Edmonton	-	-	-	(142)	(142)
<u>Reduced Costs - (\$142)</u>					
5% reduction to operating expenses (excluding program funding)					
Corporate Programs					
Corporate Revenue	(4,628)	2,041	-	-	2,587
<u>Revenue Reduction - (\$4,628)</u>					
A decrease in Tag/Fine Revenues (\$2,400) within the 2021 budget based on 2020 trending of actual tag/fine revenues. Also, as a result of the COVID-19 response and related economic slowdown there are anticipated further declines in business activity and business licenses of (\$2,228).					
<u>Additional Revenue - \$2,041</u>					
Revenue of \$1,900 for additional dividend received from Land Enterprise, and additional \$141 transfer from Development Services for business licenses as a result of reduced resource requirements.					
Taxation Expenditures	(1,000)	-	4,200	-	5,200
<u>Revenue Reduction - (\$1,000)</u>					
Potential construction building slowdown reduces supplemental tax revenue by (\$1,000).					
<u>Additional Costs - \$4,200</u>					
Additional costs of \$4,200 due to uncertainty in the real estate market as a result of COVID-19 that will create challenges in determining 2021 assessments, which is likely to lead to increased complaint numbers and higher losses due to assessment corrections at the Assessment Review Board.					
COVID-19 Net Tax Levy Impact	(113,160)	2,041	30,491	(48,871)	92,739

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Non-Tax Supported:

Vehicle for Hire	(947)		(2)	945
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Revenue Reduction - (\$947)

Decrease in licensing and per trip revenues due to decreased demand.

Net impact of \$945 to be offset with transfer from appropriated Financial Stabilization Reserve (reflected below in Corporate Programs).

Development Service - P&D Non-Tax Supported	(7,411)		(2,308)	5,103
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Revenue Reduction - (\$7,411)

Declines in building and development permit revenues due to reduced volumes.

Reduced Costs - (\$2,308)

Vacancy management, reductions in consulting, contractor, hosting, travel, and training.

Net impact of \$5,103 to be offset with transfer from appropriated Financial Stabilization Reserve (reflected below in Corporate Programs)

Total COVID-19 Impact	(121,518)	2,041	30,491	(51,181)	98,787
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2. Funding Strategy

Corporate Programs					
Transfer from appropriated Financial Stabilization Reserve - tax-supported operations		92,739		(92,739)	
Transfer from appropriated Financial Stabilization Reserve to Development Services (non tax-supported)		5,103		(5,103)	
Transfer from appropriated Financial Stabilization Reserve to Vehicle for Hire (non tax-supported)		945		(945)	
COVID-19 Total Impact	(121,518)	100,828	30,491	(51,181)	-