

Operating and Capital Financial Update - December 31, 2022

City Council
March 14, 2023

Presentation Overview



Economic Update

- Inflation
- New housing construction



Capital Financial Update December 31, 2022

- Budget cycle spend
- Significant project results
- City's forecasted debt servicing

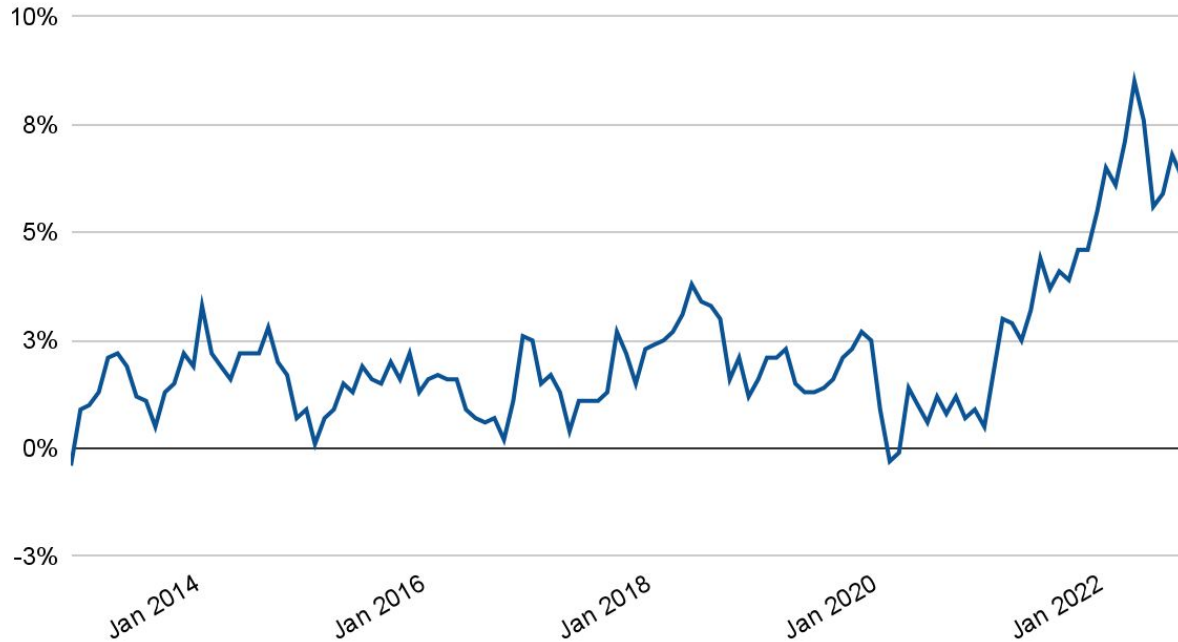


Operating Financial Update December 31, 2022

- Enterprise & Utility programs
- Tax supported operations
- FSR and operating carry-forward recommendations
- Reserve update

Economic Update

Annualized Consumer Inflation - Edmonton CMA

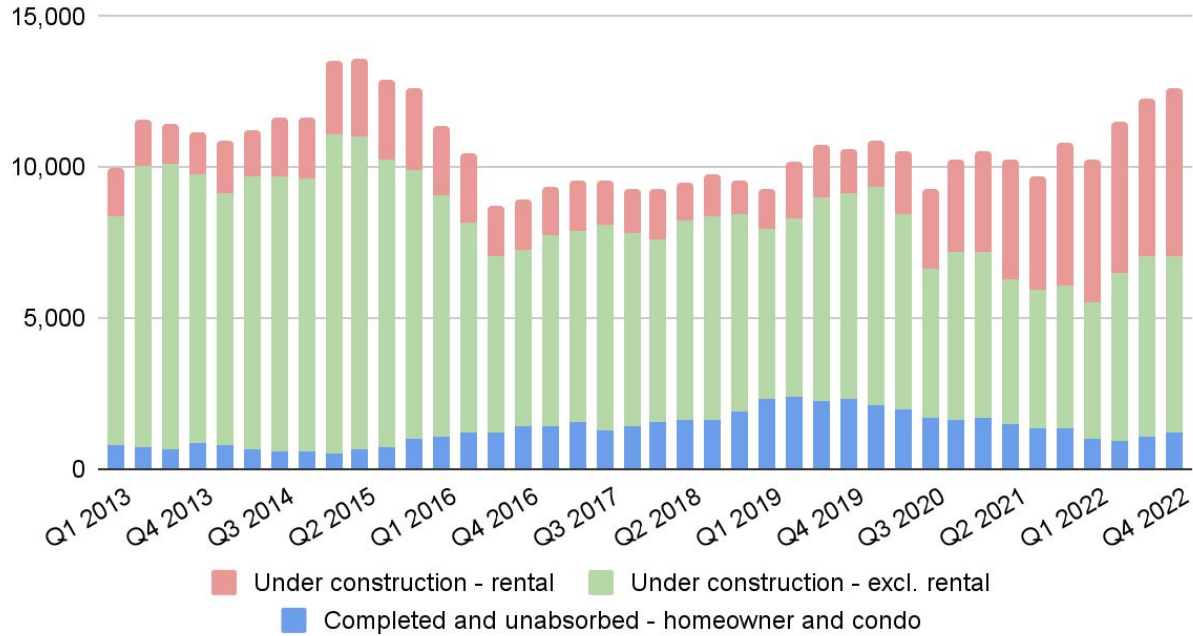


Source: Statistics Canada



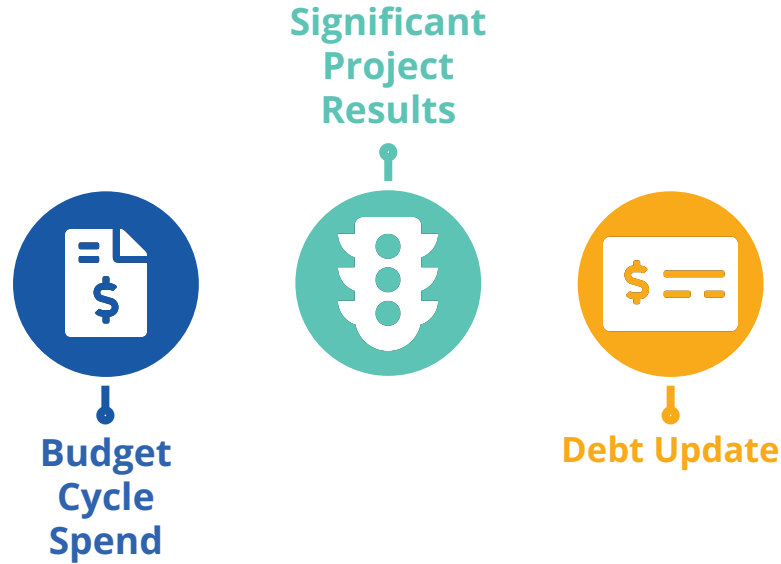
Economic Update

Edmonton New Housing Supply



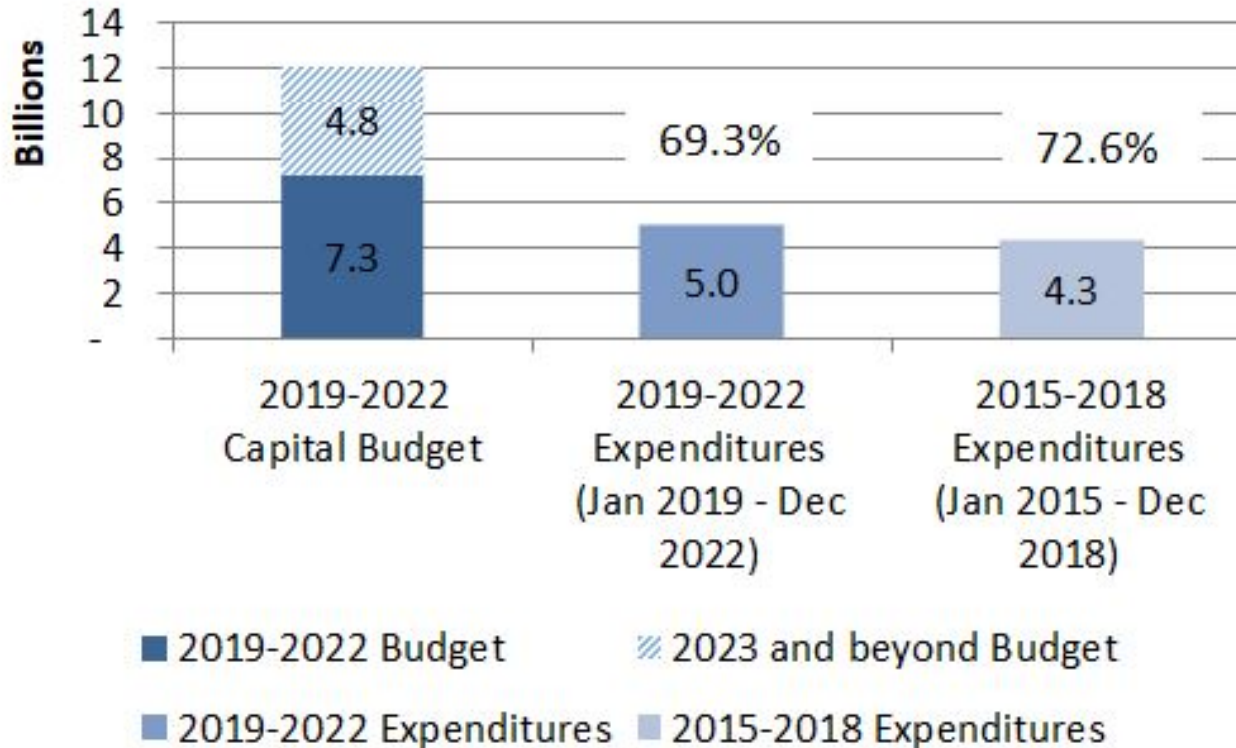
Source: Canada Mortgage and Housing Corporation

Capital Results - December 31, 2022



Budget Cycle Spend

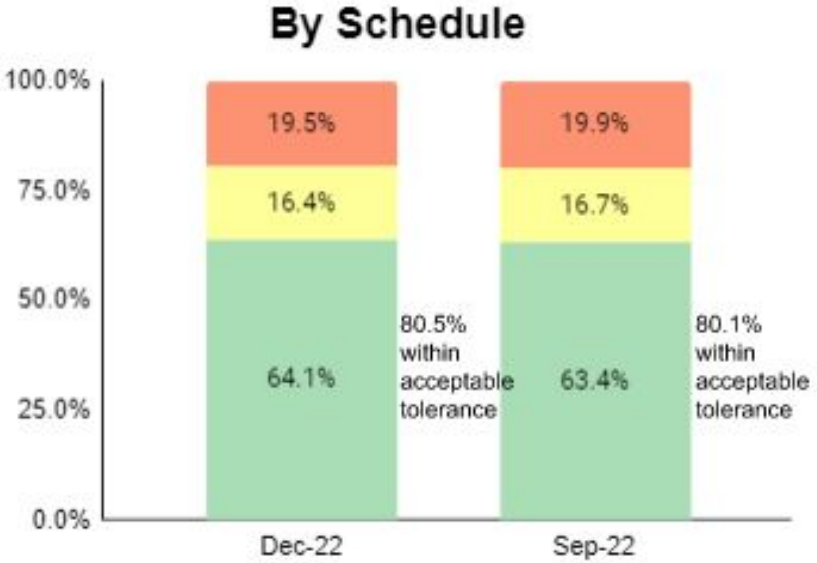
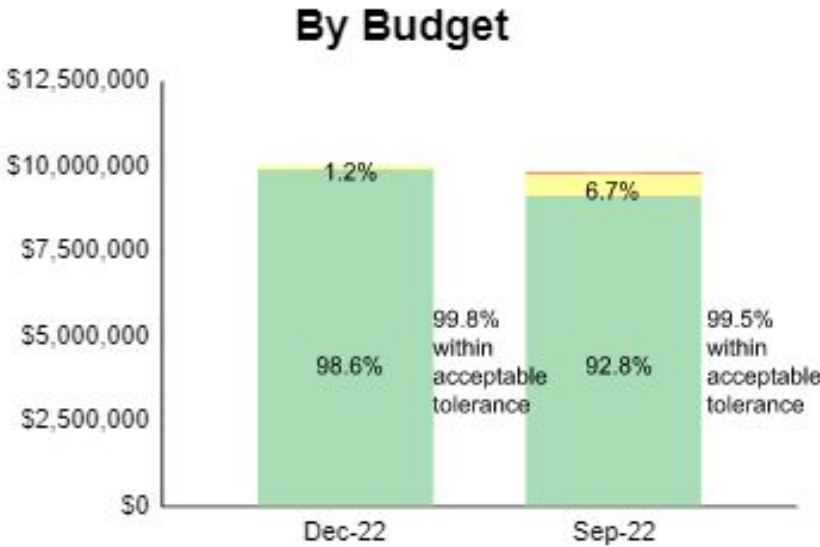
2019-2022 Capital Budget Expenditures



Capital Reporting

- Significant Projects Overview
 - 64 Capital Profiles reported in December 2022, representing 80% of the total approved Capital Budget of active profiles.
 - 68 Capital Profiles reported in September 2022, 80% of the total approved Capital Budget of active profiles.
- 4 significant profiles removed since last report:
 - Edmonton Soccer Association South Soccer Centre Expansion
 - Jasper Avenue New Vision Phase 2
 - Electric Buses - Zero Emission Buses (ZEB) Program
 - Valley Zoo - Nature's Wild Backyard Phase II

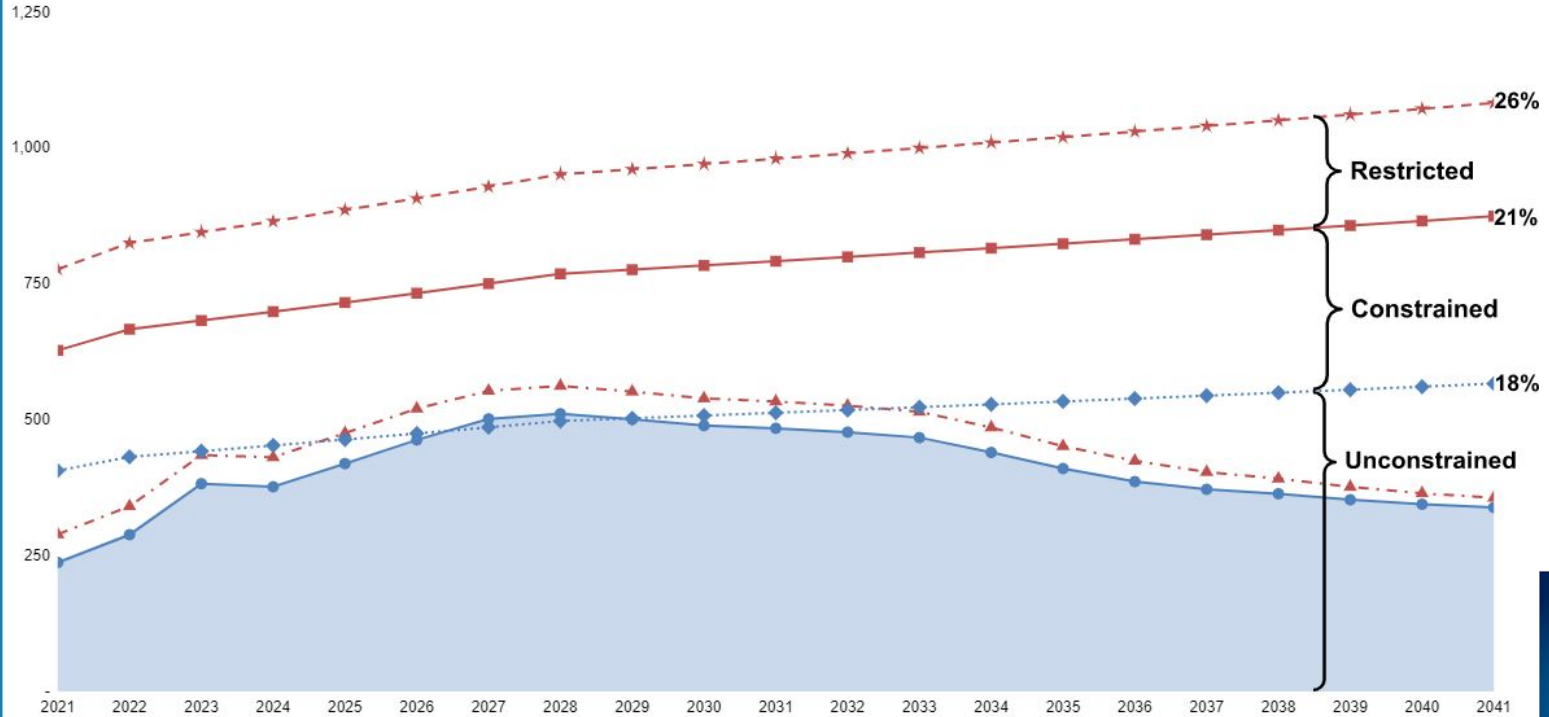
Significant Capital Project Status Summary



*The budget and schedule status charts above are weighted by the profiles approved budget.

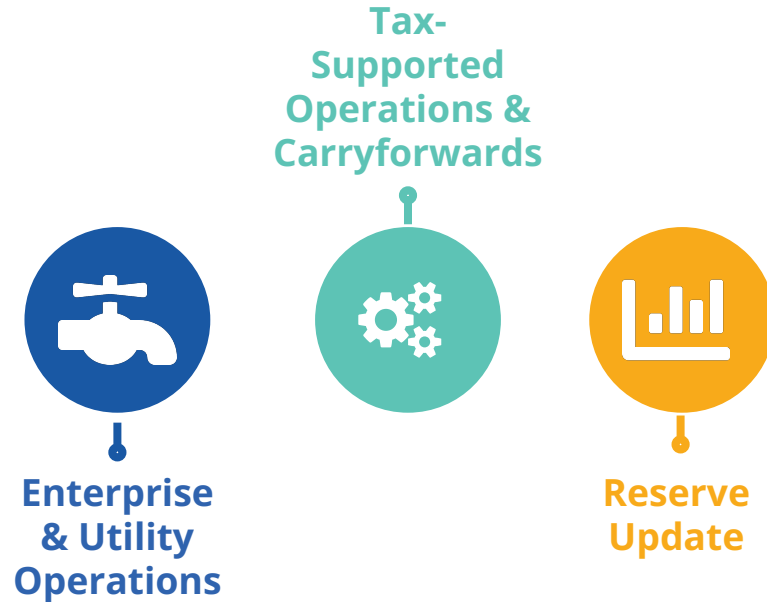
Debt Management Fiscal Policy

Debt Servicing Limits (\$M)









● Tax Supported Debt Servicing ▲ Total Debt Servicing ◆ Tax Supported Debt Limit 18%
 ■ Total Debt Service Limit 21% ★ Total Debt Servicing Limit 26%

Operating Results - December 31, 2022



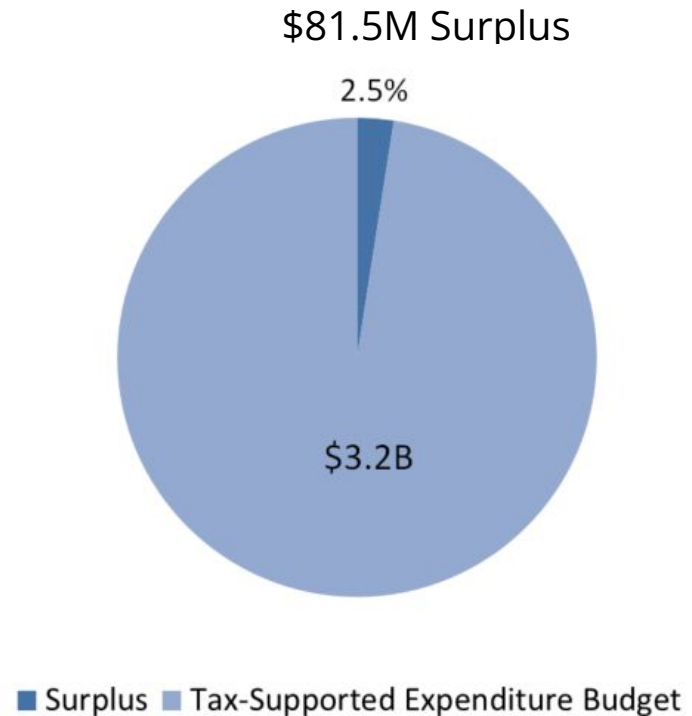
Enterprise & Utility Operations

December 31, 2022 - Net Position Budget Variance (\$M)

 Favourable  Unfavourable	Year-End Variance
Waste Services	2.9 
Land Enterprise	5.3 
Blatchford Redevelopment	2.3 
Blatchford Renewable Energy Utility	0.3 

Tax-Supported Operations - Continued Volatility

- Fiscal management and external factors contributed towards surplus
- Small portion of the City's tax-supported budget - 2.5% variance
- Budget pressures will continue
- Fiscal prudence necessary in use of surplus funds



Tax-Supported Operations (excluding EPS)

Year-End Variance	Description	● Favourable ● Unfavourable
59.0	● Financial Strategies	
18.3	● Personnel (net of recoveries)	
5.1	● Project Delays	
5.0	● A1 Facility Grant Payment	
4.0	● DATS Contract costs	
3.7	● Transit Fare Revenue	
3.7	● Tax Penalties	
(4.2)	● Fuel Costs	
(5.2)	● Permit Fee Revenue	
(18.2)	● Snow and Ice Control	
10.3	● Other Cumulative Variances	
81.5	● Total	
2.5%	● Percent of Annual Budget	

FSR Unappropriated Balance (\$M)

	Amount
FSR Balance as of December 31, 2021	121.7
2021 Tax-supported surplus	52.3
FSR funded items in 2022	(117.8)
2022 Released FSR Funding	12.2
Balance prior to surplus, carry-forwards, other items	68.4
Tax-supported surplus	81.5
Carry-forward requests (recommendation 2)	(20.8)
Council approved items during 2023	(1.0)
Projected balance - 2022	128.1
<i>Minimum FSR Balance (preliminary)</i>	122.8
<i>Amount remaining above minimum</i>	5.3

Operating Carryforwards

(Recommendation 2)

There was \$20.8 million expenses to occur in 2022 that are recommended for carry-forward of funds, with new funding from the FSR:

Carry-Forward Request	Amount (\$ millions)
A1 Sports Facility Grant	5.0
Anti-Racism Strategy	1.9
Downtown Vibrancy Initiative	1.6
Ogilvie Site Servicing Costs Subsidy	1.3
Neighbourhood Revitalization	1.2
Other initiatives (details in Schedule E, Table 1, Att 2)	9.8
Total	20.8

Operating Carryforwards

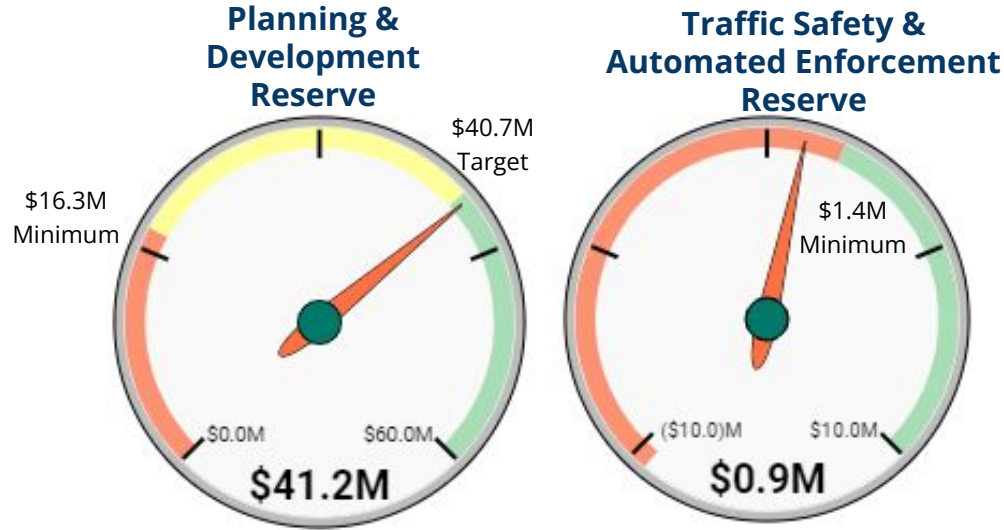
(Other Recommendations)

- The following recommendations are for carry-forward of funds previously appropriated in the FSR, funded through other reserves, or non-tax levy sources.
- These recommendations do not impact the unappropriated FSR or the surplus.

Recommendation	Amount (\$millions)
Recommendation 1 - Carry-forward of items previously appropriated in the FSR with expenses in 2023	19.2
Recommendation 3 - 7 - Operating commitments funded through reserves or non tax-levy funds in the 2022 approved budget that were not completed by year-end. Carry-forward of budgets are required into 2023, with no impact to the Financial Stabilization Reserve or the 2023 tax-levy position.	18.0

Reserve Balances (\$M)

Projected December 31, 2022 Balance



- Above target balance
- Above minimum balance & below target balance
- Below minimum balance

Next Steps

- City of Edmonton Consolidated Financial Statements - December 31, 2022
 - April 21 - Audit Committee
 - April 25 - City Council (for approval)

i Questions?