



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2017-May-02

SUBJECT: Financial Report for the Period Ending March 31, 2017

RECOMMENDATION:

That the financial report for the period ending March 31, 2017 be received for information.

INTRODUCTION:

This report provides current year end financial performance information for the Edmonton Police Service (EPS) for the period ending March 31, 2017.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending March 31, 2017 indicate a net surplus position of \$2.400 million or 2.9% mainly due the underspend in non-personnel of \$2.059 million, and a surplus in revenue of \$1.494 million, offset by an overspend in personnel of \$1.153 million.

The main cause of the under budget position in non-personnel costs is due to the timing of purchases. It is expected that these budgets will be utilized during the year and will be over spent due to various one-time purchases identified through critical unfunded initiatives.

The surplus in revenue is due to recognition of revenues to offset all 911 Operators expenses from July 01 to December 31, 2016 as supported by Alberta Emergency Management Agency, and the timing of billing in School Resource Officer (SRO) program.

The over budget position in personnel costs is mainly due to the timing of retro payments compared to budget, higher hourly costs driven by minimum staffing requirements in the Police Communication Branch, and higher benefits. This is offset by limited need for overtime in Community Policing and Police Communication, and fewer than expected major injury collisions to date. It is expected that the variance will decrease during the year and will be used to offset one-time purchases identified through priority unfunded initiatives.

Capital Results

2017 is the third of a four year Capital budget (2015 to 2018) and the results indicate a significant under spend primarily due to the Northwest Campus (land and construction) and other projects that are in their early stages of planning.

CONCLUSION:

Based on the operating results to the end of March and the explanations attached, the year-end forecast indicates that the EPS may be \$1.096 million or 0.3% under budget. Projection is due to vacancies primarily related to the delayed implementation of Northwest Campus and the decision to evaluate an outside party for the Collision Reporting Center, as well as the increase in Police Information Check revenue, and SRO junior high revenues.

ADDITIONAL INFORMATION ATTACHED:

Operating:

- I Budget Variance by Major Category of Revenue & Expenditures
- II Overtime by Bureau

Capital:

- III Capital Budget Performance

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Chief of Police: 

Date: MAY 04 2017

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending March 31, 2017
(\$000's)

	Current Period				2016 Year to Date				2017 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
Revenue																
Traffic Safety Act Fines (Note 1)	\$ 1 421	\$ 1 680	\$ 259	18.2%	\$ 4 080	\$ 2 984	\$ (1 096)	-26.9%	\$ 3 235	\$ 3 494	\$ 259	8.0%	\$ 15 508	\$ 15 890	\$ 382	2.5%
Transfer to COE General Revenues	-	(259)	(259)	0.0%	-	-	-	0.0%	-	(259)	(259)	0.0%	-	(382)	(382)	0.0%
Transfer from Reserve (OTS) (Note 2)	5 573	5 573	-	0.0%	5 096	5 096	-	0.0%	5 573	5 573	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	2 853	4 122	1 269	44.5%	3 245	3 040	(205)	-6.3%	3 328	4 398	1 070	32.2%	27 923	28 819	896	3.2%
Other Revenue (Notes 4 and 12)	2 559	2 577	18	0.7%	6 991	6 795	(196)	-2.8%	6 767	7 191	424	6.3%	25 394	27 297	1 903	7.5%
Total Revenue	12 406	13 693	1 287	10.4%	19 412	17 915	(1 497)	-7.7%	18 903	20 397	1 494	7.9%	91 117	93 916	2 799	3.1%
Expenditures																
Personnel																
Salary and benefits (Note 5)	28 062	29 776	(1 714)	-6.1%	77 470	77 589	(119)	-0.2%	83 665	85 315	(1 650)	-2.0%	330 989	328 623	2 366	0.7%
EPS Overtime (Note 6a)	867	779	88	10.1%	2 279	2 067	212	9.3%	2 525	2 064	461	18.3%	10 982	10 849	133	1.2%
External Overtime (Note 6b)	38	30	8	21.1%	108	138	(30)	-27.8%	115	79	36	31.3%	460	314	146	31.7%
	28 967	30 585	(1 618)	-5.6%	79 857	79 794	63	0.1%	86 305	87 458	(1 153)	-1.3%	342 431	339 786	2 645	0.8%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1 912	995	917	48.0%	3 783	2 991	792	20.9%	4 142	3 245	897	21.7%	13 447	14 248	(801)	-6.0%
Contracts and services (Note 8)	1 039	1 678	(639)	-61.5%	4 845	4 206	639	13.2%	4 201	4 085	116	2.8%	20 019	22 586	(2 567)	-12.8%
Vehicles (Note 9)	656	665	(9)	-1.4%	1 744	1 852	(108)	-6.2%	1 888	1 799	89	4.7%	7 693	8 343	(650)	-8.4%
Facilities (Note 10)	1 277	1 211	66	5.2%	4 080	3 488	592	14.5%	3 985	3 229	756	19.0%	17 446	17 457	(11)	-0.1%
Other Expenditures (Note 11)	205	338	(133)	-64.9%	653	576	77	11.8%	652	451	201	30.8%	4 235	4 554	(319)	-7.5%
	5 089	4 887	202	4.0%	15 105	13 113	1 992	13.2%	14 868	12 809	2 059	13.8%	62 840	67 188	(4 348)	-6.9%
Total Expenditures (Note 13)	34 056	35 472	(1 416)	-4.2%	94 962	92 907	2 055	2.2%	101 173	100 267	906	0.9%	405 271	406 974	(1 703)	-0.4%
Position before Adjustments	21 650	21 779	(129)	-0.6%	75 550	74 992	558	0.7%	82 270	79 870	2 400	2.9%	314 154	313 058	1 096	0.3%
Tangible Capital Assets Budget adjustment (Note 14)													5 450	5 450	-	0.0%
Net Position	\$ 21 650	\$ 21 779	\$ (129)	-0.6%	\$ 75 550	\$ 74 992	\$ 558	0.7%	\$ 82 270	\$ 79 870	\$ 2 400	2.9%	\$ 319 604	\$ 318 508	\$ 1 096	0.3%

Pending Spring Operating Budget Adjustments (SOBA):

Salary & Benefit Expenditures Increase \$ 640
Tow Lot Revenue Increase (640)
Transfer to Community Standards (95)

\$ 319 509 \$ 318 508 \$ 1 001 0.3%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended March 31st 2017****1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – Revenues are slightly ahead of budget. Ultimately, any surplus will be transferred to the City of Edmonton General Revenues.

Forecast – Same as for the year to date.

2. Transfer from Reserve - Office of Traffic Safety (OTS)

Year to Date – Quarterly transfers from the OTS, with the first payment received in March.

Forecast – No variance is expected.

3. Provincial Grants

Year to Date – Over budget primarily due to recognition of revenues to offset all 911 Operators expenses from July 01 to December 31, 2016 as supported by Alberta Emergency Management Agency on March 02, 2017.

Forecast – Same as for the year to date.

4. Other Revenue

Year to Date – The over budget position is primarily due to timing of billing for School Resource Officer program, ALERT (offset by greater personnel costs), and greater Police Information Checks revenues.

Forecast – Same as for the year to date plus tow lot storage rate increase, which will be addressed through Spring Operating Budget Adjustment.

5. Salary and Benefits

Year to date – Over budget mainly due to the timing of retro payments compared to budget, higher hourly costs driven by minimum staffing requirements in the PCB, and higher benefits.

Forecast – Under budget due to delayed implementation of Northwest Campus and the decision to evaluate an outside party for the Collision Reporting Center.

The sworn member attrition position for the first three months of the year is:

Attrition	March	March YTD	Full Year
Original Projection	5	16	70
Actual & Updated Projection	0	13	70

As of April 18, 2017, seven sworn members have tendered their resignation, and sixteen announced their retirement for an attrition total of twenty-three. Of these, thirteen were no longer on the payroll as of March 31, 2017.

6a. EPS Overtime

Year to date – Underspend as a result of limited need of overtime in Community Policing and Police Communication, and fewer than expected major injury collisions to date.

Forecast – Same as the year to date offset by estimated cost associated with Rounds 1 and 2 for the Stanley Cup Playoffs.

6b. External Overtime

Year to date – Slightly under budget (offset by revenues).

Forecast – Same as the year to date.

7. Furniture, Equipment, IT, Materials and Supplies

Year to date – Under budget due to the timing of purchases in Informatics Division.

Forecast – An over spend is projected mainly due to the one-time purchases identified through priority unfunded initiatives offset by underspend in personnel costs.

8. Contracts & Services

Year to date – Under budget due to the timing of expenses for various contracts (i.e. a contract award for paramedics).

Forecast – Over budget as a result of one-time purchases identified through priority unfunded initiatives. This is being offset by underspend in personnel costs.

9. Vehicle Costs

Year to date – Slightly under budget primarily due to lower maintenance and repair costs.

Forecast – Over budget as a result of one-time purchases identified through priority unfunded initiatives. This is being offset by underspend in personnel costs.

10. Facilities

Year to Date – Under budget due to timing on custodial and maintenance costs as well as fluctuation in utility rates and consumption.

Forecast – Slightly over budget due to one-time purchases identified through priority unfunded initiatives, costs charged to other budget categories (other expenditures), offset by same as for the year to date.

11. Other Expenditures

Year to Date – Under budget primarily as a result of the timing on travel & training.

Forecast – Over budget as a result of various facilities, renovation and leasing allocations being charged to City's inter-departmental category instead of facilities where budget exists.

12. Other Revenue

Other Revenue includes revenue received from other City of Edmonton departments for Extra Duty policing.

13. Accruals

The total Operating non-personnel accruals for February amounted to \$1.4 million (rounded).

14. Tangible Capital Assets

Budget held to cover capital qualifying expenses for projects such as vehicles.

Edmonton Police Service

Overtime by Bureau

For the Period Ending March 31, 2017
(000's)

Bureau	2016 Actual	Year to Date					Year End Forecast			
		Budget	Actual	Variance	Var %		Annual Budget	Projection	Variance	Var %
Police Commission	\$ 4	\$ 2	\$ 1	\$ 1	50%		\$ 10	10	\$ -	0%
Office of the Chief (Note 1)	40	55	\$ 49	6	11%		225	225	-	0%
Corporate Services Bureau (Note 2)	129	144	\$ 112	32	22%		707	707	-	0%
Community Policing Bureau (Note 3)	875	1 055	\$ 831	224	21%		4 983	4 452	531	11%
Investigative Support Bureau (Note 4)	1 019	1 269	\$ 1 071	198	16%		5 057	5 455	(398)	-8%
Intelligence Bureau (Note 5)	-	-	-	-	-		-	-	-	-
Total EPS Expenditures	\$ 2 067	\$ 2 525	\$ 2 064	\$ 461	18%		\$ 10 982	\$ 10 849	\$ 133	1%
External Overtime (Note 6)	138	115	\$ 79	36	31%		460	314	146	32%
Total Overtime Expenditures	\$ 2 205	\$ 2 640	\$ 2 143	\$ 497	19%		\$ 11 442	\$ 11 163	\$ 279	2%

Edmonton Police Service

Explanation of Overtime Variances by Responsibility Area - Notes

For the Period Ended March 31st 2017**1 Office of the Chief**

Year to date –Slightly under budget.

Forecast – On budget.

2 Corporate Services Bureau

Year to date – Under budget as a result of timing of training.

Forecast – On budget.

3 Community Policing Bureau

Year to Date – Under budget position is primarily due to proper staffing levels, timely management of crime trends, and less projects requiring assists.

Forecast – Same as for the year to date.

4 Investigative Support Bureau

Year to Date – Under budget primarily due to less than projected requirement for minimum staffing in Police Communication and fewer than expected major injury collisions to date. This is being offset by costs associated with project "GUCCI".

Forecast – Over budget as a result of costs attributed to Stanley Cup Playoffs Rounds 1 and 2 games, offset by the same as for the year to date.

5 Intelligence Bureau

Year to Date – No budget or activity.

Forecast – Same as the year to date.

6 Secondments/Recoverable

Year to date – Less need for overtime as a result of being over strength. This is offset by an overspend in other personnel costs.

Forecast – Same as for the year to date.

Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending March 31, 2017
(000's)

ATTACHMENT III

Projects	2017 Budget (including Carry Forwards and Supplemental Budget Adjustments)	2017 Actual Expenditures	Commitments *	2017 Funds Available	% Substantial Completion
Police IT Systems (see Note 1)	7 001	814	2 531	3 656	Note 12
Telecommunications Life Cycle (see Note 2)	2 234	27	176	2 031	Note 12
Radio Life Cycle (see Note 3)	586	87	-	499	15%
Northwest Campus (see Note 4)	93 416	4 933	1 839	86 644	5%
Helicopter Replacement - single engine (see Note 5)	3 695	2 945	353	397	80%
Public Safety Radio Network (see Note 6)	7 309	2 827	409	4 073	39%
Digital Asset Management System (see Note 7)	6 107	211	626	5 270	3%
Vehicles (see Note 8)	7 798	1 401	2 973	3 424	Note 12
Security Equipment Lifecycle (see Note 9)	(398)	1 108	211	(1 717)	Note 12
Specialized Police Equipment (see Note 10)	798	151	66	581	Note 12
Police Seized Vehicle Storage Lot Expansion (see Note 11)	-	-	-	-	
TOTAL	128 546	14 504	9 184	104 858	

* commitments include purchase orders and/or contractual agreements.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

1 Police IT Systems

Year to Date

The following projects are in progress:

Infrastructure

- Divisional Corporate WIFI
- Infrastructure Lifecycle 2017
- Infrastructure Software
- Mobile Workstations (MWS) Lifecycle 2017

Applications

- Mobile Responder
- CAD 9.4 Upgrade
- Police Information Portal (PIP) Publishing
- The Edmonton Police Reporting and Occurrence System (EPROS) Upgrade 2016
- EPROS Org Change Updates
- EPROS Service
- iBase Enhancements
- Daily Highlights Upgrade
- Administrative Records System
- Sitecore Upgrade
- ANI/ALI Migration
- e-Ticketing
- EPROS Property
- Warrants Offender Management Reporting (OMR)
- Source Management / Witness Protection (SMWP)

Forecast

Infrastructure

- Divisional Corporate WIFI and Infrastructure Lifecycle project is expected to be completed in Q4 2017.
- Infrastructure Software project is expected to be completed in Quarter 3.
- The hardware for MWS will be ordered in Quarter 4.

Current projections indicate the remaining budget will be expended by year end.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

Applications

- The Data Manager Retirement project was completed in Q1 2017.
- The pilot phase of Mobile Responder was completed in Q1 2017 but the project may not be completed until Q2 2018.
- EPROS Org Change Updates is on hold pending prioritization.
- Sitecore 7 upgrade was completed Q1 2017. Version 8 will start in Q2 2017 and is scheduled for completion in Q4 2017.
- ANI/ALI Project was initiated in Q1 2017 and will be funded from the E911 Grant. It is scheduled for completion in 2017.
- EPROS Property first phase was completed in Q1 2017.
- OMR second release was completed in Q1 2017 and Phase 3 is scheduled for completion in Q4 2017.
- The initiation phase and requirements of the SMWP project will be completed in Q2 2017. It will require a closed Request for Proposal (RFP) and is scheduled for completion in 2018.

The following projects/phases will be completed in Quarter 2 of 2017:

- PIP Publishing
- EPROS Service updates

The following projects/phases will be completed in Quarter 4 of 2017:

- NICHE Upgrade project (EPROS Upgrade 2016)
- iBase Enhancements
- Daily Highlights Upgrade
- Administrative Records System
- Sitecore 8 upgrade
- EPROS Property
- OMR

Current projections indicate that budget of \$717K may be carried over to 2018 to complete the e-Ticketing, SMWP, CAD 9.4 Upgrade project, and Mobile Responder project.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

2 Telecommunications Lifecycle Replacement

Year to Date

The following projects are in progress in 2017:

- Private Branch Exchange (PBX) System replacement
- Polycom Lifecycle Replacement

Forecast

- The PBX System project is in the migration stage and expenditures will be recognized in Quarter 3.
- The Polycom Lifecycle Replacement project has been delayed due to higher prioritized activities. It is currently projected that the hardware purchase will take place in Quarter 3 pending Committee approval.

Current projections indicate a budget carry forward to 2018 may be required to complete the project.

3 Radio Lifecycle Replacement

Year to Date

In Quarter 1, the actual expenditures were for installation of consoles and vehicular repeater systems.

Forecast

The remaining expenditures in 2017 will include the installation of consoles, technical configurations and a replacement radio recording solution. A vendor has been selected in Q1 2017 and it is expected that the installation will take place in Q4 2017. Current projections indicate the remaining budget will be expended by year end.

4 Northwest Campus

Year to Date

The expenditures in the first quarter are for construction as well as design consultant costs and City of Edmonton (COE) project management charges.

Forecast

Construction as well as COE project management charges and design consultant costs will continue to take place in 2017 and 2018 and may extend into the first quarter of 2019. The land cost is expected to be recorded in 2017. These estimates and charges are provided by the consultants and staff of Facility & Landscape Infrastructure (FLI) of COE.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

5 Helicopter Replacement – single engine**Year to Date**

The helicopter has been purchased and the avionics and law enforcement equipment are being installed. The expected delivery date is June, 2017.

Forecast

The budget will be reduced by \$143K as part of the Fall Supplemental Capital Budget Adjustment (SCBA) process due to U.S. dollar funding being secured at a lower exchange rate than originally estimated. Current projections indicate that the project may be underspent by \$224K.

6 Public Safety Radio Network**Year to Date**

In Q1 the formal Alberta First Responder Radio Communications System (AFRRCS) Access Agreement was signed by the City and Province. The first Quarter expenditures are primarily for the Government of Alberta one-time enhanced coverage fee and project management staffing costs.

Forecast

Pending the RFP process and timelines for migration, it is estimated that \$6,556K will be spent on the migration environment setup with the actual migration of radios from the Enhanced Digital Access Communication System (EDACS) to AFRRCS occurring in 2017. Remaining budget of \$752K may be carried over to 2018.

7 Digital Asset Management System (DAMS)**Year to Date**

The project has completed the issuance of an RFP and is working with the selected vendor on a Proof of Concept that should conclude in Q3 2017. Negotiations will begin with the vendor and it is expected that installation and configuration of software will occur in Q4 of 2017 through Q3 of 2018.

Forecast

It is estimated that \$1.8M of remaining budget may be carried forward to 2018.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

8 Vehicles**Year to Date**

19 Marked and 7 Unmarked vehicles were put into service in Quarter 1. In addition, 14 marked and 10 unmarked vehicles have been delivered.

Forecast

Current projections indicate that \$287K of remaining budget may be carried forward to 2018.

9 Security Equipment Lifecycle**Year to Date**

The first quarter expenditures include the preliminary equipment purchases for the facilities (eg. Southwest Division, Nixon and property Exhibit) targeted for completion in 2017.

Forecast

By year end, spending will be over the budget by approximately \$2,400K, however over the 4-year budget cycle expenditures will balance to the budget.

10 Specialized Police Equipment**Year to Date**

The purchases to date this year include a firearms pulverizer.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended March 31, 2017

11 Police Seized Vehicle Storage Lot Expansion**Year to Date**

In 2016 this project incurred actual expenditures that exceeded the budget. An additional \$3K budget is requested to be transferred from the Operating budget as part of the Spring SCBA process.

Forecast

There are outstanding change requests and any additional budget required will be requested as part of the Fall SCBA process.

12 Composite Projects – Completion Status

Police IT Systems, Telecommunications Equipment, Vehicles, Security Equipment Lifecycle and Specialized Equipment contain multiple sub-projects within the total project, and each sub-project is at different stages of completion.