



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-November-06

SUBJECT: Budget Variance Report for the Period Ending September 30, 2018

RECOMMENDATION(S):

That this report be received for information.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending September 30, 2018 indicate a net surplus position of \$0.457 million or 0.2% (expense underspend of \$0.883 million offset by revenue shortfall of \$0.426 million). The underspend in expenditures is primarily due to Northwest Campus not being operational until 2019 and lower custodial and maintenance costs offset by personnel increases to support the City's annexation to the South and the Federal legalization of cannabis. The revenue shortfall is primarily a result of lower than expected Traffic Safety Act revenues offset by greater overall Secondment recoveries and Heavy Users of Service grant extension.

Based on the operating results to the end of September, the year-end forecast indicates that the EPS may be on budget, after transferring \$0.188 million overspend to EPS reserve as a result of a historical investigation.

Capital Results

2018 is the fourth and final year for the Capital budget cycle (2015-18) and the results indicate \$19.508 million will be expended in the last quarter of 2018 and \$12.762 million will carry forward to 2019 to complete projects. All projects remain within current budget approvals.

ADDITIONAL INFORMATION ATTACHED:

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

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Reviewed By:  Jodie GRAHAM, Executive Director, Business Development Division

Approved By: Linda REVELL, Chief Administrative Officer, Corporate Services Bureau

Chief of Police:



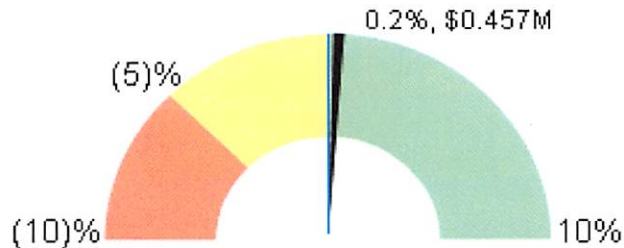
Kevin Brezinski
Acting Chief of Police



Date: 2018-11-02

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending September 30, 2018 (\$000's)

- Favourable budget variance, $\geq 0\%$
- Unfavourable budget variance, 0% to $(5)\%$
- Unfavourable budget variance, $> (5)\%$



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

Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	77 944	77 518	(426)	-0.5%
<i>Personnel</i>	258 775	261 687	(2 912)	-1.1%
<i>Non-Personnel</i>	48 799	45 004	3 795	7.8%
Expense	307 574	306 691	883	0.3%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%
Net Position	229 630	229 173	457	0.2%

Projected Year-End				
	Budget	Actual	Variance \$	%
Revenue	97 704	96 605	(1 099)	-1.1%
<i>Personnel</i>	358 951	361 872	(2 921)	-0.8%
<i>Non-Personnel</i>	66 699	62 867	3 832	5.7%
Expense	425 650	424 739	911	0.2%
TCA (Note 1)	9 431	9 431	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	(188)	188	0.0%
Net Position	337 377	337 377	-	0.0%

Year-to Date

Revenue - Unfavourable variance resulting from lower Traffic Safety Act revenues of 3%, compared to last year, partially due to a lower number of officer issued tickets, offset by greater overall Secondment recoveries and Heavy Users of Service grant extension.

Personnel - Unfavourable variance as a result of being over strength to support the City's annexation to the South, Federal legalization of Cannabis, and higher part time costs in Police Communication Branch to transition staffing, greater Secondments (offset by revenues). This is offset by funds not needed to support NHL Playoffs, limited need for overtime in Community Policing and Intelligence and Investigations offset by costs associated with the 2018 Mandatory Fit testing service wide.

Non-Personnel - Favourable variance due to lower than expected custodial and maintenance costs, budget not required for on-going operating costs for Northwest Campus as it is not operational until 2019, and delayed Information Technology contracts, such as e-Ticketing, Major Case Management, and Digital Asset Management System.

Projected Year-End

Revenue - The unfavourable variance primarily since lower Traffic Safety Act revenues are expected to continue to year end.

Personnel - The unfavourable year end variance is in line with the year to date.

Non-Personnel - The favourable year to date variance is expected to continue to year end plus lower than expected costs for the legalization of cannabis resulting from delayed legalization date, and as a result, lower purchases of the Approved Traffic Testing Device, and lower IT and training costs.

Notes:

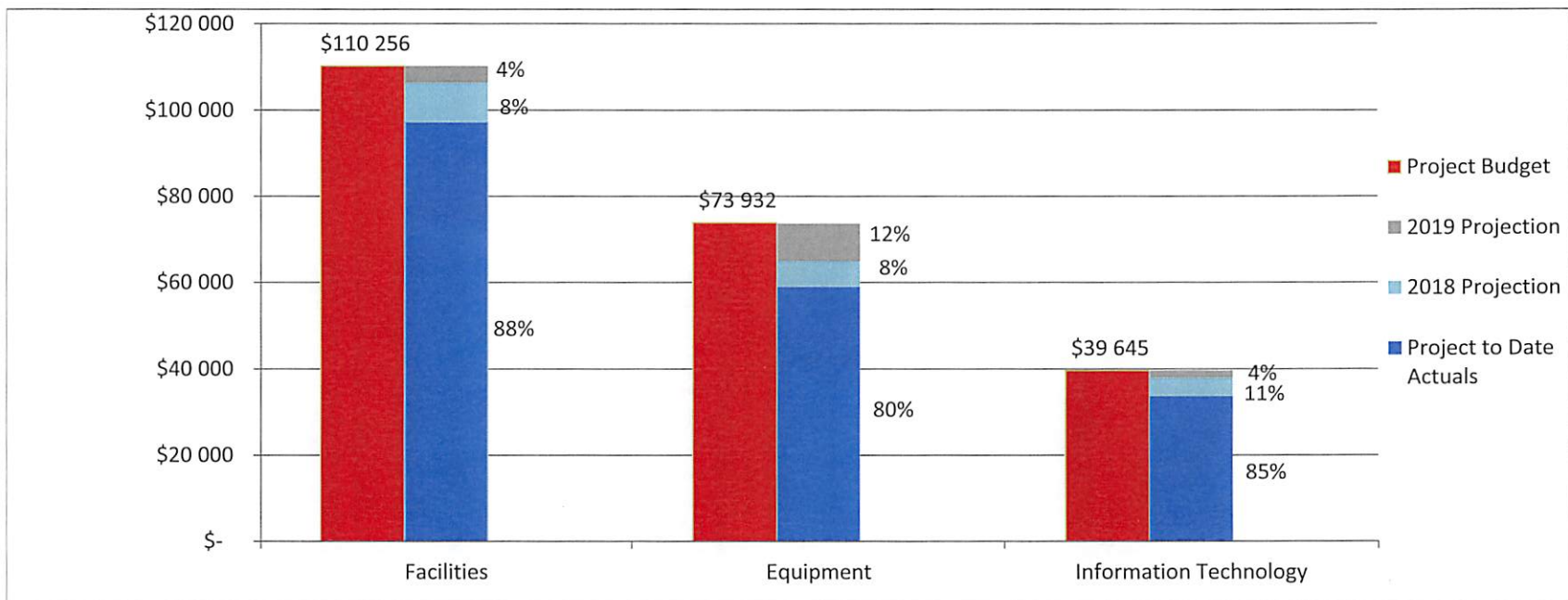
(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(2) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy, in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, in order to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget.

2017 Year-to-Date					2017 Year-End			
	Budget	Actual	Variance \$	%		Budget	Actual	Variance \$ %
Revenue	75 067	77 995	2 928	3.9%	Revenue	91 477	94 972	3 495 3.8%
Expense	299 261	294 537	4 724	1.6%	Expense	410 985	417 118	(6 133) -1.5%
Net Position	224 194	216 542	7 652	3.4%	Net Position	319 508	322 146	(2 638) -0.8%

Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending September 30, 2018 (\$000's)

Profile Category	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	Project To Date Actuals	2018 Projection	2019 Projection	Total Projection	2015-18 Approved Budget	2019 Approved Budget	Total Bud v Proj \$
Facilities (Note 1)	\$ 3 837	\$ 9 607	\$ 49 316	\$ 34 583	\$ 97 343	\$ 43 637	\$ 3 859	\$ 110 256	\$ 110 256	\$ -	\$ -
Equipment (Note 2)	\$ 18 351	\$ 13 858	\$ 17 809	\$ 8 928	\$ 58 946	\$ 14 940	\$ 8 716	\$ 73 674	\$ 72 532	\$ 1 400	\$ 258
Information Technology (Note 3)	\$ 13 743	\$ 5 213	\$ 6 148	\$ 8 502	\$ 33 606	\$ 12 944	\$ 1 597	\$ 39 645	\$ 39 645	\$ -	\$ -
	\$ 35 931	\$ 28 678	\$ 73 273	\$ 52 013	\$ 189 895	\$ 71 521	\$ 14 172	\$ 223 575	\$ 222 433	\$ 1 400	\$ 258



**Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending September 30, 2018
(\$000's)**

1 Facilities

- Northwest Campus construction has reached 98% completion. Roofing redesign and repairs is being completed and Interim Acceptance is anticipated in late November of 2018. EPS occupancy is expected to take place in Q2 of 2019. It is projected that budget of \$1.731 million may need to be carried forward to 2019 for remaining construction project costs and equipment and fit-up charges.
- The design and construction of the Westwood Central Stores renovations is being managed through the City of Edmonton Integrated Infrastructure Services (COE IIS). The project has been delayed due to prioritization of other previously scheduled COE capital projects but has incurred some preliminary planning and design costs. It is expected that schematic design work will continue into Q4. Budget of \$1.618 million may be carried over to 2019 for the detailed design and construction work.

2 Equipment

- The Police Dispatch 911 telephone replacement project is approved and prioritized and a Project Manager is currently being recruited. The majority of the budget may be carried forward to 2019.
- The infrared camera upgrade for the new helicopter has been made and sale of the engine from the old Air 1 helicopter has been finalized. After the sale proceeds have been received and recorded, budget of approximately \$0.599 million will be released to the COE.
- The Public Safety Radio Network project is 80% complete and EPS radios will transition to the Alberta First Responder Radio Communications System (AFRRCS) environment during the remainder of 2018. Extended network coverage design for the EPS facilities and LRT tunnels is expected to be completed in 2018 with a forecast implementation date of Q3 2019.
- Year to date vehicle costs are \$6.762 million. It is expected that budget of \$1.424 million may be carried over to 2019 to complete the remaining fit up and purchase of specialty vehicles.
- Current projections indicate a total of \$8.716 million may be carried forward to 2019 to complete the Public Safety Radio Network, Police Dispatch 911 telephone replacement project, and remaining fit-up and purchase of specialty vehicles.

3 Information Technology

- IT Applications & Infrastructure are at various stages of completion. It is expected that \$0.433 million may be carried over to 2019 to complete the remaining IT- Enhancement projects.
- The installation of software into four of five environments for the Digital Asset Management System (DAMS) has been completed. It is estimated that the project will be complete by Q2 2019 and \$1.164 million of remaining budget may be carried forward to 2019.