



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2017-July-04

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

RECOMMENDATION:

That the financial report for the period ending May 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 May 31, 2017.

COMMENTS / DISCUSSION:

The operating results for the period ending May 31, 2017 indicate a net surplus position of \$1.931 million or 1.4% mainly due to surplus in revenue of \$1.734 million, an underspend in non-personnel costs of \$1.552 million, offset by an overspend in personnel costs of \$1.355 million.

The surplus in revenue is primarily due to ongoing recognition of E911 Grant revenues (offset by personnel expenses), retroactive (third and fourth quarters of 2016) 911 Operators expenses as supported by Alberta Emergency Management Agency, and the recognition of revenue associated with EPS 125 events and other miscellaneous donations (offset by non-personnel expenses). The surplus in revenue will increase during the year and will be used to offset one-time purchases identified through priority unfunded initiatives.

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 in overspend due to various one-time purchases identified through priority unfunded initiatives.

The over budget position in personnel costs is mainly due to costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs, and higher part time costs in Police Communication Branch (partially offset by revenue).

CONCLUSION:

Based on the operating results to the end of May and the explanations attached, the year-end forecast indicates that the EPS may be \$1.142 million or 0.4% over budget. The projection is due to unbudgeted costs associated with Rounds 1 and 2 of Stanley Cup Playoffs.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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Approved by: Linda REVELL, Chief Administrative Officer, Corporate Services Bureau *LR*

Chief of Police: _____

Date: _____

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending May 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	\$ 767	\$ (654)	-46.0%	\$ 7 196	\$ 5 315	\$ (1 881)	-26.1%	\$ 6 077	\$ 6 076	\$ (1)	0.0%	\$ 15 508	\$ 15 508	\$ -	0.0%
Transfer to COE General Revenues	-	-	-	0.0%	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Transfer from Reserve (OTS) (Note 2)	-	-	-	-	10 192	10 192	-	0.0%	11 146	11 146	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	260	254	(6)	-2.3%	3 662	3 365	(297)	-8.1%	3 814	5 222	1 408	36.9%	27 923	30 192	2 269	8.1%
Other Revenue (Notes 4 and 12)	2 174	2 130	(44)	-2.0%	10 846	10 750	(96)	-0.9%	11 146	11 473	327	2.9%	26 034	27 208	1 174	4.5%
Total Revenue	3 855	3 151	(704)	-18.3%	31 896	29 622	(2 274)	-7.1%	32 183	33 917	1 734	5.4%	91 757	95 200	3 443	3.8%
Expenditures																
Personnel																
Salary and benefits (Note 5)	27 299	30 505	(3 206)	-11.7%	127 852	126 831	1 021	0.8%	140 449	141 951	(1 502)	-1.1%	330 123	330 276	(153)	0.0%
EPS Overtime (Note 6a)	842	1 268	(426)	-50.6%	3 746	4 173	(427)	-11.4%	4 231	4 093	138	3.3%	11 030	10 686	344	3.1%
External Overtime (Note 6b)	38	38	-	0.0%	180	190	(10)	-5.6%	192	183	9	4.7%	460	443	17	3.7%
	28 179	31 811	(3 632)	-12.9%	131 778	131 194	584	0.4%	144 872	146 227	(1 355)	-0.9%	341 613	341 405	208	0.1%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	706	810	(104)	-14.7%	5 540	5 081	479	8.6%	5 943	5 175	768	12.9%	12 147	14 870	(2 723)	-22.4%
Contracts and services (Note 8)	1 324	1 688	(364)	-27.5%	7 615	6 851	764	10.0%	6 948	7 259	(311)	-4.5%	17 455	19 470	(2 015)	-11.5%
Vehicles (Note 9)	627	684	(57)	-9.1%	2 971	3 138	(167)	-5.6%	3 143	3 026	117	3.7%	7 693	7 546	147	1.9%
Facilities (Note 10)	1 412	1 386	26	1.8%	6 950	6 249	701	10.1%	6 813	5 818	995	14.6%	16 809	16 235	574	3.4%
Other Expenditures (Note 11)	253	411	(158)	-62.5%	1 129	1 113	16	1.4%	1 108	1 123	(17)	-1.5%	3 826	4 602	(776)	-20.3%
	4 322	4 979	(657)	-15.2%	24 205	22 412	1 793	7.4%	23 953	22 401	1 552	6.5%	57 930	62 723	(4 793)	-8.3%
Total Expenditures (Note 13)	32 501	36 790	(4 289)	-13.2%	155 983	153 606	2 377	1.5%	168 825	168 628	197	0.1%	399 543	404 128	(4 585)	-1.1%
Position before Adjustments	28 646	33 639	(4 993)	-17.4%	124 087	123 984	103	0.1%	136 642	134 711	1 931	1.4%	307 786	308 928	(1 142)	-0.4%
Tangible Capital Assets Budget adjustment (Note 14)													11 722	11 722	-	0.0%
Net Position	\$ 28 646	\$ 33 639	\$ (4 993)	-17.4%	\$ 124 087	\$ 123 984	\$ 103	0.1%	\$ 136 642	\$ 134 711	\$ 1 931	1.4%	\$ 319 508	\$ 320 650	\$ (1 142)	-0.4%

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

Year to Date – Revenues are slightly under budget.

Forecast – No variance is expected.

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 ongoing recognition of E911 Grant revenues (offset by personnel expenses), and 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 plus increased Municipal Policing Assistance Grant (MPAG) projection based on the municipal census.

4. Other Revenue

Year to Date – The over budget position is primarily due to Secondments (offset by greater personnel costs), and greater volume of Police Information Checks (PIC) revenues, and revenues associated with EPS 125 events (offset by greater non-personnel costs). This is offset by reduced volume of towed vehicles, and false alarm fees.

Forecast – Same as for the year to date plus increased rate for PIC Unit.

5. Salary and Benefits

Year to date – Over budget as a result of higher part time costs in Police Communication Branch, partially offset by revenue.

Forecast – Slightly over budget.

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

Attrition	May	May YTD	Full Year
Original Projection	5	27	70
Actual & Updated Projection	6	23	70

As of June 19, 2017, one sworn member has been dismissed, twelve sworn members have tendered their resignation, and twenty-five announced their retirement for an attrition total of thirty-eight. Of these, twenty-three were no longer on the payroll as of May 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 Traffic collisions causing major injury. This is offset by costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs.

Forecast – Same as the year to date.

6b. External Overtime

Year to date – Slightly under budget.

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 increased cost of the Microsoft enterprise agreement and other licenses, as well as one-time operating purchases identified through priority unfunded initiatives, such as Conducted Electrical Weapons, Arwen Project, OICC setup construction hardware, Wire trap upgrade. The projected overspend is to be offset by surplus in revenue.

8. Contracts & Services

Year to date – Over budget primarily as a result of costs associated with EPS 125 events (offset by other revenue).

Forecast – An over spend is projected mainly due to the one-time operating purchases identified through priority unfunded initiatives, such as Communications revitalization project, IT Governance Audit, Community initiative fund, as well as costs associated with EPS 125 events. The overspend is projected to be offset by surplus in revenue.

9. Vehicle Costs

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

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget as a result of lower custodial and maintenance costs as well as fluctuation in utility rates and consumption offset by higher snow removal and landscaping contracts.

Forecast – Same as the year to date. This will offset one-time purchases identified through priority unfunded initiatives, and costs charged to other budget categories (other expenditures).

11. Other Expenditures

Year to Date – Slightly over budget.

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, and budget being transferred to accommodate capital priority unfunded initiatives.

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 May amounted to \$1.6 million (rounded).

14. Tangible Capital Assets

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