



# EDMONTON POLICE SERVICE

## REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2019-February-05

**SUBJECT:** Budget Variance Report for the Period Ending December 31, 2018

### RECOMMENDATION(S):

That this report be received for information.

### COMMENTS / DISCUSSION:

#### **Operating Results**

The operating results for the period ending December 31, 2018 indicate a balanced position, after transferring \$1.162 million underspend to EPS reserve. 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.

#### **Capital Results**

2018 is the fourth and final year for the Capital budget cycle (2015-18) and \$60.737 million was expended in 2018, \$23.110 million will carry forward to 2019 to complete projects, and \$1.000 million in funding was returned to the City of Edmonton. In January, EPS was advised by the City that the Northwest Campus construction is expected to be over budget by \$0.584 million.

### ADDITIONAL INFORMATION ATTACHED:

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

Attachment II – Capital Budget Performance

**Written By:** Kathryn REYNOLDS, T/A Director, Financial Management Branch 

**Reviewed By:**  Robert DAVIDSON, T/A Executive Director, Business Development Division

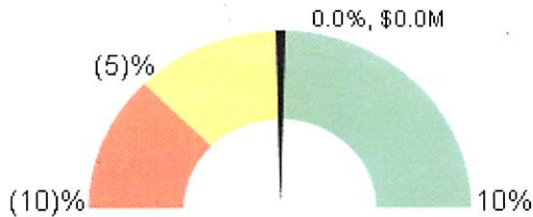
**Approved By:** Chad TAWFIK, T/A Deputy Chief, Corporate Services Bureau 

**Chief of Police:**  \_\_\_\_\_

**Date:** Feb 6, 19

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending December 31, 2018 (\$000's)**

- Favourable budget variance, >= 0%
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, > (5)%



2018 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	95 718	94 742	(976)	-1.0%
<i>Personnel</i>	358 951	359 251	(300)	-0.1%
<i>Non-Personnel</i>	74 144	71 706	2 438	3.3%
Expense	433 095	430 957	2 138	0.5%
Transfer to/from EPS Reserve (Note 1)	-	1 162	(1 162)	0.0%
<b>Net Position</b>	<b>337 377</b>	<b>337 377</b>	<b>-</b>	<b>0.0%</b>

2017 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	91 477	94 972	3 495	3.8%
<i>Personnel</i>	340 163	340 309	(146)	0.0%
<i>Non-Personnel</i>	70 822	76 809	(5 987)	-8.5%
Expense	410 985	417 118	(6 133)	-1.5%
<b>Net Position</b>	<b>319 508</b>	<b>322 146</b>	<b>(2 638)</b>	<b>-0.8%</b>

■ Year-to-Date Variance

#### 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), lower Extra Duty recoveries and lower vehicle tows; offset by increased fees and greater volume of Police Information Checks (PIC), Heavy Users of Service grant extension, and greater overall Secondment recoveries.

**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 and greater Secondments (offset by revenues). This is offset by funds not needed to support NHL Playoffs.

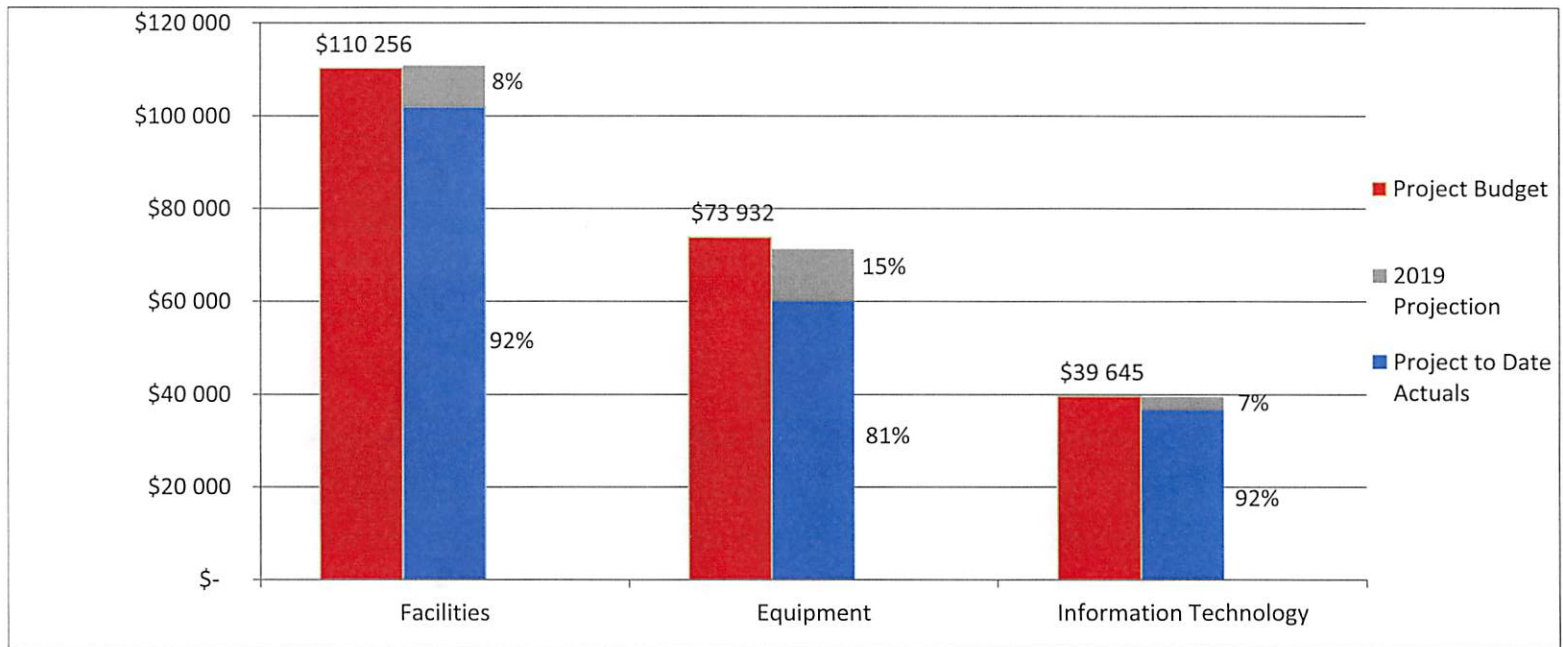
**Non-Personnel** - Favourable variance due to lower than expected custodial and maintenance, and renovations costs, budget not required for on-going operating costs for Northwest Campus as it is not operational until 2019, and delayed Information Technology contracts, such as e-Ticketing, Major Case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

#### Notes:

(1) On June 26, 2018 City Council approved Policy C605 Edmonton Police Service (EPS) Reserve. In accordance with the policy, one hundred percent of any annual EPS operating surplus will be placed in the EPS reserve. \$1.162 million has been transferred to EPS reserve in 2018. This transfer is not budgeted and will always result in a variance.

Edmonton Police Service  
 Capital Budget Performance  
 Financial Report for the Period Ending December 31, 2018 (\$000's)

Profile Category	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	Project To Date Actuals	2019 Projection	Total Projection	2015-18 Approved Budget	2019 Approved Budget	Total Bud v Proj \$
Facilities (Note 1)	\$ 3 837	\$ 9 607	\$ 49 316	\$ 39 182	\$ 101 942	\$ 8 898	\$ 110 840	\$ 110 256	\$ -	\$ (584)
Equipment (Note 2)	\$ 18 351	\$ 13 858	\$ 17 809	\$ 10 002	\$ 60 020	\$ 11 332	\$ 71 352	\$ 72 532	\$ 1 400	\$ 2 580
Information Technology (Note 3)	\$ 13 743	\$ 5 213	\$ 6 148	\$ 11 553	\$ 36 657	\$ 2 880	\$ 39 537	\$ 39 645	\$ -	\$ 108
	<b>\$ 35 931</b>	<b>\$ 28 678</b>	<b>\$ 73 273</b>	<b>\$ 60 737</b>	<b>\$ 198 619</b>	<b>\$ 23 110</b>	<b>\$ 221 729</b>	<b>\$ 222 433</b>	<b>\$ 1 400</b>	<b>\$ 2 104</b>



**Edmonton Police Service  
Capital Budget Performance  
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**1 Facilities**

- Northwest Campus construction has reached 99% completion. Interim Acceptance and project handover was made to the Edmonton Police Service (EPS) on November 30, 2018. Deficiency work remains which includes painting, remediation work to the gym floor and the roof. EPS is working on the furniture, fixtures and equipment fit-up of the facility with an anticipated in-service date of Q2 2019. Budget of \$5.4 million will be carried forward to 2019 for remaining construction project costs and equipment and fit-up charges. An unanticipated charge of approximately \$0.7 million for a City wide change in the budgeted overhead value has put the projected costs over budget by approximately \$0.6 million.
- The design and construction of the Westwood Central Stores renovations is being managed through the City of Edmonton Integrated Infrastructure Services (COE IIS). The schematic design process has been completed by the consultant and detailed design is expected to be completed during Q2 2019 with the beginning of construction. Budget of \$1.8 million will be carried forward to 2019 for the remaining work.
- The design and construction of the Operations & Intelligence Command Centre is being managed through the COE IIS. Construction began in the fourth quarter of 2018 and is expected to be complete by the end of the first quarter in 2019. Video wall installation will begin in Q2. Budget of \$1.1 million will be carried forward to 2019 for the remaining work.

**2 Equipment**

- The Emergency Communication Centre IP Call Handling Project (911 telephone replacement) was approved late in 2018 but a project manager was not hired until January 2019. Budget of \$3.6 million will be carried forward to 2019.
- Proceeds from the sale of the engine from the old Air 1 helicopter were recorded and this project is now complete. Budget of approximately \$0.61 million will be released to the City of Edmonton (COE).
- The Public Safety Radio Network project is 78% complete with the majority of EPS radios transitioned to the Alberta First Responder Radio Communications System (AFRRCS) environment. A final vendor for extended network coverage work of the EPS facilities and LRT tunnels will commence in 2019 with decommissioning of the Enhanced Digital Access Communications System (EDACS) ending in 2020. Budget of \$6.3 million will be carried forward to 2019 with the approved budget of \$1.4 million.
- Vehicle costs were \$7.8 million. Budget of \$1.3 million will be carried forward to 2019 to complete the remaining fit up and purchase of specialty vehicles.
- Specialized Police Equipment purchases in 2018 included multi-imaging camera system for Air2, IBIS TRAX, server and Icon 50 Robotic. Budget of \$1.0 million will be carried forward to 2019 to complete the remaining purchases.

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**3 Information Technology**

- IT Applications are at various stages of completion. Budget of \$1.3 million will be carried forward to 2019 to complete the remaining IT-Enhancement projects.
  
- The installation and configuration of software has been completed in all environments for the Digital Asset Management System (DAMS) and the first solution was developed for Human Resources and the Employee Performance and Development Program (EPDP). Additional solutions, testing and migration of shared drive data to the new software will roll out to other business units in 2019. It is estimated that the project will be complete by the end of 2019. Budget of \$1.5 million will be carried forward to 2019.

**4 Composite Projects**

- 2018 is the final year for 2015-2018 approved composite profiles. Unspent Pay-As-You-Go (PAYG) composite funding of \$1.0 million was released back to the COE-PAYG funding pool. Unspent Police-PAYG composite funding of \$4.8 million was transferred to the Police PAYG Capital Reserve