



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-June-05

SUBJECT: Financial Report for the Period Ending April 30, 2018

RECOMMENDATION:

That the financial report for the period ending April 30, 2018 be received for information.

INTRODUCTION:

This report provides current year end financial performance information for the Edmonton Police Service (EPS) for the period ending April 30, 2018.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending April 30, 2018 indicate a net deficit position of \$1.846 million or 1.7% mainly due to an overspend in personnel of \$3.714 million, offset by an underspend in non-personnel of \$1.804 million, and a surplus in revenue of \$0.064 million.

The main cause of the over budget position in personnel costs is a result of being over strength to support the City's annexation to the South, and Federal legalization of Cannabis, higher part time costs to transition the civilianizing of Police Communication Branch staffing (partially offset by 911 grant revenues), greater Secondments (offset by revenues), and increased cost of benefits. The year to date trend is expected to continue to year end.

The under budget position in non-personnel costs is primarily due to the timing of purchases. A one-time underspend in Facilities has been identified as the Northwest Campus will not be operational until 2019.

The minimal surplus in revenue is a result of greater Secondments (offset by increased personnel costs), which are offset by lower Traffic Safety Act (TSA) fine revenues, and recognition of E911 grant revenues.

CONCLUSION:

Based on the operating results to the end of April and the explanations attached, the year-end forecast indicates that the EPS may be \$4.923 million or 1.4% over budget primarily due to being over strength, higher part time costs to transition the civilianizing of Police Communication Branch and lower Traffic Safety Act fine revenues.

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 

Chief of Police: 

Date: JUN 07 2018

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

	Current Period				2017 Year to Date				2018 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)	\$ 1 418	\$ 1 209	\$ (209)	-14.7%	\$ 4 656	\$ 4 627	\$ (29)	-0.6%	\$ 4 667	\$ 4 530	\$ (137)	-2.9%	\$ 15 352	\$ 13 966	\$ (1 386)	-9.0%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	5 573	5 573	-	0.0%	11 146	11 146	-	0.0%	11 146	11 146	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	311	272	(39)	-12.5%	3 579	4 968	1 389	38.8%	3 848	3 698	(150)	-3.9%	28 846	28 740	(106)	-0.4%
Other Revenue (Notes 4 and 12)	2 661	2 298	(363)	-13.6%	8 946	9 344	398	4.4%	9 879	10 230	351	3.6%	31 214	31 761	547	1.8%
Total Revenue	9 963	9 352	(611)	-6.1%	28 327	30 085	1 758	6.2%	29 540	29 604	64	0.2%	97 704	96 759	(945)	-1.0%
Expenditures																
Personnel																
Salary and benefits (Note 5)	27 916	30 131	(2 215)	-7.9%	113 129	112 508	621	0.5%	114 334	118 405	(4 071)	-3.6%	343 480	349 145	(5 665)	-1.6%
EPS Overtime (Note 6a)	1 206	747	459	38.1%	3 390	2 790	600	17.7%	3 529	3 113	416	11.8%	11 244	10 276	968	8.6%
External Overtime (Note 6b)	38	44	(6)	-15.8%	153	181	(28)	-18.3%	153	212	(59)	-38.6%	460	625	(165)	-35.9%
	29 160	30 922	(1 762)	-6.0%	116 672	115 479	1 193	1.0%	118 016	121 730	(3 714)	-3.1%	355 184	360 046	(4 862)	-1.4%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1 544	1 234	310	20.1%	5 237	4 365	872	16.7%	4 952	4 571	381	7.7%	15 543	14 953	590	3.8%
Contracts and services (Note 8)	1 999	1 155	844	42.2%	5 637	5 571	66	1.2%	6 414	5 972	442	6.9%	20 426	21 145	(719)	-3.5%
Vehicles (Note 9)	600	629	(29)	-4.8%	2 515	2 342	173	6.9%	2 434	2 482	(48)	-2.0%	7 778	7 772	6	0.1%
Facilities (Note 10)	1 523	1 263	260	17.1%	5 401	4 432	969	17.9%	5 774	4 886	888	15.4%	20 668	18 552	2 116	10.2%
Other Expenditures (Note 11)	228	321	(93)	-40.8%	853	712	141	16.5%	874	733	141	16.1%	4 303	5 412	(1 109)	-25.8%
	5 894	4 602	1 292	21.9%	19 643	17 422	2 221	11.3%	20 448	18 644	1 804	8.8%	68 718	67 834	884	1.3%
Total Expenditures (Note 13)	35 054	35 524	(470)	-1.3%	136 315	132 901	3 414	2.5%	138 464	140 374	(1 910)	-1.4%	423 902	427 880	(3 978)	-0.9%
Position before Adjustments	25 091	26 172	(1 081)	-4.3%	107 988	102 816	5 172	4.8%	108 924	110 770	(1 846)	-1.7%	326 198	331 121	(4 923)	-1.5%
Tangible Capital Assets Budget adjustment (Note 14)													10 819	10 819	-	0.0%
Net Position	\$ 25 091	\$ 26 172	\$ (1 081)	-4.3%	\$ 107 988	\$ 102 816	\$ 5 172	4.8%	\$ 108 924	\$ 110 770	\$ (1 846)	-1.7%	\$ 337 017	\$ 341 940	\$ (4 923)	-1.5%

Edmonton Police Service

Explanation of Variances by Major Category of Expenditures and Revenues – Notes

For the Period Ended April 30th 2018**1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – Under budget as a result of decrease in revenues of 2.11%, compared to last year, partially due to lower number of officer issued tickets.

Forecast – Same as the year to date.

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

Year to Date – Quarterly transfers from the OTS, with the second payment received in April.

Forecast – No variance is expected.

3. Provincial Grants

Year to Date – There has been less E911 Grant and Victim Services Grant revenue recognized year to date, offset by lower non-personnel expenses.

Forecast – Lower recognition of E911 Grant is expected to year end.

4. Other Revenue

Year to Date – The over budget position is primarily due to greater overall Secondment recoveries due to over staffed ALERT (offset by greater personnel costs), greater School Resource Officer recoveries, offset by lower costs associated with the Resiliency Project.

Forecast – Same as for the year to date.

5. Salary and Benefits

Year to date – Over budget as a result of being over strength to support the City's annexation to the South, and Federal legalization of Cannabis, higher part time costs in Police Communication Branch to transition staffing, greater Secondments (offset by revenues), and increased cost of benefits.

Forecast – Same as for the year to date.

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

Attrition	April	April YTD	Full Year
Original Projection	5	21	70
Actual & Updated Projection	5	21	70

As of May 22, 2018, nine sworn members have tendered their resignation, and twenty-three announced their retirement for an attrition total of thirty-two. Of these, twenty-one were no longer on the payroll as of April 30, 2018.

6a. EPS Overtime

Year to date – Under budget as a result of lower number of homicides, robberies, and traffic investigations requiring overtime resources, as well as funds not needed to support NHL Playoffs, offset by costs associated with the 2018 Mandatory Fit testing service wide, centrally captured in DEOPS.

Forecast – Same as for the year to date.

6b. External Overtime

Year to date – Over budget (offset by greater recoveries) due to overstaffed ALERT.

Forecast – Same as the year to date.

7. Furniture, Equipment, IT, Materials and Supplies

Year to date – Under budget due to the timing of expenses and budget being held to cover one-time expenditures in other budget categories.

Forecast – Under budget as a result of budget being held to cover one-time expenditures in other budget categories.

8. Contracts & Services

Year to date – Under budget due to the timing of expenses, offset by higher snow removal cost.

Forecast – Over budget as a result of higher snow removal cost, one-time operating purchases identified through priority unfunded initiatives, such as Community Initiative Fund (offset by underspend in Facilities), and one-time expenditures with budgets held in other budget categories (Furniture & Equipment).

9. Vehicle Costs

Year to date – Slightly over budget.

Forecast – Slightly under budget.

10. Facilities

Year to Date – Under budget due to Northwest Campus not being operation until 2019 and lower than expected custodial and maintenance costs.

Forecast – Same as the year to date, offset by costs charged to other budget categories (Other Expenditures).

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 facility, renovation and leasing allocations being charged to City's inter-departmental category instead of facilities where budget exists (Facilities).

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 April amounted to \$1.9 million (rounded).

14. Tangible Capital Assets

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