



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-July-03

SUBJECT: Financial Report for the Period Ending May 31, 2018

RECOMMENDATION:

That the financial report for the period ending May 31, 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 May 31, 2018.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending May 31, 2018 indicate a net deficit position of \$3.805 million or 2.7% mainly due to an overspend in personnel of \$4.634 million, deficit in revenue of \$0.078 million, offset by an underspend in non-personnel of \$0.907 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 minimal deficit in revenue is a result of lower Traffic Safety Act (TSA) fine revenues, and recognition of E911 grant revenues, which are offset by greater Secondments (offset by increased personnel costs).

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.

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 \$5.243 million or 1.6% 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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Reviewed by: Jodie GRAHAM, Executive Director, Business Development Division

Approved by: Linda REVELL, Chief Administrative Officer, Corporate Services

Bureau *Jodie Graham* for Linda Revell 06/28/18

Chief of Police: _____

Date: JUN 28 2018

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending May 31, 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)	\$ 1 285	\$ 1 267	\$ (18)	-1.4%	\$ 6 077	\$ 6 076	\$ (1)	0.0%	\$ 5 952	\$ 5 797	\$ (155)	-2.6%	\$ 15 032	\$ 13 617	\$ (1 415)	-9.4%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		11 146	11 146	-	0.0%	11 146	11 146	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	302	275	(27)	-8.9%	3 814	5 222	1 408	36.9%	4 150	3 973	(177)	-4.3%	28 846	28 716	(130)	-0.5%
Other Revenue (Notes 4 and 12)	2 360	2 263	(97)	-4.1%	11 146	11 473	327	2.9%	12 239	12 493	254	2.1%	31 534	32 450	916	2.9%
Total Revenue	3 947	3 805	(142)	-3.6%	32 183	33 917	1 734	5.4%	33 487	33 409	(78)	-0.2%	97 704	97 075	(629)	-0.6%
Expenditures																
Personnel																
Salary and benefits (Note 5)	28 716	29 835	(1 119)	-3.9%	140 449	141 951	(1 502)	-1.1%	143 050	148 240	(5 190)	-3.6%	343 481	349 173	(5 692)	-1.7%
EPS Overtime (Note 6a)	1 103	860	243	22.0%	4 231	4 093	138	3.3%	4 632	3 973	659	14.2%	11 244	10 340	904	8.0%
External Overtime (Note 6b)	39	83	(44)	-112.8%	192	183	9	4.7%	192	295	(103)	-53.6%	460	710	(250)	-54.3%
	29 858	30 778	(920)	-3.1%	144 872	146 227	(1 355)	-0.9%	147 874	152 508	(4 634)	-3.1%	355 185	360 223	(5 038)	-1.4%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	864	1 183	(319)	-36.9%	5 943	5 175	768	12.9%	5 816	5 754	62	1.1%	15 451	14 676	775	5.0%
Contracts and services (Note 8)	1 135	1 645	(510)	-44.9%	6 948	7 259	(311)	-4.5%	7 549	7 617	(68)	-0.9%	20 332	22 001	(1 669)	-8.2%
Vehicles (Note 9)	668	738	(70)	-10.5%	3 143	3 026	117	3.7%	3 102	3 220	(118)	-3.8%	7 771	8 235	(464)	-6.0%
Facilities (Note 10)	1 467	1 322	145	9.9%	6 813	5 818	995	14.6%	7 241	6 208	1 033	14.3%	20 668	18 483	2 185	10.6%
Other Expenditures (Note 11)	327	470	(143)	-43.7%	1 106	1 123	(17)	-1.5%	1 201	1 203	(2)	-0.2%	4 294	4 697	(403)	-9.4%
	4 461	5 358	(897)	-20.1%	23 953	22 401	1 552	6.5%	24 909	24 002	907	3.6%	68 516	68 092	424	0.6%
Total Expenditures (Note 13)	34 319	36 136	(1 817)	-5.3%	168 825	168 628	197	0.1%	172 783	176 510	(3 727)	-2.2%	423 701	428 315	(4 614)	-1.1%
Position before Adjustments	30 372	32 331	(1 959)	-6.5%	136 642	134 711	1 931	1.4%	139 296	143 101	(3 805)	-2.7%	325 997	331 240	(5 243)	-1.6%
Tangible Capital Assets Budget adjustment (Note 14)													11 020	11 020	-	0.0%
Net Position	\$ 30 372	\$ 32 331	\$ (1 959)	-6.5%	\$ 136 642	\$ 134 711	\$ 1 931	1.4%	\$ 139 296	\$ 143 101	\$ (3 805)	-2.7%	\$ 337 017	\$ 342 260	\$ (5 243)	-1.6%

Edmonton Police Service

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

For the Period Ended May 31st 2018**1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – Under budget as a result of decrease in revenues of 4.58%, 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), offset by lower School Resource Officer recoveries and lower cost recoveries associated with the Resiliency Project (offset by lower personnel costs).

Forecast – Year to date trend in Secondments and Resiliency Project is projected to year end.

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 five months of the year is:

Attrition	May	May YTD	Full Year
Original Projection	5	26	70
Actual & Updated Projection	5	26	70

As of June 19, 2018, eleven sworn members have tendered their resignation, and twenty-four announced their retirement for an attrition total of thirty-five. Of these, twenty-six were no longer on the payroll as of May 31, 2018.

6a. EPS Overtime

Year to date – Under budget as a result of limited need for overtime in Community Policing and Intelligence and Investigations, 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 – Slightly under budget.

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

8. Contracts & Services

Year to date – Slightly over budget.

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 – Over budget as a result of increased collision costs and the impact of the carbon tax on fuel cost.

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget due to Northwest Campus not being operational 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 – Slightly over budget.

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 May amounted to \$1.9 million (rounded).

14. Tangible Capital Assets

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