



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-April-03

SUBJECT: Financial Report for the Period Ending February 28, 2018

RECOMMENDATION:

That the financial report for the period ending February 28, 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 February 28, 2018.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending February 28, 2018 indicate a net deficit position of \$2.805 million or 4.6% mainly due to an overspend in personnel of \$4.375 million, offset by an underspend in non-personnel of \$1.112 million, and a surplus in revenue of \$0.458 million.

The main cause of the over budget position in personnel costs is a result of being over strength, 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 upcoming Spring Operating Budget Adjustment on April 10, 2018 is projected to reduce the personnel overspend.

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. This projection is being offset by costs associated with the legalization of cannabis.

The surplus in revenue is a result of greater Secondments (offset by increased personnel costs), and is projected to remain until year end. This is being offset by lower Traffic Safety Act fine revenues.

CONCLUSION:

Based on the operating results to the end of February and the explanations attached, the year-end forecast indicates that the EPS may be \$4.293 million or 1.3% over budget due to the one-time costs associated with legalization of cannabis, and lower Traffic Safety Act fine revenues. Projected results are pending a Spring Operating Budget Adjustment on April 10, 2018.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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Approved by: Brian KISILEVICH, T/A Chief Administrative Officer, Corporate Services Bureau 

Chief of Police: _____



Date: MAR 29 2018

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending February 28, 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)	\$ 916	\$ 940	\$ 24	2.6%	\$ 1 814	\$ 1 814	\$ -	0.0%	\$ 1 831	\$ 2 054	\$ 223	12.2%	\$ 15 506	\$ 13 946	\$ (1 560)	-10.1%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		-	-	-		-	-	-		22 292	22 292	-	0.0%
Provincial Grants (Note 3)	291	496	205	70.4%	475	276	(199)	-41.9%	602	496	(106)	-17.6%	28 846	28 846	-	0.0%
Other Revenue (Notes 4 and 12)	2 792	3 271	479	17.2%	4 208	4 614	406	9.6%	4 936	5 277	341	6.9%	27 288	28 713	1 425	5.2%
Total Revenue	3 999	4 707	708	17.7%	6 497	6 704	207	3.2%	7 369	7 827	458	6.2%	93 932	93 797	(135)	-0.1%
Expenditures																
Personnel																
Salary and benefits (Note 5)	26 447	27 245	(798)	-3.0%	55 603	55 539	64	0.1%	56 050	60 177	(4 127)	-7.4%	345 004	350 445	(5 441)	-1.6%
EPS Overtime (Note 6a)	707	719	(12)	-1.7%	1 658	1 285	373	22.5%	1 517	1 783	(266)	-17.5%	11 151	10 401	750	6.7%
External Overtime (Note 6b)	38	38	-	0.0%	77	49	28	36.4%	77	59	18	23.4%	460	377	83	18.0%
	27 192	28 002	(810)	-3.0%	57 338	56 873	465	0.8%	57 644	62 019	(4 375)	-7.6%	356 615	361 223	(4 608)	-1.3%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1 167	(1 438)	2 605	223.2%	2 230	2 250	(20)	-0.9%	2 838	2 344	494	17.4%	15 390	15 606	(216)	-1.4%
Contracts and services (Note 8)	1 404	2 211	(807)	-57.5%	3 162	2 407	755	23.9%	2 890	2 884	6	0.2%	20 204	20 654	(450)	-2.2%
Vehicles (Note 9)	564	712	(148)	-26.2%	1 232	1 134	98	8.0%	1 173	1 160	13	1.1%	7 779	7 769	10	0.1%
Facilities (Note 10)	1 407	1 413	(6)	-0.4%	2 708	2 018	690	25.5%	2 720	2 344	376	13.8%	18 503	16 539	1 964	10.6%
Other Expenditures (Note 11)	208	183	25	12.0%	447	113	334	74.7%	443	220	223	50.3%	4 341	5 199	(858)	-19.8%
	4 750	3 081	1 669	35.1%	9 779	7 922	1 857	19.0%	10 064	8 952	1 112	11.0%	66 217	65 767	450	0.7%
Total Expenditures (Note 13)	31 942	31 083	859	2.7%	67 117	64 795	2 322	3.5%	67 708	70 971	(3 263)	-4.8%	422 832	426 990	(4 158)	-1.0%
Position before Adjustments	27 943	26 376	1 567	5.6%	60 620	58 091	2 529	4.2%	60 339	63 144	(2 805)	-4.6%	328 900	333 193	(4 293)	-1.3%
Tangible Capital Assets Budget adjustment (Note 14)													5 813	5 813	-	0.0%
Net Position	\$ 27 943	\$ 26 376	\$ 1 567	5.6%	\$ 60 620	\$ 58 091	\$ 2 529	4.2%	\$ 60 339	\$ 63 144	\$ (2 805)	-4.6%	\$ 334 713	\$ 339 006	\$ (4 293)	-1.3%

Pending April 10, 2018 Spring Operating Budget Adjustments (SOBA):

Annexation Impacts	\$ 1 929
Cannabis Legalization	1 433
Accommodation Requirements	178
Secondments	(222)

\$ 338 031 \$ 339 006 \$ (975) -0.3%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended February 28th 2018****1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – Slightly over budget as a result of a cash flow.

Forecast – Significantly under budget, projecting year to date trend of 97.74% compared to last year's actuals.

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

Year to Date – Transfers from the OTS will occur on a quarterly basis with the transfer for the first quarter to occur in March.

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 – No variance is expected.

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).

Forecast – Same as for the year to date.

5. Salary and Benefits

Year to date – Over budget as a result of being over strength, 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 two months of the year is:

Attrition	February	February YTD	Full Year
Original Projection	3	8	70
Actual & Updated Projection	3	8	70

As of March 15, 2018, five sworn members have tendered their resignation, and eleven announced their retirement for an attrition total of sixteen. Of these, eight were no longer on the payroll as of February 28, 2018.

6a. EPS Overtime

Year to date – Overspend as a result late time entry and approval in CARM, causing 2017 costs to be expensed in 2018.

Forecast – Underspend due to funds not needed to support NHL Playoffs, and anticipated lower need for overtime in Community Policing.

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 expenses. Also, bureau spending plans will be updated for March and April financial reports and will impact variances.

Forecast – An over spend is projected mainly due to the one-time purchases associated with the legalization of cannabis.

8. Contracts & Services

Year to date – Slightly under budget as a result of paramedics contract starting in late March, which is offset by higher snow removal cost.

Forecast – An overspend is projected as a result of greater cost for snow removal. This will be offset by underspend in Facilities.

9. Vehicle Costs

Year to date – Slightly under budget.

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget due to timing on custodial and maintenance costs as well as fluctuation in utility rates and consumption, and Northwest Campus not being operation until 2019

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, and costs associated with legalization of cannabis.

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 February amounted to \$1.7 million (rounded).

14. Tangible Capital Assets

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