



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-September-06

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

RECOMMENDATION(S):

That this report be received for information.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending July 31, 2018 indicate a net deficit position of \$2.034 million or 1.2% (revenue shortfall of \$0.278 million plus an expense overspend of \$1.756 million). The revenue shortfall is primarily a result of lower than expected Traffic Safety Act revenues and expenses overspend is primarily due to personnel increases to support the City's annexation to the South and the Federal legalization of cannabis.

Based on the operating results to the end of July, the year-end forecast indicates that the EPS may be on budget.

ADDITIONAL INFORMATION ATTACHED:

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

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

Reviewed By: Jodie GRAHAM, Executive Director, Business Development Division

Approved By: Linda REVELL, Chief Administrative Officer, Corporate Services Bureau

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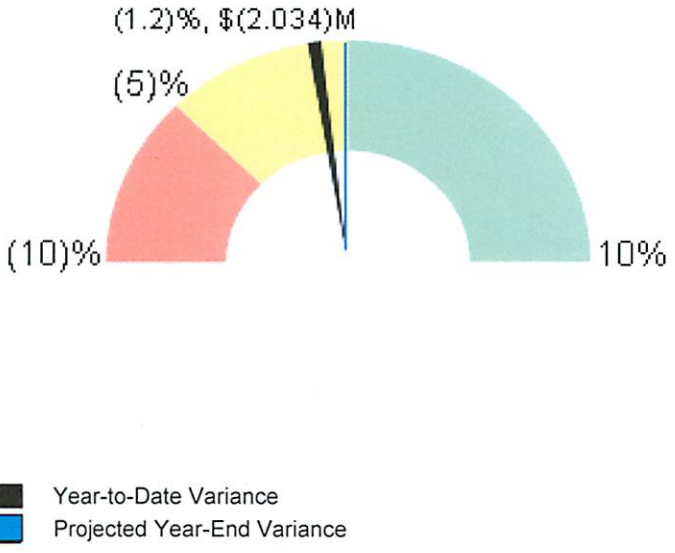
Chief of Police: _____

Date: _____

SEP 04 2018

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

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



Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	69,456	69,178	(278)	-0.4%
<i>Personnel</i>	203,084	207,532	(4,448)	-2.2%
<i>Non-Personnel</i>	37,430	34,738	2,692	7.2%
Expense	240,514	242,270	(1,756)	-0.7%
Transfer to/from				
EPS Reserve (Note 2)	-	-	-	0.0%
Net Position	171,058	173,092	(2,034)	-1.2%

Projected Year-End				
	Budget	Actual	Variance \$	%
Revenue	97,704	96,307	(1,397)	-1.4%
<i>Personnel</i>	358,899	360,748	(1,849)	-0.5%
<i>Non-Personnel</i>	66,751	63,505	3,246	4.9%
Expense	425,650	424,253	1,397	0.3%
TCA (Note 1)	9,431	9,431	-	0.0%
Transfer to/from				
EPS Reserve (Note 2)	-	-	-	
Net Position	337,377	337,377	-	0.0%

Year-to Date

Revenue - Unfavourable variance resulting from lower Traffic Safety Act revenues of 4%, compared to last year, partially due to a lower number of officer issued tickets, and lower E911 and Victim Services Grants recoveries to date.

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, greater Secondments (offset by revenues).

Non-Personnel - Favourable variance due to lower than expected custodial and maintenance costs, budget not required for on-going operating costs for Northwest Campus as it is not operational until 2019, and the timing of purchases for general materials and supplies.

Projected Year-End

Revenue - The unfavourable variance resulting from lower Traffic Safety Act revenues is expected to continue to year end.

Personnel - An overspend is still anticipated but to a lesser degree, given newer information on Compensation and Benefits.

Non-Personnel - The favourable year to date variance is expected to continue to year end plus lower than expected costs for the legalization of cannabis resulting from not having an approved testing device available for purchase.

Notes:

(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(2) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy, in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, in order to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget.

2017 Year-to-Date					2017 Year-End				
	Budget	Actual	Variance \$	%		Budget	Actual	Variance \$	%
Revenue	67,183	69,665	2,482	3.7%	Revenue	91,477	94,972	3,495	0.0%
Expense	237,338	235,716	1,622	0.7%	Expense	410,985	417,118	(6,133)	0.0%
Net Position	170,155	166,051	4,104	2.4%	Net Position	319,508	322,146	(2,638)	0.0%