



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2019 APR 02

SUBJECT: Budget Variance for the Period Ending February 28, 2019

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#### RECOMMENDATION(S):

That this report be received for information.

#### INTRODUCTION:

This report provides information and updates to the EPC on the EPS current financial position and year-end financial performance forecast as of February 28, 2019.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending February 28, 2019 indicate a net surplus position of \$5.955 million or 9.2% mainly due to the underspends in non-personnel of \$3.229 million and in personnel of \$3.175 million offset by a shortfall in revenue of \$0.449 million.

The main cause of the under budget position in non-personnel costs is due to the timing of expenses and bureau spending plans that will be updated for March and April financial reports, which will impact variances.

The under budget position in personnel costs is primarily due to budget cash flow issues that will be updated for March financials.

The shortfall in revenue is from lower Traffic Safety Act revenues (partially due to a lower number of tickets issued), number of vehicle tows; E911 revenue for landlines and less E911 Grant and Victim Services revenues recognized

**CONCLUSION:**

The year-end forecast indicates that the EPS will be on budget at year end.

**ADDITIONAL INFORMATION ATTACHED:**

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures

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

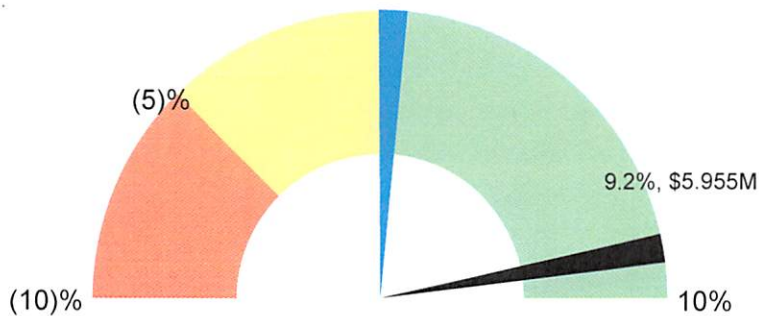
**Approved By:** Chad TAWFIK, T/A Deputy Chief, Corporate Services Bureau 

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

**Date:** \_\_\_\_\_

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending February 28, 2019**

- Favourable budget variance,  $\geq 0\%$
- Unfavourable budget variance,  $0\%$  to  $(5)\%$
- Unfavourable budget variance,  $> (5)\%$



- Year-to-Date Variance
- Projected Year-End Variance

	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	12 798	12 349	(449)	-3.5%
<i>Personnel</i>	65 068	61 893	3 175	4.9%
<i>Non-Personnel</i>	12 253	9 024	3 229	26.3%
Expense	77 321	70 917	6 404	8.3%
Net Position	64 523	58 568	5 955	9.2%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96 690	95 984	(706)	-0.7%
<i>Personnel</i>	368 961	363 114	5 847	1.6%
<i>Non-Personnel</i>	75 211	80 352	(5 141)	-6.8%
Expense	444 172	443 466	706	0.2%
TCA (Note 1)	8 797	8 797	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%
Net Position	356 279	356 279	-	0.0%

**Year-to Date**

**Revenue** - Unfavourable variance resulting from lower Traffic Safety Act revenues (partially due to a lower number of tickets issued), number of vehicle tows; E911 revenue for landlines and less E911 Grant and Victime Services revenues recognized.

**Personnel** - Favourable variance due to budget cash flow issues that will be updated for March financials.

**Non-Personnel** - Favourable variance due to the timing of expenses and bureau spending plans that will be updated for March and April financial reports, which will impact variances.

**Projected Year-End**

**Revenue** - The unfavourable variance is primarily due to lower Traffic Safety Act revenues offset by a Heavy Users of Service grant extension.

**Personnel** - The favourable variance is due to vacant positions, a reduction in Local Authorities Pension Plan employer contributions and a collective bargaining settlement where the increase is payable effective December 2019.

**Non-Personnel** - The unfavourable variance is primarily a planned review of specialized police equipment lifecycle requirements (i.e. weapons).

**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 and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget. Balance in the EPS Reserve as at December 31, 2018 was \$1.162 million.

	2018 Year-to-Date				2018 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	7 369	7 827	458	6.2%	Revenue	95 718	94 742	(976)	3.8%
Expense	67 708	70 971	(3 263)	-4.8%	Expense	433 095	430 957	2 138	0.5%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%	Transfer to/from EPS Reserve (Note 2)	-	1 162	(1 162)	0.0%
Net Position	60 339	63 144	(2 805)	-4.6%	Net Position	337 377	337 377	-	-0.8%