



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2019 July 02

SUBJECT: Budget Variance for the Period Ending May 31, 2019

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 May 31, 2019.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending May 31, 2019 indicate a net deficit position of \$0.401 million or -0.3% mainly due to an over spend in personnel of \$4.336 million offset by under spend in non-personnel of \$3.630 million and higher revenue of \$0.305 million.

The over budget position in personnel costs is primarily due to being over strength and higher part time costs in Police Communication Branch as a result of 911 positions civilianization.

The main cause of the under budget position in non-personnel costs is due to lower furniture and equipment, custodial, maintenance and rent costs.

The over budget revenue is primarily due to increased secondment recoveries from ALERT (offset by personnel expenses) and higher Police Information Check Section (PICS) revenue.

CONCLUSION:

The year-end forecast indicates that the EPS will be on budget at year end. In accordance with EPS Reserve Policy, currently projected operating surplus of \$1.616 million will be placed in EPS reserve.

ADDITIONAL INFORMATION ATTACHED:

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

Written By: Iryna PYASTA, T/A Director, Financial Management Branch

IP

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

RD

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

CT

Chief of Police: _____



Kevin Brezinski
Acting Chief of Police

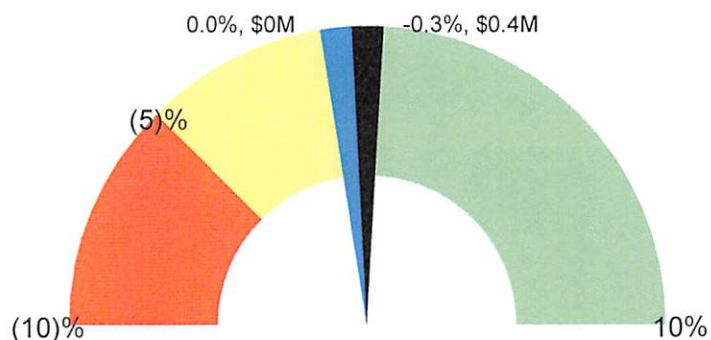
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Date: _____

2019-07-05

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending May 31, 2019
(\$000's)

- Favourable budget variance, >= 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	31 055	31 360	305	1.0%
<i>Personnel</i>	155 945	160 281	(4 336)	-2.8%
<i>Non-Personnel</i>	28 552	24 922	3 630	12.7%
Expense	184 497	185 203	(706)	-0.4%
Net Position	153 442	153 843	(401)	-0.3%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96 957	98 285	1 328	1.4%
<i>Personnel</i>	369 073	368 037	1 036	0.3%
<i>Non-Personnel</i>	74 786	75 534	(748)	-1.0%
Expense	443 859	443 571	288	0.1%
TCA (Note 1)	9 951	9 951	-	0.0%
Transfer to/from EPS				
Reserve (Note 2)	-	1 616	(1 616)	0.0%
Net Position	356 853	356 853	-	0.0%

Year-to-Date

Revenue - The over budget position is primarily due to increased secondment recoveries from ALERT (offset by personnel expenses), higher Police Information Check Section (PICS) revenue partially offset by lower vehicle tows revenue during the first five months, timing of Extra Duty recoveries and lower E911 revenues for landlines.

Personnel - Unfavourable variance due to being over strength and higher part time costs in Police Communication Branch as a result of 911 position civilianization.

Non-Personnel - Favourable variance due to lower furniture and equipment, custodial, maintenance and rent costs.

Projected Year-End

Revenue - The over budget position is due to increased secondment recoveries from ALERT (offset by personnel expenses), higher PICS revenue partially offset by lower traffic safety act fines revenue, lower vehicle tows revenue and lower E911 revenues for landlines.

Personnel - The favourable variance is due to 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 due to informatics contractors, tenant improvements and equipment fit-ups at the TD tower.

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	33 487	33 409	(78)	-0.2%	Revenue	95 718	94 742	(976)	3.8%
Expense	172 783	176 510	(3 727)	-2.2%	Expense	433 095	430 957	2 138	0.5%
Transfer to/from EPS	-	-	-	0.0%	Transfer to/from EPS	-	1 162	(1 162)	0.0%
Reserve (Note 2)					Reserve (Note 2)				
Net Position	139 296	143 101	(3 805)	-2.7%	Net Position	337 377	337 377	-	-0.8%