



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2019 September 03

SUBJECT: Budget Variance for the Period Ending July 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 July 31, 2019.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending July 31, 2019 indicate a net surplus position of \$0.180 million or 0.1% mainly due to an under spend in non-personnel of \$3.625 million partially offset by an over spend in personnel of \$3.896 million and higher revenue of \$0.451 million.

The under budget position in non-personnel costs is due to lower custodial and maintenance costs primarily due to Northwest Campus delays, lower renovation and rent, contract and services and furniture and equipment costs.

The over budget position in personnel costs is a result of being over strength, higher part time costs in PCB resulting from 911 position civilianization and higher secondment costs (offset by recoveries from ALERT).

The over budget revenue position is primarily due to increased secondment recoveries from ALERT (offset by higher personnel expenses), higher Police Information Check Section (PICS) revenue partially offset by lower vehicle tows revenue during the first seven months, less E911 Grant revenue recognized and lower Traffic Safety Act 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 \$0.959 million will be placed in EPS reserve.

ADDITIONAL INFORMATION ATTACHED:

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

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

Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division 

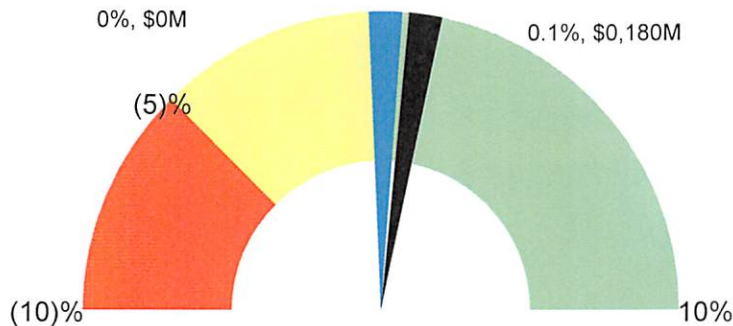
Approved By: Chad TAWFIK, T/A Deputy Chief, Corporate Services Bureau 

Chief of Police:  Kevin Brezinski
Acting Chief of Police 

Date: 2019 Sep 03

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending July 31, 2019

- 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 | 56,679 | 57,130 | 451 | 0.8% |
| <i>Personnel</i> | 213,235 | 217,131 | (3,896) | -1.8% |
| <i>Non-Personnel</i> | 41,402 | 37,777 | 3,625 | 8.8% |
| Expense | 254,637 | 254,908 | (271) | -0.1% |
| Net Position | 197,958 | 197,778 | 180 | 0.1% |

| | Projected Year-End | | | |
|---|--------------------|---------|-------------|-------|
| | Budget | Actual | Variance \$ | % |
| Revenue | 96,957 | 98,030 | 1,073 | 1.1% |
| <i>Personnel</i> | 369,266 | 368,098 | 1,168 | 0.3% |
| <i>Non-Personnel</i> | 74,921 | 76,203 | (1,282) | -1.7% |
| Expense | 444,187 | 444,301 | (114) | 0.0% |
| TCA (Note 1) | 9,726 | 9,726 | - | 0.0% |
| Transfer to/from EPS Reserve (Note 2) | - | 959 | (959) | 0.0% |
| Net Position | 356,956 | 356,956 | - | 0.0% |

Year-to-Date

Revenue - The over budget revenue 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 seven months, less E911 Grant revenue recognized and lower Traffic Safety Act revenue.

Personnel - Unfavourable variance due to being over strength, higher part time costs in PCB resulting from 911 position civilianization and higher secondment costs (offset by recoveries from ALERT).

Non-Personnel - Favorable variance due to lower custodial and maintenance costs primarily due to Northwest Campus delays, lower renovations and rent, contract and services as well as lower furniture and equipment 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 revenue (partially due to lower number of tickets issued), lower vehicle tows revenue (lower volume of tows partially offset by the increase in storage rates) and lower E911 Grant revenue recognized.

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 and 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 | 69,456 | 69,178 | (278) | -0.4% | Revenue | 95,718 | 94,742 | (976) | 3.8% |
| Expense | 240,514 | 242,270 | (1,756) | -0.7% | 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 | 171,058 | 173,092 | (2,034) | -1.2% | Net Position | 337,377 | 337,377 | - | -0.8% |