



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2020 February 03

SUBJECT: Budget Variance for the Period Ending December 31, 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 as of December 31, 2019.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending December 31, 2019 indicate a balanced position, after transferring \$1.083 million underspend to EPS reserve.

The underspend in expenditures is mainly due to lower than expected custodial and maintenance costs as a result of delays related to Northwest Campus and higher personnel secondment costs (offset by recoveries from ALERT).

The under budget revenue position is primarily due to lower Traffic Safety Act and vehicle tows revenue, partially offset by increased secondment recoveries from ALERT (offset by higher personnel expenses) and higher Police Information Check Section (PICS) revenue.

## Capital Results


This was the first of a four year Capital budget (2019 to 2022) and the results indicate a significant under spend primarily due to Information Technology projects that are in their early stages of planning and a delay in the Emergency Communication Centre Internet Protocol (IP) Call Handling project.

### ADDITIONAL INFORMATION ATTACHED:

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

Attachment 2 – Capital Budget Performance

Written By: Kathryn REYNOLDS, Director, Financial Management Branch 

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

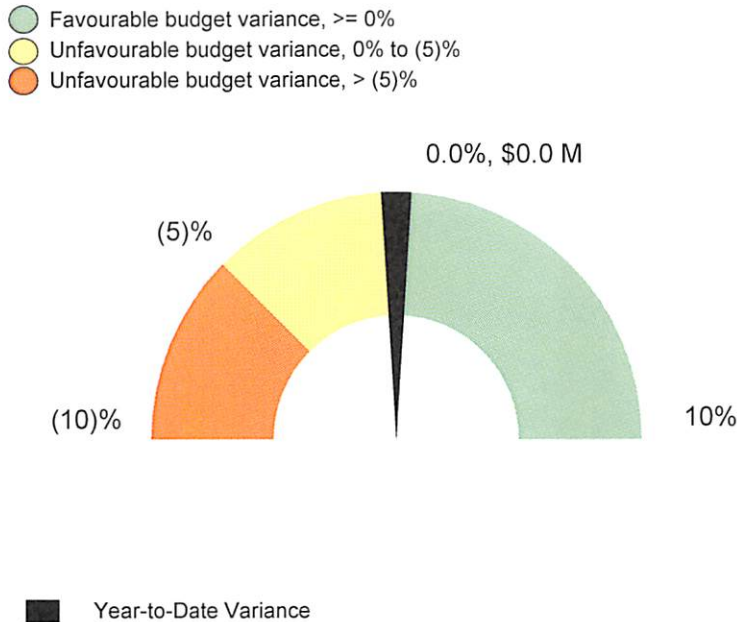
Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

*For information to EDC.*

Chief of Police: 

Date: *2/6/20*

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



2019 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	96,957	94,470	(2,487)	-2.6%
<i>Personnel</i>	368,575	369,044	(469)	-0.1%
<i>Non-Personnel</i>	86,006	81,967	4,039	4.7%
Expense	454,581	451,011	3,570	0.8%
Transfer to/from				
EPS Reserve				
(Note 1)	-	1,083	(1,083)	0.0%
Net Position	357,624	357,624	0	0.0%

2018 Year-to-Date				
	Budget	Actual	Variance \$	%
Revenue	95,718	94,742	(976)	-1.0%
<i>Personnel</i>	358,951	359,251	(300)	-0.1%
<i>Non-Personnel</i>	74,144	71,706	2,438	3.3%
Expense	433,095	430,957	2,138	0.5%
Transfer to/from				
EPS Reserve				
(Note 1)	-	1,162	(1,162)	0.0%
Net Position	337,377	337,377	-	0.0%

### Year-to Date

**Revenue** - Under budget primarily due to lower Traffic Safety Act revenue (less tickets issued). Also, the funding for the TD tower renovation and fit ups is also under budget because the corresponding costs were transferred to capital, creating an offsetting under spend in Facilities. This funding will also be transferred to capital in the Spring Supplemental Capital Budget (SCBA).

This is partially offset by increased secondment recoveries from ALERT (offset by higher personnel expenses) and higher Police Information Check Section (PICS) revenue.

**Personnel** - Over budget as a result of being over strength, higher part time costs in Police Communication Branch (PCB) as a result of 911 position civilianization and higher secondment costs (offset by recoveries from ALERT) partially offset by funds not needed to support NHL Playoffs.

**Non-Personnel** - Under budget due to lower than expected custodial and maintenance costs primarily due to delays related to Northwest Campus. Also, the TD Tower renovations and fit up was budgeted as operating expenses. Due to the nature of these expenditures they were capitalized creating an underspend in renovations. There is a corresponding under budget position within Revenue where the funding for was approved and subsequently will be transferred to capital.

### Notes:

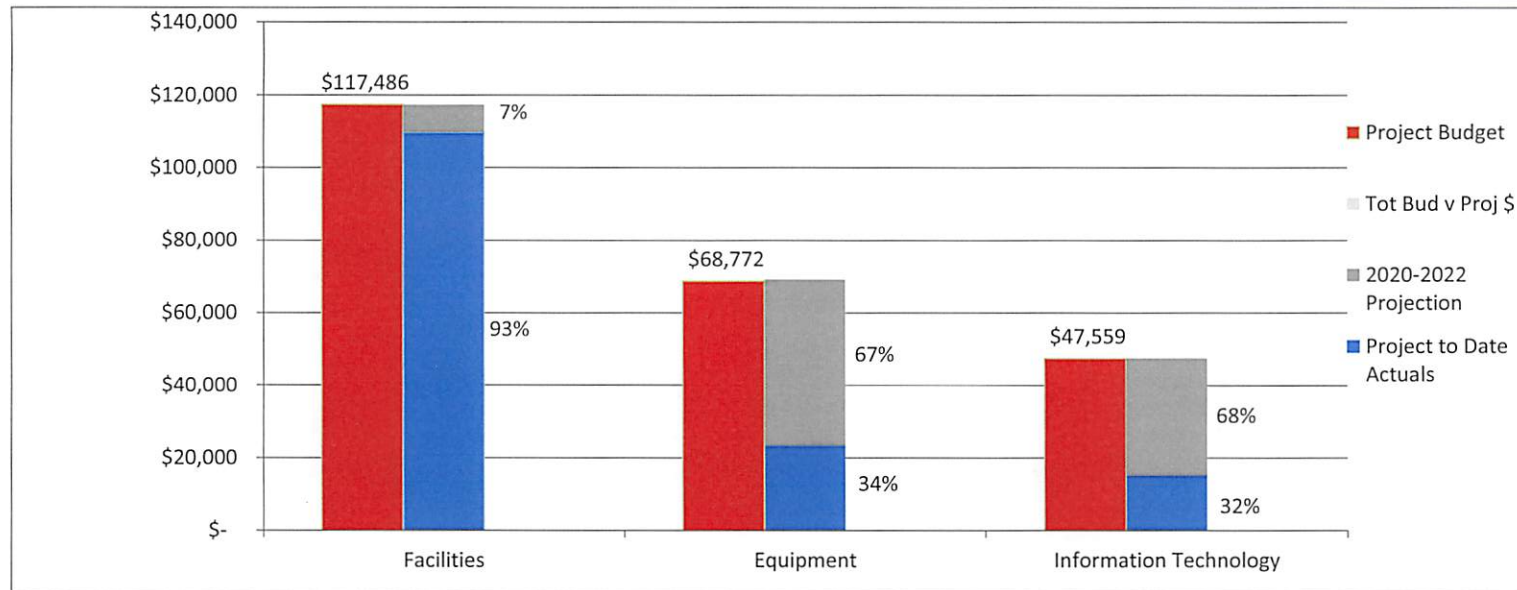
(1) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget. \$1.083 million has been transferred to the EPS reserve and the balance as at December 31, 2019 is \$2.245 million.



Edmonton Police Service  
Capital Budget Performance  
Financial Report for the Period Ending Dec 31, 2019 (\$000's)

Attachment II

Profile Category	2019 Actuals	Project To Date Actuals	2020-2022 Projection	Total Projection	Approved Budget Prior Years	2019 Approved Budget*	2020-2022 Approved Budget*	Total Approved Budget	Total Bud v Proj \$
Facilities (Note 1)	\$ 7,689	\$ 109,631	\$ 7,760	\$ 117,391	\$ 101,942	\$ 13,419	\$ 2,125	\$ 117,486	\$ 95
Equipment (Note 2)	\$ 18,819	\$ 23,428	\$ 45,784	\$ 69,212	\$ 4,609	\$ 27,100	\$ 37,063	\$ 68,772	\$ (440)
Information Technology (Note 3)	\$ 9,412	\$ 15,245	\$ 32,314	\$ 47,559	\$ 5,833	\$ 13,757	\$ 27,969	\$ 47,559	\$ -
	\$ 35,920	\$ 148,304	\$ 85,858	\$ 234,162	\$ 112,384	\$ 54,276	\$ 67,157	\$ 233,817	\$ (345)



<sup>1</sup> The 2019 Budget includes amounts approved in the 2019 Fall Supplemental Capital Budget Adjustment (SCBA).

<sup>2</sup> The 2020-2022 Budget includes amounts to be requested in the 2020 Spring SCBA.

**Edmonton Police Service  
Capital Budget Performance  
Financial Report for the Period Ending December 31, 2019  
(\$000's)**

**1 Facilities**

- Roofing repair work is currently underway. Once the City of Edmonton is confident the roofing issues have been resolved, an in-service date will be determined. Administration will seek to recover all remediation costs as well as costs that have been incurred because of the delayed opening. Budget of \$2,953K will be carried forward to 2020 for the remaining costs.
- Westwood Central Stores construction is expected to be completed in Q3 2020. Budget of \$2,641K will be carried over to 2020 to complete the remaining project.
- The Operations & Intelligence Command Centre is fully functional however there are some outstanding expenditures. Budget of \$136K will be carried over to 2020, and current projections indicate that approximately \$95K may be released to the EPS capital reserve once the final expenditures are processed.

**2 Equipment**

- The Request for Proposal for the Emergency Communication Centre Internet Protocol Call Handling Project was released in Q4 2019. Budget of \$3,358K will be carried over to 2020.
- Work on the new H125 helicopter began in the last quarter of 2019. \$1,702K will be carried over to 2020. Expected completion date is the last half of 2020.
- The Public Safety Radio Network project is progressing. Budget of \$3,717K will be carried over to 2020 and extended coverage work is expected to be complete by Q2. The project may be approximately \$440K over budget, however the projection is currently under review.
- Vehicle costs are \$8,283K. Budget of \$146K will be carried forward to 2020.

**3 Information Technology (IT)**

- Expenditures include CAD Upgrade, EPROS lifecycle, Data Manager Retirement, Situational Awareness & e-Ticketing as well as equipment such as servers and TD Tower IT fit-up. e-Ticketing vendor negotiations will begin in 2020 and enhancement projects related to EPROS have been put on hold pending a report of the EPS Records Management System review which is due in Q1 2020. The Alarm Control project is in progress for a Request for Proposal, and the Detainee Management Unit project is on hold pending Northwest Campus completion and assessment. Budget of \$4,075K will be carried forward to 2020 to complete the remaining IT projects.
- The DAMS Enterprise Content Management System (ECM) is currently being re-evaluated for scope and function. The project will continue into 2020 to support transition from a development project to a sustainment program. Budget of \$269K will be carried forward to 2020.