



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2020 June 1

SUBJECT: Budget Variance for the Period Ending April 30, 2020

RECOMMENDATION(S):

That this report be received for information.

INTRODUCTION:

This report provides information and updates to the Edmonton Police Commission (EPC) on the Edmonton Police Service (EPS) current financial position as of April 30, 2020.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending April 30, 2020 indicate a net deficit position of \$5.818 million or 4.7% mainly due to the overspend in personnel of \$6.025 million and a shortfall in revenue of \$2.939 million. This is partially offset by underspends in non-personnel of \$3.146 million.

The overbudget position in Personnel is primarily the result of higher salary costs due to decreases in vacation taken, higher part time and overtime costs in the Police Communications Branch resulting from 911 position civilianization, and Edmonton Police Association personnel being over strength.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include delays in invoicing from the Government of Alberta for forensic biology related services and delays in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives.

The revenue shortfall is due to lower demand for several EPS services and fewer Traffic Safety Act fine tickets issued.

COVID-19 Financial Impact

The impact to EPS' year-end projection includes \$4.262 million for increased operating expenses and revenue shortfalls.

CONCLUSION:

The year-end forecast projects an operating deficit of \$2.505 million resulting from upcoming bureau overtime and non-personnel savings, EPA collective bargaining where the increase is payable effective December 2020 offset by anticipated National Hockey League playoffs. In accordance with EPS Reserve Policy, this deficit will be partially covered from the EPS Operating Reserve.

ADDITIONAL INFORMATION ATTACHED:

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

Written By: Kathryn REYNOLDS, Director, Financial Management Branch *RD for*

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

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

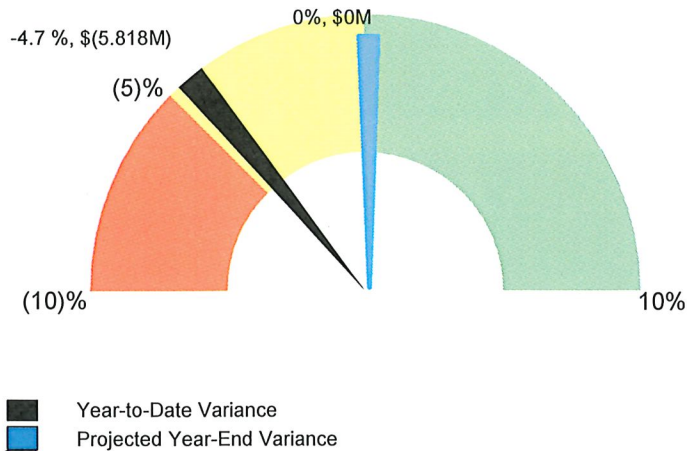
For information to EPC. The addendum is provided as requested by EPC. This information is intended for their information when consulting with COE and Province.

Chief of Police: _____

Date: May 29, 20

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending April 30, 2020

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



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	28,375	25,437	(2,939)	-10.4%
Personnel	128,335	134,360	(6,025)	-4.7%
Non-Personnel	24,997	21,852	3,146	12.6%
Expense	153,332	156,212	(2,879)	-1.9%
Net Position	124,957	130,775	(5,818)	-4.7%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96,813	93,578	(3,235)	-3.3%
Personnel	380,352	388,501	(8,149)	-2.1%
Non-Personnel	82,396	73,517	8,879	10.8%
Expense	462,748	462,018	730	0.2%
TCA (Note 1)	7,070	7,070	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	(2,505)	2,505	0.0%
Net Position	373,005	373,005	-	0.0%

Year-to Date

Revenue - The under budget position is the result of lower demand for Police Information Checks, Extra Duty services and the tow lot's seized vehicles (which has offsetting lower contract and service costs) and School Resource Officer services as schools are closed. Lower Traffic Safety Act revenues are due to a lower number of tickets issued.

Personnel - The over budget position is due to higher salary costs because of decreases in vacation taken, higher part time costs in the Police Communications Branch (PCB) resulting from 911 position civilianization, and Edmonton Police Association personnel being over strength. Overtime is under budget because of favourable staffing or deployment models in the Community Policing Bureau, partially offset by higher overtime costs in PCB.

Non-Personnel - The under budget position is due to the delay in invoicing from the Government of Alberta for forensic biology related services, and delay in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives. Also contributing to the under spend are lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. There are also lower than anticipated building maintenance and custodial costs, a portion of which is related to the delay in opening of Northwest Campus. Travel and training is underspent due to restrictions in travel and training.

Projected Year-End

Revenue - The same as year to date.

Personnel - The same as year to date. A further over budget projection in overtime is anticipated for the NHL Playoffs and as a result of minimum staffing gaps in PCB due to 911 position civilianization, partially offset by under budget projections in the Community Policing Bureau. The over budget projection is partially offset by the collective bargaining settlement where the increase is payable effective December 2020.

Non-Personnel - Under budget as organizational opportunities have been held to manage pressures such as personnel to the Value and Impact and Strategic Social Development Divisions and anticipated NHL Playoffs.

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, 2019 was \$2.245 million.

2019 Year-to-Date					2019 Year-End				
	Budget	Actual	Variance \$	%		Budget	Actual	Variance \$	%
Revenue	27,295	27,132	(164)	-0.6%	Revenue	96,957	94,470	(2,487)	3.8%
Expense	146,498	145,007	1,492	1.0%	Expense	454,581	451,011	3,570	0.8%
Transfer to/from	-	-	-	0.0%	Transfer to/from	-	1,083	(1,083)	0.0%
EPS Reserve (Note 2)					EPS Reserve (Note 2)				
Net Position	119,203	117,875	1,328	1.1%	Net Position	357,624	357,624	-	-0.8%