



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2020 September 28

**SUBJECT:** Budget Variance for the Period Ending August 31, 2020

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#### 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 August 31, 2020.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending August 31, 2020 indicate a net surplus position of \$2.054 million or 0.8% mainly due to an underspend in non-personnel of \$5.717 million. This is partially offset by a shortfall in revenue of \$3.080 million and an overspend in personnel of \$0.583 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 at the start of the year.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower demand for Extra Duty services, lower expenses 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 \$3.691 million for increased operating expenses and revenue shortfalls.

### CONCLUSION:

The year-end forecast projects an operating surplus of \$1.264 million. This is the result of savings in non-personnel and overtime costs and EPA collective bargaining where the increase is payable effective December 2020, offset by impact of COVID-19 pandemic. In accordance with EPS Reserve Policy, this surplus will be placed in the EPS Operating Reserve.

### ADDITIONAL INFORMATION ATTACHED:

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

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

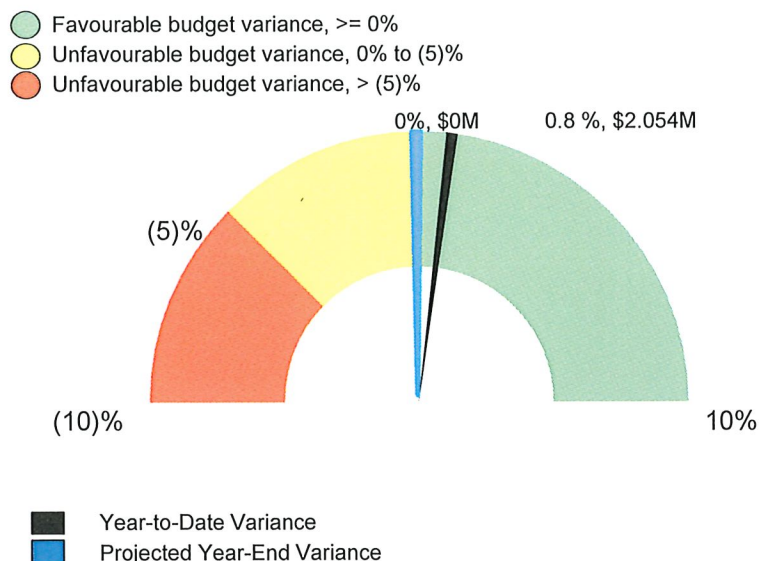
Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

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

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



**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending August 31, 2020**



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	62,453	59,373	(3,080)	-4.9%
<i>Personnel</i>	252,271	252,854	(583)	-0.2%
<i>Non-Personnel</i>	52,470	46,753	5,717	10.9%
Expense	304,741	299,607	5,134	1.7%
Net Position	242,288	240,234	2,054	0.8%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96,904	92,731	(4,173)	-4.3%
<i>Personnel</i>	381,623	383,891	(2,268)	-0.6%
<i>Non-Personnel</i>	81,564	73,859	7,705	9.4%
Expense	463,187	457,750	5,437	1.2%
TCA (Note 1)	9,658	9,658	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	1,264	(1,264)	0.0%
Net Position	375,941	375,941	0	0.0%

#### Year-to Date

**Revenue** - The under budget position is the result of fewer tows of seized vehicles, less demand for Extra Duty services because of the cancellation of several events, offset by lower contract and service costs paid to members, and lower demand for Police Information Checks (PICS). Lower Traffic Safety Act revenues are due to a lower number of tickets issued. The Municipal Policing Assistance Grant received to date is higher than anticipated. There have been less E911 Grant related costs resulting in less revenue recognized to date.

**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 at the beginning of the year. Overtime is under budget because of favourable staffing or deployment models in the Community Policing Bureau, partially offset by higher overtime costs in PCB and the COVID-19 pandemic response to meet minimum staffing and operational requirements. Conversely, City of Edmonton Council ratified the two-year Collective Agreement with Civic Service Union 52 at 0% increase resulting in savings.

**Non-Personnel** - The under budget position is due to lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. Also contributing to the under spend are the lower than expected expense for forensic biology related services, and the delay in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives. Travel and training is underspent due to restrictions in travel and training. Building maintenance and custodial costs are lower than anticipated. Supplies and equipment are over budget in response to the COVID-19 pandemic.

#### Projected Year-End

**Revenue** - The same as year to date. The projection for PICS revenue includes the impact of the increase in the online rate, which is offset by online service and credit card processing fees.

**Personnel** - The same as year to date 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 COVID-19 pandemic response. This is marginally offset by HELP planning to hire social workers for the program in 4th quarter of 2020, ahead of the previous Quarter 1, 2021 schedule, and increase in PICS online service and credit card processing fees, which is expected to generate additional revenue.

#### 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. During the 2020 Spring SCBA, \$2.179 million was transferred to the EPS Reserve for Alberta First Responders Radio Communications System (AFRRS). The total balance of the EPS Reserve as at August 31, 2020 was \$4.246 million (\$2.001 million is restricted).

2019 Year-to-Date					2019 Year-End				
	Budget	Actual	Variance \$	%		Budget	Actual	Variance \$	%
Revenue	60,836	60,928	92	0.2%	Revenue	96,957	94,470	(2,487)	3.8%
Expense	289,999	288,948	1,051	0.4%	Expense	454,581	451,011	3,570	0.8%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%	Transfer to/from EPS Reserve (Note 2)	-	1,083	(1,083)	0.0%
Net Position	229,163	228,020	1,143	0.5%	Net Position	357,624	357,624	-	-0.8%