



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2020 November 2

SUBJECT: Budget Variance for the Period Ending September 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 September 30, 2020.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending September 30, 2020 indicate a net surplus position of \$0.941 million or 0.3% mainly due to an underspend in non-personnel of \$5.733 million. This is partially offset by a shortfall in revenue of \$2.995 million and an overspend in personnel of \$1.797 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, delays in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives and lower expenses for forensic biology related services.

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 \$3.460 million for increased operating expenses and revenue shortfalls.

Capital Results

This is the second year of the four year Capital budget (2019 to 2022) and the results indicate a projected budget carry forward to 2021 of \$11.222 million. The carry forward is predominantly related to Information Technology, Vehicles, and Telecommunications and is detailed in Attachment II.

CONCLUSION:

The year-end forecast projects an operating deficit of \$0.805 million. This includes the projected over-spend in Personnel costs and the impact of COVID-19. Offsetting this are savings in non-personnel and overtime costs and EPA collective bargaining where the increase is effective December 2020. In accordance with EPS Reserve Policy, this deficit will be covered from the EPS Operating Reserve.

ADDITIONAL INFORMATION ATTACHED:

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

Attachment II – Capital Budget Performance

Written By: Kathryn REYNOLDS, Director, Financial Management Branch 

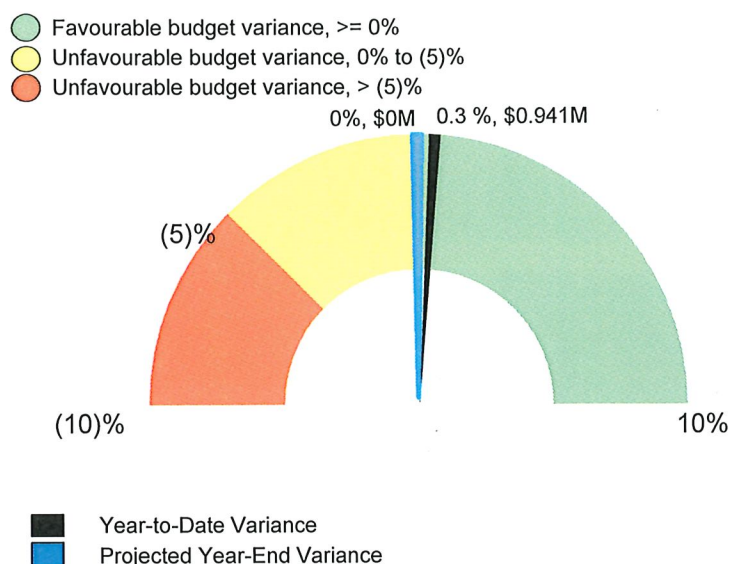
Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division 

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

Chief of Police: 

Date: 

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



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	66,841	63,846	(2,995)	-4.5%
<i>Personnel</i>	281,916	283,713	(1,797)	-0.6%
<i>Non-Personnel</i>	58,365	52,632	5,733	9.8%
Expense	340,281	336,345	3,936	1.2%
Net Position	273,440	272,499	941	0.3%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96,904	93,002	(3,902)	-4.0%
<i>Personnel</i>	381,623	386,418	(4,795)	-1.3%
<i>Non-Personnel</i>	81,527	73,635	7,892	9.7%
Expense	463,150	460,053	3,097	0.7%
TCA (Note 1)	9,695	9,695	-	0.0%
Transfer to/from				
EPS Reserve (Note	-	(805)	805	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, lower demand for Police Information Checks (PICS) and less demand for Extra Duty services because of the cancellation of several events, offset by lower contract and service costs. 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 and 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 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 the increase in PICS online service and credit card processing fees.

Notes:

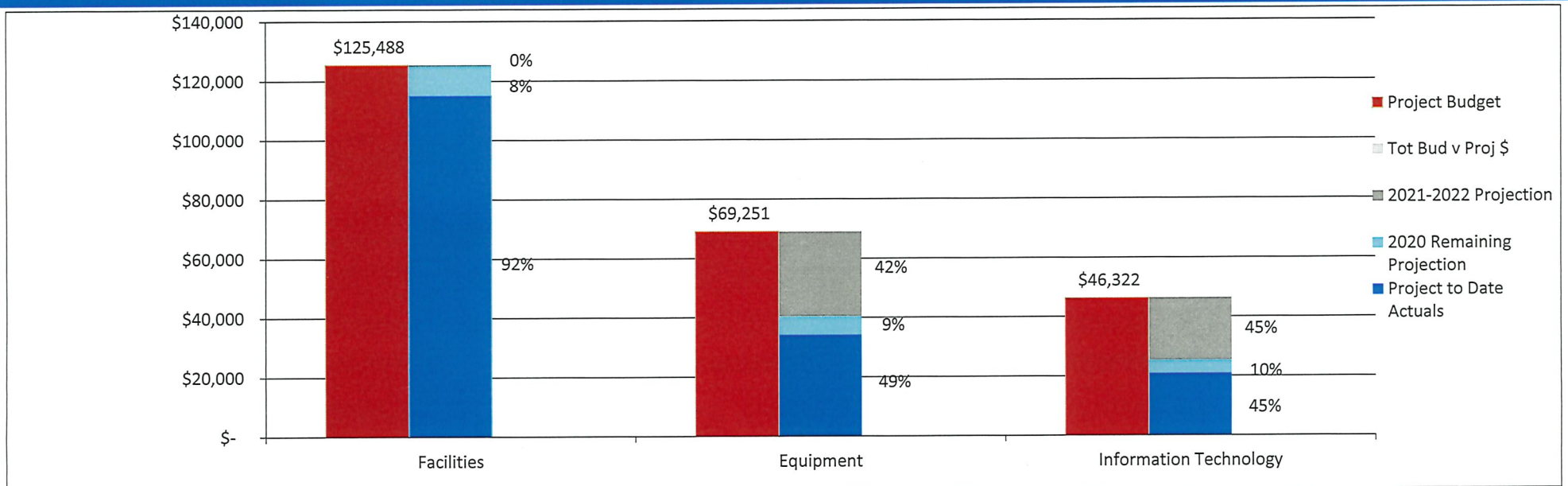
(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(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	65,812	65,912	100	0.2%	Revenue	96,957	94,470	(2,487)	3.8%
Expense	325,449	323,143	2,306	0.7%	Expense	454,581	451,011	3,570	0.8%
Transfer to/from EPS	-	-	-	0.0%	Transfer to/from EPS	-	1,083	(1,083)	0.0%
Reserve (Note 2)					Reserve (Note 2)				
Net Position	259,637	257,231	2,406	0.9%	Net Position	357,624	357,624	-	-0.8%

Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending September 30, 2020 (\$000's)

Profile Category	2020 Actuals	Project To Date Actuals	2020 Projection	2021-2022 Projection	Total Projection	Approved Budget Prior Years	2020 Approved Budget *	2021-2022 Approved Budget	Total Approved Budget	Total Bud vs Proj \$
Facilities (Note 1)	\$ 5,619	\$ 115,250	\$ 15,427	\$ 328	\$ 125,386	\$ 109,631	\$ 15,857	\$ -	\$ 125,488	\$ 102
Equipment (Note 2)	\$ 10,805	\$ 34,233	\$ 16,932	\$ 28,631	\$ 68,991	\$ 23,428	\$ 22,690	\$ 23,133	\$ 69,251	\$ 260
Information Technology (Note 3)	\$ 5,627	\$ 20,872	\$ 10,161	\$ 20,916	\$ 46,322	\$ 15,245	\$ 15,454	\$ 15,623	\$ 46,322	\$ -
	\$ 22,051	\$ 170,355	\$ 42,520	\$ 49,875	\$ 240,699	\$ 148,304	\$ 54,001	\$ 38,756	\$ 241,061	\$ 362



* The 2020 budget includes amounts requested in the Fall Supplemental Capital Budget Adjustment (SCBA)

**Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending September 30, 2020**

1 Facilities

- Roofing work for Northwest Campus remains on schedule to be completed at the end of Q4 2020. Once the City of Edmonton (COE) is confident the roofing issues have been resolved, an in-service date will be determined. \$0.100M may be carried forward to 2021 for remaining equipment purchases and fit-up work.
- Construction of Westwood Central Stores Renovation is anticipated to be completed by Q4 with completion of fit-up and security access control in 2021. Approximately \$0.229M may be carried forward to 2021 for completion of fit-up and security access control.
- The Operations & Intelligence Command Centre (OICC) remaining expenditures include Information Technology (IT) requirements related to MPS terminals and software. Approximately \$0.102M may be underspent on the project. Any remaining funds will be transferred to the Specialized Police Equipment profile

2 Equipment

- The vendor contract has been signed for the Emergency Communication Centre IP Call Handling Project. Based on current estimates, \$1.958M will be carried forward into 2021 and the go-live date for the project is expected to be Q4 of 2021.
- Installation of the mission equipment in the helicopter is expected to be completed in October and delivery and acceptance flights are scheduled in November. It is estimated this project will come under budget by \$0.260M.
- The Public Safety Radio Network project is 93% complete. Implementation of extended coverage at LRT locations has been completed, and fiber remotes at Northwest Campus will be installed in Q4. Decommissioning is on target for completion by December 2020. There may be a potential overspend in the project due to schedule delays and scope changes for SUMS/FX and NICE audio recorder.
- Vehicle orders are being submitted later than usual for delivery in late 2020 or early 2021 due to COVID-19 plant shut downs. It is anticipated there will be a carry forward of \$3.336M to 2021.
- The Fall Supplemental Capital Budget Adjustment (SCBA) request for the In-Car Video capital profile will be reviewed by City Council in November. It is estimated that the total budget requirement will be \$5.100M resulting in an additional transfer of \$1.000M from the Vehicles profile in 2021 and further budget transfers of \$3.100M which are under review. Project scope, resources and schedule are to be finalized, however planned implementation date is Q4 of 2021.

3 Information Technology

- IT Application and Infrastructure Sustainment expenditures to date include Records Management System, Enterprise Commons, OICC Situational Awareness, E-ticketing, and storage hardware. Approximately \$5.293M may be carried forward to 2021, the majority of which is for the on-premise metered storage hardware solution and the carryover of large multi-year projects such as Records Management System and Enterprise Common.
- The DAMS Enterprise Content Management System OICC Video is in production. Administrative Records project resumed in Information Management Branch and implementations in FOIPP, Data Entry, Police Report Classifiers Unit and Central Registry Unit are planned for Q4.