

How is the Service funded and how do their policing costs compare to other cities in Canada?

Funding Formula and Fiscal Prudence

Edmonton benefits from innovative leadership in this space through City Council passing a funding formula policy. This formula provides the Commission and police service with an ability to manage fiscal growth by ensuring adequate funding to manage organizational needs without unplanned or unexpected financial requests to City Council. The funding formula benefits the city by providing certainty to cost growth as the Commission does not come forward to Council with fiscal requests outside of the four-year operating budget cycle. The use of the funding formula ensures costs for the police service grow in predictable ways that are tied to economic conditions, changes in population and to address financial impacts arising from bargaining union settlements.

The use of a funding formula locks the police service to predictable budget growth based on objective conditions in a way not seen in other cities. It also commits the service to participating in cost efficiency exercises as part of budget planning.

EPC also wishes to draw attention to information requested in June 2020 when City Council asked for financial data on policing and other city expenditures from 2000 to 2020. That data set was created and is available publicly at the City of Edmonton's Open Data Portal. We believe the data collected demonstrates prudent and wise management of municipal budgets by City Councils over the past 20 years. This, combined with the fiscal stewardship of the Edmonton Police Commission, shows operating costs (not including capital costs) have remained flat over twenty years, as a percentage of total city budget. In the year 2000, policing as a percentage of City budget, was 12.7% of every dollar spent by the city in operating costs, in 2019 it was 11.8%¹.

This trajectory demonstrates current and past City Councils have maintained a balanced approach with respect to municipal service funding and police funding.

The data also shows that over 20 years Edmonton has experienced an increase in population from approximately 656 thousand people in 2000, to over 1 million residents today. This growth in population has resulted in more calls for service, increasingly complex criminal investigations, and new programming focused on social interventions. Accordingly, there have been increases in both police officer and civilian employee positions over that time frame, from 1,431 to 2,681 positions. We believe this position growth, while continuing to maintain spending under 13% of city expenditures, is both prudent and a wise use of resources to keep Edmontonians safe.

¹ <https://data.edmonton.ca/City-Administration/Budget-and-EPS-Data-for-June-17-2020-City-Council-/j7d9-gs52>

Recent Per Capita Cost Analysis

Recently, EPC looked into the issue of ‘per capita’ cost comparisons. EPC believes this simple metric of comparing costs of policing between any municipality, as a method for assessing value or efficiency, is unable to be meaningfully completed with publicly available information. Significant differences exist between geographical locations with respect to population impacts of surrounding municipalities, crime rates, crime severity, call volume, and budget practices that make any surface analysis of cost comparison potentially misleading in understanding value and effectiveness.

Analysis:

With respect to comparisons to policing costs in other jurisdictions we can advise they are difficult to compare due to:

- 1) Differences in crime rate, crime severity, and call volume, and
- 2) How budget items are accounted for. (i.e. in each city some costs are assigned differently, either to the city or to the police budget).

Crime rate, crime severity, and call volume differences

Edmonton, per population, has a significantly higher crime rate than other municipalities, as reported by Statistics Canada. This higher crime rate is compounded with a higher crime severity index being recorded in Edmonton. Both factors drive the need for policing resources to ensure calls for service to the community can be managed in an effective, timely and safe manner.

Edmonton:

Crime Rate (2018)	8,779 incidents per 100,000 population, 2% higher than in Alberta (8,607) and 60% higher than in Canada (5,488). ²
Crime Severity Index (2020)	104.78 ³

Edmonton’s crime rate is also impacted by the population of the surrounding municipalities. This is important to note as the surrounding municipal populations drive a higher crime rate within the city of Edmonton. *However, it is critical to note the surrounding municipal population is not counted towards the police to population ratio or ‘per capita’ policing costs, causing these figures to measure a different environment in Edmonton as compared to other jurisdictions.*

² <https://www150.statcan.gc.ca/n1/pub/85-002-x/2020001/article/00001/edmonton-eng.htm>

³

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510002601&pickMembers%5B0%5D=1.35&cubeTimeFrame.startYear=2016&cubeTimeFrame.endYear=2020&referencePeriods=20160101%2C20200101>

Per Capita Issues Identified

At a high level and focusing on larger cost drivers, EPC was able to identify some key differences in expenditures by EPS. The information below shows 3 key areas in *which EPS manages a cost that not all other police services do*:

- Material Management Branch \$4.7 million per year
- Seized Vehicle Operations \$4.2 million per year
- Police Communications Branch (911) \$17 million per year

These cost drivers, and others to be identified, are carried on the EPS budget and impact 'per capita' policing costs in a way that should be more carefully explored to ensure comparisons with other municipalities are done in a way that is transparent, accurate, and evidence based.