



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: March 28, 2024

SUBJECT: Budget Variance for the Period Ending February 29, 2024

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 for the period ending February 29, 2024. Year-end forecast reflects organizational decisions and plans known to date and will be updated as additional information becomes available.

Contingency planning for the CSU 52 labour disruption has affected the organization's ability to prepare a detailed year-end forecast.

COMMENTS / DISCUSSION:

Operating

The operating results for the period ending February 29, 2024 indicate a net surplus position of \$1.244 million or 1.5% (revenue shortfall of \$1.932 million, offset by an expense underspend of \$3.176 million).

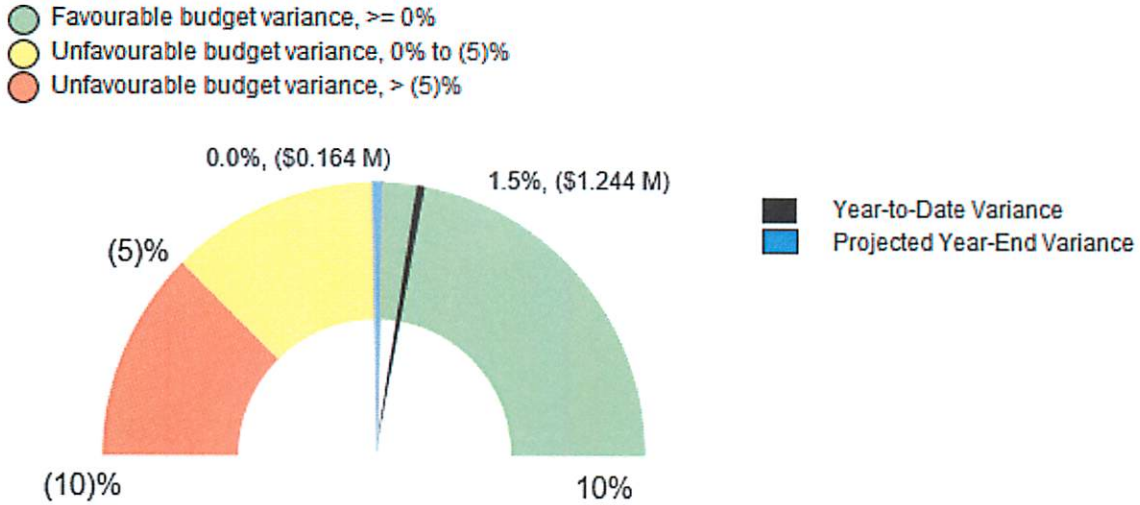
The revenue shortfall is primarily due to delays in fully staffing the Transit Community Safety Team (TRACS) and lower than budgeted Traffic Safety Act (TSA) revenue.

The overspend in personnel expense is primarily due to increased overtime as a result of maintaining minimum staffing levels.

The main causes of the underspend in non-personnel costs are detailed in Attachment II.

CONCLUSION:

The year-end forecast projects an operating surplus of \$0.164 million (\$1.266 million underspend from current year operations, offset by the deficit of \$1.102 million in the operating reserve).



ADDITIONAL INFORMATION ATTACHED:

Attachments:

- I. Operating Budget Variance by Major Category of Revenue & Expenditures
- II. Explanation of Variances by Major Category of Expenditures and Revenues

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Chief of Police: *[Signature]*

Date: March 26, 24

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending February 29, 2024
(\$000's)

	Current Period				2023 Year to Date				2024 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
Revenue																
Traffic Safety Act Fines (Note 1)	\$ 854	\$ (1,880)	\$ (2,734)	-320.1%	\$ 1,996	\$ 1,266	\$ (730)	-36.6%	\$ 1,709	\$ 1,072	\$ (637)	-37.3%	\$ 10,262	\$ 7,414	\$ (2,848)	-27.8%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Provincial Grants (Note 3)	1,211	1,537	326	26.9%	1,069	1,104	35	3.3%	2,421	1,537	(884)	-36.5%	40,771	41,689	918	2.3%
Other Revenue (Note 4)	2,912	3,616	704	24.2%	6,015	5,679	(336)	-5.6%	5,739	5,328	(411)	-7.2%	35,804	35,993	189	0.5%
Secondments	1,210	1,326	116	9.6%	2,334	2,137	(197)	-8.5%	2,458	2,384	(74)	-3.0%	14,254	14,445	191	1.3%
Tow Lot	632	1,138	506	80.0%	1,192	1,089	(103)	-8.6%	1,265	1,084	(180)	-14.3%	7,588	7,588	-	0.0%
PICS and Alarm Control	493	1,097	604	122.5%	962	1,072	109	11.3%	1,052	1,145	94	8.9%	6,756	6,756	-	0.0%
Extra Duty ¹	377	318	(59)	-15.6%	472	281	(191)	-40.5%	470	318	(152)	-32.3%	3,217	3,217	-	0.0%
E911 Fees	112	142	31	27.6%	223	226	3	1.2%	223	237	13	6.0%	1,340	1,420	80	6.0%
School Resource Officer (SRO)	-	-	-		22	10	(12)	-55.6%	-	-	-		1,020	1,020	-	0.0%
Other ²	87	(406)	(494)	-564.2%	809	865	55	6.9%	271	159	(112)	-41.3%	1,628	1,547	(82)	-5.0%
Total Revenue	4,977	3,273	(1,704)	-34.2%	9,080	8,049	(1,031)	-11.4%	9,869	7,937	(1,932)	-19.6%	86,837	85,096	(1,741)	-2.0%
Expense																
Personnel																
Salary and benefits (Note 5)	35,610	32,501	3,109	8.7%	68,285	67,091	1,194	1.7%	73,320	72,506	814	1.1%	425,730	422,658	3,072	0.7%
EPS Overtime (Note 6a)	811	1,646	(835)	-102.9%	1,677	2,244	(567)	-33.8%	1,837	2,812	(975)	-53.1%	11,537	16,799	(5,262)	-45.6%
External Overtime (Note 6b)	34	(362)	396	1165.6%	68	103	(35)	-51.5%	68	99	(31)	-45.6%	407	480	(73)	-17.9%
	36,455	33,785	2,670	7.3%	70,030	69,438	592	0.8%	75,225	75,417	(192)	-0.3%	437,674	439,937	(2,263)	-0.5%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,263	2,138	(875)	-69.3%	3,587	3,666	(79)	-2.2%	3,785	4,028	(243)	-6.4%	19,655	19,708	(53)	-0.3%
Contracts and services (Note 8)	1,965	1,009	956	48.7%	3,979	3,231	748	18.8%	6,559	4,034	2,525	38.5%	31,041	29,968	1,073	3.5%
Vehicles (Note 9)	778	681	97	12.5%	1,558	1,647	(89)	-5.7%	1,627	1,597	30	1.8%	9,982	9,991	(9)	-0.1%
Facilities (Note 10)	1,808	2,586	(778)	-43.0%	3,542	2,610	932	26.3%	3,731	3,333	398	10.7%	25,919	22,936	2,983	11.5%
Other Expenditures ¹ (Note 11)	328	409	(81)	-24.7%	418	212	206	49.3%	943	285	658	69.8%	4,905	3,629	1,276	26.0%
	6,142	6,823	(681)	-11.1%	13,084	11,366	1,718	13.1%	16,645	13,277	3,368	20.2%	91,502	86,232	5,270	5.8%
Total Expense	42,597	40,608	1,989	4.7%	83,114	80,804	2,310	2.8%	91,870	88,694	3,176	3.5%	529,176	526,169	3,007	0.6%
Position before Adjustments	37,620	37,335	285	0.8%	74,034	72,755	1,279	1.7%	82,001	80,757	1,244	1.5%	442,339	441,073	1,266	0.3%
Tangible Capital Assets Budget adjustment (Note 12)													9,188	9,188	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														1,102	(1,102)	-0.2%
Net Position	\$ 37,620	\$ 37,335	\$ 285	0.8%	\$ 74,034	\$ 72,755	\$ 1,279	1.7%	\$ 82,001	\$ 80,757	\$ 1,244	1.5%	\$ 451,527	\$ 451,363	\$ 164	0.0%

1 Extra Duty Revenue received from other City Departments is reclassified from expense recovery to revenue.
2 Other Revenue includes E911 landline fees, fines (Gaming and Liquor, Other Bylaw Violations), and sales of unclaimed goods.

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Explanation of Variances by Major Category of Expenditures and Revenues – Notes

For the Period Ended February 29, 2024

1. Traffic Safety Act (TSA) Fines Revenue

Revenue generated by officer issued tickets under the Traffic Safety Act.

Year to Date – Under budget because of lower-than-expected number of tickets issued. Traffic members are spending increased time in court to address previous years incidents, which has resulted in a decline of issued tickets. In addition, members are diverted to other operational pressures which further decreases tickets issued.

Forecast – Same as year to date.

2. Transfer from Reserve - Office of Traffic Safety (OTS) and Financial Stability Reserve (FSR)

In 2022, this was a transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER) and in 2023 the transfer was replaced with tax levy funding (as approved by City Council motion passed on June 7, 2022). On August 15, 2022, City Council approved multi-year one time funding for Healthy Streets Operation Centre (HSOC). Subsequently, the FSR was identified as a funding source for 2023 (Budget Deliberations, December 2022).

In 2024, funding for HSOC is through tax levy funding, and there are no additional transfers from the reserve anticipated.

3. Provincial Grants

Provincial Grants include the Policing Support Grant, the Transit Community Safety Team (TRACS) Grant, the E911 Grant, Victim Services Grant, Drug Impairment Grant, and Indigenous Grant.

Year to Date – Under budget due to delays required to fully staff the TRACS team.

Forecast – Projecting to be over budget due to the Alberta Mental Health and Addiction Grant to support several initiatives, including Enhancing Harm Reduction and Recovery Outreach, which is offset by increased contract and services cost for these initiatives.

4. Other Revenue

Other revenue includes Secondments revenue, and revenues associated with user fees for services provided.

Secondments revenue is primarily generated from Alberta Law Enforcement Response Team (ALERT) and Alberta Serious Incident Response Team (ASIRT) for EPS members seconded to these organizations. User fees revenue include Tow Lot revenue, Police Information Check Section (PICS), Alarm Control, Extra Duty, E911 landline fees, School Resource Officers, gaming and liquor fines, other Bylaw violations, and sales of unclaimed goods.

Year to Date – Under budget due to lower demand for Extra Duty services and fewer tows of seized vehicles, which are offset by lower contracts and service expenses.

Forecast – Projecting to be slightly over budget.

5. Salary and Benefits

Salary and benefits are for all EPS employees based on collective bargaining agreements with the Edmonton Police Association (EPA), the Senior Officers Association (SOA), and Civic Service Union 52 (CSU 52).

Includes base salary, acting pay, shift differential, court time, standby pay, pension, medical, dental, group life insurance, allowances (boot, health care spending), and statutory holiday pay per collective agreements. The salaries and benefits of employees seconded to external organizations are incurred as an expense and recovered through Secondments revenue.

Year to date – Under budget due to vacant positions.

Forecast – Projecting to be under budget due to vacant positions and delays in hiring.

The sworn member attrition position for the first two months of the year is:

Attrition	February	February YTD	Full Year
Original Projection	5	9	54
Actual & Updated Projection	3	9	54

As of March 25th, 2024 sixteen sworn members have announced retirement, four tendered their resignation, and one was released for an attrition total of twenty-one. Of these, nine were no longer on the payroll as of February 29, 2024.

6a. EPS Overtime

EPS overtime costs are paid in accordance with collective bargaining agreements and primarily related to maintaining minimum staffing or operational requirements.

Year to date – Over budget due to maintaining minimum staffing levels in the Emergency Communications Operations Management Branch (ECOMB).

Forecast – Projecting to be over budget due to maintaining minimum staffing levels in Community Policing Bureau and ECOMB.

6b. External Overtime

External overtime costs are incurred by employees seconded to external organizations (ALERT, ASIRT, etc.). These costs are recovered through Secondments revenue.

Year to date – Slightly over budget.

Forecast – Minimal variance to budget is projected.

7. Furniture, Equipment, IT, Materials and Supplies

This category includes the purchases of uniforms and clothing, ammunition, stationery, medical supplies, computer software and hardware purchases and maintenance, and furniture and equipment.

Year to date – Slightly over budget.

Forecast – Minimal variance to budget is projected.

8. Contracts & Services

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, Human-Centered Engagement Liaison Program (HELP) navigators, Legal Services, and Psychological Counseling.

Year to date – Under budget due to the timing of Security Commissionaires invoices, and lower than budgeted snow removal expenses.

Forecast – Projecting to be under budget due to delays in fully staffing HELP Navigators.

9. Vehicle Costs

This category includes the expenses for vehicle repairs, maintenance, and fuel.

Year to date – Slightly under budget.

Forecast – Minimal variance to budget is projected.

10. Facilities

This category includes facility maintenance and custodial expenses for services provided by the City of Edmonton (COE) staff, external space rent, power, natural gas, and telephone charges.

Year to Date – Under budget primarily due to lower custodial and maintenance charges from the COE.

Forecast – Under budget due to funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility.

11. Other Expenditures

This category includes travel and training expenditures, insurance premiums, debt servicing costs, and memberships. Extra Duty Revenue received from other City Departments are reclassified from expense to revenue.

Year to Date – Under budget due to delays in travel and training.

Forecast – Projecting to be under budget due to the recovery from the City of Edmonton for the liability settlement related to the NW Campus roof repairs.

12. Tangible Capital Assets

Budget held to cover capital qualifying expenses for projects such as vehicles.

13. Transfer to/from EPS Reserve

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. The strategy may include replenishing the reserve with any unplanned one-time revenues, adjustments to capital priorities and managing operating expenditures.

Over the 2019-2022 budget cycle Edmonton Police Service managed significant costs related to the COVID-19 global pandemic and the City of Edmonton Enterprise Commons project with no additional funding. After addressing these unplanned expenditures, the balance in the EPS Operating Reserve as of December 31, 2023, is a deficit of \$1.102 million, which is comprised of the following annual results:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million
- 2021 (\$7.389) million
- 2022 \$3.207 million
- 2023 (\$1.414) million