



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: June 3, 2024

SUBJECT: Budget Variance for the Period Ending April 30, 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 April 30, 2024. The year-end forecast reflects organizational decisions and plans known to date and will be updated as additional information becomes available.

COMMENTS / DISCUSSION:

Operating

The operating results for the period ending April 30, 2024 indicate a net deficit position of \$3.950 million or 2.5% (revenue shortfall of \$3.597 million, and expense overspend of \$0.353 million).

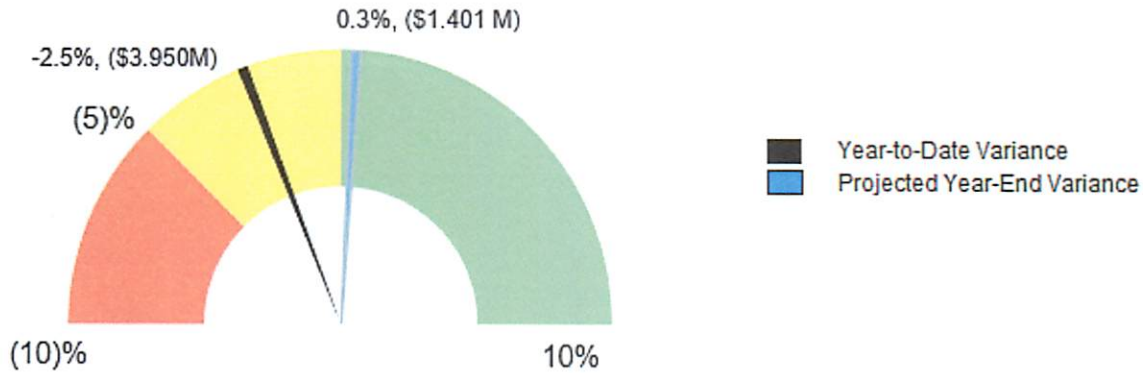
The revenue shortfall is primarily due to timing of grant revenue recognition for associated expenses and lower than budgeted Traffic Safety Act (TSA) revenue.

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 \$1.401 million (\$2.503 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 Revenues and Expenditures
- II. Explanation of Variances by Major Category of Revenues and Expenditures

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Chief of Police: _____

Date: May 31, 24

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending April 30, 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	\$ 510	\$ (344)	-40.3%	\$ 4,060	\$ 2,725	\$ (1,335)	-32.9%	\$ 3,416	\$ 2,207	\$ (1,209)	-35.4%	\$ 10,262	\$ 7,155	\$ (3,107)	-30.3%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	-		801	\$ (801)	-100.0%		\$ -	\$ -	-		\$ -	\$ -	-	
Provincial Grants (Note 3)	1,755	2,121	366	20.9%	1,839	4,995	3,156	171.6%	7,162	4,874	(2,288)	-31.9%	47,727	48,570	843	1.8%
Other Revenue (Note 4)	3,103	3,182	79	2.5%	12,280	11,555	(725)	-5.9%	12,645	12,545	(100)	-0.8%	37,041	37,533	492	1.3%
Secondments	1,305	1,254	(51)	-3.9%	4,629	4,273	(355)	-7.7%	5,260	5,355	95	1.8%	15,359	15,627	268	1.7%
Tow Lot	632	675	43	6.8%	2,383	1,884	(500)	-21.0%	2,529	2,455	(74)	-2.9%	7,588	7,366	(222)	-2.9%
PICS and Alarm Control	560	619	59	10.4%	2,050	2,400	350	17.1%	2,206	2,347	141	6.4%	6,756	6,756	-	0.0%
Extra Duty ¹	312	165	(148)	-47.3%	990	782	(209)	-21.1%	988	727	(261)	-26.4%	3,217	3,217	-	0.0%
E911 Fees	112	148	36	32.5%	447	447	1	0.2%	447	463	16	3.6%	1,340	1,390	50	3.7%
School Resource Officer (SRO)	-	(25)	(25)		588	593	5	0.9%	588	555	(32)	-5.5%	1,020	1,020	-	0.0%
Other ²	182	347	165	90.9%	1,193	1,176	(18)	-1.5%	628	643	15	2.4%	1,760	2,157	397	22.5%
Total Revenue	5,712	5,813	101	1.8%	18,980	19,275	295	1.6%	23,223	19,626	(3,597)	-15.5%	95,030	93,258	(1,772)	-1.9%
Expense																
Personnel																
Salary and benefits (Note 5)	36,190	35,737	453	1.3%	134,901	134,799	102	0.1%	148,138	148,753	(615)	-0.4%	434,053	430,183	3,870	0.9%
EPS Overtime (Note 6a)	850	974	(124)	-14.6%	3,126	5,285	(2,159)	-69.1%	3,431	5,580	(2,149)	-62.6%	11,593	16,887	(5,294)	-45.7%
External Overtime (Note 6b)	55	48	7	12.6%	136	160	(24)	-17.6%	157	227	(70)	-44.6%	472	531	(59)	-12.5%
	37,095	36,759	336	0.9%	138,163	140,244	(2,081)	-1.5%	151,726	154,560	(2,834)	-1.9%	446,118	447,601	(1,483)	-0.3%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,515	2,389	(874)	-57.7%	6,880	7,611	(731)	-10.6%	6,789	8,077	(1,288)	-19.0%	19,627	19,531	96	0.5%
Contracts and services (Note 8)	2,757	2,079	678	24.6%	8,597	8,367	230	2.7%	11,467	9,590	1,877	16.4%	37,006	34,853	2,153	5.8%
Vehicles (Note 9)	749	837	(88)	-11.7%	3,276	3,027	249	7.6%	3,324	3,284	40	1.2%	10,188	10,261	(73)	-0.7%
Facilities (Note 10)	1,828	1,730	98	5.4%	7,035	6,561	474	6.7%	7,331	6,910	421	5.7%	25,634	23,177	2,457	9.6%
Other Expenditures ¹ (Note 11)	344	321	23	6.7%	1,340	722	618	46.1%	1,540	109	1,431	92.9%	4,989	3,864	1,125	22.5%
	7,193	7,356	(163)	-2.3%	27,128	26,288	840	3.1%	30,451	27,970	2,481	8.1%	97,444	91,686	5,758	5.9%
Total Expense	44,288	44,115	173	0.4%	165,291	166,532	(1,241)	-0.8%	182,177	182,530	(353)	-0.2%	543,562	539,287	4,275	0.8%
Position before Adjustments	38,576	38,302	274	0.7%	146,311	147,257	(946)	-0.6%	158,954	162,904	(3,950)	-2.5%	448,533	446,030	2,503	0.6%
Tangible Capital Assets Budget adjustment (Note 12)													9,702	9,702	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														1,102	(1,102)	-0.2%
Net Position	\$ 38,576	\$ 38,302	\$ 274	0.7%	\$ 146,311	\$ 147,257	\$ (946)	-0.6%	\$ 158,954	\$ 162,904	\$ (3,950)	-2.5%	\$ 458,234	\$ 456,833	\$ 1,401	0.3%

1 Extra Duty Revenue received from other City Departments is reclassified from expense recovery to revenue.

2 Other Revenue includes E911 headline fees, fines (Gaming and Liquor, Other Bylaw Violations), and sales of unclaimed goods.

Edmonton Police Service

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

For the Period Ended April 30, 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 - Financial Stability Reserve (FSR)

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 no additional transfers from the reserve are anticipated.

3. Provincial Grants

Provincial Grants include the Policing Support Grant, the 50 New Police Officers Grant, the E911 Grant, Victim Services Grant, and Drug Impairment Grant.

Year to Date – Under budget due to timing of grant revenue recognition for associated expenses.

Forecast – Projecting to be over budget due to increased E911 revenue to partially offset increased overtime in the Emergency Communications Operation Management Branch (ECOMB).

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 – Slightly under budget.

Forecast – Projecting to be over budget due to increased secondment revenue.

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 – Over budget due to increased sick time, and higher WCB payments.

Forecast – Projecting to be under budget due to vacant positions and delays in hiring for new initiatives (such as Tiered Policing).

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

Attrition	April	April YTD	Full Year
Original Projection	5	14	54
Actual & Updated Projection	9	18	72

As of May 22, 2024 twenty-three sworn members have announced retirement, ten tendered their resignation, and one was released for an attrition total of thirty-four. Of these, twenty-six were no longer on the payroll as of April 30, 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 Community Policing Bureau, and in ECOMB which is partially offset by increased Grant revenue, and increased surveillance required for investigations.

Forecast – The same as year to date, and additional policing required due to NHL playoffs.

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 – Over budget due to the timing of expenses for the purchases of IT equipment.

Forecast – Projecting to be slightly under budget.

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 lower program costs for the AMH initiative, which is offset by increased snow removal costs for the first quarter.

Forecast – The same as year to date.

9. Vehicle Costs

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

Year to date – Slightly under budget.

Forecast – Over budget due to increased fuel prices.

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 the recovery from the City of Edmonton related to legal settlement for the Northwest Campus roof leak replacement.

Forecast – The same as year to date.

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