



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: June 28, 2024

SUBJECT: Budget Variance for the Period Ending May 31, 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 May 31, 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 May 31, 2024 indicate a net deficit position of \$9.955 million or 5% (revenue shortfall of \$2.299 million, and expense overspend of \$7.656 million).

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

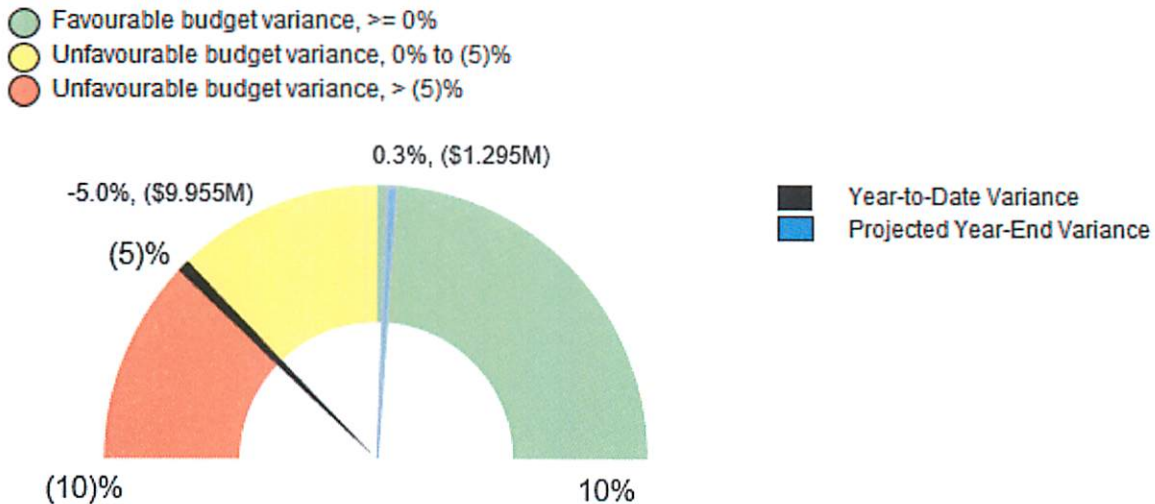
The overspend in personnel expense is due to CSU 52 settlements, which will be recovered through a transfer from the City of Edmonton, and increased overtime as a result of maintaining minimum staffing levels and policing required for NHL playoffs.

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 \$1.295 million (\$2.397 million underspend from current year operations, offset by the deficit of \$1.102 million in the operating reserve).

Current projections exclude the impact of collective bargaining settlements. EPS is currently working with the City of Edmonton to determine the total recovery to be received, and no variance is anticipated.



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: *[Signature]* *Alchief DERRO*

Date: *July 2/24*

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending May 31, 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	\$ 836	\$ (18)	-2.1%	\$ 5,118	\$ 3,431	\$ (1,687)	-33.0%	\$ 4,270	\$ 3,044	\$ (1,226)	-28.7%	\$ 10,262	\$ 7,299	\$ (2,963)	-28.9%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	\$ -		801	\$ (801)	\$ -	-100.0%	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Provincial Grants (Note 3)	1,790	2,078	288	16.1%	2,299	5,816	3,517	153.0%	8,952	6,955	(1,997)	-22.3%	47,727	48,862	1,135	2.4%
Other Revenue (Note 4)	2,939	3,963	1,024	34.8%	15,047	14,132	(915)	-6.1%	15,584	16,508	924	5.9%	37,041	38,352	1,311	3.5%
Secondments	1,391	1,586	195	14.0%	5,772	5,551	(221)	-3.8%	6,651	6,941	290	4.4%	15,532	16,133	601	3.9%
Tow Lot	632	465	(168)	-26.5%	2,979	2,281	(698)	-23.4%	3,162	2,920	(242)	-7.6%	7,588	6,513	(1,075)	-14.2%
PICS and Alarm Control	592	700	107	18.1%	2,640	3,067	428	16.2%	2,798	3,047	249	8.9%	6,756	7,556	800	11.8%
Extra Duty ¹	153	816	663	434.6%	1,199	889	(310)	-25.9%	1,141	1,543	402	35.3%	3,217	3,617	400	12.4%
E911 Fees	112	167	55	49.3%	558	558	-	0.0%	558	629	71	12.7%	1,340	1,515	175	13.1%
School Resource Officer (SRO)	-	(6)	(6)		588	597	9	1.5%	588	549	(38)	-6.5%	1,020	1,020	-	0.0%
Other ²	59	236	177	298.3%	1,310	1,188	(122)	-9.3%	687	879	192	27.9%	1,587	1,998	410	25.8%
Total Revenue	5,583	6,877	1,294	23.2%	23,265	23,379	114	0.5%	28,806	26,507	(2,299)	-8.0%	95,030	94,513	(517)	-0.5%
Expense																
Personnel																
Salary and benefits (Note 5)	36,755	41,311	(4,556)	-12.4%	168,056	169,321	(1,265)	-0.8%	184,513	190,065	(5,552)	-3.0%	434,098	430,867	3,231	0.7%
EPS Overtime (Note 6a)	895	2,044	(1,149)	-128.4%	3,948	7,316	(3,368)	-85.3%	4,326	7,624	(3,298)	-76.2%	11,593	17,195	(5,602)	-48.3%
External Overtime (Note 6b)	40	82	(42)	-105.5%	170	189	(19)	-11.2%	197	309	(112)	-56.9%	472	558	(86)	-18.2%
	37,690	43,437	(5,747)	-15.2%	172,174	176,826	(4,652)	-2.7%	189,036	197,998	(8,962)	-4.7%	446,163	448,620	(2,457)	-0.6%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,397	1,670	(273)	-19.5%	8,519	9,457	(938)	-11.0%	8,214	9,747	(1,533)	-18.7%	19,549	19,682	(133)	-0.7%
Contracts and services (Note 8)	2,635	3,091	(456)	-17.3%	10,672	10,943	(271)	-2.5%	14,091	12,681	1,410	10.0%	36,713	34,744	1,969	5.4%
Vehicles (Note 9)	862	892	(30)	-3.5%	4,058	3,790	268	6.6%	4,180	4,177	3	0.1%	10,155	10,609	(454)	-4.5%
Facilities (Note 10)	2,042	1,973	69	3.4%	8,770	8,235	535	6.1%	9,001	8,883	118	1.3%	25,751	22,959	2,792	10.8%
Other Expenditures ¹ (Note 11)	214	358	(144)	-67.4%	1,662	918	744	44.8%	1,775	467	1,308	73.7%	5,054	3,857	1,197	23.7%
	7,150	7,984	(834)	-11.7%	33,681	33,343	338	1.0%	37,261	35,955	1,306	3.5%	97,222	91,851	5,371	5.5%
Total Expense	44,840	51,421	(6,581)	-14.7%	205,855	210,169	(4,314)	-2.1%	226,297	233,953	(7,656)	-3.4%	543,385	540,471	2,914	0.5%
Position before Adjustments	39,257	44,544	(5,287)	-13.5%	182,590	186,790	(4,200)	-2.3%	197,491	207,446	(9,955)	-5.0%	448,355	445,958	2,397	0.5%
Tangible Capital Assets Budget adjustment (Note 12)													9,880	9,880	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														1,102	(1,102)	-0.2%
Net Position	\$ 39,257	\$ 44,544	\$ (5,287)	-13.5%	\$ 182,590	\$ 186,790	\$ (4,200)	-2.3%	\$ 197,491	\$ 207,446	\$ (9,955)	-5.0%	\$ 458,235	\$ 456,940	\$ 1,295	0.3%

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.

Edmonton Police Service

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

For the Period Ended May 31, 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 – Over budget due to increased Extra Duty for NHL playoffs and events, secondment revenue, and increased PICS revenue as a result of increased service levels.

Forecast – The same as year to date, offset by decreased Tow Lot 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 CSU52 retro payments, 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). Salary projections exclude the impact of settlements due to the anticipated recovery from the COE.

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

Attrition	May	May YTD	Full Year
Original Projection	5	23	54
Actual & Updated Projection	10	32	96

As of June 11, 2024 twenty-five sworn members have announced retirement, fourteen tendered their resignation, and one was released for an attrition total of forty. Of these, thirty-two were no longer on the payroll as of May 31, 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 investigations and policing required for the NHL playoffs.

Forecast – The same as year to date.

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 over 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 of the year.

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 – Projecting to be 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