



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: January 29, 2024

SUBJECT: Budget Variance for the Period Ending December 31, 2023

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 year ending December 31, 2023.

COMMENTS / DISCUSSION:

Operating

On August 23, 2023, City Council approved the revised EPS Funding Formula and final budget allocation for 2024-2026 was made during the Fall Supplemental Operating Budget Adjustment process.

The operating results for the period ending December 31, 2023, indicate a net deficit position of \$1.414 million or 0.3% (revenue surplus of \$6.887 million, offset by an expense overspend of \$8.300 million), to be partially funded by a \$0.312 million surplus in the Edmonton Police Service Operating Reserve leaving a deficit of \$1.102 million.

The revenue surplus is due to the recognition of former Police Support Grant revenue, and the new Alberta Mental Health Grant, which is offset by 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.

Capital Results

The 2023-2026 Capital Budget is comprised of 10 active profiles (4 standalone profiles and 6 composite profiles). The total 2023-2026 Capital Budget is \$89.108 million which includes the initial approved budget, 2019-2022 budget carryforward, 2023 Spring and Fall Supplemental Capital Budget Adjustments (SCBA), and Year-end Administrative Adjustments.

In December 2022, City Council approved approximately 25% of the Commission supported budget requirement for Police Equipment, Radio Lifecycle, IT Applications and IT Infrastructure renewal projects for 2023-2026. In December 2023, during the 2023 Fall SCBA, City Council approved the City Administration 2024 funding recommendation of \$10.610 million for a portion of the unfunded renewal profiles. This results in 41% of the Commission supported budget requirement for Police Equipment, Radio Lifecycle, IT Applications and IT Infrastructure renewal projects for 2023-2026 and a \$40.489 million shortfall.

This is the first year of the four-year Capital budget cycle (2023 to 2026) and the results are outlined in attachment III and IV.

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
- III. Capital Budget Performance
- IV. Capital Budget Performance Explanations

Written By: Iryna PYASTA, Director, Financial Management Branch *IP*

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

Approved By: Justin KRIKLER, Chief Administrative Officer, Corporate Services Bureau *JK*

Chief of Police: _____

Date: January 29, 24

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending December 31, 2023
(\$000's)

	Current Period				2022 Year to Date				2023 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Revenue												
Traffic Safety Act Fines (Note 1)	\$ 798	\$ 483	\$ (315)	-39.5%	\$ 11,198	\$ 7,729	\$ (3,469)	-31.0%	\$ 11,060	\$ 7,545	\$ (3,515)	-31.8%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ 495	\$ -	(495)	-100.0%	22,292	22,292	-	0.0%	\$ 1,982	\$ 1,982	-	0.0%
Provincial Grants (Note 3)	26,516	28,969	2,453	9.3%	30,099	32,256	2,157	7.2%	31,574	40,600	9,026	28.6%
Other Revenue (Note 4)	2,804	4,389	1,585	56.5%	34,706	34,681	(25)	-0.1%	35,027	36,403	1,376	3.9%
Secondments	1,075	1,625	550	51.2%	13,480	13,396	(84)	-0.6%	13,448	14,746	1,298	9.7%
Tow Lot	596	636	40	6.7%	7,150	6,077	(1,073)	-15.0%	7,150	6,175	(975)	-13.6%
PICS and Alarm Control	616	560	(56)	-9.1%	6,785	6,525	(260)	-3.8%	6,756	7,375	619	9.2%
Extra Duty ¹	393	448	55	14.0%	3,349	3,173	(176)	-5.2%	3,217	3,524	307	9.5%
E911 Fees	112	79	(33)	-29.3%	1,350	1,338	(12)	-0.9%	1,340	1,259	(81)	-6.0%
School Resource Officer (SRO)	(36)	3	39	-109.1%	818	936	117	14.3%	950	994	44	4.6%
Other ²	49	(375)	(423)	-866.9%	1,774	3,235	1,461	82.4%	2,165	2,329	163	7.5%
Total Revenue	30,613	33,841	3,228	10.5%	98,295	96,958	(1,337)	-1.4%	79,643	86,530	6,887	8.6%
Expense												
Personnel												
Salary and benefits (Note 5)	32,831	1,729	31,102	94.7%	384,425	378,479	5,946	1.5%	393,157	392,673	484	0.1%
EPS Overtime (Note 6a)	1,026	1,534	(508)	-49.5%	10,145	15,938	(5,793)	-57.1%	10,328	19,166	(8,838)	-85.6%
External Overtime (Note 6b)	34	86	(52)	-150.8%	407	481	(74)	-18.2%	407	573	(166)	-40.8%
	33,891	3,349	30,542	90.1%	394,977	394,898	79	0.0%	403,892	412,412	(8,520)	-2.1%
Non-Personnel												
Furniture, equipment, IT, materials and supplies (Note 7)	7,378	2,988	4,390	59.5%	21,390	21,908	(518)	-2.4%	24,223	24,602	(379)	-1.6%
Contracts and services (Note 8)	4,494	5,570	(1,076)	-23.9%	29,222	28,359	863	3.0%	28,544	31,982	(3,438)	-12.0%
Vehicles (Note 9)	822	804	18	2.2%	8,600	8,979	(379)	-4.4%	9,767	9,627	140	1.4%
Facilities (Note 10)	4,899	2,106	2,793	57.0%	24,337	20,693	3,644	15.0%	23,803	20,565	3,238	13.6%
Other Expenditures ¹ (Note 11)	7,647	7,980	(333)	-4.4%	10,101	9,246	855	8.5%	11,958	11,299	659	5.5%
	25,240	19,448	5,792	22.9%	93,650	89,185	4,465	4.8%	98,295	98,075	220	0.2%
Total Expense	59,131	22,797	36,334	61.4%	488,627	484,083	4,544	0.9%	502,187	510,487	(8,300)	-1.7%
Position before Adjustments	28,518	(11,044)	39,562	138.7%	390,332	387,125	3,207	0.8%	422,544	423,958	(1,414)	-0.3%
Tangible Capital Assets Budget adjustment (Note 12)												
Transfer to/(from) EPS Reserve (Note 13)					-	3,207	(3,207)	0.0%	-	(1,414)	1,414	-0.3%
Net Position	\$ 28,518	\$ (11,044)	\$ 39,562	138.7%	\$ 390,332	\$ 390,332	\$ -	0.0%	\$ 422,544	\$ 422,544	\$ -	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.

Edmonton Police Service

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

For the Period Ended December 31, 2023

1. Traffic Safety Act (TSA) Fines Revenue

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

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.

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, FSR was identified as a funding source for 2023 (Budget Deliberations, December 2022).

There is no variance to budget.

3. Provincial Grants

Provincial Grants include the Policing Support Grant, the E911 Grant, Victim Services Grant, Drug Impairment Grant, and Indigenous Grant.

Over budget due to the recognition of revenue from the former Police Officer Grant, and the recognition of revenue from the new Alberta Mental Health and Addiction Grant, which is offset by increased contract and services costs.

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.

Over budget due to increased Secondments, PICS and Extra Duty revenue as demand for service requests increases. This is partially offset by decreased Tow Lot revenue due to fewer tows of seized vehicles, which is offset by lower contracts and service expenses.

5. Salary and Benefits

Salary and benefits are for all EPS employees based on collective bargaining agreements. All agreements are unsettled from the start of 2021; 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.

Slightly under budget.

The sworn member attrition for the full year is:

Attrition	December	December YTD	Full Year
Original Projection	7	90	90
Actual & Updated Projection	6	84	97

As of December 31st, 2023, thirty-seven sworn members have tendered their resignation, forty-two announced retirement, four are deceased, and one was released for an attrition total of eighty-four.

6a. EPS Overtime

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

Over budget due to maintaining minimum staffing levels in the Community Policing Bureau, and the Emergency Communications Operations Management Branch (ECOMB), which is directly offset by increased revenue as part of the E911 Provincial Grant for emergency communication services. Also contributing to the overspend is increased investigations work within the Investigation and Support Services Bureau.

6b. External Overtime

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

Slightly over budget.

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.

Over budget due to HealthIM software expenses, which are offset by Grant revenue, and increased expenses for Rapid DNA.

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.

Over budget due to increased DNA program expenditures, as well as increased psych counselling expenses, navigators, paramedic, and health care practitioners supporting the Alberta Mental Health and Addiction work, which is recovered through the Alberta Mental Health and Addictions Grant.

9. Vehicle Costs

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

Under budget mainly due to less helicopter maintenance requirements.

10. Facilities

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

Under budget due to funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility, and lower custodial and maintenance fees from the COE.

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.

Under budget due to less travel and training, and increased recoveries from the COE for the Integrated Call Evaluation and Dispatch Centre.

12. Tangible Capital Assets

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

13. Transfer to/from EPS Reserve

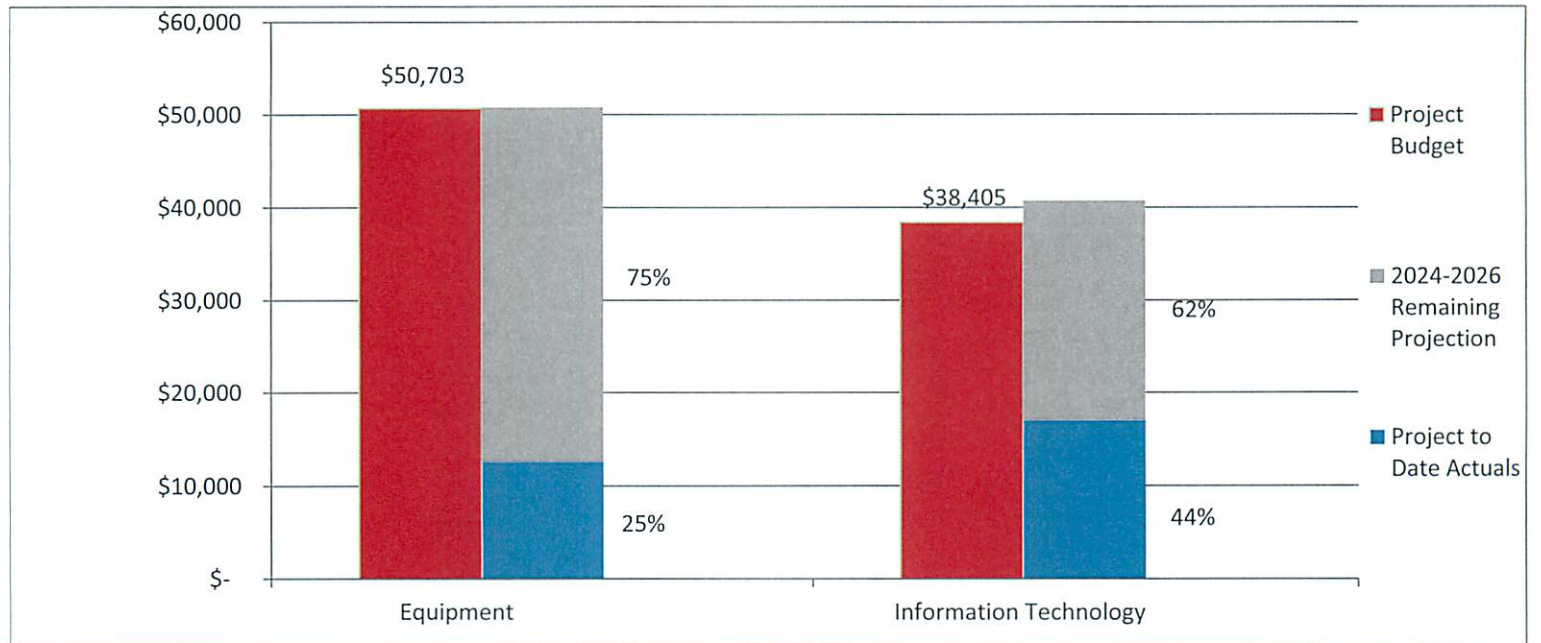
On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three 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

Edmonton Police Service
 Capital Budget Performance
 Financial Report for the Period Ending Dec 31, 2023
 (\$000's)

Capital Profile	Project To Date Actuals	2024-2026 Projection	Total Projection	Approved Budget Prior Years	2023-2026 Approved Budget	Total Approved Budget	Variance
	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)	(G=F-C)
Radio Life Cycle (Note 1, 9)	131	7,900	8,031	-	8,031	8,031	-
Vehicles (Note 2, 9)	9,531	27,617	37,148	-	37,148	37,148	-
Police Equipment (Note 3, 9)	1,692	2,677	4,369	-	4,369	4,369	-
In Car Video (Note 4)	1,265	-	1,265	1,040	115	1,155	(110)
Equipment	\$ 12,619	\$ 38,194	\$ 50,813	\$ 1,040	\$ 49,663	\$ 50,703	\$ (110)
IT - Infrastructure Sustainment	1,898	5,848	7,746	-	7,746	7,746	-
IT - Applications Sustainment	888	4,295	5,183	-	5,183	5,183	-
IT - Applications Enhancement	1,803	9,850	11,653	-	11,763	11,763	110
IT Systems - Total (Note 6, 9)	4,589	19,993	24,582	-	24,692	24,692	110
Automated Fingerprint Identification System (Note 5)	857	143	1,000	459	541	1,000	-
Enterprise Commons (Note 7)	893	1,708	2,601	163	-	163	(2,438)
CRIMM-CAD-RMS Integration, Modernization & Maximization (Note 8)	10,690	1,860	12,550	6,477	6,073	12,550	-
Information Technology	\$ 17,029	\$ 23,704	\$ 40,733	\$ 7,099	\$ 31,306	\$ 38,405	\$ (2,328)
Total	\$ 29,648	\$ 61,898	\$ 91,546	\$ 8,139	\$ 80,969	\$ 89,108	\$ (2,438)
Northwest Campus (Note 10)	118,346	1,129	119,475	116,971	2,504	119,475	-



* The 2023-2026 budget includes the approved 2022 carryforward, initially and subsequently approved budgets, 2023 Spring and Fall Supplemental Capital Budget Adjustments, and the 2023 Yearend Administrative Adjustments.

* Project to Date Actuals includes 2023 actuals.

* Projections include Q1 2024 to Q4 2026.

* Percentages for 2024-2026 remaining projection and project to date actuals add up to 106% due to Enterprise Commons projecting to be over budget.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

1 Radio Life Cycle

This renewal composite profile is to maintain the two-way radio communications equipment such as portable and mobile radios, radio dispatch consoles, and recording equipment for communication calls. (2023-2026 EPC supported \$13.402 million, City Council initially approved \$3.407 million and subsequently approved \$4.493 million during the 2023 Fall Supplemental Capital Budget Adjustment (SCBA), unfunded \$5.502 million).

Project to date – Portable radios have been purchased for the Human Centered Engagement and Liaison Partnership (HELP) program.

Project forecast – There is a consideration to upgrade the current radio model and radios will be purchased in 2024. Expected to be on budget at the end of the 4-year budget cycle.

2 Vehicles

This renewal composite profile includes the life cycle replacement of owned marked, unmarked and specialty vehicles.

Project to date – 26 marked, 33 unmarked and 6 covert vehicles were put into service plus 32 marked, 27 unmarked and 1 covert vehicle were delivered as of Q4. Some of the 2023 vehicle orders were cancelled by the dealership due to supply chain issues. 87 vehicles are currently on order.

Project forecast – Due to supply chain issues and long delivery times, vehicles are needing to be ordered up to 2 years in advance. Expected to be on budget at the end of the 4-year budget cycle.

3 Police Equipment

This renewal composite profile is for the replacement of police equipment which includes personal protective equipment, health and safety equipment, and training equipment. (2023-2026 EPC supported \$8.082 million, City Council initially approved \$2.054 million and subsequently approved \$1.331 million during the 2023 Fall SCBA, unfunded \$4.697 million).

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

Project to date – Major expenditures include soft and hard body armor, wiretap data server, Police Headquarters parking lot gate, carbine accessories and firearms examination unit renovation. There was a yearend administrative budget adjustment to transfer \$0.568 million from operating to capital for items budgeted in operating but determined to be capital in nature under the tangible capital accounting rules.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle.

4 In-Car Video Pilot Project

This standalone growth profile is a pilot project to equip police vehicles with a video system which will provide an audio/visual record of events within the viewing area of the cameras as they occur.

Project to date – The proof of concept continued into early Q2 before it was put on hold due to the Provincial Body Worn Video announcement. The final expenditures have been processed which leaves an overspend of \$0.110 million.

Project forecast – A 2024 Spring SCBA will be requested to cover the overspend from IT Applications – Enhancement profile. No expenditures are anticipated in 2024 as the service focuses on pilot deployment of body worn cameras.

5 Police IT Systems

Infrastructure-Sustainment

Infrastructure-Sustainment is a composite renewal profile of infrastructure components that maintain the capability of EPS network, server, storage, telephony and security systems deployed in support of police operations. (2023-2026 EPC supported \$28.053 million, City Council initially approved \$7.131 million and subsequently approved \$3.293 million during the 2023 Fall SCBA, unfunded \$17.629 million).

Project to date – Equipment has been received for lifecycle replacement of switches, corporate Wi-Fi and mobile workstations.

Project forecast – Expected to be on budget at the end of the 4-year budget cycle.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

Applications - Sustainment

Applications-Sustainment is a composite renewal profile encompassing various initiatives that maintain the capability of EPS software applications and systems that are deployed in support of police operations. System portfolios include: Dispatch, Operational Records, Operational Video, Administrative and Intelligence. (2023-2026 EPC supported \$18.978 million, City Council initially approved \$4.824 million and subsequently approved \$1.493 million during the 2023 Fall SCBA, unfunded \$12.661 million).

Project to date – Major project expenditures include Coveo Cloud Migration project and Interview Room Upgrade.

Project forecast – Activities on several continuing projects will ramp up in 2024. Expected to be on budget at the end of the 4-year budget cycle.

Applications – Enhancement

Applications-Enhancement is a composite growth profile encompassing various initiatives which includes enhancement of existing systems and implementation of new software applications and systems that are deployed in support of police operations. System portfolios include: Dispatch, Operational Records, Operational Video, Administrative and Intelligence. (2023-2026 EPC supported \$14.440 million, City Council approved \$11.835 million, unfunded \$2.605 million).

Project to date – Expenditures include Live External Operational Video Management, NG911 Voice and Real Time Texting (RTT), Body Worn Video Pilot, and Enterprise Analytics-Power BI pilot project.

Project forecast – Project activities will ramp up in 2024 for the NG911 Voice and RTT and may extend into 2025. Expected to be on budget at the end of the 4-year budget cycle.

6 Automated Fingerprint Identification System (AFIS)

The standalone renewal profile is to upgrade the Automated Fingerprint Identification System (AFIS) which is used to register and store fingerprint transactions for criminal offences.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

Project to date – Data migration has been completed and the majority of the hardware equipment has been received.

Project forecast – System acceptance test is nearly completed and final migration and go-live will be completed in Q1 2024. The project is expected to be on budget.

7 Enterprise Commons

This standalone growth profile is to transition the aging enterprise technology systems to a single, modernized technology system that spans the enterprise core functions including Finance, Human Resources, Supply Chain Management. This project is a City of Edmonton initiative and requires integration with EPS applications.

Project to date – The project is currently in the deliver and test phase and expenditures include information technology resources, business resources and integration services with the Alberta Government Justice Online Information Network (JOIN). There was a yearend administrative adjustment to transfer remaining budget and expenditures of \$1.460 million to operating due to accounting treatment under tangible capital rules, consistent with City of Edmonton approach.

Project forecast – The currently scheduled go-live date is late 2024. There is a projected overspend of \$2.438 million based on current timelines (under review and subject to change).

8 CAD-RMS Integration, Modernization & Maximization (CRIMM)

This standalone growth profile is to modernize and upgrade EPS' records management processes and systems which includes the Computer Automated Dispatch System (CAD) and core Records Management System (RMS) functionality.

Project to date – Expenditures to date include information technology and business resources, integrations consulting, software licensing and computer hardware.

Project forecast – The DataVault project timelines have extended to Q1 2024. Property Module project is underway and is expected to be complete by Q3 2024. Expected to be on budget.

Edmonton Police Service
Explanation of Variances by Capital Project – Notes
For the Period Ended December 31, 2023

9 Composite Projects

Composite projects share similar attributes and activities that are repetitive in nature and completed in shorter timelines. Composite projects may include individual growth projects less than \$2 million or individual renewal projects less than \$5 million with an estimated completion timeline of under two years.

10 Northwest Campus

This standalone growth profile is for the construction of Northwest Campus.

Project to date – The building was substantially completed at the end of 2018. The building experienced a number of roof leaks and a full roof replacement was required. Remaining equipment modifications have been completed. There is a budget carryforward of \$1.129 million to 2024.

Project forecast – Legal arbitration hearing for the roof replacement is set for Q1 2024.