



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: December 29, 2023

SUBJECT: Budget Variance for the Period Ending November 30, 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 period ending November 30, 2023. Year-end forecast reflects organizational decisions and plans known to date and will be updated as additional information becomes available.

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 November 30, 2023, indicate a net deficit position of \$39.522 million or 10.0% (revenue surplus of \$4.889 million, offset by an expense overspend of \$44.411 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.

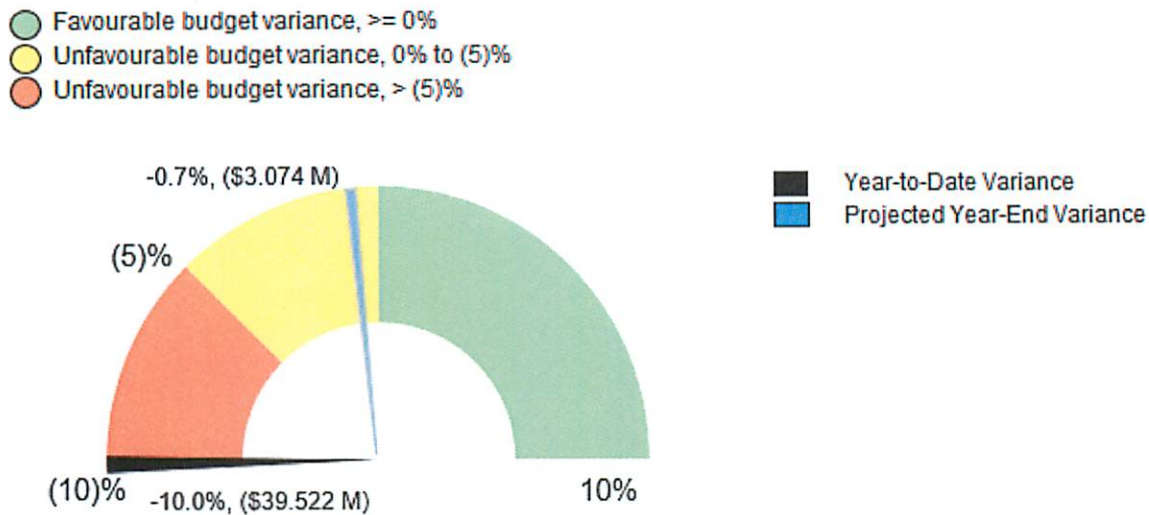
The overspend in personnel expense is primarily due to retro payments as a result of the Edmonton Police Association (EPA) collective bargaining settlement, and increased overtime as a result of maintaining minimum staffing levels.

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

CONCLUSION:

The year-end forecast projects an operating deficit of \$3.074 million (\$3.386 million overspend from current year operations, offset by a \$0.312 million surplus 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 budget to be transferred, and no variance is anticipated.



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: _____

Date: *January 3, 24*

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending November 30, 2023
(\$000's)

	Current Period				2022 Year to Date				2023 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)	\$ 811	\$ 559	\$ (252)	-31.1%	\$ 10,413	\$ 7,180	\$ (3,233)	-31.0%	\$ 10,262	\$ 7,062	\$ (3,200)	-31.2%	\$ 11,060	\$ 7,611	\$ (3,449)	-31.2%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	-		22,292	22,292	-	0.0%	\$ 1,670	\$ 1,982	312	18.7%	\$ 2,227	\$ 2,227	-	0.0%
Provincial Grants (Note 3)	460	1,134	674	146.5%	3,731	4,769	1,038	27.8%	5,058	11,726	6,668	131.8%	31,757	41,476	9,719	30.6%
Other Revenue (Note 4)	3,037	3,298	261	8.6%	31,794	31,862	68	0.2%	32,223	33,332	1,109	3.4%	34,843	34,995	152	0.4%
Secondments	1,080	1,170	90	8.4%	12,326	12,282	(44)	-0.4%	12,374	13,122	748	6.0%	13,448	13,505	57	0.4%
Tow Lot	596	569	(27)	-4.5%	6,554	5,569	(985)	-15.0%	6,554	5,539	(1,015)	-15.5%	7,150	6,043	(1,107)	-15.5%
PICS and Alarm Control	609	666	56	9.2%	6,250	5,926	(324)	-5.2%	6,140	6,816	675	11.0%	6,756	7,320	564	8.3%
Extra Duty ¹	424	417	(7)	-1.8%	2,945	2,898	(47)	-1.6%	2,824	3,076	252	8.9%	3,217	3,217	-	0.0%
E911 Fees	111	144	33	29.5%	1,238	1,225	(12)	-1.0%	1,228	1,180	(48)	-3.9%	1,340	1,284	(56)	-4.1%
School Resource Officer (SRO)	(0)	(7)	(7)	11114.9%	818	936	117	14.3%	986	991	5	0.5%	950	991	41	4.3%
Other ²	217	340	124	57.1%	1,663	3,025	1,363	81.9%	2,117	2,608	492	23.2%	1,981	2,635	654	33.0%
Total Revenue	4,308	4,991	683	15.9%	68,230	66,103	(2,127)	-3.1%	49,213	54,102	4,889	9.9%	79,887	86,309	6,422	8.0%
Expense																
Personnel																
Salary and benefits (Note 5)	31,645	33,970	(2,325)	-7.3%	349,756	342,999	6,757	1.9%	360,360	390,944	(30,584)	-8.5%	392,721	392,090	631	0.2%
EPS Overtime (Note 6a)	836	1,504	(668)	-80.0%	9,146	14,490	(5,344)	-58.4%	9,339	17,632	(8,293)	-88.8%	10,368	19,673	(9,305)	-89.7%
External Overtime (Note 6b)	33	26	7	21.6%	373	403	(30)	-8.0%	373	487	(114)	-30.6%	407	480	(73)	-17.9%
	32,514	35,500	(2,986)	-9.2%	359,275	357,892	1,383	0.4%	370,072	409,063	(38,991)	-10.5%	403,496	412,243	(8,747)	-2.2%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,493	2,389	(896)	-60.0%	19,753	19,375	378	1.9%	17,069	21,614	(4,545)	-26.6%	24,744	25,068	(324)	-1.3%
Contracts and services (Note 8)	2,106	2,322	(216)	-10.3%	23,479	22,112	1,367	5.8%	24,058	26,413	(2,355)	-9.8%	27,567	30,947	(3,380)	-12.3%
Vehicles (Note 9)	647	872	(225)	-34.8%	7,913	8,226	(313)	-4.0%	8,945	8,822	123	1.4%	9,767	9,690	77	0.8%
Facilities (Note 10)	1,910	1,730	180	9.4%	20,163	17,990	2,173	10.8%	18,904	18,460	444	2.3%	24,940	22,694	2,246	9.0%
Other Expenditures ¹ (Note 11)	783	691	92	11.7%	3,333	2,334	999	30.0%	4,232	3,319	913	21.6%	4,147	3,827	320	7.7%
	6,939	8,004	(1,065)	-15.4%	74,641	70,037	4,604	6.2%	73,208	78,628	(5,420)	-7.4%	91,165	92,226	(1,061)	-1.2%
Total Expense	39,453	43,504	(4,051)	-10.3%	433,916	427,929	5,987	1.4%	443,280	487,691	(44,411)	-10.0%	494,661	504,469	(9,808)	-2.0%
Position before Adjustments	35,145	38,513	(3,368)	-9.6%	365,686	361,826	3,860	1.1%	394,067	433,589	(39,522)	-10.0%	414,774	418,160	(3,386)	-0.8%
Tangible Capital Assets Budget adjustment (Note 12)													7,518	7,518	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)													-	(312)	312	
Net Position	\$ 35,145	\$ 38,513	\$ (3,368)	-9.6%	\$ 365,686	\$ 361,826	\$ 3,860	1.1%	\$ 394,067	\$ 433,589	\$ (39,522)	-10.0%	\$ 422,292	\$ 425,366	\$ (3,074)	-0.7%

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 November 30, 2023

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

Year to Date – Over budget due to timing of the transferred reserve funds for the expenditures in the HSOC program.

Forecast – No variance is expected.

3. Provincial Grants

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

Year to Date – 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.

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 will be offset by increased contract and services cost for these initiatives. Additionally, projecting to recognize additional E911 Grant revenue to offset increased overtime in support of Emergency Communication.

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 – The over budget position is mainly 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.

Forecast – The same as year to date.

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.

Year to date – Over budget due to retro payments made to EPA members as a result of EPA settlements. EPS is currently working with the City of Edmonton (COE) to determine the budget transfer related to settlements.

Forecast – Projecting to be under budget due to vacant positions, and increased levels of attrition. Salary projections exclude the impact of settlements due to the anticipated budget transfer from the COE, which will be completed in December.

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

Attrition	November	November YTD	Full Year
Original Projection	7	77	90
Actual & Updated Projection	6	78	97

As of December 18th, 2023, thirty-six sworn members have tendered their resignation, forty-two announced retirement, four are deceased, and one was released for an attrition total of eighty-three. Of these, seventy-eight were no longer on the payroll as of November 30, 2023.

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 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.

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 – 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.

Year to date – 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.

Forecast – The same as year to date.

9. Vehicle Costs

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

Year to date – Under budget due to less helicopter maintenance requirements.

Forecast – The same as year to date.

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.

Year to Date – Under budget due to lower custodial and maintenance charges from the City of Edmonton.

Forecast – Under budget due to funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility, offset by increased renovation projects planned for the second half of the year.

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, and recoveries from the COE for the Integrated Call Evaluation and Dispatch Centre.

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, 2022, is a surplus of **\$0.312 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