



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2021 April 1

SUBJECT: Budget Variance for the Period Ending February 28, 2021

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 as of February 28, 2021.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending February 28, 2021 indicate a net deficit position of \$0.017 million or 0.03% (revenue shortfall of \$1.353 million and an expense underspend of \$1.336 million).

The revenue shortfall is primarily due to lower demand for several EPS services and fewer Traffic Safety Act fine tickets issued.

The overspend in Personnel expense is primarily the result of higher salary costs due to decreases in vacation taken and higher staffing costs in the Police Communications Branch.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower than anticipated contract and services, maintenance, and custodial costs.

COVID-19 Financial Impact

The year-end projection includes \$0.445 million for personal protective equipment purchases related to COVID-19.

CONCLUSION:

The year-end forecast projects an operating deficit of \$2.052 million. This is the result of projected revenue shortfalls offset by savings in personnel, particularly in court and overtime costs.

In accordance with EPS Reserve Policy, this deficit will be funded from the EPS Operating Reserve.

ADDITIONAL INFORMATION ATTACHED:

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures

Written By:  Kathryn REYNOLDS, Director, Financial Management Branch

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

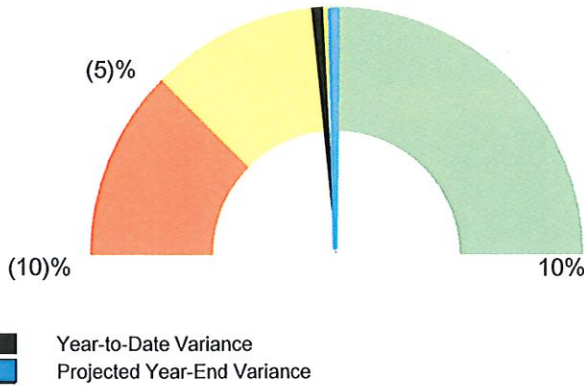
Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

Chief of Police:  _____

Date:  _____

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending February 28, 2021

- Favourable budget variance, >= 0%
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, > (5)%



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	13,881	12,528	(1,353)	-9.7%
<i>Personnel</i>	65,124	66,165	(1,041)	-1.6%
<i>Non-Personnel</i>	12,656	10,279	2,377	18.8%
Expense	77,780	76,444	1,336	1.7%
Net Position	63,899	63,916	(17)	0.0%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	99,091	95,676	(3,415)	-3.4%
<i>Personnel</i>	386,225	384,992	1,233	0.3%
<i>Non-Personnel</i>	78,862	78,732	130	0.2%
Expense	465,087	463,724	1,363	0.3%
TCA (Note 1)	17,814	17,814	-	0.0%
Transfer to/(from)				
EPS Reserve (Note)	-	(2,052)	2,052	
Net Position	383,810	383,810	0	0.0%

Year-to Date

Revenue - The under budget position is the result of less demand for Extra Duty services and fewer tows of seized vehicles, offset by lower contract and service costs. Lower Traffic Safety Act revenues are due to a lower number of tickets issued and there has also been less demand for Police Information Checks (PICS).

Personnel - The over budget position is due to higher salary costs because of decreases in vacation taken and higher staffing costs in the Police Communications Branch (PCB) to complete the 911 position civilianization. Overtime is under budget because of favourable staffing or deployment models in the Community Policing Bureau.

Non-Personnel - The under budget position is due to lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. Also contributing to the under budget position is lower maintenance, custodial, travel, and training costs.

Year-End Projection

Revenue - The same as year to date with a further shortfall projected due to the suspension of the School Resource Officer program by the Edmonton Public School Board until the end of the 2020-21 school year.

Personnel - The same as year to date offset by projected savings in court time and overtime costs in the Community Policing Bureau.

Non-Personnel - The same as year to date offset by required COVID-19 personal protective equipment purchases.

Notes:

(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(2) 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 unrestricted balance in the EPS Operating Reserve as at December 31, 2020 is \$4.494 million which is comprised of the following annual transfers:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million

The total balance in the EPS Operating Reserve as at December 31, 2020 is \$7.034 million of which \$2.540 million is restricted for Alberta First Responders Radio Communications System (AFRRCS) Government of Alberta access fee and ongoing Information Technology software subscription, maintenance and support costs.

	2020 Year-to-Date				2020 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	7,381	7,118	(263)	-3.6%	Revenue	96,946	92,862	(4,084)	3.8%
Expense	78,960	78,570	390	0.5%	Expense	473,953	467,620	6,333	1.3%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%	Transfer to/from EPS Reserve (Note 2)	-	2,249	(2,249)	0.0%
Net Position	71,579	71,452	127	0.2%	Net Position	377,007	377,007	-	0.0%