



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2016-December-30

SUBJECT: Monthly Financial Report for the Period Ending November 30, 2016

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#### RECOMMENDATION:

That the monthly report for the period ending November 30, 2016 be received for information.

#### INTRODUCTION:

This report provides current and projected year end financial performance information for the Edmonton Police Service (EPS) for the period ending November 30, 2016.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending November 30, 2016 indicate a net deficit position of \$2.328 million or 0.9% mainly due to a shortfall in revenue of \$4.891 million, offset by under spends in personnel of \$1.629 million and non-personnel of \$0.934 million.

The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an estimated 10 percent increase of tickets issued by Police members and the Provincial decision to return to municipalities approximately 19 percent increase in rates. In addition, Bylaw fine revenues have seen a significant decrease due to a new system that allows the City of Edmonton to better allocate provincial revenue to the initiator of the revenue (previously, EPS was the default for all Bylaw fine revenue).

The under budget position in personnel costs is primarily due to lower benefit costs (Workers Compensation Board (WCB) Partners In Rebate (PIR) and Dividends distribution), statutory holiday pay and court costs. The year end personnel costs will be over spent as a result of the Edmonton Police Association (EPA) contract settlement.

The main cause of the under budget position in non-personnel costs is due to the timing of purchases. It is expected that these budgets will be utilized during the year and will be over spent due to Police Communication Branch (PCB) revitalization project.

**CONCLUSION:**

Based on the operating results to the end of November and the explanations attached, the year-end forecast indicates that the EPS may be \$6.796 million or 2.2% over budget. This is due to a shortfall in Traffic Safety Act revenues, and the EPA contract settlement.

**ADDITIONAL INFORMATION ATTACHED:**

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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Chief of Police: 

Date: JAN 03 2017

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenues & Expenditures**  
**For the Period Ending November 30, 2016**  
**(\$000's)**

	Current Period				2015 Year to Date				2016 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
<b>Revenue</b>																
Traffic Safety Act Fines (Note 1)	\$ 1 558	\$ 1 338	\$ (220)	-14.1%	\$ 13 636	\$ 12 060	\$ (1 576)	-11.6%	\$ 16 544	\$ 12 610	\$ (3 934)	-23.8%	\$ 17 808	\$ 13 535	\$ (4 273)	-24.0%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		18 819	18 819	-	0.0%	20 384	20 384	-	0.0%	20 384	20 384	-	0.0%
Provincial Grants (Note 3)	200	173	(27)	-13.5%	26 931	26 233	(698)	-2.6%	26 828	26 253	(575)	-2.1%	27 273	26 987	(286)	-1.0%
Other Revenue (Notes 4 and 12)	2 649	2 145	(504)	-19.0%	25 887	25 769	(118)	-0.5%	24 930	24 548	(382)	-1.5%	27 131	27 145	14	0.1%
<b>Total Revenue</b>	<b>4 407</b>	<b>3 656</b>	<b>(751)</b>	<b>-17.0%</b>	<b>85 273</b>	<b>82 881</b>	<b>(2 392)</b>	<b>-2.8%</b>	<b>88 686</b>	<b>83 795</b>	<b>(4 891)</b>	<b>-5.5%</b>	<b>92 596</b>	<b>88 051</b>	<b>(4 545)</b>	<b>-4.9%</b>
<b>Expenditures</b>																
<b>Personnel</b>																
Salary and benefits (Note 5)	38 122	40 510	(2 388)	-6.3%	260 586	256 135	4 451	1.7%	287 711	285 956	1 755	0.6%	314 691	317 416	(2 725)	-0.9%
EPS Overtime (Note 6a)	765	1 292	(527)	-68.9%	9 316	9 557	(241)	-2.6%	9 615	9 583	32	0.3%	10 614	10 412	202	1.9%
External Overtime (Note 6b)	36	62	(26)	-72.2%	408	334	74	18.1%	396	554	(158)	-39.9%	432	604	(172)	-39.8%
	<b>38 923</b>	<b>41 864</b>	<b>(2 941)</b>	<b>-7.6%</b>	<b>270 310</b>	<b>266 026</b>	<b>4 284</b>	<b>1.6%</b>	<b>297 722</b>	<b>296 093</b>	<b>1 629</b>	<b>0.5%</b>	<b>325 737</b>	<b>328 432</b>	<b>(2 695)</b>	<b>-0.8%</b>
<b>Non-Personnel</b>																
Furniture, equipment, IT, materials and supplies (Note 7)	807	1 288	(481)	-59.6%	11 567	12 065	(498)	-4.3%	11 712	11 572	140	1.2%	12 697	14 430	(1 733)	-13.6%
Contracts and services (Note 8)	1 545	1 963	(418)	-27.1%	17 311	16 515	796	4.6%	17 545	17 810	(265)	-1.5%	20 931	20 851	80	0.4%
Vehicles (Note 9)	619	643	(24)	-3.9%	6 613	6 351	262	4.0%	6 723	7 035	(312)	-4.6%	7 373	7 706	(333)	-4.5%
Facilities (Note 10)	1 512	1 553	(41)	-2.7%	15 290	14 408	882	5.8%	15 871	14 837	1 034	6.5%	17 592	16 952	640	3.6%
Other Expenditures (Note 11)	191	268	(77)	-40.3%	3 890	3 626	264	6.8%	4 013	3 676	337	8.4%	4 658	4 148	510	10.9%
	<b>4 674</b>	<b>5 715</b>	<b>(1 041)</b>	<b>-22.3%</b>	<b>54 671</b>	<b>52 965</b>	<b>1 706</b>	<b>3.1%</b>	<b>55 864</b>	<b>54 930</b>	<b>934</b>	<b>1.7%</b>	<b>63 251</b>	<b>64 087</b>	<b>(836)</b>	<b>-1.3%</b>
<b>Total Expenditures (Note 13)</b>	<b>43 597</b>	<b>47 579</b>	<b>(3 982)</b>	<b>-9.1%</b>	<b>324 981</b>	<b>318 991</b>	<b>5 990</b>	<b>1.8%</b>	<b>353 586</b>	<b>351 023</b>	<b>2 563</b>	<b>0.7%</b>	<b>388 988</b>	<b>392 519</b>	<b>(3 531)</b>	<b>-0.9%</b>
Position before Adjustments	39 190	43 923	(4 733)	-12.1%	239 708	236 110	3 598	1.5%	264 900	267 228	(2 328)	-0.9%	296 392	304 468	(8 076)	-2.7%
Tangible Capital Assets Budget adjustment (Note 14)													9 722	9 722	-	0.0%
<b>Net Position</b>	<b>\$ 39 190</b>	<b>\$ 43 923</b>	<b>\$ (4 733)</b>	<b>-12.1%</b>	<b>\$ 239 708</b>	<b>\$ 236 110</b>	<b>\$ 3 598</b>	<b>1.5%</b>	<b>\$ 264 900</b>	<b>\$ 267 228</b>	<b>\$ (2 328)</b>	<b>-0.9%</b>	<b>\$ 306 114</b>	<b>\$ 314 190</b>	<b>\$ (8 076)</b>	<b>-2.6%</b>

	<b>2016 Pending Budget Transfers</b>			
Dec	Bylaw Supplemental Budget Adj	1 280	-	<u>1 280</u>
				<u>(6 796)</u> -2.2%

## Edmonton Police Service

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

For the Period Ended November 30<sup>th</sup> 2016**1. Traffic Safety Act (TSA) Fines Revenue**

**Year to Date** – The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an estimated 10 percent increase of tickets issued by Police members and the Provincial decision to increase rates.

**Forecast** – Same as for the year to date.

**2. Transfer from Reserve - Office of Traffic Safety (OTS)**

**Year to Date** – Transfers from the OTS occur on a quarterly basis with the forth and final quarter completed in October.

**Forecast** – No variance is expected.

**3. Provincial Grants**

**Year to Date** – There has been less E911 Grant revenue recognized offset by lower non-personnel expenses.

**Forecast** – Expect to recognize lower Municipal Policing Assistance Grant (MPAG) revenues as payment was based on 2014 Census data, and lower E911 Grant revenues associated with the Police Communication Branch (PCB) revitalization project.

**4. Other Revenue**

**Year to Date** – The under budget position is primarily due to lower bylaw revenues. A new system allows the City of Edmonton to better allocate provincial revenue to the initiator of that revenue (previously, EPS was the default for these Bylaw fine revenues). Lower overall Secondment recoveries due to 10 vacancies in ALERT (offset by lower personnel costs) also contribute to an under budget position. This is offset by EPS recovering costs for the wildfires from the Province, increased Police Information Checks (PIC), towing revenues, and various grants and fees.

**Forecast** – Slightly over budget.

## 5. Salary and Benefits

**Year to date** – Under budget primarily as a result of Workers Compensation Board (WCB) Partners In Rebate (PIR) and Dividends distribution, lower statutory holiday pay and court costs.

**Forecast** – Over budget due to the Edmonton Police Association (EPA) contract settlement. This is partially offset by WCB PIR and Dividends distribution, lower statutory holiday pay and court costs.

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

Attrition	November	November YTD	Full Year
Original Projection	6	63	70
Actual & Updated Projection	5	61	70

As of December 08, 2016, thirty-five sworn members have tendered their resignation, and twenty-nine announced their retirement for an attrition total of sixty-four. Of these, sixty-one were no longer on the payroll as of November 30, 2016.

### 6a. EPS Overtime

**Year to date** – Underspend as a result of limited need of resources at West Edmonton Mall due to the closure of some establishments , budgets being held for various operational projects confirmed to occur in last quarter, and Beat position vacancies for the Downtown Revitalization. This is being offset by costs associated with EPS assistance with Fort McMurray wildfires, and retroactive payments resulted from the EPA contract settlement.

**Forecast** – Same as the year to date.

### 6b. External Overtime

**Year to date** – Overspend as a result of more overtime required in ALERT (RCMP Assistance) offset by greater revenues.

**Forecast** – Same as the year to date.

## 7. Furniture, Equipment, IT, Materials and Supplies

**Year to date** – Underspent mainly due to the timing on the ordering and delivery of equipment and supplies.

**Forecast** – An over spend is projected mainly due to the PCB Revitalization Project, which is offset by an underspend in personnel (excluding EPA settlement), underspend in contracts & services and additional Provincial E911 Grants revenue recognized. One-time purchases identified through critical unfunded initiatives also contribute to an overspent projection.

**8. Contracts & Services**

**Year to date** – Over budget due to higher counseling costs, and one-time purchases identified through critical unfunded initiatives. This is being offset by less expenditures for the E911 Grant (offset by lower revenues recognized), late recruitment of paramedic resources for the Detention Management Unit, less than anticipated snow removal charges, and timing on various contracts.

**Forecast** – Slightly under budget.

**9. Vehicle Costs**

**Year to date** – Over budget primarily due to higher maintenance and collision repairs cost.

**Forecast** – Same as the year to date.

**10. Facilities**

**Year to Date** – Under budget due to less than budgeted custodial and maintenance costs as well as fluctuation in utility rates and consumption.

**Forecast** – Same as the year to date, offset by construction costs associated with PCB Revitalization Project, which is offset by an underspend in personnel (excluding EPA settlement) .

**11. Other Expenditures**

**Year to Date** – Under budget primarily as a result of lower annual insurance premium, and higher than expected recoveries on insurance claims.

**Forecast** – Same as the year to date.

**12. Other Revenue**

Other Revenue includes revenue received from other City of Edmonton departments for Extra Duty policing.

**13. Accruals**

The total Operating non-personnel accruals for November amounted to \$2.3 million (rounded).

**14. Tangible Capital Assets**

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