



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2021 May 3

SUBJECT: Budget Variance for the Period Ending March 31, 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 March 31, 2021.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending March 31, 2021 indicate a net deficit position of \$5.280 million or 5.43% (revenue shortfall of \$2.358 million and an expense overspend of \$2.922 million).

The overspend in Personnel expense is primarily the result of higher salary costs due to decreases in vacation taken, offset by lower Community Policing overtime.

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

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 \$0.585 million for personal protective equipment purchases and facility cleaning protocols related to COVID-19.

Capital Results

This is the third year of the four-year Capital budget (2019 to 2022) and the results indicate a projected budget carry forward to 2022 of \$5.199 million. The carry forward is related to Northwest Campus legal fees and holdbacks and Information Technology infrastructure storage and backup hardware solution.

CONCLUSION:

The year-end forecast projects an operating deficit of \$4.815 million. This is the result of projected revenue shortfalls and increased personnel costs due to less vacation taken.

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

ADDITIONAL INFORMATION ATTACHED:

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures
Attachment 2 – Capital Budget Performance

Written By: Kathryn REYNOLDS, Director, Financial Management Branch

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

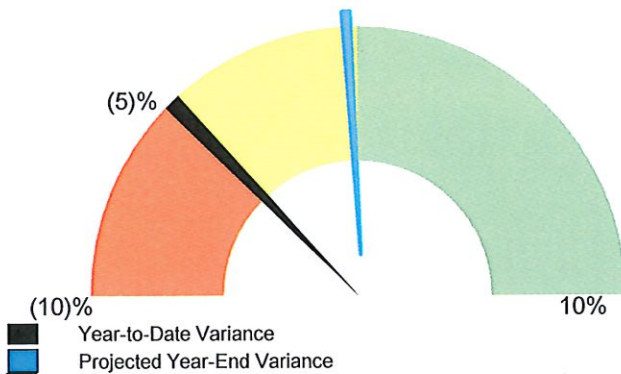
Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau 

Chief of Police:  _____

Date: May 4, 21 _____

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending March 31, 2021

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



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	19,233	16,875	(2,358)	-12.3%
Personnel	97,219	102,140	(4,921)	-5.1%
Non-Personnel	19,286	17,287	1,999	10.4%
Expense	116,505	119,427	(2,922)	-2.5%
Net Position	97,272	102,552	(5,280)	-5.4%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	99,153	95,569	(3,584)	-3.6%
Personnel	386,187	388,716	(2,529)	-0.7%
Non-Personnel	78,962	77,664	1,298	1.6%
Expense	465,149	466,380	(1,231)	-0.3%
TCA (Note 1)	17,814	17,814	-	0.0%
Transfer to/(from)				
EPS Reserve (Note)	-	(4,494)	4,494	
Net Position	383,810	384,131	(321)	-0.1%

Year-to Date

Revenue - The under budget position is the result of the cancellation of the School Resource Officer program by the Edmonton Public School Board until the end of the 2020-21 school year. Less demand for Extra Duty services and fewer tows of seized vehicles, offset by lower contract and service costs, are also contributing to the decrease in revenue. Lower Traffic Safety Act revenues are due to a lower number of tickets issued. Compared to the same period in 2020, there have been approximately 4% less tickets issued in 2021.

Personnel - The over budget position is due to higher salary costs because of less vacation taken and less attrition than anticipated. 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.

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

Non-Personnel - The same as year to date offset by required COVID-19 personal protective equipment purchases and the costs associated with the new Rapid DNA subscription service.

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:

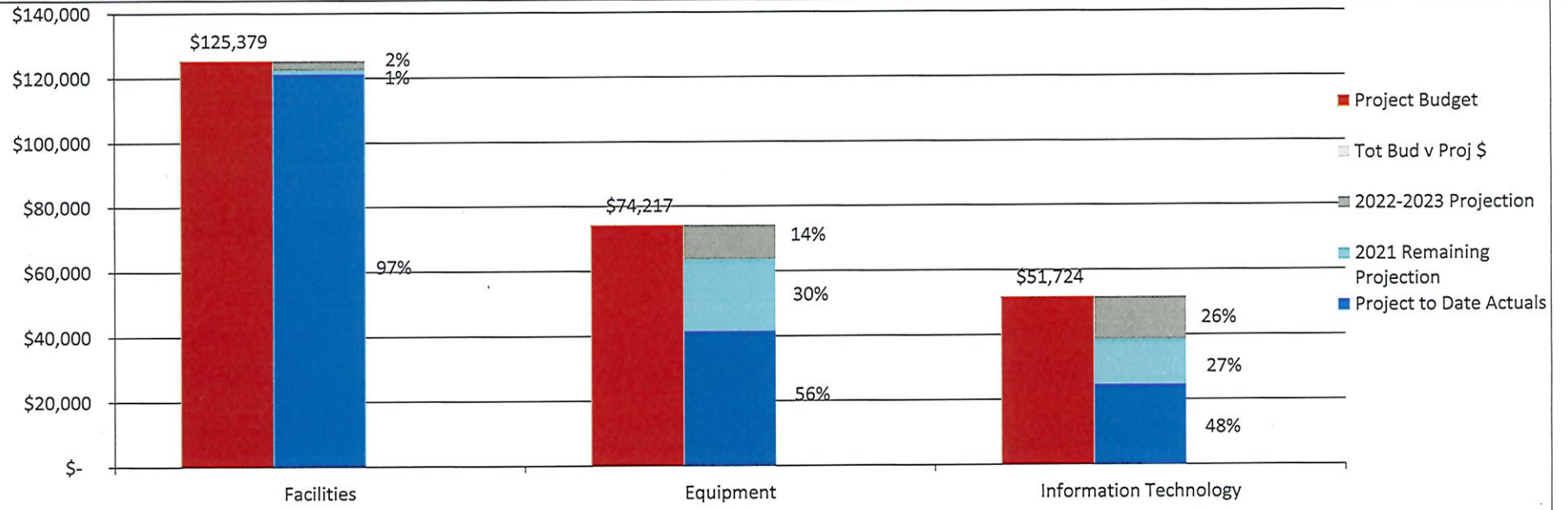
- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million

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	18,246	16,228	(2,018)	-11.1%	Revenue	96,946	92,862	(4,084)	3.8%
Expense	113,458	115,377	(1,919)	-1.7%	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	95,212	99,149	(3,937)	-4.1%	Net Position	377,007	377,007	-	0.0%

Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending March 31, 2021 (\$000's)

Profile Category	2021 Actuals	Project To Date Actuals	2021 Projection	2022-2023 Projection	Total Projection	Approved Budget Prior Years	2021 Approved Budget	2022-2023 Approved Budget	Total Approved Budget	Total Bud vs Proj \$
Facilities (Note 1)	\$ 370	\$ 121,415	\$ 1,384	\$ 2,950	\$ 125,379	\$ 121,045	\$ 4,334	\$ -	\$ 125,379	\$ -
Equipment (Note 2)	\$ 1,536	\$ 41,498	\$ 23,543	\$ 10,712	\$ 74,217	\$ 39,962	\$ 23,543	\$ 10,712	\$ 74,217	\$ -
Information Technology (Note 3)	\$ 1,878	\$ 24,602	\$ 15,781	\$ 13,219	\$ 51,724	\$ 22,724	\$ 18,029	\$ 10,971	\$ 51,724	\$ -
	\$ 3,784	\$ 187,515	\$ 40,708	\$ 26,881	\$ 251,320	\$ 183,731	\$ 45,906	\$ 21,683	\$ 251,320	\$ -



**Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending March 31, 2021**

1 Facilities

- Northwest Campus opened in Q1 2021. There is some additional equipment and security access system modifications outstanding. It is anticipated that budget of \$2.950M will be carried forward to 2022 for legal fees and holdbacks.
- Westwood Central Stores has some minor work remaining and equipment purchases to be made and the facility will be operational in Q2 2021. There may be an underspend, but will be finalized in the next quarter.

2 Equipment

- The Emergency Communication Centre IP Call Handling Project architecture and design work is 95% complete. The training and test plans are nearly completed and the vendor is scheduled to install equipment at EPS in Q3 2021. The go-live date for the project is expected to be Q4 of 2021.
- The Public Safety Radio Network project has completed decommissioning and testing of software updates is in progress. Remaining work is expected to be completed in Q2 2021. There is an estimated overspend of \$0.100 million due to schedule delays and scope changes for the NICE audio recorder. Budget may be transferred from the Radio Lifecycle profile.
- Delivery of vehicle orders are delayed due to manufacturing shutdowns and may not be received until later in the year. Projections indicate the budget is on target.
- The Request for Proposal (RFP) for In-Car Video is being reviewed and expected to be released in Q2 2021. Implementation is planned for the last quarter of 2021. Current projections indicate that the project is on target.
- The scope and implementation plan of the Automated Fingerprint Identification System (AFIS) is in progress. EPS is working with Calgary Police Service for scoring the RFP and evaluation is complete. The RFP is expected to be awarded by Q3 2021.

3 Information Technology

- IT Application and Infrastructure Sustainment major expenditures include e-Ticketing and Facial Recognition. Current projections indicate \$2.249 million may be carried forward to 2022, the majority of which is for the infrastructure storage hardware solution.
- A 2021 Spring Supplemental Capital Budget Adjustment (SCBA) is requested for the new profiles Enterprise Commons and CAD-RMS Integration, Modernization & Maximization (CRIMM) and budget has been transferred. Expenditures to date are information technology and business resources.