



# EDMONTON POLICE SERVICE

## REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2022 July 4

**SUBJECT:** Budget Variance for the Period Ending May 31, 2022

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### 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 May 31, 2022.

### COMMENTS / DISCUSSION:

#### **Operating Results**

The operating results for the period ending May 31, 2022 indicate a net deficit position of \$4.669 million or 2.8% (revenue shortfall of \$2.927 million and an expense overspend of \$1.742 million).

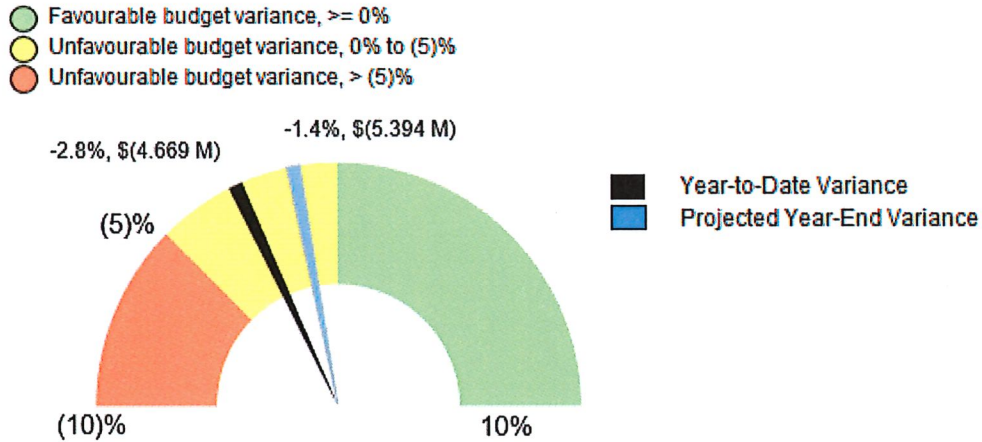
The revenue shortfall is primarily due to fewer Traffic Safety Act fine tickets issued and lower demand for several EPS services.

The overspend in Personnel expense is primarily the result of maintaining minimum staffing models due to COVID-19.

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

**CONCLUSION:**

The year-end forecast projects an operating deficit of \$5.394 million (\$2.499 million overspend from current year operations, further increased by the Operating Reserve deficit of \$2.895 million).



**ADDITIONAL INFORMATION ATTACHED:**

Attachments:

1. Operating Budget Variance by Major Category of Revenue & Expenditures
2. Explanation of Variances by Major Category of Expenditures and Revenues

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Date: July 4/22



Enyinnah Okere  
Chief Operations Office  
Community Safety and  
Well-being Bureau

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenues & Expenditures**  
**For the Period Ending May 31, 2022**  
**(\$000's)**

	Current Period				2021 Year to Date				2022 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)	\$ 1,102	\$ 754	\$ (348)	-31.6%	\$ 5,285	\$ 4,309	\$ (976)	-18.5%	\$ 5,201	\$ 3,294	\$ (1,907)	-36.7%	\$ 11,198	\$ 7,773	\$ (3,425)	-30.6%
Transfer from Reserve (OTS) (Note 2)	-	-	-		11,146	11,146	-	0.0%	11,146	11,146	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	308	411	103	33.4%	1,539	1,410	(129)	-8.4%	1,542	1,706	164	10.6%	29,757	30,984	1,227	4.1%
Other Revenue (Notes 4 and 12)	\$ 2,803	\$ 2,773	\$ (30)	-1.1%	\$ 14,089	\$ 12,487	\$ (1,602)	-11.4%	\$ 14,786	\$ 13,603	\$ (1,184)	-8.0%	\$ 34,553	\$ 34,613	\$ 60	0.2%
Secondments	1,260	1,179	(81)	-6.4%	5,603	5,969	366	6.5%	5,912	5,808	(104)	-1.8%	13,687	13,826	139	1.0%
Tow Lot	596	504	(92)	-15.4%	2,917	2,199	(718)	-24.6%	2,979	2,401	(579)	-19.4%	7,150	6,997	(153)	-2.1%
PICS and Alarm Control	560	556	(4)	-0.7%	2,204	2,246	42	1.9%	2,683	2,498	(184)	-6.9%	6,785	6,732	(53)	-0.8%
Extra Duty	220	203	(17)	-7.7%	1,254	81	(1,173)	-93.6%	1,254	511	(743)	-59.3%	3,349	3,349	-	0.0%
E911 Fees	113	98	(15)	-13.2%	729	551	(178)	-24.4%	563	509	(53)	-9.5%	1,350	1,215	(135)	-10.0%
School Resource Officer (SRO)	-	8	8		495	505	10	1.9%	595	545	(51)	-8.5%	818	978	160	19.5%
Other	54	225	171	314.1%	886	936	50	5.6%	800	1,331	530	66.3%	1,413	1,516	103	7.3%
<b>Total Revenue</b>	<b>4,213</b>	<b>3,938</b>	<b>(275)</b>	<b>-6.5%</b>	<b>32,059</b>	<b>29,352</b>	<b>(2,707)</b>	<b>-8.4%</b>	<b>32,675</b>	<b>29,749</b>	<b>(2,927)</b>	<b>-9.0%</b>	<b>97,800</b>	<b>95,662</b>	<b>(2,138)</b>	<b>-2.2%</b>
<b>Expense</b>																
<b>Personnel</b>																
Salary and benefits (Note 5)	33,062	33,634	(572)	-1.7%	161,305	166,054	(4,749)	-2.9%	164,539	164,658	(119)	-0.1%	383,457	383,350	107	0.0%
EPS Overtime (Note 6a)	762	1,182	(420)	-55.1%	3,729	3,519	210	5.6%	3,777	5,812	(2,035)	-53.9%	10,140	13,028	(2,888)	-28.5%
External Overtime (Note 6b)	34	39	(5)	-15.1%	170	503	(333)	-195.9%	170	139	31	18.2%	407	298	109	26.8%
	<b>33,858</b>	<b>34,855</b>	<b>(997)</b>	<b>-2.9%</b>	<b>165,204</b>	<b>170,076</b>	<b>(4,872)</b>	<b>-2.9%</b>	<b>168,486</b>	<b>170,609</b>	<b>(2,123)</b>	<b>-1.3%</b>	<b>394,004</b>	<b>396,676</b>	<b>(2,672)</b>	<b>-0.7%</b>
<b>Non-Personnel</b>																
Furniture, equipment, IT, materials and supplies (Note 7)	1,248	1,533	(285)	-22.8%	7,033	6,549	484	6.9%	7,836	8,807	(971)	-12.4%	16,670	16,729	(59)	-0.4%
Contracts and services (Note 8)	1,978	1,905	73	3.7%	9,923	8,492	1,431	14.4%	10,276	9,735	541	5.3%	27,445	27,057	388	1.4%
Vehicles (Note 9)	762	544	218	28.6%	3,627	3,588	39	1.1%	3,463	3,762	(299)	-8.6%	8,652	9,022	(370)	-4.3%
Facilities (Note 10)	1,770	1,682	88	5.0%	9,224	8,688	536	5.8%	8,856	8,411	445	5.0%	24,337	22,040	2,297	9.4%
Other Expenditures (Note 11)	280	96	184	65.6%	1,692	921	771	45.6%	1,623	959	665	41.0%	5,198	5,143	55	1.1%
	<b>6,038</b>	<b>5,760</b>	<b>278</b>	<b>4.6%</b>	<b>31,499</b>	<b>28,238</b>	<b>3,261</b>	<b>10.4%</b>	<b>32,054</b>	<b>31,674</b>	<b>381</b>	<b>1.2%</b>	<b>82,302</b>	<b>79,991</b>	<b>2,311</b>	<b>2.8%</b>
<b>Total Expense</b>	<b>39,896</b>	<b>40,615</b>	<b>(719)</b>	<b>-1.8%</b>	<b>196,703</b>	<b>198,314</b>	<b>(1,611)</b>	<b>-0.8%</b>	<b>200,540</b>	<b>202,283</b>	<b>(1,742)</b>	<b>-0.9%</b>	<b>476,306</b>	<b>476,667</b>	<b>(361)</b>	<b>-0.1%</b>
<b>Position before Adjustments</b>	<b>35,683</b>	<b>36,677</b>	<b>(994)</b>	<b>-2.8%</b>	<b>164,644</b>	<b>168,962</b>	<b>(4,318)</b>	<b>-2.6%</b>	<b>167,865</b>	<b>172,534</b>	<b>(4,669)</b>	<b>-2.8%</b>	<b>378,506</b>	<b>381,005</b>	<b>(2,499)</b>	<b>-0.7%</b>
Tangible Capital Assets Budget adjustment (Note 13)													6,304	6,304	-	0.0%
Transfer to/(from) EPS Reserve (Note 14)													-	2,895	(2,895)	
<b>Net Position</b>	<b>\$ 35,683</b>	<b>\$ 36,677</b>	<b>\$ (994)</b>	<b>-2.8%</b>	<b>\$ 164,644</b>	<b>\$ 168,962</b>	<b>\$ (4,318)</b>	<b>-2.6%</b>	<b>\$ 167,865</b>	<b>\$ 172,534</b>	<b>\$ (4,669)</b>	<b>-2.8%</b>	<b>\$ 384,810</b>	<b>\$ 390,204</b>	<b>\$ (5,394)</b>	<b>-1.4%</b>

Other Revenue includes 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 May 31, 2022

**1. Traffic Safety Act (TSA) Fines Revenue**

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

**Year to Date** – Under budget as a result of lower than expected number of tickets issued. As courts reopen from the pandemic, Traffic members are spending increased time in court to address prior year incidents, which has resulted in a decline of issued tickets. In addition, members have further been diverted to other operations which further decreases tickets issued. If volumes increase, collections can continue to be delayed.

**Forecast** – Same as year to date.

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

Transfers from the Traffic Safety and Automated Enforcement Reserve (TSAER). Transfers were approved as part of the 2019-2022 operating budget, in addition to the annual tax levy funding provided by the City.

**Year to Date** – Quarterly transfers from the OTS and the second payment was received in April.

**Forecast** – No variance is expected.

**3. Provincial Grants**

Provincial Grants include the Policing Support Grant which combines the former Municipal Policing Assistance Grant and the Police Officer Grant. Other grants include the E911 Grant, Victim Services Grant, Drug Impairment Grant, Indigenous Grant, HELP Grant, and Virtual Opioid Dependency Program Grant.

**Year to Date** – There have been less E911 Grant revenues recognized year to date, which is offset by receipt of the Drug Impaired Training program and HELP program Grants.

**Forecast** – Projected to be over budget due to the new provincial Grants for the HELP and Virtual Opioid Dependency programs.

#### 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 under budget position is the result of less demand for Extra Duty services and fewer tows of seized vehicles, which are offset by lower contracts and service expenses.

**Forecast** – The same as year to date, offset by increased revenue for external recruit trainees, and Secondment Revenue.

#### 5. Salary and Benefits

Wages and Benefits for all EPS employees based on collective bargaining agreements.

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 as a result of higher salary and benefit expenses across the organization.

**Forecast** – Under budget due to a projected increase in vacation taken, offset by anticipated Collective Bargaining Agreement settlements.

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

Attrition	May	May YTD	Full Year
Original Projection	5	25	60
Actual & Updated Projection	7	39	70

As of June 20, 2022, twenty-one sworn members tendered their resignation and thirty-six announced their retirement, for an attrition total of fifty-eight. Of these, thirty-nine were no longer on the payroll as of May 31, 2022.

**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 in the Community Policing Bureau (CPB), and the Emergency Communication and Operations Management Branch (ECOMB). Also contributing to the over budget position are increased costs required for staffing the Freedom Convoys and NHL playoffs.

**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 under budget.

**Forecast** – The same as year to date.

**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 purchase of IT equipment.

**Forecast** – Projected to be over budget due to the costs associated with the Rapid DNA Subscription offset by favourable contract and services expense.

**8. Contracts & Services**

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, HELP navigators, Legal Services, and Psych Counseling.

**Year to date** – Under budget due to the timing of expenses, and less demand for Extra Duty and Tow Lot services which are offset by lower revenues.

**Forecast** – The same as year to date.

**9. Vehicle Costs**

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

**Year to date** – Over budget due to increased fuel costs.

**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 than anticipated custodial and maintenance charges from the City of Edmonton.

**Forecast** – The same as above and funds held for the Public Private Partnership (P3) initiative to operate a future Training Facility.

**11. Other Expenditures**

This category includes travel and training expenditures, insurance premiums, debt servicing costs, and memberships.

**Year to Date** – Under budget primarily due to delays in travel and training.

**Forecast** – The same as year to date, partially offset by lower than anticipated insurance recoveries for damaged vehicles.

**12. Other Revenue**

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

**13. Tangible Capital Assets**

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

**14. 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.

The balance in the EPS Operating Reserve as of December 31, 2021 is a deficit of \$2.895 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