



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2021 January 4

SUBJECT: Budget Variance for the Period Ending November 30, 2020

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 November 30, 2020.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending November 30, 2020 indicate a net surplus position of \$2.483 million or 0.8% mainly due to an underspend in non-personnel of \$6.561 million. This is partially offset by a shortfall in revenue of \$3.532 million and an overspend in personnel of \$0.546 million.

The overbudget position in Personnel is primarily the result of higher salary costs due to decreases in vacation taken, higher part time and overtime costs in the Police Communications Branch resulting from 911 position civilianization, and Edmonton Police Association personnel being over strength at the start of the year, largely offset by lower Community Policing Overtime costs.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower demand for Extra Duty services, delays in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives and lower expenses for forensic biology related services.

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

COVID-19 Financial Impact

The impact to EPS' year-end projection includes \$8.052 million for increased operating expenses and revenue shortfalls.

CONCLUSION:

The year-end forecast projects an operating surplus of \$0.324 million which includes the savings in non-personnel and overtime costs and EPA collective bargaining where the increase is effective December 2020. This is offset by the projected over-spend in Personnel costs and the impact of COVID-19. In accordance with EPS Reserve Policy, this surplus will be added to the EPS Operating Reserve.

ADDITIONAL INFORMATION ATTACHED:

Attachment I - Budget Variance by Major Category of Revenue & Expenditures

Written By: Kathryn REYNOLDS, Director, Financial Management Branch 

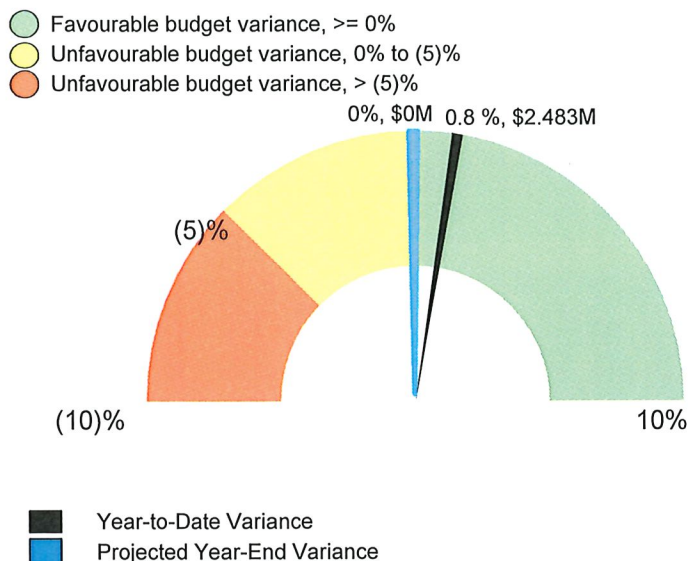
Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division 

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

Chief of Police:  _____

Date: January 4, 21

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending November 30, 2020



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	92,806	89,274	(3,532)	-3.8%
<i>Personnel</i>	345,953	346,499	(546)	-0.2%
<i>Non-Personnel</i>	69,784	63,223	6,561	9.4%
Expense	415,737	409,722	6,015	1.4%
Net Position	322,931	320,448	2,483	0.8%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96,904	92,451	(4,453)	-4.6%
<i>Personnel</i>	381,623	385,445	(3,822)	-1.0%
<i>Non-Personnel</i>	80,009	71,410	8,599	10.7%
Expense	461,632	456,855	4,777	1.0%
TCA (Note 1)	11,213	11,213	-	0.0%
Transfer to/(from)				
EPS Reserve (Note)	-	324	(324)	0.0%
Net Position	375,941	375,941	0	0.0%

Year-to Date

Revenue - The under budget position is the result of less demand for Extra Duty services because of the cancellation of several events and fewer tows of seized vehicles, offset by lower contract and service costs. There is also lower demand for Police Information Checks (PICS). Lower Traffic Safety Act revenues are due to a lower number of tickets issued. The Municipal Policing Assistance Grant received was higher than anticipated. There have been less E911 Grant related costs resulting in less revenue recognized to date.

Personnel - The over budget position is due to higher salary costs because of decreases in vacation taken, higher part time costs in the Police Communications Branch (PCB) resulting from 911 position civilianization, and Edmonton Police Association personnel being over strength at the beginning of the year. Overtime is under budget because of favourable staffing or deployment models in the Community Policing Bureau, partially offset by higher overtime costs in PCB and the COVID-19 pandemic response to meet minimum staffing and operational requirements. Conversely, City of Edmonton Council ratified the two-year Collective Agreement with Civic Service Union 52 at 0% increase resulting in savings.

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 spend are the lower than expected expense for forensic biology related services, and the delay in the Human-centered Engagement and Liaison Partnership (HELP) program initiatives. Travel and training, building maintenance and custodial costs are also lower than anticipated. Supplies and equipment are over budget in response to the COVID-19 pandemic and additional costs are being incurred for PICS online service and credit card processing fees.

Projected Year-End

Revenue - The same as year to date. The projection for PICS revenue includes the impact of the increase in the online rate, which is offset by online service and credit card processing fees.

Personnel - The same as year to date partially offset by the collective bargaining settlement where the increase is effective December 2020.

Non-Personnel - Under budget as organizational opportunities have been held to manage pressures such as COVID-19 pandemic response.

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. Balance in the EPS Reserve as at December 31, 2019 was \$2.245 million. During the 2020 Spring SCBA, \$2.179 million was transferred to the EPS Reserve for Alberta First Responders Radio Communications System (AFRRS). The total balance of the EPS Reserve as at August 31, 2020 was \$4.246 million (\$2.001 million is restricted).

	2019 Year-to-Date				2019 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	79,356	78,629	(727)	-0.9%	Revenue	96,957	94,470	(2,487)	3.8%
Expense	399,583	397,676	1,907	0.5%	Expense	454,581	451,011	3,570	0.8%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%	Transfer to/from EPS Reserve (Note 2)	-	1,083	(1,083)	0.0%
Net Position	320,227	319,047	1,180	0.4%	Net Position	357,624	357,624	-	-0.8%