



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2021 May 31

**SUBJECT:** Budget Variance for the Period Ending April 30, 2021

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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 as of April 30, 2021.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending April 30, 2021 indicate a net deficit position of \$5.473 million or 4.2% (an expense overspend of \$3.270 million and revenue shortfall of \$2.203 million).

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

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.

### CONCLUSION:


The year-end forecast projects an operating deficit of \$4.256 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 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 

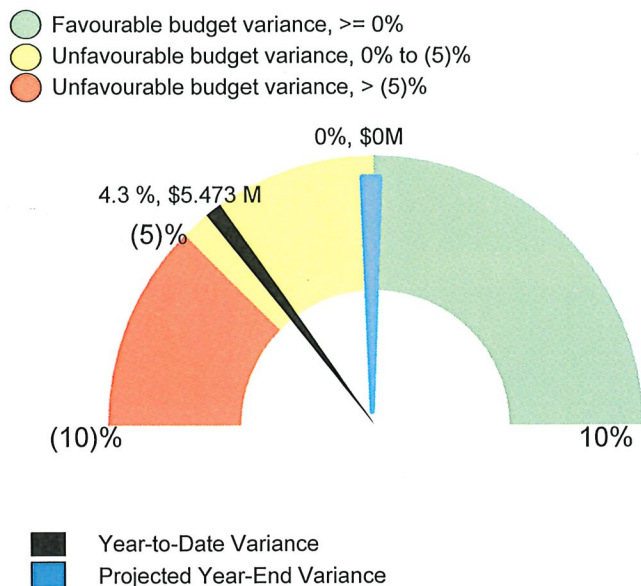
Reviewed By: *KATHRYN REYNOLDS T/A FOR:* Robert DAVIDSON, Executive Director, Business Development Division 

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

Chief of Police:  \_\_\_\_\_

Date: May 27, 21

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending April 30, 2021**



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	27,995	25,792	(2,203)	-7.9%
<i>Personnel</i>	131,399	137,322	(5,923)	-4.5%
<i>Non-Personnel</i>	25,509	22,856	2,653	10.4%
Expense	156,908	160,178	(3,270)	-2.1%
Net Position	128,913	134,386	(5,473)	-4.2%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	99,153	95,293	(3,860)	-3.9%
<i>Personnel</i>	386,121	388,674	(2,553)	-0.7%
<i>Non-Personnel</i>	79,029	76,872	2,157	2.7%
Expense	465,150	465,546	(396)	-0.1%
TCA (Note 1)	17,814	17,814	-	0.0%
Transfer to/(from) EPS				
Reserve (Note 2)	-	(4,256)	4,256	
Net Position	383,811	383,811	-	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 compared to the same period in 2020, there have been approximately 3% less tickets issued in 2021. Secondment revenue for Alberta Law Enforcement Response Teams (ALERT) is favorable, offset by increased personnel costs.

**Personnel** - The over budget position is due to higher salary costs because of less vacation taken and less attrition than anticipated. Increased personnel costs for ALERT, which are offset by increased revenue, are also contributing to the unfavorable position. Overtime is under budget because of favourable staffing or deployment models in the Community Policing and Investigations and Support Services Bureaus.

**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 however vacation taken is projected to improve.

**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.

	2020 Year-to-Date				2020 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	28,375	25,437	(2,939)	-10.4%	Revenue	96,946	92,862	(4,084)	3.8%
Expense	153,332	156,212	(2,879)	-1.9%	Expense	473,953	467,620	6,333	1.3%
Transfer to/from EPS	-	-	-	0.0%	Transfer to/from EPS	-	2,249	(2,249)	0.0%
Reserve (Note 2)					Reserve (Note 2)				
Net Position	124,957	130,775	(5,818)	-4.7%	Net Position	377,007	377,007	-	0.0%

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending April 30, 2021**

**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.