



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2022 May 30

**SUBJECT:** Budget Variance for the Period Ending April 30, 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 April 30, 2022.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending April 30, 2022 indicate a net deficit position of \$3.680 million or 2.8% (revenue shortfall of \$2.654 million and an expense overspend of \$1.026 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 I.

**CONCLUSION:**

The year-end forecast projects an operating deficit of \$2.376 million (\$0.519 million underspend from current year operations, partially offset by the Operating Reserve deficit of \$2.895 million).

**ADDITIONAL INFORMATION ATTACHED:**

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

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*I.P.*

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*RD*

Approved By: AI MURPHY, Deputy Chief, Corporate Services Bureau

*AM*

Chief of Police:

*RA*



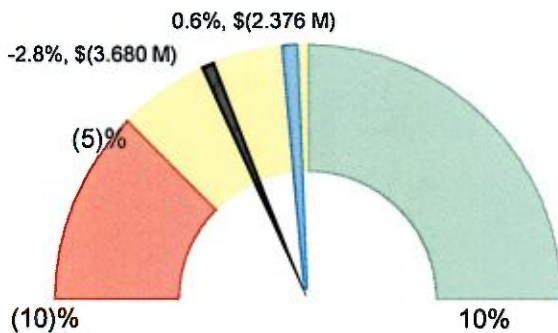
Ron Anderson  
Chief Innovation &  
Technology Officer

Date:

*May 30/2022*

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending April 30, 2022**

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



- Year-to-Date Variance
- Projected Year-End Variance

	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	28,462	25,808	(2,654)	-9.3%
<i>Personnel</i>	134,623	135,755	(1,132)	-0.8%
<i>Non-Personnel</i>	26,020	25,914	106	0.4%
Expense	160,643	161,669	(1,026)	-0.6%
Net Position	132,181	135,861	(3,680)	-2.8%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	97,800	95,643	(2,157)	-2.2%
<i>Personnel</i>	393,993	392,691	1,302	0.3%
<i>Non-Personnel</i>	82,324	80,950	1,374	1.7%
Expense	476,317	473,641	2,676	0.6%
TCA (Note 1)	6,293	6,293	-	0.0%
Transfer to/(from) EPS				
Reserve (Note 2)	-	2,895	(2,895)	
Net Position	384,810	387,186	(2,376)	-0.6%

### Year-to Date

**Revenue** - The under budget position is the result of lower Traffic Safety Act revenues due to a lower number of tickets issued. Also contributing to this position is less demand for Extra Duty Services, and fewer tows of seized vehicles offset by lower non-personnel expenses.

**Personnel** - The over budget position is due to increased overtime to maintain minimum staffing within the Community Policing Bureau (CPB), and the Emergency Communication and Management Branch (ECOMB).

**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 are lower maintenance, custodial, travel, and training costs.

### Year-End Projection

**Revenue** - The same as year to date, partially offset by a projected increases due to new Provincial Grants for the HELP and Virtual Opioid program.

**Personnel** - The under budget position is due to a projected increase in vacation taken partially offset by higher overtime due to maintaining minimum staffing and NHL Playoffs.

**Non-Personnel** - The same as year to date.

	2021 Year-to-Date				2021 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	27,995	25,792	(2,203)	-7.9%	Revenue	100,214	92,899	(7,315)	-7.3%
Expense	156,908	160,178	(3,270)	-2.1%	Expense	488,832	488,906	(74)	0.0%
Transfer to/from EPS	-	-	-	0.0%	Transfer to/from EPS	-	(7,389)	7,389	0.0%
Reserve (Note 2)					Reserve (Note 2)				
Net Position	128,913	134,386	(5,473)	-4.2%	Net Position	388,618	388,618	-	0.0%

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending April 30, 2022**

**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 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 at 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