



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 October 3

SUBJECT: Budget Variance for the Period Ending August 31, 2022

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 August 31, 2022.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending August 31, 2022 indicate a net surplus position of \$1.900 million or 0.7% (revenue shortfall of \$2.124 million offset by an expense underspend of \$4.024 million).

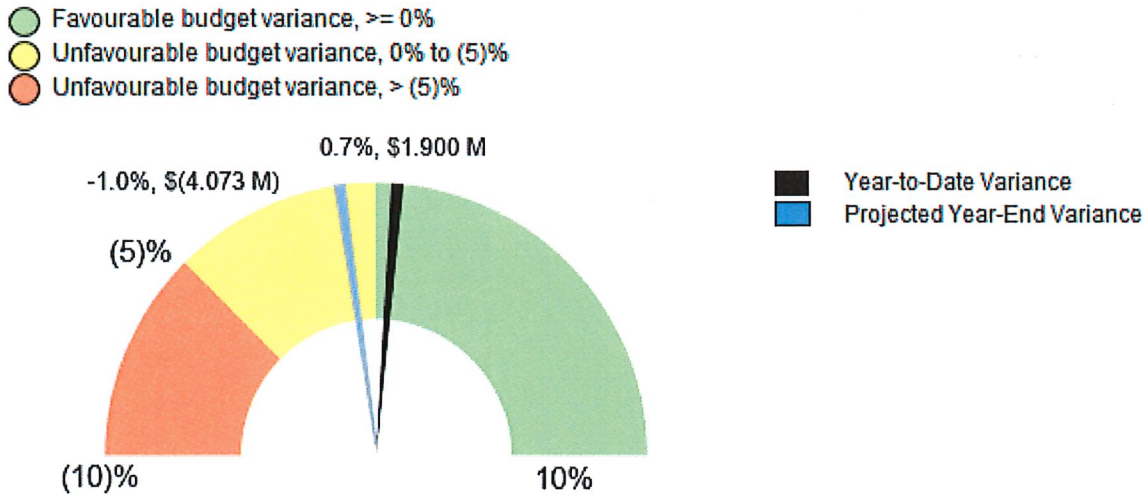
The revenue shortfall is primarily due to fewer Traffic Safety Act fine tickets issued and lower demand for several EPS services.

The underspend in Personnel expense is primarily the result of increased vacation taken.

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 \$4.073 million (\$1.178 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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22 SEP 29

Chief of Police: *[Signature]*

Date: *Sept 29, 22*

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending August 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	%
Revenue																
Traffic Safety Act Fines (Note 1)	\$ 834	\$ 660	\$ (174)	-20.9%	\$ 8,210	\$ 6,501	\$ (1,709)	-20.8%	\$ 7,860	\$ 5,289	\$ (2,571)	-32.7%	\$ 11,198	\$ 7,815	\$ (3,383)	-30.2%
Transfer from Reserve (OTS) (Note 2)	-	-	-		16,719	16,719		0.0%	16,719	16,719		0.0%	22,292	22,292		0.0%
Provincial Grants (Note 3)	308	247	(61)	-19.8%	2,463	2,348	(115)	-4.7%	2,467	2,616	149	6.0%	29,757	30,984	1,227	4.1%
Other Revenue (Note 4)	\$ 2,814	\$ 3,657	\$ 843	30.0%	\$ 22,525	\$ 20,113	\$ (2,412)	-10.7%	\$ 23,425	\$ 23,722	\$ 298	1.3%	\$ 35,048	\$ 34,282	\$ (766)	-2.2%
Secondments	3,232	3,249	17	0.5%	8,581	9,078	496	5.8%	9,144	9,057	(87)	-1.0%	13,693	13,602	(91)	-0.7%
Tow Lot	1,787	1,652	(136)	-7.6%	4,667	3,618	(1,048)	-22.5%	4,767	4,053	(714)	-15.0%	7,150	6,423	(727)	-10.2%
PICS and Alarm Control	1,799	1,710	(89)	-5.0%	4,016	3,768	(248)	-6.2%	4,482	4,208	(274)	-6.1%	6,785	6,387	(398)	-5.9%
Extra Duty	699	1,549	850	121.6%	1,953	483	(1,471)	-75.3%	1,953	2,060	107	5.5%	3,349	3,228	(121)	-3.6%
E911 Fees	338	375	38	11.2%	1,167	922	(244)	-20.9%	900	885	(15)	-1.7%	1,350	1,323	(27)	-2.0%
School Resource Officer (SRO)	-	2	2		495	506	11	2.1%	595	547	(48)	-8.1%	818	934	116	14.2%
Other	784	1,582	799	101.9%	1,646	1,739	92	5.6%	1,584	2,913	1,329	83.9%	1,903	2,385	482	25.3%
Total Revenue	3,956	4,664	608	15.4%	49,917	46,681	(4,236)	-8.5%	50,471	48,346	(2,124)	-4.2%	98,295	95,373	(2,922)	-3.0%
Expense																
Personnel																
Salary and benefits (Note 5)	28,908	28,763	145	0.5%	248,994	253,229	(4,235)	-1.7%	255,075	250,781	4,294	1.7%	383,474	381,978	1,496	0.4%
EPS Overtime (Note 6a)	931	2,107	(1,176)	-126.3%	6,392	6,850	(458)	-7.2%	6,664	10,503	(3,839)	-57.6%	10,145	14,845	(4,700)	-46.3%
External Overtime (Note 6b)	136	24	112	82.6%	272	734	(462)	-169.9%	272	235	37	13.6%	407	352	55	13.5%
	29,975	30,894	(919)	-3.1%	255,658	260,813	(5,155)	-2.0%	262,011	261,519	492	0.2%	394,026	397,175	(3,149)	-0.8%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,784	2,080	(296)	-16.6%	12,633	11,378	1,255	9.9%	14,995	14,018	977	6.5%	21,244	20,952	292	1.4%
Contracts and services (Note 8)	1,950	2,156	(206)	-10.6%	16,533	13,839	2,694	16.3%	16,827	16,676	151	0.9%	27,436	26,209	1,227	4.5%
Vehicles (Note 9)	648	718	(70)	-10.8%	5,809	5,757	52	0.9%	5,539	5,769	(230)	-4.2%	8,652	9,154	(502)	-5.8%
Facilities (Note 10)	1,900	994	906	47.7%	14,854	13,177	1,677	11.3%	14,427	12,818	1,609	11.2%	24,337	20,890	3,447	14.2%
Other Expenditures (Note 11)	273	(16)	289	105.7%	3,080	2,145	935	30.4%	2,479	1,453	1,025	41.4%	5,191	4,762	429	8.3%
	6,555	5,932	623	9.5%	52,909	46,296	6,613	12.5%	54,267	50,734	3,532	6.5%	86,860	81,967	4,893	5.6%
Total Expense	36,530	36,826	(296)	-0.8%	308,567	307,109	1,458	0.5%	316,278	312,253	4,024	1.3%	480,886	479,142	1,744	0.4%
Position before Adjustments	32,574	32,262	312	1.0%	268,650	261,428	(7,222)	-2.7%	265,807	263,907	1,900	0.7%	382,591	383,769	(1,178)	-0.3%
Tangible Capital Assets Budget adjustment (Note 13)	-	-	-		-	-	-		-	-	-		6,154	6,154		0.0%
Transfer to/(from) EPS Reserve (Note 14)														2,895	(2,895)	
Net Position	\$ 32,574	\$ 32,262	\$ 312	1.0%	\$ 258,650	\$ 261,428	\$ (2,778)	-1.1%	\$ 265,807	\$ 263,907	\$ 1,900	0.7%	\$ 388,745	\$ 392,818	\$ (4,073)	-1.0%

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 August 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 third payment was received in July.

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 over budget position is the result of increased demand for Extra Duty services as Edmonton festivals and events return to pre-pandemic levels.

Forecast – Forecasting to be under budget mainly due to decreased Tow Lot and PICS revenue, which are both offset by a projected decrease in contracts and services.

5. Salary and Benefits

Wages and Benefits for all EPS employees based on collective bargaining agreements. All agreements are unsettled from the start of 2021; the Edmonton Police Association (EPA), the Senior Officers Association (SOA), and Civic Service Union 52 (CSU 52)

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 – Under budget due to an increase in vacation taken and higher than projected attrition.

Forecast – The same as year to date, partially offset by anticipated Collective Bargaining Agreement settlements.

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

Attrition	August	August YTD	Full Year
Original Projection	5	40	60
Actual & Updated Projection	8	67	80

As of September 20, 2022, thirty-seven sworn members have tendered their resignation and forty-three announced their retirement, for an attrition total of eighty. Of these, sixty-seven were no longer on the payroll as of August 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, NHL playoffs and the 2022 Papal Visit, which is offset by increased revenue due from Public Safety Canada (PSC).

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 – Under budget due to the timing of expenses for the purchases of IT equipment, and other materials.

Forecast – Projecting to be slightly under budget.

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 Psychological Counseling.

Year to date – Under budget due to less demand for PICS and Tow Lot services which are offset by lower revenues; partially offset by higher Psychological Counseling costs and the costs incurred during the 2022 Papal visit which will be recovered through revenue due from PSC.

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. Tangible Capital Assets

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

13. 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