



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 April 04

SUBJECT: Budget Variance for the Period Ending February 28, 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 February 28, 2022.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending February 28, 2022 indicate a net deficit position of \$0.643 million or 1.0% (revenue shortfall of \$0.443 million and an expense overspend of \$0.200 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 \$0.894 million (\$2.001 million underspend from current year operations is 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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Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division *RD*

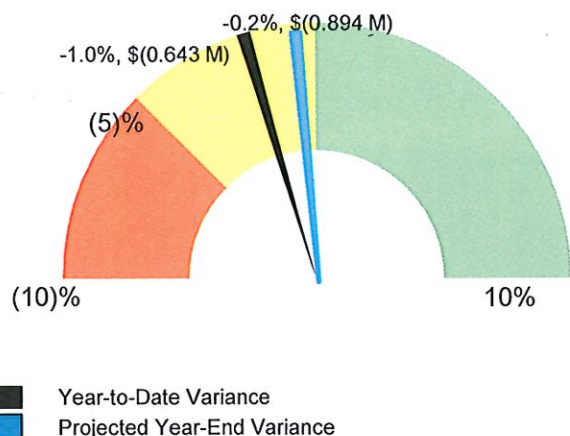
Approved By: AI MURPHY, Deputy Chief, Corporate Services Bureau *(Am)*

Chief of Police: *[Signature]*

Date: *April 5, 22*

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending February 28, 2022

- Favourable budget variance, $\geq 0\%$
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, $> (5)\%$



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	13,649	13,206	(443)	-3.2%
<i>Personnel</i>	66,660	67,694	(1,034)	-1.6%
<i>Non-Personnel</i>	12,538	11,704	834	6.7%
Expense	79,198	79,398	(200)	-0.3%
Net Position	65,549	66,192	(643)	-1.0%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	97,800	96,909	(891)	-0.9%
<i>Personnel</i>	393,777	392,486	1,291	0.3%
<i>Non-Personnel</i>	82,566	80,965	1,601	1.9%
Expense	476,343	473,451	2,892	0.6%
TCA (Note 1)	6,267	6,267	-	0.0%
Transfer to/(from) EPS				
Reserve (Note 2)	-	2,895	(2,895)	
Net Position	384,810	385,704	(894)	-0.2%

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, fewer tows of seized vehicles partially offset by secondment revenue for Alberta Law Enforcement Response Teams (ALERT).

Personnel - The over budget position is due to higher salary and benefit costs across the organization and overtime due to maintaining minimum staffing within the Community Policing Bureau (CSB), 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 increase due to a new Provincial Grant for the HELP program.

Personnel - The under budget position is due to a projected increase in vacation taken.

Non-Personnel - The same as year to date.

	2021 Year-to-Date				2021 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	13,881	12,528	(1,353)	-9.7%	Revenue	100,214	92,899	(7,315)	-7.3%
Expense	77,780	76,444	1,336	1.7%	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	63,899	63,916	(17)	0.0%	Net Position	388,618	388,618	-	0.0%

**Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending February 28, 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