



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2017-August-01

SUBJECT: Financial Report for the Period Ending June 30, 2017

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#### RECOMMENDATION:

That the financial report for the period ending June 30, 2017 be received for information.

#### INTRODUCTION:

This report provides current year end financial performance information for the Edmonton Police Service (EPS) for the period ending June 30, 2017.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending June 30, 2017 indicate a net surplus position of \$2.940 million or 2.0% mainly due to surplus in revenue of \$2.010 million, an underspend in non-personnel costs of \$1.490 million, offset by an overspend in personnel costs of \$0.560 million.

The surplus in revenue is primarily due to ongoing recognition of E911 Grant revenues (offset by personnel expenses), retroactive (third and fourth quarters of 2016) 911 Operators expenses as supported by Alberta Emergency Management Agency, increased fees and greater volume of Police Information Checks (PIC), and the recognition of revenue associated with EPS 125 events and other miscellaneous donations (offset by non-personnel expenses). The surplus in revenue will increase during the year and will be used to offset one-time purchases identified through priority unfunded initiatives.

The main cause of the under budget position in non-personnel costs is due to the timing of purchases. It is expected that these budgets will be utilized during the year and will be overspend due to various one-time purchases identified through priority unfunded initiatives.

The over budget position in personnel costs is mainly due costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs, and higher part time costs in Police Communication Branch (partially offset by revenue).

## Capital Results

2017 is the third of a four year Capital budget (2015 to 2018) and the results indicate a significant under spend primarily due to the Northwest Campus (land and construction) and other projects that are in their early stages of planning.

### CONCLUSION:

Based on the operating results to the end of June and the explanations attached, the year-end forecast indicates that the EPS may be \$1.186 million or 0.4% over budget. The projection for the Police Service is primarily due to unbudgeted costs associated with Rounds 1 and 2 of Stanley Cup Playoffs and for the Police Commission's anticipated overspend resulting from an additional audit position.

### ADDITIONAL INFORMATION ATTACHED:

#### Operating:

- I Budget Variance by Major Category of Revenue & Expenditures
- II Overtime by Bureau

#### Capital:

- III Capital Budget Performance

Written by: Kathryn REYNOLDS, T/A Director, Finance Management Branch *KR*

Reviewed by: Robert DAVIDSON, T/A Executive Director, Finance Division *RD*

Approved by: Linda REVELL, Chief Administrative Officer, Corporate Services Bureau *LR*

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

Date: AUG 02 2017

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenues & Expenditures**  
**For the Period Ending June 30, 2017**  
**(\$000's)**

	Current Period				2016 Year to Date				2017 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
<b>Revenue</b>																
Traffic Safety Act Fines (Note 1)	\$ 1 421	\$ 1 263	\$ (158)	-11.1%	\$ 8 754	\$ 6 475	\$ (2 279)	-26.0%	\$ 7 498	\$ 7 339	\$ (159)	-2.1%	\$ 15 508	\$ 15 508	\$ -	0.0%
Transfer to COE General Revenues	-	-	-	0.0%	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Transfer from Reserve (OTS) (Note 2)	-	-	-	-	10 192	10 192	-	0.0%	11 146	11 146	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	22 383	22 476	93	0.4%	25 795	25 454	(341)	-1.3%	26 197	27 698	1 501	5.7%	27 923	30 167	2 244	8.0%
Other Revenue (Notes 4 and 12)	2 019	2 360	341	16.9%	13 111	12 827	(284)	-2.2%	13 165	13 833	668	5.1%	26 034	27 904	1 870	7.2%
<b>Total Revenue</b>	<b>25 823</b>	<b>26 099</b>	<b>276</b>	<b>1.1%</b>	<b>57 852</b>	<b>54 948</b>	<b>(2 904)</b>	<b>-5.0%</b>	<b>58 008</b>	<b>60 016</b>	<b>2 010</b>	<b>3.5%</b>	<b>91 757</b>	<b>95 871</b>	<b>4 114</b>	<b>4.5%</b>
<b>Expenditures</b>																
<b>Personnel</b>																
Salary and benefits (Note 5)	27 246	26 509	737	2.7%	152 303	150 377	1 926	1.3%	167 695	168 460	(765)	-0.5%	330 093	330 255	(162)	0.0%
EPS Overtime (Note 6a)	895	825	70	7.8%	4 729	4 937	(208)	-4.4%	5 126	4 918	208	4.1%	11 030	10 851	179	1.6%
External Overtime (Note 6b)	38	50	(12)	-31.6%	216	275	(59)	-27.3%	230	233	(3)	-1.3%	460	433	27	5.9%
	<b>28 179</b>	<b>27 384</b>	<b>795</b>	<b>2.8%</b>	<b>157 248</b>	<b>155 589</b>	<b>1 659</b>	<b>1.1%</b>	<b>173 051</b>	<b>173 611</b>	<b>(560)</b>	<b>-0.3%</b>	<b>341 583</b>	<b>341 539</b>	<b>44</b>	<b>0.0%</b>
<b>Non-Personnel</b>																
Furniture, equipment, IT, materials and supplies (Note 7)	664	1 241	(577)	-86.9%	6 693	5 909	784	11.7%	6 607	6 416	191	2.9%	11 945	14 805	(2 860)	-23.9%
Contracts and services (Note 8)	1 615	1 491	124	7.7%	9 343	8 576	767	8.2%	8 563	8 750	(187)	-2.2%	17 502	20 236	(2 734)	-15.6%
Vehicles (Note 9)	632	600	32	5.1%	3 517	3 813	(296)	-8.4%	3 775	3 626	149	3.9%	7 693	7 472	221	2.9%
Facilities (Note 10)	1 428	1 192	236	16.5%	8 372	7 561	811	9.7%	8 241	7 010	1 231	14.9%	16 809	15 926	883	5.3%
Other Expenditures (Note 11)	1 831	1 709	122	6.7%	2 925	2 597	328	11.2%	2 937	2 831	106	3.6%	3 836	4 690	(854)	-22.3%
	<b>6 170</b>	<b>6 233</b>	<b>(63)</b>	<b>-1.0%</b>	<b>30 850</b>	<b>28 456</b>	<b>2 394</b>	<b>7.8%</b>	<b>30 123</b>	<b>28 633</b>	<b>1 490</b>	<b>4.9%</b>	<b>57 785</b>	<b>63 129</b>	<b>(5 344)</b>	<b>-9.2%</b>
<b>Total Expenditures (Note 13)</b>	<b>34 349</b>	<b>33 617</b>	<b>732</b>	<b>2.1%</b>	<b>188 098</b>	<b>184 045</b>	<b>4 053</b>	<b>2.2%</b>	<b>203 174</b>	<b>202 244</b>	<b>930</b>	<b>0.5%</b>	<b>399 368</b>	<b>404 668</b>	<b>(5 300)</b>	<b>-1.3%</b>
<b>Position before Adjustments</b>	<b>8 526</b>	<b>7 518</b>	<b>1 008</b>	<b>11.8%</b>	<b>130 246</b>	<b>129 097</b>	<b>1 149</b>	<b>0.9%</b>	<b>145 168</b>	<b>142 228</b>	<b>2 940</b>	<b>2.0%</b>	<b>307 611</b>	<b>308 797</b>	<b>(1 186)</b>	<b>-0.4%</b>
<b>Tangible Capital Assets Budget adjustment (Note 14)</b>													11 897	11 897	-	0.0%
<b>Net Position</b>	<b>\$ 8 526</b>	<b>\$ 7 518</b>	<b>\$ 1 008</b>	<b>11.8%</b>	<b>\$ 130 246</b>	<b>\$ 129 097</b>	<b>\$ 1 149</b>	<b>0.9%</b>	<b>\$ 145 168</b>	<b>\$ 142 228</b>	<b>\$ 2 940</b>	<b>2.0%</b>	<b>\$ 319 508</b>	<b>\$ 320 694</b>	<b>\$ (1 186)</b>	<b>-0.4%</b>

**Edmonton Police Service****Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended June 30<sup>th</sup> 2017****1. Traffic Safety Act (TSA) Fines Revenue**

**Year to Date** – Revenue is currently under budget but it has fluctuated from month to month.

**Forecast** – It is uncertain if the current revenue level will continue so a variance is not being projected at this time.

**2. Transfer from Reserve - Office of Traffic Safety (OTS)**

**Year to Date** – Quarterly transfers from the OTS, with the first two payments received to date.

**Forecast** – No variance is expected.

**3. Provincial Grants**

**Year to Date** – Over budget primarily due to ongoing recognition of E911 Grant revenues (offset by personnel expenses), recognition of revenues to offset all 911 Operators expenses from July 01 to December 31, 2016 as supported by Alberta Emergency Management Agency on March 02, 2017, and additional Municipal Policing Assistance Grant (MPAG) funds based on the municipal census.

**Forecast** – Same as for the year to date.

**4. Other Revenue**

**Year to Date** – The over budget position is primarily due to Secondments (offset by greater personnel costs), increased fees and greater volume of Police Information Checks (PIC), and revenues associated with EPS 125 events (offset by greater non-personnel costs). This is offset by reduced volume of towed vehicles, and false alarm fees.

**Forecast** – Same as for the year to date.

## 5. Salary and Benefits

**Year to date** – Over budget as a result of higher part time costs in Police Communication Branch, partially offset by overtime underspend and E911 revenue.

**Forecast** – Slightly over budget.

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

Attrition	June	June YTD	Full Year
Original Projection	6	33	70
Actual & Updated Projection	3	26	70

As of July 25, 2017, one sworn member has been dismissed, nineteen sworn members have tendered their resignation, and twenty-eight announced their retirement for an attrition total of forty-eight. Of these, twenty-six were no longer on the payroll as of June 30, 2017.

### 6a. EPS Overtime

**Year to date** – Underspend as a result of limited need of overtime in Community Policing and Police Communication (offset by greater part time costs), and fewer Traffic collisions causing major injury. This is offset by costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs.

**Forecast** – Same as the year to date.

### 6b. External Overtime

**Year to date** – Slightly over budget.

**Forecast** – Slightly under budget.

## 7. Furniture, Equipment, IT, Materials and Supplies

**Year to date** – Under budget due to the timing of purchases.

**Forecast** – An over spend is projected mainly due to the increased cost of the Microsoft enterprise agreement and other licenses, as well as one-time operating purchases identified through priority unfunded initiatives, such as Conducted Electrical Weapons, Arwen Project, OICC setup construction hardware, and Wire Tap upgrade. The projected overspend is to be offset by surplus in revenue.

**8. Contracts & Services**

**Year to date** – Over budget primarily as a result of costs associated with EPS 125 events (offset by other revenue), and IT Governance Audit.

**Forecast** – An over spend is projected mainly due to the one-time operating purchases identified through priority unfunded initiatives, such as Communications revitalization project, Community initiative fund, as well as costs associated with EPS 125 events. The overspend is projected to be offset by surplus in revenue.

**9. Vehicle Costs**

**Year to date** – Under budget primarily due to lower maintenance and repair costs.

**Forecast** – Same as the year to date.

**10. Facilities**

**Year to Date** – Under budget as a result of lower custodial and maintenance costs as well as fluctuations in utility rates and consumption offset by higher snow removal and landscaping contracts.

**Forecast** – Same as the year to date. This will offset one-time purchases identified through priority unfunded initiatives, and costs charged to other budget categories (other expenditures).

**11. Other Expenditures**

**Year to Date** – Under budget due to the timing of purchases.

**Forecast** – Over budget as a result of various facilities, renovation and leasing allocations being charged to City's inter-departmental category instead of facilities where budget exists, and budget being transferred to accommodate capital priority unfunded initiatives.

**12. Other Revenue**

Other Revenue includes revenue received from other City of Edmonton departments for Extra Duty policing.

**13. Accruals**

The total Operating non-personnel accruals for June amounted to \$1.5 million (rounded).

**14. Tangible Capital Assets**

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

## Edmonton Police Service

## Overtime by Bureau

For the Period Ending June 30, 2017  
(000's)

Bureau	2016 Actual	Year to Date				Year End Forecast			
		Budget	Actual	Variance	Var %	Annual Budget	Projection	Variance	Var %
Police Commission	\$ 9	\$ 5	\$ 4	\$ 1	20%	\$ 10	10	\$ -	0%
Office of the Chief (Note 1)	74	110	\$ 77	33	30%	225	208	17	8%
Corporate Services Bureau (Note 2)	291	351	\$ 253	98	28%	736	683	53	7%
Community Policing Bureau (Note 3)	1 896	2 147	\$ 1 871	276	13%	4 989	4 691	298	6%
Investigative Support Bureau (Note 4)	2 667	2 513	\$ 2 713	(200)	-8%	5 070	5 259	(189)	-4%
Intelligence Bureau (Note 5)	-	-	-	-	-	-	-	-	-
<b>Total EPS Expenditures</b>	<b>\$ 4 937</b>	<b>\$ 5 126</b>	<b>\$ 4 918</b>	<b>\$ 208</b>	<b>4%</b>	<b>\$ 11 030</b>	<b>\$ 10 851</b>	<b>\$ 179</b>	<b>2%</b>
External Overtime (Note 6)	138	230	\$ 233	(3)	-1%	460	433	27	6%
<b>Total Overtime Expenditures</b>	<b>\$ 5 075</b>	<b>\$ 5 356</b>	<b>\$ 5 151</b>	<b>\$ 205</b>	<b>4%</b>	<b>\$ 11 490</b>	<b>\$ 11 284</b>	<b>\$ 206</b>	<b>2%</b>

## Edmonton Police Service

## Explanation of Overtime Variances by Responsibility Area - Notes

For the Period Ended June 30<sup>th</sup> 2017**1 Office of the Chief**

**Year to date** –Slightly under budget due to lack of urgent investigations that require call out in the Professional Standards Branch.

**Forecast** – Same as for the year to date.

**2 Corporate Services Bureau**

**Year to date** – Under budget due to the timing of property and drug exhibit inventory counts, recruit training schedules, and various informatics upgrades.

**Forecast** – Under budget as a result of a recruit training schedules and staff away on training.

**3 Community Policing Bureau**

**Year to Date** – Under budget position is primarily due to proper staffing levels, timely management of crime trends, and less projects requiring assists.

**Forecast** – Same as for the year to date.

**4 Investigative Support Bureau**

**Year to Date** – Over budget as a result of costs attributed to Stanley Cup Playoffs Rounds 1 and 2 games, and costs associated with project "GUCCI". This is being offset by less than projected requirement for minimum staffing in Police Communication and fewer than expected major injury collisions to date.

**Forecast** – Same as for the year to date.

**5 Intelligence Bureau**

**Year to Date** – No budget or activity.

**Forecast** – Same as the year to date.

**6 Secondments/Recoverable**

**Year to date** – Slightly over budget.

**Forecast** – Slightly under budget.



Edmonton Police Service  
 Capital Budget Performance  
 Financial Report for the Period Ending June 30, 2017  
 (000's)

<b>Projects</b>	<b>2017 Budget (including Carry Forwards and Supplemental Budget Adjustments)</b>	<b>2017 Actual Expenditures</b>	<b>Commitments *</b>	<b>2017 Funds Available</b>	<b>% Substantial Completion</b>
Police IT Systems (see Note 1)	7,001	2,191	2,071	2,739	Note 11
Telecommunications Life Cycle (see Note 2)	2,234	82	217	1,935	Note 11
Radio Life Cycle (see Note 3)	586	274	14	298	47%
Northwest Campus (see Note 4)	93,416	14,909	1,703	76,804	16%
Helicopter Replacement - single engine (see Note 5)	3,695	3,044	355	296	82%
Public Safety Radio Network (see Note 6)	7,309	2,995	327	3,987	41%
Digital Asset Management System (see Note 7)	6,107	568	773	4,766	9%
Vehicles (see Note 8)	7,798	4,700	1,045	2,053	Note 11
Security Equipment Lifecycle (see Note 9)	(398)	1,254	126	(1,778)	Note 11
Specialized Police Equipment (see Note 10)	798	368	307	123	Note 11
<b>TOTAL</b>	<b>128,546</b>	<b>30,385</b>	<b>6,938</b>	<b>91,223</b>	

\* commitments include purchase orders and/or contractual agreements.

Edmonton Police Service  
 Explanation of Variances by Capital Project – Notes  
 For the Period Ended June 30, 2017

## 1 Police IT Systems

### Year to Date

The following projects are in progress:

#### Infrastructure

- Divisional Corporate WIFI
- Infrastructure Lifecycle 2017
- Infrastructure Software
- Mobile Workstations (MWS) Lifecycle 2017

#### Applications

- CAD 9.4 Upgrade
- eCollisions
- Source Management / Witness Protection (SMWP)
- Situational Awareness for Operation and Intelligence Control Centre (OICC)
- The Edmonton Police Reporting and Occurrence System (EPROS) Upgrade 2016
- EPROS Org Change Updates
- iBase Enhancements
- Administrative Records System
- Sitecore 8 Upgrade
- ANI/ALI Migration
- Warrants Offender Management Reporting (OMR)
- Data Manager Retirement
- Mobile Responder
- EPROS Property
- Major Case Management
- e-Ticketing
- Appearance Notice Arrest Disposition
- Daily Highlights Upgrade

### Forecast

#### Infrastructure

- Divisional Corporate WIFI and Infrastructure Lifecycle project is expected to be completed in Q4 2017.
- Infrastructure Software project is expected to be completed in Quarter 3.
- The hardware for MWS will be ordered in Quarter 4.

Current projections indicate the remaining budget will be expended by year end.

Edmonton Police Service  
Explanation of Variances by Capital Project – Notes  
For the Period Ended June 30, 2017

**Applications**

- CAD 9.4 Upgrade is scheduled to begin in Q3 2017 and be completed in Q2 2018.
- eCollisions project previously on hold will begin in Q3 2017 and scheduled for completion in Q1 2018.
- The initiation phase and requirements of the SMWP project was completed in Q2 2017. It will require a closed Request for Proposal (RFP) and the project schedule is subject to change.

The following projects/phases are scheduled to be completed in Quarter 4 of 2017:

- NICHE Upgrade project (EPROS Upgrade 2016)
- EPROS Org Change Updates
- iBase Enhancements
- Administrative Records System
- Sitecore 8 Upgrade
- ANI/ALI Project
- OMR

Current projections indicate that budget of \$300K may be carried over to 2018 to complete the remaining projects.

**2 Telecommunications Lifecycle Replacement****Year to Date**

The following projects are in progress in 2017:

- Private Branch Exchange (PBX) System replacement
- Polycom Lifecycle Replacement

**Forecast**

- The PBX System project is in the migration stage and expenditures will be recognized in Quarter 3.
- The Polycom Lifecycle Replacement project received Committee approval and the hardware purchase will take place in Quarter 3.

Current projections indicate a budget carry forward to 2018 may be required to complete the project and we're working with the project manager and operations staff to determine the amount.

Edmonton Police Service  
Explanation of Variances by Capital Project – Notes  
For the Period Ended June 30, 2017

### 3 Radio Lifecycle Replacement

**Year to Date**

The year to date expenditures are for installation of consoles and vehicular repeater systems.

**Forecast**

The remaining expenditures in 2017 will include the installation of consoles, technical configurations and a replacement radio recording solution. A vendor was selected in Q1 2017 and it is expected that the installation will take place in Q4 2017. Current projections indicate the remaining budget will be expended by year end.

### 4 Northwest Campus

**Year to Date**

The year to date expenditures are for construction as well as design consultant costs and City of Edmonton (COE) project management charges. Construction has reached 25% completion.

**Forecast**

Construction as well as COE project management charges and design consultant costs will continue to take place in 2017 and 2018 and may extend into the first quarter of 2019. The land cost is expected to be recorded in 2017. These estimates and charges are provided by the consultants and staff of Facility & Landscape Infrastructure (FLI) of COE.

### 5 Helicopter Replacement – single engine

**Year to Date**

The helicopter has been purchased and the avionics and law enforcement equipment are being installed. The expected delivery date is July 2017.

**Forecast**

The budget will be reduced by \$143K as part of the Fall Supplemental Capital Budget Adjustment (SCBA) process due to U.S. dollar funding being secured at a lower exchange rate than originally estimated. Current projections indicate that the project may be underspent by approximately \$500K due to lower than anticipated equipment and installation costs.

Edmonton Police Service  
Explanation of Variances by Capital Project – Notes  
For the Period Ended June 30, 2017

## 6 Public Safety Radio Network

### Year to Date

The year to date expenditures are primarily for the Government of Alberta one-time enhanced coverage fee and project management staffing costs.

### Forecast

Pending the RFP process and timelines for migration, it is estimated that \$6,556K will be spent on the migration environment setup with the actual migration of radios from the Enhanced Digital Access Communication System (EDACS) to the Alberta First Responder Radio Communications System (AFRRCS) occurring in 2017. Remaining budget of \$800K may be carried over to 2018.

## 7 Digital Asset Management System (DAMS)

### Year to Date

The project has completed the issuance of an RFP and is working with the selected vendor on a proof of concept that should conclude in Q3 2017. Negotiations will begin with the vendor and it is expected that installation and configuration of software will occur in Q4 of 2017 through Q3 of 2018.

### Forecast

It is estimated that \$1.6M of remaining budget may be carried forward to 2018.

## 8 Vehicles

### Year to Date

37 Marked, 23 Unmarked and 6 Covert vehicles were put into service in Quarter 1 and 2. In addition, 51 Marked, 34 Unmarked and 6 Covert vehicles have been delivered.

### Forecast

Current projections indicate that there will be budget carried forward to 2018 for remaining vehicle fit ups.

Edmonton Police Service  
Explanation of Variances by Capital Project – Notes  
For the Period Ended June 30, 2017

## 9 Security Equipment Lifecycle

### Year to Date

The year to date expenditures include the preliminary equipment purchases for the facilities (eg. Southwest Division, Nixon and property Exhibit) targeted for completion in 2017.

### Forecast

By year end, spending will be over the budget by approximately \$2,400K, however over the 4-year budget cycle expenditures will balance to the budget.

## 10 Specialized Police Equipment

### Year to Date

Budget will be transferred from the operating budget in the Fall Supplemental Capital Budget Adjustment (SCBA) for the 2017 purchase of items that meet the Tangible Capital Asset (TCA) definition. The purchases to date this year include:

- Firearms Pulverizer
- 64 Harris Portable Radios
- Micro-Robot System
- 12 Lenovo Desktops
- 8 Wire Mesh Locker Set-up

## 11 Composite Projects – Completion Status

Police IT Systems, Telecommunications Equipment, Vehicles, Security Equipment Lifecycle and Specialized Equipment contain multiple sub-projects within the total project, and each sub-project is at different stages of completion.