



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2023 June 05

SUBJECT: Budget Variance for the Period Ending April 30, 2023

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, 2023.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending April 30, 2023 indicate a net deficit position of \$0.946 million or 0.6% (revenue surplus of \$0.295 million, offset by an expense overspend of \$1.241 million).

The revenue surplus is due to the recognition of former Police Support Grant revenue, which is offset by lower than budgeted Traffic Safety Act (TSA) revenue.

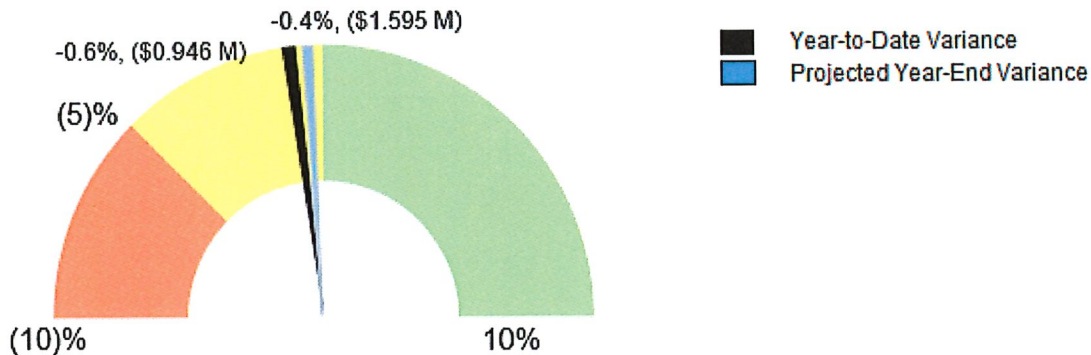
The overspend in personnel expense is primarily the result of higher overtime costs to maintain minimum staffing, which is outlined in Attachment II.

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 \$1.595 million (\$1.907 million overspend from current year operations, offset by \$0.312 million in the operating reserve).

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



ADDITIONAL INFORMATION ATTACHED:

Attachments:

- I. Operating Budget Variance by Major Category of Revenue & Expenditures
- II. Explanation of Variances by Major Category of Expenditures and Revenues

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A Chief of Police: *[Signature]*

Date: JUNE 5/23 *DARREN DEKLO*

Edmonton Police Service																
Budget Variance by Major Category of Revenues & Expenditures																
For the Period Ending April 30, 2023																
(\$000's)																
	Current Period				2022 Year to Date				2023 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)	\$ 1,023	\$ 653	\$ (370)	-36.2%	\$ 4,099	\$ 2,539	\$ (1,560)	-38.1%	\$ 4,060	\$ 2,725	\$ (1,335)	-32.9%	\$ 11,122	\$ 7,989	\$ (3,133)	-28.2%
Transfer from Reserve (OTS / FSR) (Note 2)	-	-	-		11,146	11,146	-	0.0%	801	-	(801)	-100.0%	3,205	3,205	-	0.0%
Provincial Grants (Note 3)	460	828	368	80.0%	1,234	1,294	60	4.9%	1,839	4,995	3,156	171.6%	31,757	43,380	11,623	36.6%
Other Revenue (Note 4)	2,830	2,211	(619)	-21.9%	11,983	10,829	(1,154)	-9.6%	12,280	11,555	(725)	-5.9%	34,682	34,829	147	0.4%
Secondments	1,147	973	(174)	-15.2%	416	20	(396)	-95.1%	4,629	4,273	(355)	-7.7%	13,388	12,983	(405)	-3.0%
Tow Lot	596	169	(427)	-71.6%	2,383	1,897	(487)	-20.4%	2,383	1,884	(500)	-21.0%	7,150	6,868	(282)	-3.9%
PICS and Alarm Control	547	636	89	16.3%	2,123	1,942	(180)	-8.5%	2,050	2,400	350	17.1%	6,756	7,256	500	7.4%
Extra Duty ¹	311	328	17	5.3%	1,034	308	(726)	-70.2%	990	782	(209)	-21.1%	3,217	3,217	-	0.0%
E911 Fees	112	111	(1)	-0.9%	-	-	-		447	447	1	0.2%	1,340	1,342	2	0.1%
School Resource Officer (SRO)	-	(4)	(4)		595	537	(59)	-9.8%	588	593	5	0.9%	950	986	36	3.7%
Other ²	117	(1)	(118)	-100.5%	5,431	6,125	694	12.8%	1,193	1,176	(18)	-1.5%	1,880	2,177	296	15.8%
Total Revenue	4,313	3,692	(621)	-14.4%	28,462	25,808	(2,654)	-9.3%	18,980	19,275	295	1.6%	80,766	89,403	8,637	10.7%
Expense																
Personnel																
Salary and benefits (Note 5)	34,244	33,634	610	1.8%	131,471	131,025	446	0.3%	134,901	134,799	102	0.1%	392,753	391,808	945	0.2%
EPS Overtime (Note 6a)	751	1,415	(664)	-88.4%	3,016	4,630	(1,614)	-53.5%	3,126	5,285	(2,159)	-69.1%	10,368	13,494	(3,126)	-30.2%
External Overtime (Note 6b)	34	34	0	0.0%	136	100	36	26.5%	136	160	(24)	-17.6%	407	375	32	7.9%
	35,029	35,083	(54)	-0.2%	134,623	135,755	(1,132)	-0.8%	138,163	140,244	(2,081)	-1.5%	403,528	405,677	(2,149)	-0.5%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,631	1,885	(254)	-15.6%	6,589	7,274	(685)	-10.4%	6,880	7,611	(731)	-10.6%	18,353	22,037	(3,684)	-20.1%
Contracts and services (Note 8)	2,037	2,054	(17)	-0.8%	8,298	7,830	468	5.6%	8,597	8,367	230	2.7%	28,518	36,017	(7,499)	-26.3%
Vehicles (Note 9)	799	789	10	1.3%	2,701	3,219	(518)	-19.2%	3,276	3,027	249	7.6%	10,969	10,976	(7)	-0.1%
Facilities (Note 10)	1,739	2,167	(428)	-24.6%	7,085	6,729	356	5.0%	7,035	6,561	474	6.7%	24,940	21,886	3,054	12.2%
Other Expenditures ¹ (Note 11)	321	227	94	29.3%	1,347	862	485	36.0%	1,340	722	618	46.1%	3,868	4,127	(259)	-6.7%
	6,527	7,122	(595)	-9.1%	26,020	25,914	106	0.4%	27,128	26,288	840	3.1%	86,648	95,043	(8,395)	-9.7%
Total Expense	41,556	42,205	(649)	-1.6%	160,643	161,669	(1,026)	-0.6%	165,291	166,532	(1,241)	-0.8%	490,176	500,720	(10,544)	-2.2%
Position before Adjustments	37,243	38,513	(1,270)	-3.4%	132,181	135,861	(3,680)	-2.8%	146,311	147,257	(946)	-0.6%	409,410	411,317	(1,907)	-0.5%
Tangible Capital Assets Budget adjustment (Note 12)													6,030	6,030	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														(312)	312	
Net Position	\$ 37,243	\$ 38,513	\$ (1,270)	-3.4%	\$ 132,181	\$ 135,861	\$ (3,680)	-2.8%	\$ 146,311	\$ 147,257	\$ (946)	-0.6%	\$ 415,440	\$ 417,035	\$ (1,595)	-0.4%

1 Extra Duty Revenue received from other City Departments is reclassified from expense recovery to revenue.

2 Other Revenue includes E911 landline fees, 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 April 30, 2023****1. Traffic Safety Act (TSA) Fines Revenue**

Revenue generated by officer issued tickets under the Traffic Safety Act.

Year to Date – Under budget because of lower-than-expected number of tickets issued. Traffic members are spending increased time in court to address previous years incidents, which has resulted in a decline of issued tickets. In addition, members are diverted to other operational pressures which further decreases tickets issued.

Forecast – Same as year to date.

2. Transfer from Reserve - Office of Traffic Safety (OTS) and Financial Stability Reserve (FSR)

In 2022, this was a transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER) and in 2023 the transfer was replaced with tax levy funding (as approved by City Council motion passed on June 7, 2022). Also on August 15, 2022 City Council approved multi-year one time funding for Healthy Streets Operation Centre (HSOC). Subsequently, FSR was identified as a funding source for 2023 (Budget Deliberations, December 2022).

Year to Date – The under budget position is primarily due to the timing of funds to be transferred from the FSR for the HSOC.

Forecast – No variance is expected.

3. Provincial Grants

Provincial Grants include the Policing Support Grant, the E911 Grant, Victim Services Grant, Drug Impairment Grant, and Indigenous Grant.

Year to Date – Over budget due to the recognition of revenue from the former Police Officer Grant.

Forecast – Projecting to be over budget due to a new Grant received from Alberta Mental Health and Addiction to support several initiatives, including Enhancing Harm Reduction and Recovery Outreach, which will be offset by increased contract and services cost for these initiatives.

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 under budget position is the result of less demand for Extra Duty services and fewer tows of seized vehicles, which are offset by lower contracts and service expenses, partially offset by increased PICS revenue as demand for service requests increase.

Forecast – Projecting to be over-budget due to increased PICS revenue. Extra Duty services are projected to be on budget due to increased demand for Summer Festivals and other events.

5. Salary and Benefits

Salary and benefits are 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 – Slightly under budget.

Forecast – Projecting to be under budget due to vacant positions, and increased levels of attrition.

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

Attrition	April	April YTD	Full Year
Original Projection	7	30	90
Actual & Updated Projection	5	31	90

As of May 15, 2023, fourteen sworn members have tendered their resignation, twenty-two announced retirement, four are deceased, and one was released for an attrition total of forty-one. Of these, thirty-one were no longer on the payroll as of April 30, 2023.

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 levels in the Community Policing Bureau, and the Emergency Communications Operations Management Branch (ECOMB), which is directly offset by increased revenue as part of the E911 Provincial Grant for emergency communication services. Also contributing to the overspend is increased investigations work within the Investigation and Support Services Bureau.

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 over budget.

Forecast – Minimal variance to budget is projected.

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 – Over budget due to increased costs related to data storage.

Forecast – Over budget due to increased costs for software licenses and data storage.

8. Contracts & Services

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, Human-Centered Engagement Liaison Program (HELP) navigators, Legal Services, and Psychological Counseling.

Year to date – Under budget due to delays in filling HELP navigator contract positions and less demand for Extra Duty services, which is offset by lower revenue.

Forecast – Projecting to be overspent due to increased costs to support the Alberta Mental Health and Addictions work, which is offset by Grant Revenue, and increased DNA program expenditures.

9. Vehicle Costs

This category includes the expenses for vehicle repairs, maintenance, and fuel.

Year to date – Under budget due to the timing of helicopter maintenance completed to date.

Forecast – Minimal variance to budget is projected.

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. Extra Duty Revenue received from other City Departments are reclassified from expense to revenue.

Year to Date – Under budget primarily due to delays in travel and training.

Forecast – Projecting to be over budget due to lower than anticipated insurance recoveries for damaged vehicles partially offset by lower debt servicing costs.

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.

Over the 2019-2022 budget cycle Edmonton Police Service managed significant costs related to the COVID-19 global pandemic and the City of Edmonton Enterprise Commons project with no additional funding. After addressing these unplanned expenditures, the balance in the EPS Operating Reserve as of December 31, 2022, is a surplus of **\$0.312 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
 - 2022 \$3.207 million
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