



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2023 January 30

SUBJECT: Budget Variance for the Period Ending December 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 December 31, 2022.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending December 31, 2022 indicate a net surplus position of \$3.207 million or 0.8% to be transferred to the Edmonton Police Reserve (revenue shortfall of \$1.337 million offset by an expense underspend of \$4.544 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 and higher than expected attrition.

The main causes of the underspend in non-personnel costs are detailed in Attachment II.

Capital Results

This is the last year of the four-year Capital budget (2019 to 2022) and the results indicate a projected budget carry forward to 2023 of \$14.170 million for standalone projects and composite projects that have contractual commitments. The carry forward is predominantly related to vehicle orders being delayed due to parts shortages and manufacturing shutdowns, Information Technology infrastructure storage and backup hardware solution and network and wireless equipment, Northwest Campus outstanding legal fees and holdbacks, CAD-RMS Integration, Modernization & Maximization (CRIMM), and the Enterprise Commons project.

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
3. Capital Budget Performance
4. Capital Budget Performance Explanations

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Approved By: JUSTIN KRIKLER, Acting Chief Administrative Officer, Corporate Services Bureau *JK*

Justin Krikler
A/Chief Administrative Officer
Corporate Services Bureau

Chief of Police: *[Signature]*

Date: *January 26, 23*

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending December 31, 2022
(\$000's)

	Current Period				2021 Year to Date				2022 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Revenue												
Traffic Safety Act Fines (Note 1)	\$ 784	\$ 549	\$ (235)	-30.0%	\$ 11,798	\$ 9,209	\$ (2,589)	-21.9%	\$ 11,198	\$ 7,729	\$ (3,469)	-31.0%
Transfer from Reserve (OTS) (Note 2)	-	-	-		22,292	22,292	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	26,368	27,487	1,119	4.2%	29,751	29,484	(267)	-0.9%	30,099	32,256	2,157	7.2%
Other Revenue (Note 4)	2,912	2,818	(94)	-3.2%	36,373	31,914	(4,459)	-12.3%	34,706	34,681	(25)	-0.1%
Secondments	1,154	1,114	(40)	-3.4%	13,111	13,726	615	4.7%	13,480	13,396	(84)	-0.6%
Tow Lot	596	508	(88)	-14.7%	7,000	5,758	(1,242)	-17.7%	7,150	6,077	(1,073)	-15.0%
PICS and Alarm Control	535	599	64	12.0%	6,465	5,711	(754)	-11.7%	6,785	6,525	(260)	-3.8%
Extra Duty	404	275	(129)	-32.0%	3,349	1,384	(1,965)	-58.7%	3,349	3,173	(176)	-5.2%
E911 Fees	113	113	0	0.3%	1,750	1,347	(403)	-23.0%	1,350	1,338	(12)	-0.9%
School Resource Officer (SRO)	-	-	-		2,100	860	(1,240)	-59.1%	818	936	117	14.3%
Other	111	210	99	88.6%	2,598	3,129	531	20.4%	1,774	3,235	1,461	82.4%
Total Revenue	30,064	30,854	790	2.6%	100,214	92,899	(7,315)	-7.3%	98,295	96,958	(1,337)	-1.4%
Expense												
Personnel												
Salary and benefits (Note 5)	34,669	35,480	(811)	-2.3%	376,372	382,952	(6,580)	-1.7%	384,425	378,479	5,946	1.5%
EPS Overtime (Note 6a)	932	1,448	(516)	-55.4%	9,933	10,325	(392)	-3.9%	10,145	15,938	(5,793)	-57.1%
External Overtime (Note 6b)	101	78	23	22.7%	407	924	(517)	-127.0%	407	481	(74)	-18.2%
	35,702	37,006	(1,304)	-3.7%	386,712	394,201	(7,489)	-1.9%	394,977	394,898	79	0.0%
Non-Personnel												
Furniture, equipment, IT, materials and supplies (Note 7)	1,637	2,533	(896)	-54.7%	19,137	19,601	(464)	-2.4%	21,390	21,908	(518)	-2.4%
Contracts and services (Note 8)	5,744	6,247	(503)	-8.8%	30,424	26,677	3,747	12.3%	29,222	28,359	863	3.0%
Vehicles (Note 9)	687	753	(66)	-9.6%	8,661	8,698	(37)	-0.4%	8,600	8,979	(379)	-4.4%
Facilities (Note 10)	4,173	2,703	1,470	35.2%	22,705	19,976	2,729	12.0%	24,337	20,693	3,644	15.0%
Other Expenditures (Note 11)	6,766	10,118	(3,352)	-49.5%	21,193	19,753	1,440	6.8%	10,101	9,246	855	8.5%
	19,007	22,354	(3,347)	-17.6%	102,120	94,705	7,415	7.3%	93,650	89,185	4,465	4.8%
Total Expense	54,709	59,360	(4,651)	-8.5%	488,832	488,906	(74)	0.4%	488,627	484,083	4,544	0.9%
Position before Adjustments	24,645	28,506	(3,861)	-15.7%	388,618	396,007	(7,389)	-1.5%	390,332	387,125	3,207	0.8%
Tangible Capital Assets Budget adjustment (Note 13)												
Transfer to/(from) EPS Reserve (Note 14)						(7,389)	7,389			3,207	(3,207)	
Net Position	\$ 24,645	\$ 28,506	\$ (3,861)	-15.7%	\$ 388,618	\$ 388,618	\$ -	-1.5%	\$ 390,332	\$ 390,332	\$ -	0.0%

Other Revenue includes fines (Gaming and Liquor, Other Bylaw Violations), sales of unclaimed goods, and revenue due from Public Safety Canada (PSC) for 2022 Papal Visit.

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended December 31, 2022****1. Traffic Safety Act (TSA) Fines Revenue**

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

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.

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.

Quarterly transfers from the OTS and the final payment was received in October.

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.

Over budget due to additional E911 Grant revenues recognized, receipt of the Drug Impairment Training program, and HealthIM and HELP program Grants.

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.

Slightly under budget due to decreased demand for Tow Lot and PICS revenue, which is offset by decreased contracts and services. This is partially offset by increased revenue for support provided during the Papal Visit.

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.

Under budget due to an increase in vacation taken, higher than expected attrition and vacancies, and lower court time. This is offset by unfavorable overtime.

The sworn member attrition position for the year is:

Attrition	December	Full Year
Original Projection	5	60
Actual	5	97

As of December 14, 2022, fifty sworn members have tendered their resignation and forty-seven announced their retirement, for an attrition total of ninety-seven.

6a. EPS Overtime

EPS overtime costs are paid in accordance with collective bargaining agreements and primarily related to maintaining minimum staffing or operational requirements.

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 PSC.

6b. External Overtime

External overtime costs are incurred by employees seconded to external organizations (ALERT, ASIRT, etc.). These costs are recovered through Secondments revenue.

Slightly over budget.

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.

Over budget due to HealthIM expenses, which are partially offset by grant revenues.

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.

Under budget due to less demand for PICS and Tow Lot services which are offset by lower revenues. This is partially offset by the costs incurred during the 2022 Papal visit which will be recovered through revenue due from PSC.

9. Vehicle Costs

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

Over budget due to increased fuel and vehicle maintenance expenses.

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.

Under budget due to lower than anticipated custodial and maintenance charges from the City of Edmonton, 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.

Under budget due to less vehicle insurance premiums allocated from the City of Edmonton.

12. Tangible Capital Assets

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

13. Transfer to/from EPS Reserve

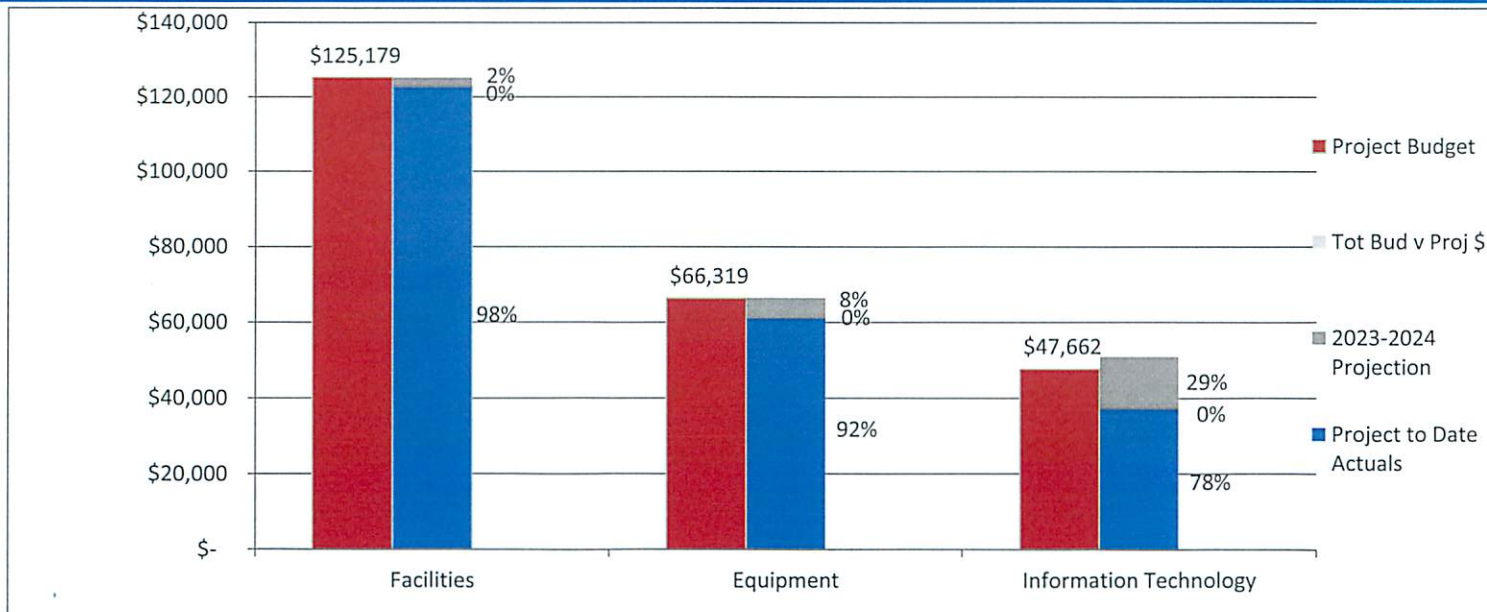
On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three 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, 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

Edmonton Police Service
 Capital Budget Performance
 Financial Report for the Period Ending December 31, 2022
 (\$000's)

Profile Category	2022 Actuals	Project To Date Actuals	2023-2024 Projection	Total Projection	Approved Budget Prior Years	2022 Approved Budget	2023-2024 Approved Budget	Total Approved Budget	Total Bud vs Proj \$
Facilities (Note 1)	\$ 738	\$ 122,675	\$ 2,504	\$ 125,179	\$ 121,937	\$ 3,242	\$ -	\$ 125,179	\$ -
Equipment (Note 2)	\$ 11,628	\$ 61,011	\$ 5,470	\$ 66,482	\$ 49,383	\$ 16,935	\$ -	\$ 66,319	\$ (163)
Information Technology (Note 3)	\$ 9,740	\$ 37,132	\$ 13,779	\$ 50,914	\$ 27,393	\$ 16,099	\$ 4,170	\$ 47,662	\$ (3,252)
	\$ 22,106	\$ 220,818	\$ 21,753	\$ 242,575	\$ 198,713	\$ 36,276	\$ 4,170	\$ 239,160	\$ (3,415)



* The 2022 budget includes the Yearend Administrative Capital Budget Adjustments.

**Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending December 31, 2022**

1 Facilities

- There is additional equipment modifications to be completed in 2023. Budget of \$2.504 million will be carried forward to 2023 and 2024 for legal fees, holdbacks and equipment modifications. The legal arbitration hearing is set for Q2 2024.

2 Equipment

- The Emergency Communication Centre IP Call Handling Project has been completed. The overspend of \$0.048 million in this project and \$0.115 million in Security Equipment Life Cycle will be offset from the IT Infrastructure – Sustainment profile during the 2023 Spring Supplemental Budget Adjustment (SCBA). These profiles will be combined with IT Infrastructure - Sustainment profile during 2023-2026.
- Delivery of vehicle orders are delayed due to parts shortages and manufacturing shutdowns. Budget of \$4.676 million will be carried forward to 2023 for the delivery of the remaining vehicles and fit up.
- The In-Car Video timeline for completion of proof of concept for the pilot project has been extended and budget of \$0.044 million will be carried forward to 2023 for completion in Q1.
- The design phase of the Automated Fingerprint Identification System work is extended to Q1 2023. Budget of \$0.541 million will be carried over to 2023 for the implementation of the solution in Q3.

3 Information Technology

- Application Enhancement major expenditures include Administrative Penalty Information System (APIS) Adoption, Facial Recognition and Implement Video Management Foundations. There is a yearend administrative adjustment to transfer \$0.402 million to operating from IT Applications-Sustainment for software-as-a-service expenditures that are considered operating in nature.
- Infrastructure Sustainment expenditures include expenditures for Third Data Centre project. There is a yearend administrative adjustment to transfer \$0.327 million to operating for expenditures considered operating in nature. Due to global supply chain issues, delivery for remaining hardware orders will be received in 2023.
- Remaining budget within Police IT Systems of \$2.996 million will be carried forward to 2023 for committed network and wireless equipment and for the Hewlett Packard Enterprises Greenlake infrastructure storage and backup hardware solution. Budget of \$0.312 million for IT Applications–Enhancement will offset the overspend of \$0.238 million for IT Applications–Sustainment. The overspend of \$0.048 million in Radio Life Cycle and \$0.115 million in Security Equipment Life Cycle will be offset from the IT Infrastructure – Sustainment which will be adjusted during the 2023 Spring SCBA.
- Enterprise Commons Go-Live date has been extended to Q3 2024. There is a yearend administrative budget adjustment to transfer \$2.395 million from capital to operating as the expenditures relate to software-as-a-service solution. Budget of \$1.460 million will be carried over to 2023 and is expected that an additional \$3.415 million will be required for completion of the project.
- CAD-RMS Integration, Modernization & Maximization (CRIMM) expenditures to date are information technology and business resources. Phase I is expected to be completed Q2 2023 and project completion is expected by Q4 2023. Budget of \$1.903 million will be carried over to 2023.