



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2023 April 03

SUBJECT: Budget Variance for the Period Ending February 28, 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 February 28, 2023.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending February 28, 2023 indicate a net surplus position of \$1.279 million or 1.7% (revenue shortfall of \$1.031 million offset by an expense underspend of \$2.310 million).

The revenue shortfall is due to fewer Traffic Safety Act (TSA) fine tickets issued.

The underspend in Personnel expense is primarily the result of current vacancies.

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

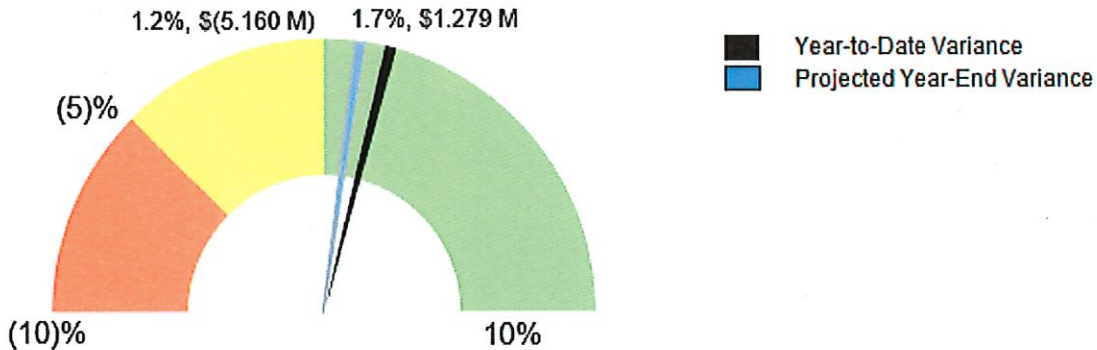
Emergent Issue

The Regimental Funeral for Constable Jordan and Constable Ryan is to be held on March 27, 2023. The total cost to the service is currently unknown and will be reported upon in future months.

CONCLUSION:

The year-end forecast projects an operating surplus of \$5.160 million (\$4.848 million underspend from current year operations, and \$0.312 million in the operating reserve).

- Favourable budget variance, >= 0%
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, > (5)%



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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Chief of Police: _____ *[Signature]*

Date: _____ *April 3, 23*

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending February 28, 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)	\$ 1,996	\$ (1,682)	\$ (3,678)	-184.3%	\$ 1,978	\$ 1,809	\$ (169)	-8.5%	\$ 1,996	\$ 1,267	\$ (729)	-36.5%	\$ 11,122	\$ 7,638	\$ (3,484)	-31.3%
Transfer from Reserve (OTS) (Note 2)	-	-	-		5,573	5,573	-	0.0%	-	-	-		-	-	-	
Provincial Grants (Note 3)	518	920	402	77.6%	617	500	(117)	-19.0%	920	920	-	0.0%	31,574	34,576	3,002	9.5%
Other Revenue (Note 4)	1,249	3,074	1,825	146.1%	5,481	5,324	(157)	-2.9%	6,164	5,862	(302)	-4.9%	38,071	37,669	(402)	-1.1%
Secondments	1,147	1,083	(65)	-5.6%	2,275	2,337	63	2.8%	2,334	2,137	(197)	-8.5%	13,388	13,071	(317)	-2.4%
Tow Lot	596	377	(219)	-36.7%	1,192	1,041	(150)	-12.6%	1,192	1,089	(103)	-8.6%	7,150	7,047	(103)	-1.4%
PICS and Alarm Control	501	976	474	94.6%	942	894	(47)	-5.0%	962	1,072	109	11.3%	6,756	6,756	-	0.0%
Extra Duty ¹	327	284	(43)	-13.2%	494	73	(421)	-85.3%	472	281	(191)	-40.5%	3,217	3,217	-	0.0%
E911 Fees	112	289	177	158.6%	225	168	(57)	-25.2%	223	226	3	1.2%	1,340	1,354	14	1.0%
School Resource Officer (SRO)	11	10	(1)	-11.2%	(224)	-	224	-100.0%	22	10	(12)	-55.6%	950	950	-	0.0%
Other ²	876	1,045	168	19.2%	578	810	232	40.0%	958	1,047	88	9.2%	5,269	5,273	3	0.1%
Total Revenue	3,763	2,312	(1,451)	-38.6%	13,649	13,206	(443)	-3.2%	9,080	8,049	(1,031)	-11.4%	80,767	79,883	(884)	-1.1%
Expense																
Personnel																
Salary and benefits (Note 5)	33,441	33,062	379	1.1%	64,950	65,423	(473)	-0.7%	68,285	67,091	1,194	1.7%	392,515	388,867	3,648	0.9%
EPS Overtime (Note 6a)	720	1,071	(351)	-48.7%	1,642	2,252	(610)	-37.1%	1,677	2,244	(567)	-33.8%	10,344	10,736	(392)	-3.8%
External Overtime (Note 6b)	34	103	(69)	-203.8%	68	19	49	72.1%	68	103	(35)	-51.5%	407	383	24	5.9%
	34,195	34,236	(41)	-0.1%	66,660	67,694	(1,034)	-1.6%	70,030	69,438	592	0.8%	403,266	399,986	3,280	0.8%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,324	(1,409)	2,733	206.4%	2,994	3,641	(647)	-21.6%	3,587	3,666	(79)	-2.2%	18,385	21,718	(3,333)	-18.1%
Contracts and services (Note 8)	1,973	2,619	(646)	-32.7%	3,897	3,041	856	22.0%	3,979	3,231	748	18.8%	28,902	28,013	889	3.1%
Vehicles (Note 9)	732	1,066	(334)	-45.6%	1,444	1,467	(23)	-1.6%	1,558	1,647	(89)	-5.7%	10,852	10,804	48	0.4%
Facilities (Note 10)	1,752	1,916	(164)	-9.4%	3,609	3,163	446	12.4%	3,542	2,610	932	26.3%	24,942	19,782	5,160	20.7%
Other Expenditures ¹ (Note 11)	117	375	(258)	-220.3%	594	392	202	34.0%	418	212	206	49.3%	3,875	4,187	(312)	-8.1%
	5,898	4,567	1,331	22.6%	12,538	11,704	834	6.7%	13,084	11,366	1,718	13.1%	86,956	84,504	2,452	2.8%
Total Expense	40,093	38,803	1,290	3.2%	79,198	79,398	(200)	-0.3%	83,114	80,804	2,310	2.8%	490,222	484,490	5,732	1.2%
Position before Adjustments	36,330	36,491	(161)	-0.4%	65,549	66,192	(643)	-1.0%	74,034	72,755	1,279	1.7%	409,455	404,607	4,848	1.2%
Tangible Capital Assets Budget adjustment (Note 12)													5,985	5,985	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														(312)	312	
Net Position	\$ 36,330	\$ 36,491	\$ (161)	-0.4%	\$ 65,549	\$ 66,192	\$ (643)	-1.0%	\$ 74,034	\$ 72,755	\$ 1,279	1.7%	\$ 415,440	\$ 410,280	\$ 5,160	1.2%

1 Extra Duty Revenue received from other City Departments are reclassified from expense 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 February 28, 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)

In 2022, this was a transfer from the Traffic Safety and Automated Enforcement Reserve (TSAER). In 2023, the TSAER transfer is replaced with tax levy funding as approved by City Council motion passed on June 7, 2022.

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 – Slightly over budget.

Forecast – Projecting to be over budget due to the recognition of revenue received and related to the former Police Officer Grant.

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 primarily due to decreased Secondment revenue in ALERT, offset by decreased salary and benefits, and decreased demand for EPS Extra Duty services.

Forecast – Forecasting to be slightly under budget primarily due to decreased Secondment revenue.

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 – Under budget due to vacancies resulting from high rates of attrition. This is partially offset by increased overtime and has a negative impact on members' wellness and wellbeing.

Forecast – The same as year to date.

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

Attrition	February	February YTD	Full Year
Original Projection	15	15	90
Actual & Updated Projection	15	16	90

As of March 20, 2023, eleven sworn members have tendered a resignation, sixteen announced a retirement, and three are deceased, for an attrition total of thirty. Of these, sixteen were no longer on the payroll as of February 28, 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 an increased number of investigations within Major Crimes Branch, and staffing requirements to maintain services levels in the Police Info Access Branch (PICS).

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 – Slightly over budget.

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 less demand for Tow Lot services which are offset by lower revenue and delays in filling HELP navigator contract positions.

Forecast – The same as year to date, offset by increased DNA expenditures due to rate increases from the Government of Alberta.

9. Vehicle Costs

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

Year to date – Slightly over budget.

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