



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2019 November 25

**SUBJECT:** Budget Variance for the Period Ending October 31, 2019

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#### RECOMMENDATION(S):

That this report be received for information.

#### INTRODUCTION:

This report provides information and updates to the EPC on the EPS current financial position and year-end financial performance forecast as of October 31, 2019.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending October 31, 2019 indicate a net surplus position of \$2.005 million or 0.7% mainly due to an under spend in non-personnel of \$4.863 million partially offset by an over spend in personnel of \$2.909 million and higher revenue of \$0.051 million.

The under budget position in non-personnel costs is due to lower equipment and IT costs, lower custodial and maintenance costs primarily due to Northwest Campus delays, lower renovation and rent, and lower Extra Duty members costs due to lower demand.

The over budget position in personnel costs is a result of being over strength, higher part time and overtime costs in PCB resulting from 911 position civilianization and higher secondment costs (offset by recoveries from ALERT).


The over budget revenue position is primarily due to increased secondment recoveries from ALERT (offset by higher personnel expenses), higher Police Information Check Section (PICS) revenue partially offset by lower Traffic Safety Act revenue, lower vehicle tows revenue and less E911 Grant revenue recognized.

**CONCLUSION:**

In accordance with EPS Reserve Policy, the currently projected operating surplus of \$0.041million will be placed in EPS Operating Reserve.

**ADDITIONAL INFORMATION ATTACHED:**

Attachment 1 – Budget Variance by Major Category of Revenue & Expenditures

Written By:  Kathryn REYNOLDS, Director, Financial Management Branch

Reviewed By: Robert DAVIDSON, Executive Director, Business Development Division 

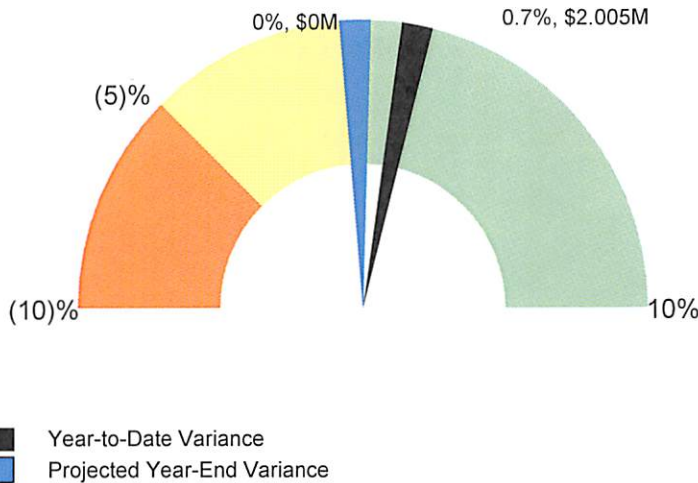
Approved By: Darren DERKO, Deputy Chief, Corporate Services Bureau

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

Date: Nov 27, 19

**Edmonton Police Service**  
**Budget Variance by Major Category of Revenue & Expenditures**  
**For the Period Ending October 31, 2019**

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



	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	75,246	75,298	51	0.1%
<i>Personnel</i>	302,594	305,503	(2,909)	-1.0%
<i>Non-Personnel</i>	60,522	55,660	4,863	8.0%
Expense	363,116	361,163	1,954	0.5%
Net Position	287,870	285,865	2,005	0.7%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	96,957	96,008	(949)	-1.0%
<i>Personnel</i>	368,347	368,963	(616)	-0.2%
<i>Non-Personnel</i>	75,605	73,999	1,606	2.1%
Expense	443,952	442,962	990	0.2%
TCA (Note 1)	9,958	9,958	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	41	(41)	0.0%
Net Position	356,953	356,953	-	0.0%

**Year-to Date**

**Revenue** - The slightly over budget revenue position is primarily due to increased secondment recoveries from ALERT (offset by personnel expenses), higher Police Information Check Section (PICS) revenue partially offset by lower Traffic Safety Act revenue, lower vehicle tows revenue and less E911 Grant revenue recognized.

**Personnel** - Unfavourable variance primarily due to being over strength, higher part time and overtime costs in PCB resulting from 911 position civilianization and higher secondment costs (offset by recoveries from ALERT).

**Non-Personnel** - Favorable variance primarily due to lower equipment and IT costs primarily due to the timing of specific initiatives planned for Q4 (PC Lifecycle as part of Windows 10), custodial and maintenance costs primarily due to Northwest Campus delays, lower renovations and rent, lower Extra Duty member payments due to lower demand.

**Projected Year-End**

**Revenue** - The under budget position is due to Traffic Safety Act revenue (partially due to lower number of tickets issued), lower Extra Duty due to lower demand, lower vehicle tows revenue (lower volume of tows partially offset by the increase in storage rates), lower E911 Grant revenue recognized partially offset by increased secondment recoveries from ALERT (offset by personnel expenses) and higher PICS revenue.

**Personnel** - The same as year to date partially offset by a reduction in Local Authorities Pension Plan employer contributions, a collective bargaining settlement where the increase is payable effective December, 2019 and funds not needed to support NHL Playoffs.

**Non-Personnel** - The favourable variance is primarily due to lower custodial and maintenance as a result of delays related to Northwest Campus, lower renovations and rent costs partially offset by higher costs to complete the tenant improvements and equipment fit-up at the TD Tower and lower than expected Extra Duty payments to members as a result of lower demand.

**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. Balance in the EPS Reserve as at December 31, 2018 was \$1.162 million.

	2018 Year-to-Date				2018 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	87,496	87,190	(306)	-0.3%	Revenue	95,718	94,742	(976)	3.8%
Expense	343,657	342,800	857	0.2%	Expense	433,095	430,957	2,138	0.5%
Transfer to/from	-	-	-	0.0%	Transfer to/from	-	1,162	(1,162)	0.0%
EPS Reserve (Note 2)					EPS Reserve (Note 2)				
Net Position	256,161	255,610	551	0.2%	Net Position	337,377	337,377	-	-0.8%