



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 November 28

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

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending October 31, 2022 indicate a net surplus position of \$3.131 million or 0.9% (revenue shortfall of \$1.992 million offset by an expense underspend of \$5.123 million).

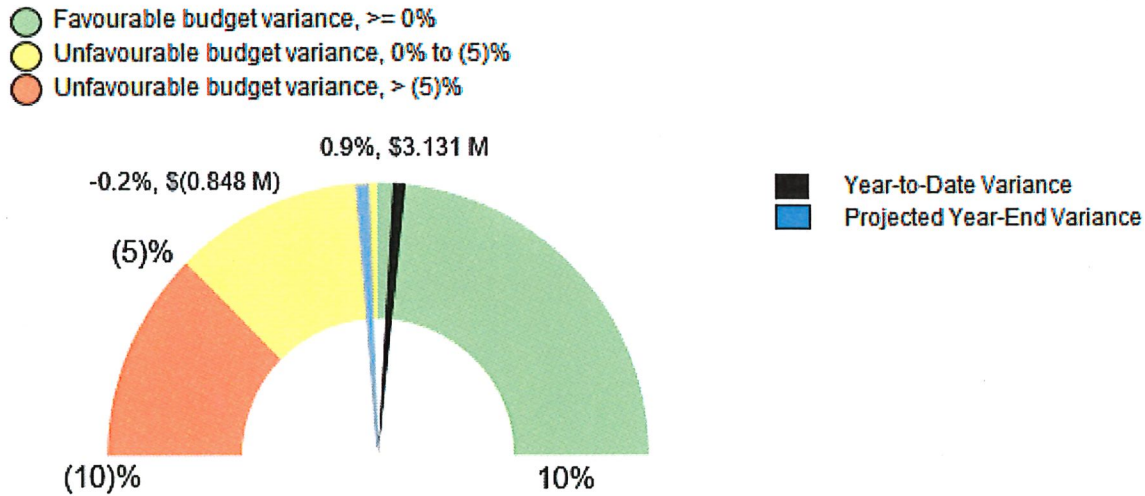
The revenue shortfall is primarily due to fewer Traffic Safety Act fine tickets issued and lower demand for several EPS services.

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.

CONCLUSION:

The year-end forecast projects an operating deficit of \$0.848 million (\$2.047 million underspend from current year operations, offset by the Operating Reserve deficit of \$2.895 million).



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: _____



Ron Anderson
Chief Innovation &
Technology Officer

Date: Nov 28 / 2022

Edmonton Police Service																
Budget Variance by Major Category of Revenues & Expenditures																
For the Period Ending October 31, 2022																
(\$000's)																
	Current Period				2021 Year to Date				2022 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)	\$ 861	\$ 629	\$ (232)	-26.9%	\$ 10,135	\$ 7,921	\$ (2,214)	-21.8%	\$ 9,605	\$ 6,552	\$ (3,053)	-31.8%	\$ 11,198	\$ 7,746	\$ (3,452)	-30.8%
Transfer from Reserve (OTS) (Note 2)	5,573	5,573	-	0.0%	22,292	22,292	-	0.0%	22,292	22,292	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	308	785	477	154.9%	3,079	2,819	(260)	-8.4%	3,419	4,282	863	25.2%	30,092	32,052	1,960	6.5%
Other Revenue (Note 4)	\$ 2,812	\$ 2,825	\$ 13	0.5%	\$ 29,881	\$ 25,926	\$ (3,954)	-13.2%	\$ 28,867	\$ 29,065	\$ 198	0.7%	\$ 34,713	\$ 34,338	\$ (375)	-1.1%
Secondments	990	1,011	21	2.1%	10,831	11,321	490	4.5%	11,230	11,227	(3)	0.0%	13,480	13,438	(42)	-0.3%
Tow Lot	596	552	(44)	-7.3%	5,833	4,691	(1,142)	-19.6%	5,958	5,150	(808)	-13.6%	7,150	6,236	(914)	-12.8%
PICS and Alarm Control	543	559	15	2.8%	5,371	4,777	(594)	-11.1%	5,673	5,338	(335)	-5.9%	6,785	6,417	(368)	-5.4%
Extra Duty	294	240	(54)	-18.5%	2,510	920	(1,590)	-63.3%	2,510	2,632	121	4.8%	3,349	3,070	(279)	-8.3%
E911 Fees	113	114	1	1.3%	1,458	1,161	(297)	-20.4%	1,125	1,113	(12)	-1.1%	1,350	1,336	(14)	-1.0%
School Resource Officer (SRO)	-	0	0		2,100	860	(1,240)	-59.1%	818	941	123	15.0%	818	941	123	15.0%
Other	(128)	(178)	(50)	39.5%	1,777	2,197	419	23.6%	1,552	2,663	1,112	71.6%	1,781	2,899	1,118	62.8%
Total Revenue	9,554	9,812	258	2.7%	65,387	58,958	(6,428)	-9.8%	64,183	62,191	(1,992)	-3.1%	98,295	96,428	(1,867)	-1.9%
Expense																
Personnel																
Salary and benefits (Note 5)	32,488	30,564	1,924	5.9%	310,617	315,187	(4,570)	-1.5%	318,885	312,572	6,313	2.0%	383,491	378,415	5,076	1.3%
EPS Overtime (Note 6a)	850	1,082	(233)	-27.4%	8,055	8,263	(208)	-2.6%	8,337	12,965	(4,628)	-55.5%	10,145	15,472	(5,327)	-52.5%
External Overtime (Note 6b)	34	46	(12)	-37.0%	340	816	(476)	-140.0%	340	345	(5)	-1.5%	407	414	(7)	-1.7%
	33,371	31,692	1,679	5.0%	319,012	324,266	(5,254)	-1.6%	327,562	325,882	1,680	0.5%	394,043	394,301	(258)	-0.1%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,471	2,144	(673)	-45.8%	15,007	14,596	411	2.7%	17,963	17,612	351	2.0%	21,219	21,678	(459)	-2.2%
Contracts and services (Note 8)	2,056	1,448	608	29.6%	21,128	17,808	3,320	15.7%	21,442	20,532	910	4.2%	27,424	26,281	1,143	4.2%
Vehicles (Note 9)	739	937	(198)	-26.8%	7,290	7,097	193	2.6%	7,221	7,417	(196)	-2.7%	8,652	9,278	(626)	-7.2%
Facilities (Note 10)	1,912	1,719	193	10.1%	18,780	16,397	2,383	12.7%	18,251	16,888	1,363	7.5%	24,337	20,785	3,552	14.6%
Other Expenditures (Note 11)	279	284	(5)	-1.9%	4,470	3,326	1,143	25.6%	3,071	2,056	1,015	33.1%	5,192	4,630	562	10.8%
	6,457	6,532	(75)	-1.2%	66,675	59,224	7,450	11.2%	67,948	64,505	3,443	5.1%	86,824	82,652	4,172	4.8%
Total Expense	39,828	38,224	1,604	4.0%	385,687	383,490	2,196	0.6%	395,510	390,387	5,123	1.3%	480,867	476,953	3,914	0.8%
Position before Adjustments	30,274	28,412	1,862	6.2%	320,300	324,532	(4,232)	-1.3%	331,327	328,196	3,131	0.9%	382,572	380,525	2,047	0.5%
Tangible Capital Assets Budget adjustment (Note 13)													6,174	6,174	-	0.0%
Transfer to/(from) EPS Reserve (Note 14)														2,895	(2,895)	
Net Position	\$ 30,274	\$ 28,412	\$ 1,862	6.2%	\$ 320,300	\$ 324,532	\$ (4,232)	-1.3%	\$ 331,327	\$ 328,196	\$ 3,131	0.9%	\$ 388,746	\$ 389,594	\$ (848)	-0.2%

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 October 31, 2022

1. Traffic Safety Act (TSA) Fines Revenue

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

Year to Date – 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.

Forecast – Same as year to date.

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.

Year to Date – Quarterly transfers from the OTS and the final payment was received in October.

Forecast – No variance is expected.

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.

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

Forecast – The same as above, further increased by the new Virtual Opioid Dependency program 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 over budget position is primarily due to increased demand for Extra Duty services as Edmonton festivals and events return to pre-pandemic levels, and for revenue due from Public Safety Canada (PSC) for the policing support provided during the 2022 Papal visit. This is partially offset by decreased demand for Tow Lot and PICS revenue, which is offset by decreased contracts and services.

Forecast – Forecasting to be under budget mainly due to decreased Tow Lot and PICS revenue, which are both offset by a projected decrease in contracts and services.

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.

Year to date – 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.

Forecast – The same as year to date.

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

Attrition	October	October YTD	Full Year
Original Projection	5	50	60
Actual & Updated Projection	9	87	100

As of November 21, 2022, forty-eight sworn members have tendered their resignation and forty-six announced their retirement, for an attrition total of ninety-four. Of these, eighty-seven were no longer on the payroll as of October 31, 2022.

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 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. This is offset by favorable salary and benefit costs.

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 – The same as year to date.

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 – Under budget due to the timing of expenses for the purchases of IT equipment, and delays in the purchasing of other materials.

Forecast – Projecting to be 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.

Year to date – Under budget due to less demand for PICS and Tow Lot services which are offset by lower revenues; partially offset by higher Psychological Counseling costs and the costs incurred during the 2022 Papal visit which will be recovered through revenue due from PSC.

Forecast – The same as year to date, and further increased by lower snow clearing costs.

9. Vehicle Costs

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

Year to date – Over budget due to increased fuel and vehicle maintenance expenses.

Forecast – The same as above.

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.

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

Forecast – The same as year to date, partially offset by lower than anticipated insurance recoveries for damaged vehicles.

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, 2021 is a deficit of \$2.895 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