



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 January 02

SUBJECT: Budget Variance for the Period Ending November 30, 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 November 30, 2022.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending November 30, 2022 indicate a net surplus position of \$3.860 million or 1.1% (revenue shortfall of \$2.127 million offset by an expense underspend of \$5.987 million).

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

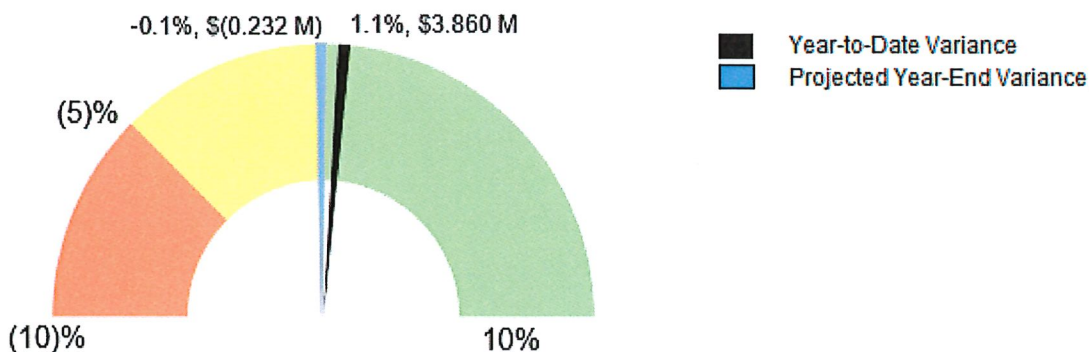
The underspend in Personnel expense is primarily the result of increased vacation taken and higher than expected attrition.

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 \$0.232 million (\$2.663 million underspend from current year operations, offset by the Operating Reserve deficit of \$2.895 million).

- Favourable budget variance, $\geq 0\%$
- 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

Written By: Iryna PYASTA, Director, Financial Management Branch

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

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

Chief of Police: _____

Date: January 3, 2023

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending November 30, 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)	\$ 808	\$ 628	\$ (180)	-22.3%	\$ 11,024	\$ 8,602	\$ (2,422)	-22.0%	\$ 10,413	\$ 7,180	\$ (3,233)	-31.0%	\$ 11,198	\$ 7,754	\$ (3,444)	-30.8%
Transfer from Reserve (OTS) (Note 2)	-	-	-		22,292	22,292	-	0.0%	22,292	22,292	-	0.0%	22,292	22,292	-	0.0%
Provincial Grants (Note 3)	312	487	175	56.1%	3,387	3,082	(305)	-9.0%	3,731	4,769	1,038	27.8%	30,092	32,052	1,960	6.5%
Other Revenue (Note 4)	2,927	2,796	(131)	-4.5%	32,806	28,315	(4,491)	-13.7%	31,794	31,862	68	0.2%	34,713	34,768	55	0.2%
Secondments	1,096	1,055	(41)	-3.7%	11,986	12,516	530	4.4%	12,326	12,282	(44)	-0.4%	13,480	13,363	(117)	-0.9%
Tow Lot	596	419	(177)	-29.7%	6,417	5,201	(1,216)	-18.9%	6,554	5,569	(985)	-15.0%	7,150	6,095	(1,055)	-14.8%
PICS and Alarm Control	577	588	11	1.8%	5,949	5,263	(686)	-11.5%	6,250	5,926	(324)	-5.2%	6,785	6,417	(368)	-5.4%
Extra Duty	435	267	(168)	-38.6%	2,945	1,090	(1,855)	-63.0%	2,945	2,898	(47)	-1.6%	3,349	3,379	30	0.9%
E911 Fees	113	112	(0)	0.0%	1,604	1,201	(403)	-25.1%	1,238	1,225	(12)	-1.0%	1,350	1,336	(14)	-1.0%
School Resource Officer (SRO)	-	(6)	(6)		2,100	860	(1,240)	-59.1%	818	936	117	14.3%	818	936	117	14.3%
Other	111	362	251	225.9%	1,806	2,184	378	21.0%	1,663	3,025	1,363	81.9%	1,781	3,243	1,462	82.1%
Total Revenue	4,047	3,911	(136)	-3.4%	69,509	62,291	(7,218)	-10.4%	68,230	66,103	(2,127)	-3.1%	98,295	96,866	(1,429)	-1.5%
Expense																
Personnel																
Salary and benefits (Note 5)	30,871	30,426	445	1.4%	340,725	346,168	(5,443)	-1.6%	349,756	342,999	6,757	1.9%	383,491	377,701	5,790	1.5%
EPS Overtime (Note 6a)	775	1,525	(751)	-96.9%	8,877	9,138	(261)	-2.9%	9,146	14,490	(5,344)	-58.4%	10,145	15,936	(5,791)	-57.1%
External Overtime (Note 6b)	67	58	10	14.5%	373	885	(512)	-137.3%	373	403	(30)	-8.0%	407	437	(30)	-7.4%
	31,713	32,009	(296)	-0.9%	349,975	356,191	(6,216)	-1.8%	359,275	357,892	1,383	0.4%	394,043	394,074	(31)	0.0%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,790	1,763	27	1.5%	16,604	16,207	397	2.4%	19,753	19,375	378	1.9%	21,219	21,457	(238)	-1.1%
Contracts and services (Note 8)	2,037	1,581	456	22.4%	23,127	19,595	3,532	15.3%	23,479	22,112	1,367	5.8%	27,424	26,476	948	3.5%
Vehicles (Note 9)	692	809	(117)	-16.9%	8,016	7,751	265	3.3%	7,913	8,226	(313)	-4.0%	8,615	9,276	(661)	-7.7%
Facilities (Note 10)	1,912	1,103	809	42.3%	20,742	18,061	2,681	12.9%	20,163	17,990	2,173	10.8%	24,337	20,820	3,517	14.5%
Other Expenditures (Note 11)	262	278	(16)	-6.2%	4,688	3,477	1,211	25.8%	3,333	2,334	999	30.0%	5,191	4,634	557	10.7%
	6,693	5,534	1,159	17.3%	73,177	65,091	8,086	11.1%	74,641	70,037	4,604	6.2%	86,786	82,663	4,123	4.8%
Total Expense	38,406	37,543	863	2.2%	423,162	421,282	1,870	0.4%	433,916	427,929	5,987	1.4%	480,829	476,737	4,092	0.9%
Position before Adjustments	34,359	33,632	727	2.1%	353,643	358,991	(5,348)	-1.5%	365,686	361,826	3,860	1.1%	382,534	379,871	2,663	0.7%
Tangible Capital Assets Budget adjustment (Note 13)													6,212	6,212	-	0.0%
Transfer to/(from) EPS Reserve (Note 14)														2,895	(2,895)	
Net Position	\$ 34,359	\$ 33,632	\$ 727	2.1%	\$ 353,643	\$ 358,991	\$ (5,348)	-1.5%	\$ 365,686	\$ 361,826	\$ 3,860	1.1%	\$ 388,746	\$ 388,978	\$ (232)	-0.1%

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 November 30, 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 slightly over budget. Increased Extra Duty revenue is partially offset by 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	November	November YTD	Full Year
Original Projection	5	55	60
Actual & Updated Projection	5	92	100

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. Of these, ninety-two were no longer on the payroll as of November 30, 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 the costs incurred during the 2022 Papal visit which will be recovered through revenue due from PSC.

Forecast – The same as year to date, partially offset by increased psychology expenses and Mandatory Wellness Evaluations.

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