



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2021 December 30

SUBJECT: Budget Variance for the Period Ending November 30, 2021

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, 2021.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending November 30, 2021 indicate a net deficit position of \$5.348 million or 1.5% (revenue shortfall of \$7.218 million and an expense underspend of \$1.870 million).

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

The overspend in Personnel expense is primarily the result of higher salary costs due to decreases in vacation taken in the first half of the year.

The main causes of the underbudget position in non-personnel costs are detailed in Attachment I and include lower than anticipated custodial and maintenance costs provided by the City of Edmonton, and lower contracts and services.

COVID-19 Financial Impact

For the period ending November 30, 2021 in (\$000's)

	2020 Year-End	2021	Total
Lost Operational Hours	83,579	34,3132	117,711
Lost Operational Hours in Days (based on 10 hour day)	8,358	3,413	11,771
Financial Impact	\$ 4,253	\$ 1,737	\$ 5,990
Other costs *	\$ 1,171	\$ 589	\$ 1,760
Total Financial Impact	\$ 5,425	\$ 2,326	\$ 7,750

* Other costs include overtime, custodial and personal protective equipment.

The total of 117,711 lost operational hours is equivalent to 56 FTEs.

CONCLUSION:

The year-end forecast projects an operating deficit of \$5.319 million. This is the result of projected revenue shortfalls and increased personnel costs.


In accordance with EPS Reserve Policy, this deficit will be partially funded from the EPS Operating Reserve.

ADDITIONAL INFORMATION ATTACHED:

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

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

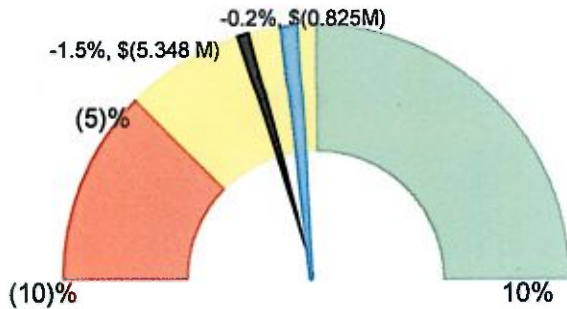
Approved By: AI MURPHY, Deputy Chief, Corporate Services Bureau  21 DEC 23

Chief of Police:  Kevin Brezinski
Acting Chief of Police 

Date: 2021 Dec 23

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending October 31, 2021

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



- Year-to-Date Variance
- Projected Year-End Variance

	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	69,509	62,291	(7,218)	-10.4%
<i>Personnel</i>	349,975	356,191	(6,216)	-1.8%
<i>Non-Personnel</i>	73,177	65,091	8,086	11.1%
Expense	423,152	421,282	1,870	0.4%
Net Position	353,643	358,991	(5,348)	-1.5%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	99,510	92,336	(7,174)	-7.2%
<i>Personnel</i>	386,026	392,130	(6,104)	-1.6%
<i>Non-Personnel</i>	81,611	73,652	7,959	9.8%
Expense	467,637	465,782	1,855	0.4%
TCA (Note 1)	18,406	18,406	-	0.0%
Transfer to/(from) EPS Reserve (Note 2)	-	(4,494)	4,494	
Net Position	386,533	387,358	(825)	-0.2%

Year-to Date

Revenue - The under budget position is the result of lower Traffic Safety Act revenues, which are due to a lower number of tickets issued. Compared to the same period in 2020, there have been approximately 8.6% less tickets issued in 2021. Also contributing to this position is less demand for Extra Duty Services, and fewer tows of seized vehicles, which are partially offset by lower contract and service costs, as well as a decrease in revenue for the School Resource Officer program. Secondment revenue for Alberta Law Enforcement Response Teams (ALERT) is favorable, offset by increased overtime costs.

Personnel - The over budget position is due to higher salary costs because of less vacation taken and less attrition than anticipated in the first half of the year. Increased overtime costs for ALERT, which are offset by increased revenue, are also contributing to the unfavorable position. EPS overtime is over budget due to minimum staffing because of COVID required isolations and vacancies.

Non-Personnel - The under budget position is due to lower Extra Duty and tow lot contract expenses, which are offset by reductions in revenue. Also contributing to the under budget position is lower maintenance and custodial, travel, and training costs.

Year-End Projection

Revenue - The same as year to date and a projected decrease in revenue due to lower demand for Police Information Checks (PICS) as a result of the pandemic.

Personnel - The same as year to date.

Non-Personnel - The same as year to date offset by required COVID-19 personal protective equipment purchases.

	2020 Year-to-Date				2020 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	92,806	89,274	(3,532)	-3.8%	Revenue	96,946	92,862	(4,084)	3.8%
Expense	415,737	409,722	6,015	1.4%	Expense	473,953	467,620	6,333	1.3%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%	Transfer to/from EPS Reserve (Note 2)	-	2,249	(2,249)	0.0%
Net Position	322,931	320,448	2,483	0.8%	Net Position	377,007	377,007	-	0.0%

**Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending October 31, 2021**

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.

The unrestricted balance in the EPS Operating Reserve as at December 31, 2020 is \$4.494 million which is comprised of the following annual transfers:

- 2018 \$1.162 million
- 2019 \$1.083 million
- 2020 \$2.249 million

The total balance in the EPS Operating Reserve as at December 31, 2020 is \$7.034 million of which \$2.540 million is restricted for Alberta First Responders Radio Communications System (AFRRCS) Government of Alberta access fee and ongoing Information Technology software subscription, maintenance and support costs.