



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** 2017-February-02

**SUBJECT:** Financial Report for the Period Ending December 31, 2016

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#### RECOMMENDATION:

That the financial report for the period ending December 31, 2016 be received for information.

#### INTRODUCTION:

This report provides current year end financial performance information for the Edmonton Police Service (EPS) for the period ending December 31, 2016.

#### COMMENTS / DISCUSSION:

##### **Operating Results**

The operating results for the period ending December 31, 2016 indicate a net deficit position of \$3.030 million or 1.0% mainly due a shortfall in revenue of \$2.930 million and an overspend in personnel of \$0.183 million, offset with underspend in non-personnel of \$0.083 million.

The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an increase of tickets issued by Police members and the Provincial decision to return to municipalities approximately 19 percent increase in rates. This is being offset by EPS recovering costs for the Fort McMurray wildfire from the Province (which is offset by personnel costs), and increased Police Information Checks.

Personnel costs are over budget primarily due to the Edmonton Police Association (EPA) 2014-2016 contract settlement, and costs associated with EPS assistance with Fort McMurray wildfires (offset by Revenue).

##### **Capital Results**

2016 is the second of a four year Capital budget (2015 to 2018) and the results indicate a significant under spend primarily due to the Northwest Campus (land and construction), helicopter and other projects that are started but are in early stages.

**CONCLUSION:**

The EPS realized an operating budget deficit of \$3.030 million, or 1.0% primarily due to low revenues from Traffic Safety Act fines.

**ADDITIONAL INFORMATION ATTACHED:**

Operating:

- I Budget Variance by Major Category of Revenue & Expenditures
- II Overtime by Bureau

Capital:

- III Capital Budget Performance

Written by: Robert DAVIDSON, Director, Finance Management Branch 

Reviewed by: Jodie GRAHAM, Executive Director, Finance Division 

Approved by: Brian ROBERTS, Chief Administrative Officer, Corporate Services Bureau 

Chief of Police: 

Date: 2012 6 20

## Edmonton Police Service

## Budget Variance by Major Category of Revenues &amp; Expenditures

For the Period Ending December 31, 2016

(\$000's)

	Current Period				2015 Year to Date				2016 Year to Date			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%
<b>Revenue</b>												
Traffic Safety Act Fines (Note 1)	\$ 1 264	\$ 962	\$ (302)	-23.9%	\$ 14 708	\$ 12 872	\$ (1 836)	-12.5%	\$ 17 808	\$ 13 572	\$ (4 236)	-23.8%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		18 819	18 819	-	0.0%	20 384	20 384	-	0.0%
Provincial Grants (Note 3)	233	483	250	107.3%	27 148	26 703	(445)	-1.6%	27 061	26 736	(325)	-1.2%
Other Revenue (Notes 4 and 12)	1 001	3 014	2 013	201.1%	28 033	28 126	93	0.3%	25 931	27 562	1 631	6.3%
<b>Total Revenue</b>	<b>2 498</b>	<b>4 459</b>	<b>1 961</b>	<b>78.5%</b>	<b>88 708</b>	<b>86 520</b>	<b>(2 188)</b>	<b>-2.5%</b>	<b>91 184</b>	<b>88 254</b>	<b>(2 930)</b>	<b>-3.2%</b>
<b>Expenditures</b>												
<b>Personnel</b>												
Salary and benefits (Note 5)	27 084	29 881	(2 797)	-10.3%	286 317	283 594	2 723	1.0%	314 795	315 168	(373)	-0.1%
EPS Overtime (Note 6a)	999	700	299	29.9%	10 303	10 660	(357)	-3.5%	10 614	10 283	331	3.1%
External Overtime (Note 6b)	36	19	17	47.2%	445	412	33	7.4%	432	573	(141)	-32.6%
	28 119	30 600	(2 481)	-8.8%	297 065	294 666	2 399	0.8%	325 841	326 024	(183)	-0.1%
<b>Non-Personnel</b>												
Furniture, equipment, IT, materials and supplies (Note 7)	893	2 944	(2 051)	-229.7%	12 446	14 964	(2 518)	-20.2%	12 605	14 516	(1 911)	-15.2%
Contracts and services (Note 8)	3 374	2 367	1 007	29.8%	20 722	20 941	(219)	-1.1%	20 919	20 177	742	3.5%
Vehicles (Note 9)	650	580	70	10.8%	7 251	7 143	108	1.5%	7 373	7 615	(242)	-3.3%
Facilities (Note 10)	1 721	2 127	(406)	-23.6%	17 304	16 180	1 124	6.5%	17 592	16 964	628	3.6%
Other Expenditures (Note 11)	10 155	9 626	529	5.2%	13 945	12 912	1 033	7.4%	14 168	13 302	866	6.1%
	16 793	17 644	(851)	-5.1%	71 668	72 140	(472)	-0.7%	72 657	72 574	83	0.1%
<b>Total Expenditures (Note 13)</b>	<b>44 912</b>	<b>48 244</b>	<b>(3 332)</b>	<b>-7.4%</b>	<b>368 733</b>	<b>366 806</b>	<b>1 927</b>	<b>0.5%</b>	<b>398 498</b>	<b>398 598</b>	<b>(100)</b>	<b>0.0%</b>
<b>Net Position</b>	<b>\$ 42 414</b>	<b>\$ 43 785</b>	<b>\$ (1 371)</b>	<b>-3.2%</b>	<b>\$ 280 025</b>	<b>\$ 280 286</b>	<b>\$ (261)</b>	<b>-0.1%</b>	<b>\$ 307 314</b>	<b>\$ 310 344</b>	<b>\$ (3 030)</b>	<b>-1.0%</b>

## Edmonton Police Service

## Explanation of Variances by Major Category of Expenditures and Revenues – Notes

Financial Report for the Period Ended December 31<sup>st</sup> 2016**1. Traffic Safety Act (TSA) Fines Revenue**

The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an increase of tickets issued by Police members and the Provincial decision to increase rates.

**2. Transfer from Reserve - Office of Traffic Safety (OTS)**

On budget.

**3. Provincial Grants**

Lower Municipal Policing Assistance Grant (MPAG) revenues as payment was based on 2014 Census data and lower E911 Grant revenues associated with the Police Communication Branch (PCB) revitalization project which is offset with lower Contracts.

**4. Other Revenue**

Over budget position is a result of EPS recovering costs for the Fort McMurray wildfires from the Province (offset in Personnel costs), increased Police Information Checks (PIC), towing revenues, lower overall Secondment recoveries (offset by lower Personnel costs).

**5. Salary and Benefits**

Over budget due to the Edmonton Police Association (EPA) 2014-2016 contract settlement. This is partially offset by WCB PIR and Dividends distribution, lower statutory holiday pay and court costs.

The sworn member attrition position for the year was:

Attrition	December	December YTD	Full Year
Original Projection	7	70	70
Actual & Updated Projection	4	65	65

**6a. EPS Overtime**

Under budget position in Human Resources is offsetting overspend in non-personnel costs, and budgets will be permanently re-allocated to cover costs of IT software commitments in 2017. Also, limited need of resources at West Edmonton Mall due to closure of some establishments and less homicide projects required overtime. This is being offset by costs associated with EPS assistance with Fort McMurray wildfires, and retroactive payments resulted from the EPA contract settlement.

**6b. External Overtime**

Overspend as a result of more overtime required in ALERT (RCMP Assistance) offset by greater revenues.

**7. Furniture, Equipment, IT, Materials and Supplies**

An over spend is mainly due to the PCB Revitalization Project, which is offset by an underspend in personnel (excluding EPA settlement), underspend in contracts & services and additional Provincial E911 Grants revenue recognized. Also, one-time purchases identified through critical unfunded initiatives also contribute to an overspend.

**8. Contracts & Services**

Under budget due to late recruitment of paramedic resources for the Detention Management Unit, less expenditures for the E911 Grant (offset by lower revenues recognized), less than anticipated snow removal charges. This is offset by higher counseling costs, and contract commitments identified through critical unfunded initiatives.

**9. Vehicle Costs**

Over budget primarily due to higher maintenance and collision repairs cost.

**10. Facilities**

Under budget resulting from less than expected custodial and maintenance costs, as well as, fluctuation in utility rates and consumption. This is being offset by construction costs associated with PCB Revitalization Project, which is offset by an under spend in personnel (excluding EPA settlement).

**11. Other Expenditures**

Under budget due to lower than expected annual insurance premiums and higher than expected recoveries from insurance claims.

**12. Other Revenue**

Other Revenue includes revenue received from other City of Edmonton departments for Extra Duty policing.

**13. Accruals**

The total Operating non-personnel accruals for December amounted to \$2.5 million (rounded).

## Edmonton Police Service

## Overtime by Bureau

For the Period Ending December 31, 2016  
(000's)

Bureau	2015 Actual	Year to Date			
		Budget	Actual	Variance	Var %
Police Commission	\$ 18	\$ 22	\$ 15	\$ 7	32%
Office of the Chief (Note 1)	212	228	\$ 205	23	10%
Corporate Services Bureau (Note 2)	1 005	784	\$ 615	169	22%
Community Policing Bureau (Note 3)	4 425	4 660	\$ 4 593	67	1%
Investigative Support Bureau (Note 4)	5 000	4 920	\$ 4 855	65	1%
Counter Terrorism and Intelligence Bureau (Note 5)	-	-	\$ -	-	-
<b>Total EPS Expenditures</b>	<b>\$ 10 660</b>	<b>\$ 10 614</b>	<b>\$ 10 283</b>	<b>\$ 331</b>	<b>3%</b>
External Overtime (Note 6)	412	432	\$ 573	(141)	-33%
<b>Total Overtime Expenditures</b>	<b>\$ 11 072</b>	<b>\$ 11 046</b>	<b>\$ 10 856</b>	<b>\$ 190</b>	<b>2%</b>

**Edmonton Police Service****Explanation of Overtime Variances by Responsibility Area - Notes****For the Period Ended December 31<sup>st</sup> 2016****1 Office of the Chief**

Under budget primarily as a result of lack of urgent investigations that require call out in the Professional Standards Branch.

**2 Corporate Services Bureau**

Under budget position in Human Resources will be addressed through a permanent re-allocation to cover costs of IT software commitments in 2017.

**3 Community Policing Bureau**

Under budget as a result of limited need of resources at West Edmonton Mall due to closure of some establishments, and vacancies associated with new downtown patrol positions.

**4 Investigative Support Bureau**

Fewer major collisions, less call outs in Disaster Emergency Operations and Planning Sections, and less overtime required in Homicide. This is being offset by costs associated with EPS assistance with Fort McMurray wildfires.

**5 Counter Terrorism and Intelligence Bureau**

No budget or activity.

**6 Secondments/Recoverable**

Over budget due to overtime utilized in RCMP Assistance which is offset by other revenue.



Edmonton Police Service  
 Capital Budget Performance  
 Financial Report for the Period Ending December 31, 2016  
 (000's)

ATTACHMENT III

Projects	2016 Budget (including Carry Forwards and Supplemental Budget Adjustments)	2016 Actual Expenditures	Commitments *	2016 Funds Available	% Substantial Completion
Police IT Systems (see Note 1)	7 026	4 504	668	1 854	Note 13
Telecommunications Life Cycle (see Note 2)	495	66	112	317	Note 13
Radio Life Cycle (see Note 3)	1 704	1 118	302	284	66%
Facilities Infrastructure Rehabilitation (see Note 4)	-	-	-	0	Note 13
Northwest Campus (see Note 5)	85 818	9 607	1 936	74 275	11%
Helicopter Replacement - single engine (see Note 6)	5 957	2 262	3 695	0	38%
Public Safety Radio Network (see Note 7)	7 660	2 051	100	5 509	27%
Digital Asset Management System (see Note 8)	5 666	707	128	4 831	12%
Vehicles (see Note 9)	8 684	6 278	1 192	1 214	Note 13
Security Equipment Lifecycle (see Note 10)	115	823	1 001	(1 709)	Note 13
Specialized Police Equipment (see Note 11)	2 000	1 260	62	678	Note 13
Police Seized Vehicle Storage Lot Expansion (see Note 12)	45	48	-	(3)	
<b>TOTAL</b>	125 170	28 724	9 196	87 250	

\* commitments include purchase orders and/or contractual agreements.

Edmonton Police Service  
Capital Budget Performance  
For the Period Ended December 31, 2016

## 1 Police IT Systems

The following projects were completed in 2016:

### Infrastructure

- Mobile Workstations (MWS) Lifecycle 2016

### Applications

- Online Reporting Phase II
- eCollisions
- Data Manager Retirement Release 1
- 911 Software Replacement

The following projects are expected to be carried over to 2017:

### Infrastructure

- Divisional Corporate WIFI
- Infrastructure Lifecycle
- Infrastructure Software

### Applications

- Mobile Responder
- Online Reporting
- Warrants
- Source Management / Witness Protection (SMWP)
- Data Manager Retirement
- The Edmonton Police Reporting and Occurrence System (EPROS) Gateway Enhancements - Property and Service
- e-Ticketing
- Police Information Portal (PIP) Publishing Level 2

The 911 Software Replacement project is funded by the E911 Grant in the Operating budget and is complete. The actual carry forward of 2016 budget is \$2,500K to complete the projects carried over to 2017.

## 2 Telecommunications Lifecycle Replacement

Commitments are in place for the Private Branch Exchange (PBX) System replacement. The Polycom Lifecycle Replacement project for the hardware purchase and implementation has been delayed due to higher prioritized activities. The remaining budget of \$429K will be carried over to 2017 for hardware purchase and implementation of the system.

Edmonton Police Service  
Capital Budget Performance  
For the Period Ended December 31, 2016

### 3 Radio Lifecycle Replacement

The year to date expenditures include the purchase of dispatch consoles, an encryption Key Management Facility (KMF), and gateway. There have been delays with the Request for Proposal process however the vendor will be awarded in early 2017 for installation of the equipment and purchase of Vehicular repeaters. There is a carryforward to 2017 of \$586K.

### 4 Facilities Infrastructure Rehabilitation

The following projects were completed in 2016:

- PMC William Nixon Armory & Ammo Storage

The following projects are expected to continue in 2017:

- PHQ – Investigation and Upgrade of Ventilation/Filtration System - Range

Expenditures incurred in 2016 were covered by City of Edmonton Facility and Landscape Infrastructure (FLI) area. EPS Finance transferred the actual costs to the FLI area. The above Facility Rehabilitation project is expected to be complete by the end of 2017 but actual costs will be transferred to FLI.

### 5 Northwest Campus

Construction will continue to take place in 2017 and 2018 as well as COE project management charges and design consultant costs. The land cost is expected to be recorded in 2017. The remaining budget of \$76,211K will be carried over to 2017. Estimates and charges are provided by the consultants and staff of FLI of COE.

### 6 Helicopter Replacement – single engine

Possession is expected in early 2017 and finishing and installation of equipment will begin. Budget of \$3,695K will be carried forward to 2017.

Edmonton Police Service  
Capital Budget Performance  
For the Period Ended December 31, 2016

### **7 Public Safety Radio Network**

The year to date expenditures are primarily for consulting and project management staffing. Also, radio purchases for the department of City Operations were recorded. The migration environment setup with the actual migration of radios from the Enhanced Digital Access Communication System (EDACS) to Alberta First Responder Radio Communications System (AFRRCS) will occur in 2017. Remaining budget of \$5,609K will be carried forward to 2017.

### **8 Digital Asset Management System (DAMS)**

This project is in the process of defining project scope and collecting high level requirements with the hiring of a Project Manager and three Business Analysts. The Request for Proposal process is almost complete with vendor selection in early Q1 2017. Budget of \$4,959K will be carried forward to 2017.

### **9 Vehicles**

98 Marked, 20 Unmarked, and 7 Covert vehicles plus a pallet stacker and ATV were put into service in 2016. Budget of \$2,406K will be carried forward to 2017.

### **10. Security Equipment Lifecycle**

The expenditures include the preliminary equipment purchases for the facilities (e.g. Southwest Division, Nixon and Property Exhibit) targeted for completion and contractors' costs. There is an overspend this year, however, expenditures will be balanced over the four year budget cycle.

### **11 Specialized Police Equipment**

Funds have been transferred from the operating budget for the purchase of items that meet the Tangible Capital Asset (TCA) definition. The purchases this year include:

Edmonton Police Service  
Capital Budget Performance  
For the Period Ended December 31, 2016

- Village Facades-WN Training
- Pitney Bowes Postage Machine
- Automated Traffic Scenario Simulator
- Bomb Suit
- 4 Niveus Workstations for Tech Crime Unit
- Laser Gun
- Radios for additional staff
- Livescan hardware, software and printer
- 2 Laminators and 1 double-sided printer
- Cisco 3850 Switch
- LED Retrofit Tower Lighting
- 3 Harris Symphony Radio Consoles
- 10 signal Booster, 700-800 MHZ Band
- Drug & Gang Surveillance Recording
- iPad Mini for Bomb Unit
- Thermo Scientific TruNarc
- Tape Drive with Software
- Cisco Router for Greisbach
- 2 Safes and 13 Cabinets
- 20 Workstation Consoles

Remaining budget of \$740K will be carried forward to 2017.

### **12 Police Seized Vehicle Storage Lot Expansion**

This project incurred expenditures during 2016 and \$45K was transferred from the Operating budget. There are outstanding change requests and the project will continue in 2017. An additional budget transfer will be requested during the Spring Supplemental Capital Budget Adjustment (SCBA) process.

### **13 Composite Projects – Completion Status**

Police IT Systems, Telecommunications Equipment, Facilities Infrastructure/Rehabilitation, Vehicles, Security Equipment Lifecycle and Specialized Equipment contain multiple sub-projects within the total project, and each sub-project is at different stages of completion.