



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2022 January 31

SUBJECT: Budget Variance for the Period Ending December 31, 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 December 31, 2021.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending December 31, 2021 indicate a net deficit position of \$7.389 million or 1.9% (revenue shortfall of \$7.315 million and an expense overspend of \$0.074 million) to be partially funded from the Edmonton Police Service Operating Reserve.

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, and the impact of year-end corporate employment adjustments.

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 December 31, 2021 in (\$000's)

	2020 Year-End	2021	Total
Lost Operational Hours	83,579	40,389	123,968
Lost Operational Hours in Days (based on 10 hour day)	8,358	4,038	12,396
Financial Impact	\$ 4,253	\$ 2,055	\$ 6,308
Other costs *	\$ 1,171	\$ 614	\$ 1,785
Total Financial Impact	\$ 5,424	\$ 2,669	\$8,093

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

The total of 123,968 lost operational hours is equivalent to 59.4 FTEs.

Capital Results

This is the third year of the four-year Capital budget (2019 to 2022) and the results indicate a budget carry forward to 2022 of \$26.246 million. The carry forward is predominantly related to Information Technology infrastructure storage and backup hardware solution, vehicle orders being delayed due to parts shortages and manufacturing shutdowns, the In-Car Video project vendor selection and award, and Northwest Campus outstanding legal fees and holdbacks.

ADDITIONAL INFORMATION ATTACHED:

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

Attachment 2 – Capital Budget Performance

Written By: Kathryn Reynolds, Director, Financial Management Branch 

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

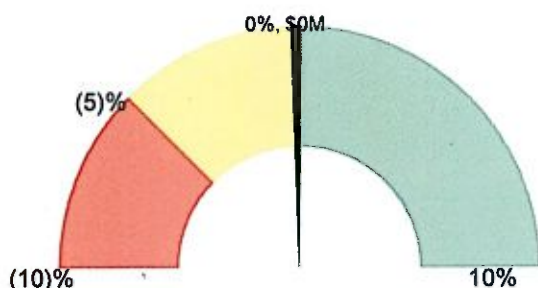
Approved By: AI MURPHY, Deputy Chief, Corporate Services Bureau 

Chief of Police:  *(Quick discussion on Covid expenses?)*

Date: Jun 28, 22

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

- Favourable budget variance, $\geq 0\%$
- Unfavourable budget variance, 0% to $(5)\%$
- Unfavourable budget variance, $> (5)\%$



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

	2021			
	Budget	Actual	Variance \$	%
Revenue	100,214	92,899	(7,315)	-7.3%
<i>Personnel</i>	386,712	394,201	(7,489)	-1.9%
<i>Non-Personnel</i>	102,120	94,705	7,415	7.3%
Expense	488,832	488,906	(74)	0.0%
Transfer to/from EPS				
Reserve (Note 2)	-	(7,389)	7,389	0.0%
Net Position	388,618	388,618	-	0.0%

	2020			
	Budget	Actual	Variance \$	%
Revenue	96,946	92,862	(4,084)	-4.2%
<i>Personnel</i>	381,640	384,712	(3,072)	-0.8%
<i>Non-Personnel</i>	92,313	82,908	9,405	10.2%
Expense	473,953	467,620	6,333	1.3%
Transfer to/from EPS				
Reserve (Note 2)	-	2,249	(2,249)	
Net Position	377,007	377,007	-	0.0%

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 11.8% 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 as a result of less vacation taken. 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.

Notes:

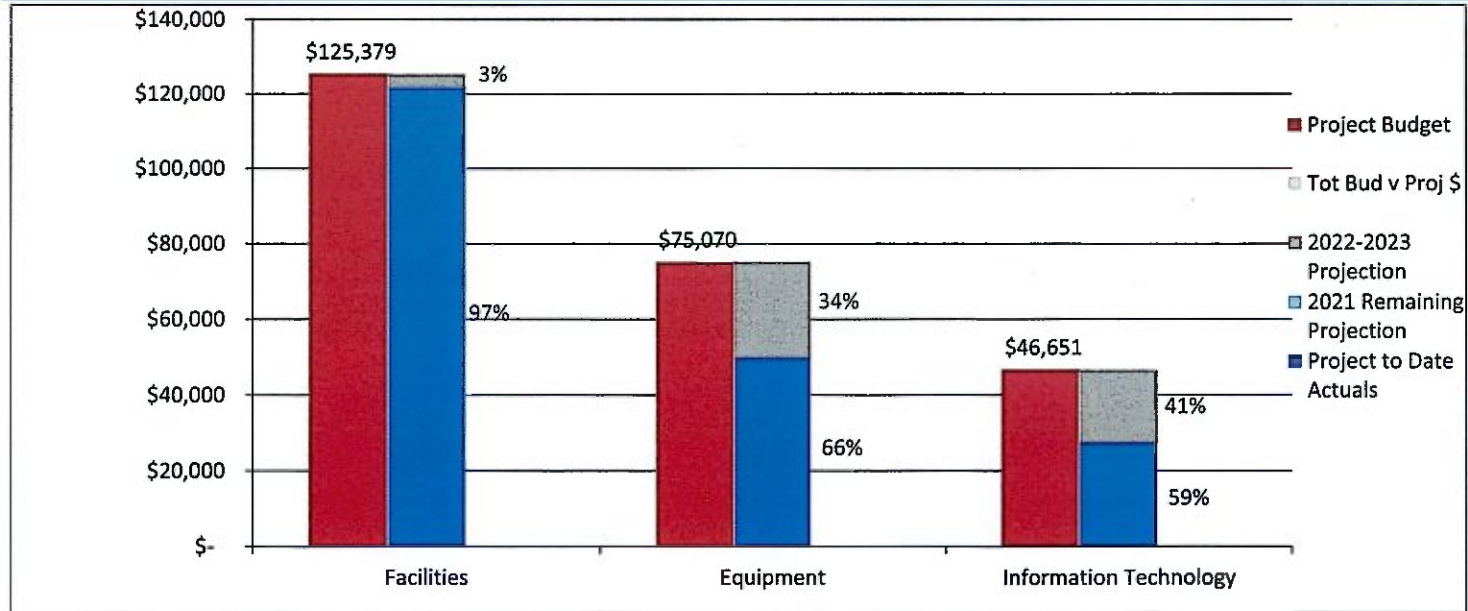
(1) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy and in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget.

The balance in the EPS Operating Reserve as at 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

Edmonton Police Service
 Capital Budget Performance
 Financial Report for the Period Ending December 31, 2021 (\$000's)

Profile Category	2021 Actuals	Project To Date Actuals	2022-2024 Projection	Total Projection	Approved Budget Prior Years	2021 Approved Budget	2022-2023 Approved Budget	Total Approved Budget	Total Bud vs Proj \$
Facilities (Note 1)	\$ 893	\$ 121,938	\$ 3,242	\$ 125,179	\$ 121,045	\$ 4,335	\$ -	\$ 125,379	\$ 200
Equipment (Note 2)	\$ 9,421	\$ 49,839	\$ 25,384	\$ 75,223	\$ 40,418	\$ 23,940	\$ 10,712	\$ 75,070	\$ (153)
Information Technology (Note 3)	\$ 4,669	\$ 27,395	\$ 19,102	\$ 46,498	\$ 22,725	\$ 12,954	\$ 10,971	\$ 46,651	\$ 153
	\$ 14,983	\$ 199,172	\$ 47,728	\$ 246,900	\$ 184,188	\$ 41,229	\$ 21,683	\$ 247,100	\$ 200



* The 2021 budget includes the Yearend Administrative Capital Budget Adjustment.

**Edmonton Police Service
Capital Budget Performance
Financial Report for the Period Ending December 31, 2021**

1 Facilities

- There is additional equipment modifications outstanding for Northwest Campus. Budget of \$3.242 million will be carried forward to 2022 for additional equipment modifications, legal fees and holdbacks.
- Remaining work has been completed for Westwood Central Stores. The profile will be closed and budget of \$0.200 million may be reallocated and will be included as a Supplemental Capital Budget Adjustment (SCBA) request.

2 Equipment

- The Emergency Communication Centre IP Call Handling Project is in progress and the go-live date for the project is expected to be Q2 of 2022. Budget of \$1.631 million will be carried forward to 2022 of which \$1.045 million is the projected underspend for the IP Call Handling project. A SCBA will be requested to transfer \$1.045 million to the NG911 project under IT Applications – Enhancement profile.
- The remaining invoices for Public Safety Radio project are being paid and there is an overspend of \$0.231 million due to changes for the NICE Audio Recorder and schedule delays. An SCBA will be requested to transfer budget from the Radio Lifecycle and the Infrastructure Sustainment profiles to cover the overspend.
- Delivery of vehicle orders are delayed due to parts shortages and manufacturing shutdowns and will not be received until 2022. Budget of \$5.188 million will be carried forward to 2022.
- Timeline delays for In-Car Video are due to a longer than anticipated Request for Proposal process. Vendor selection and award is expected to be completed by the end of Q1 2022. Budget of \$4.473 million will be carried forward to 2022.
- Proof of concept work for Automated Fingerprint Identification System (AFIS) was successfully completed in Q4 2021 and implementation is anticipated in Q4 2022. Budget of \$1.000 million will be carried forward to 2022.

3 Information Technology

- IT Application and Infrastructure Sustainment major expenditures include E-ticketing, Administrative Penalty Information System (APIS) Adoption, Health IM and Source Management Witness Protection. Budget of \$6.360 million will be carried forward to 2022, the majority of which is for the infrastructure storage hardware solution.
- Enterprise Commons and CAD-RMS Integration, Modernization & Maximization (CRIMM) expenditures to date are information technology and business resources. A yearend administrative budget adjustment was made to transfer the majority of expenditures from Enterprise Commons to operating as the expenditures relate to software-as-a-service solution. Budget of \$1.114 million for Enterprise Commons and \$0.812 million for CRIMM will be carried forward to 2022.