



## EDMONTON POLICE SERVICE

### REPORT TO THE EDMONTON POLICE COMMISSION

**DATE:** September 27, 2024

**SUBJECT:** Budget Variance for the Period Ending August 31, 2024

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#### 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 August 31, 2024. The year-end forecast reflects organizational decisions and plans known to date and will be updated as additional information becomes available.

#### COMMENTS / DISCUSSION:

##### **Operating**

The operating results for the period ending August 31, 2024 indicate a net surplus position of \$0.154 million (revenue shortfall of \$1.055 million, offset by an expense underspend of \$1.209 million).

The revenue shortfall is primarily due to lower than budgeted Traffic Safety Act (TSA) revenue, and less grant revenue recognition due to lower grant eligible expenditures.

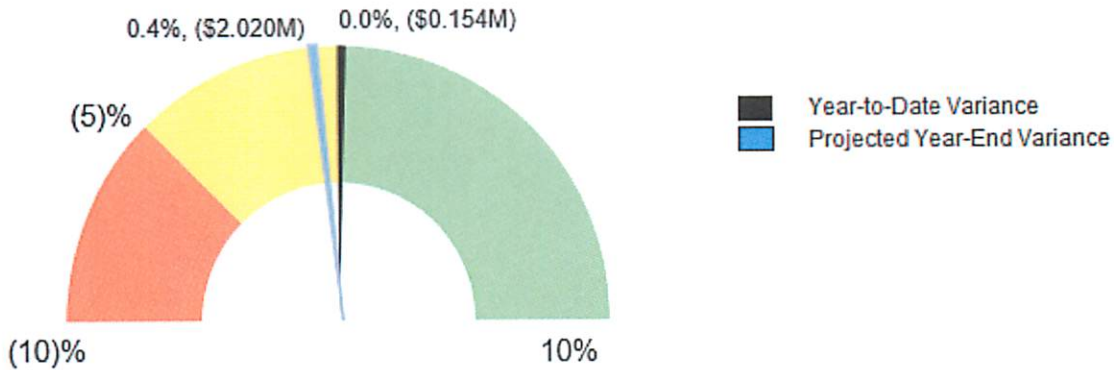
The overspend in personnel expense is primarily due to increased overtime as a result of maintaining minimum staffing levels, and policing required for the NHL playoffs.

The main causes of the underspend in non-personnel costs are detailed in Attachment II.

**CONCLUSION:**

The year-end forecast projects an operating surplus of \$2.020 million (\$3.122 million underspend from current year operations, offset by the deficit of \$1.102 million in the operating reserve).

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



**ADDITIONAL INFORMATION ATTACHED:**

Attachments:

- I. Operating Budget Variance by Major Category of Revenues and Expenditures
- II. Explanation of Variances by Major Category of Revenues and Expenditures

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Chief of Police: \_\_\_\_\_

Date: *Sept 30/24*

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending August 31, 2024  
(\$000's)

	Current Period				2023 Year to Date				2024 Year to Date				Year End Forecast			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Actual	Variance	%	Budget	Projected	Variance	%
<b>Revenue</b>																
Traffic Safety Act Fines (Note 1)	\$ 862	\$ 542	\$ (320)	-37.1%	\$ 7,719	\$ 5,313	\$ (2,406)	-31.2%	\$ 6,843	\$ 4,722	\$ (2,121)	-31.0%	\$ 10,262	\$ 7,058	\$ (3,204)	-31.2%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	-		1,114	1,346	232	20.8%	\$ -	\$ -	-		\$ -	\$ -	-	
Provincial Grants (Note 3)	1,565	1,594	29	1.9%	3,679	8,590	4,911	133.5%	12,518	11,331	(1,187)	-9.5%	45,019	48,296	3,277	7.3%
Other Revenue (Note 4)	2,906	3,725	819	28.2%	23,262	24,037	775	3.3%	24,615	26,867	2,253	9.2%	37,041	38,814	1,773	4.8%
Secondments	1,276	1,178	(98)	-7.7%	9,128	9,698	570	6.2%	10,567	10,491	(76)	-0.7%	15,564	15,565	1	0.0%
Tow Lot	632	705	72	11.4%	4,767	4,000	(767)	-16.1%	5,059	4,634	(424)	-8.4%	7,588	6,462	(1,126)	-14.8%
PICS and Alarm Control	590	644	54	9.1%	4,356	4,915	560	12.8%	4,498	4,976	477	10.6%	6,756	7,490	734	10.9%
Extra Duty <sup>1</sup>	164	916	752	459.7%	1,865	2,168	303	16.2%	1,897	3,763	1,865	98.3%	3,217	4,500	1,283	39.9%
E911 Fees	112	98	(14)	-12.3%	893	821	(72)	-8.1%	893	929	35	3.9%	1,340	1,400	60	4.5%
School Resource Officer (SRO)	-	6	6		588	609	21	3.5%	588	567	(21)	-3.5%	1,020	1,020	-	0.0%
Other <sup>2</sup>	133	179	47	35.1%	1,665	1,826	161	9.7%	1,112	1,508	396	35.6%	1,556	2,377	822	52.8%
<b>Total Revenue</b>	<b>5,333</b>	<b>6,861</b>	<b>528</b>	<b>9.9%</b>	<b>35,774</b>	<b>39,286</b>	<b>3,512</b>	<b>9.8%</b>	<b>43,976</b>	<b>42,920</b>	<b>(1,055)</b>	<b>-2.4%</b>	<b>92,322</b>	<b>94,168</b>	<b>1,846</b>	<b>2.0%</b>
<b>Expense</b>																
<b>Personnel</b>																
Salary and benefits (Note 5)	34,982	32,254	2,728	7.8%	264,392	287,588	(23,196)	-8.8%	289,573	289,039	534	0.2%	432,042	430,297	1,745	0.4%
EPS Overtime (Note 6a)	1,136	1,666	(530)	-46.6%	6,792	13,280	(6,488)	-95.5%	7,531	12,821	(5,290)	-70.2%	11,593	17,876	(6,283)	-54.2%
External Overtime (Note 6b)	39	78	(39)	-100.7%	272	355	(83)	-30.5%	315	534	(219)	-69.5%	472	688	(216)	-45.8%
	<b>36,157</b>	<b>33,998</b>	<b>2,159</b>	<b>6.0%</b>	<b>271,456</b>	<b>301,223</b>	<b>(29,767)</b>	<b>-11.0%</b>	<b>297,419</b>	<b>302,394</b>	<b>(4,975)</b>	<b>-1.7%</b>	<b>444,107</b>	<b>448,861</b>	<b>(4,754)</b>	<b>-1.1%</b>
<b>Non-Personnel</b>																
Furniture, equipment, IT, materials and supplies (Note 7)	2,096	1,850	246	11.7%	13,036	14,943	(1,907)	-14.6%	17,633	15,011	2,622	14.9%	25,570	25,725	(155)	-0.6%
Contracts and services (Note 8)	2,648	2,992	(344)	-13.0%	17,413	18,562	(1,149)	-6.6%	22,828	20,879	1,949	8.5%	36,648	35,067	1,581	4.3%
Vehicles (Note 9)	1,009	1,052	(43)	-4.3%	6,522	6,210	312	4.8%	6,838	7,097	(259)	-3.8%	10,131	10,473	(342)	-3.4%
Facilities (Note 10)	1,814	1,867	(53)	-2.9%	14,310	13,055	1,255	8.8%	14,499	14,485	14	0.1%	25,653	22,266	3,387	13.2%
Other Expenditures <sup>1</sup> (Note 11)	336	(109)	445	132.3%	2,734	1,923	811	29.7%	3,115	1,256	1,858	59.7%	5,101	3,542	1,559	30.6%
	<b>7,903</b>	<b>7,652</b>	<b>251</b>	<b>3.2%</b>	<b>54,015</b>	<b>54,693</b>	<b>(678)</b>	<b>-1.3%</b>	<b>64,913</b>	<b>58,728</b>	<b>6,184</b>	<b>9.5%</b>	<b>103,103</b>	<b>97,073</b>	<b>6,030</b>	<b>5.8%</b>
<b>Total Expense</b>	<b>44,060</b>	<b>41,650</b>	<b>2,410</b>	<b>5.5%</b>	<b>325,471</b>	<b>355,916</b>	<b>(30,445)</b>	<b>-9.4%</b>	<b>362,332</b>	<b>361,122</b>	<b>1,209</b>	<b>0.3%</b>	<b>547,210</b>	<b>545,934</b>	<b>1,276</b>	<b>0.2%</b>
<b>Position before Adjustments</b>	<b>38,727</b>	<b>35,789</b>	<b>2,938</b>	<b>7.6%</b>	<b>289,697</b>	<b>316,630</b>	<b>(26,933)</b>	<b>-9.3%</b>	<b>318,356</b>	<b>318,202</b>	<b>154</b>	<b>0.0%</b>	<b>454,888</b>	<b>451,766</b>	<b>3,122</b>	<b>0.7%</b>
Tangible Capital Assets Budget adjustment (Note 12)													9,757	9,757	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														1,102	(1,102)	-0.2%
<b>Net Position</b>	<b>\$ 38,727</b>	<b>\$ 35,789</b>	<b>\$ 2,938</b>	<b>7.6%</b>	<b>\$ 289,697</b>	<b>\$ 316,630</b>	<b>\$ (26,933)</b>	<b>-9.3%</b>	<b>\$ 318,356</b>	<b>\$ 318,202</b>	<b>\$ 154</b>	<b>0.0%</b>	<b>\$ 464,645</b>	<b>\$ 462,625</b>	<b>\$ 2,020</b>	<b>0.4%</b>

1 Extra Duty Revenue received from other City Departments is reclassified from expense recovery to revenue.

2 Other Revenue includes E911 landline fees, fines (Gaming and Liquor, Other Bylaw Violations), and sales of unclaimed goods.

**Edmonton Police Service**

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

**For the Period Ended August 31, 2024**

**1. Traffic Safety Act (TSA) Fines Revenue**

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

**Year to Date** – Under budget because of lower-than-expected number of tickets issued. Traffic members are spending increased time in court to address previous years incidents, which has resulted in a decline of issued tickets. In addition, members are diverted to other operational pressures which further decreases tickets issued.

**Forecast** – Same as year to date.

**2. Transfer from Reserve - Financial Stability Reserve (FSR)**

On August 15, 2022, City Council approved multi-year one time funding for Healthy Streets Operation Centre (HSOC). Subsequently, the FSR was identified as a funding source for 2023 (Budget Deliberations, December 2022).

In 2024, funding for HSOC is through tax levy funding, and no additional transfers from the reserve are anticipated.

**3. Provincial Grants**

Provincial Grants include the Policing Support Grant, the 50 New Police Officers Grant, the E911 Grant, the Alberta Mental Health (AMH) Grant, the Guns and Gangs Violence Action Fund (GGVAF) Grant, Victim Services Grant, and Drug Impairment Grant.

**Year to Date** – Under budget due to lower grant revenue recognition as a result of lower associated expenses.

**Forecast** – Projecting to be over budget due to increased E911 revenue to partially offset increased overtime in the Emergency Communications Operation Management Branch (ECOMB), and additional revenue for the 50 New Officers 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** – Over budget due to increased Extra Duty for NHL playoffs and events, and PICS revenue due to increased service levels, partially offset by decreased Tow Lot Revenue.

**Forecast** – The same as year to date.

**5. Salary and Benefits**

Salary and benefits are for all EPS employees based on collective bargaining agreements with 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** – Slightly under budget.

**Forecast** – Projecting to be under budget due to vacant positions and delays in hiring for new initiatives (such as Tiered Policing), partially offset by increased benefit premiums.

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

Attrition	August	August YTD	Full Year
Original Projection	4	36	54
Actual & Updated Projection	9	54	91

As of September 13, 2024 thirty-six sworn members have announced retirement, twenty-seven tendered their resignation, and two were released for an attrition total of sixty-five. Of these, fifty-four were no longer on the payroll as of August 31, 2024.

## ATTACHMENT II – EPS

### 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 levels in Community Policing Bureau and ECOMB, as well as increased training requirements for ECOMB which is partially offset by increased grant revenue. Further increased by policing required for the NHL playoffs.

**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** – Over budget due to increased requirements, offset with increased revenue.

**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.

**Forecast** – Minimal variance to budget is projected.

## 8. Contracts & Services

This category includes various contracted resources. Examples include Security Commissionaires, Extra Duty, Police Seized Vehicles towing fees, DNA analysis, Human-Centered Engagement Liaison Program (HELP) navigators, Legal Services, and Psychological Counseling.

**Year to date** – Under budget due to decreased HELP program costs as a result of the AMH grant, decreased AMH program expenditures to date, and delays in the Community Safety Officer (CSO) and Investigative Peace Officers (IPO) programs, partially offset by increased Extra Duty expense due to increased volume of requests.

**Forecast** – The same as year to date.

## 9. Vehicle Costs

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

**Year to date** – Over budget due to increased fuel and standard repair costs.

**Forecast** – The same as year to date.

## 10. Facilities

This category includes facility maintenance and custodial expenses for services provided by the City of Edmonton (COE) staff, external space rent, power, natural gas, and telephone charges.

**Year to Date** – Minimal variance to budget.

**Forecast** – Under budget due to 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. Extra Duty Revenue received from other City Departments are reclassified from expense to revenue.

**Year to Date** – Under budget due to the recovery from the City of Edmonton related to legal settlement for the Northwest Campus roof leak replacement, recoveries for the High-risk Encampment (HRET) work, and lower travel and training costs.

**Forecast** – The same as year to date.

**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.

Over the 2019-2022 budget cycle Edmonton Police Service managed significant costs related to the COVID-19 global pandemic and the City of Edmonton Enterprise Commons project with no additional funding. After addressing these unplanned expenditures, the balance in the EPS Operating Reserve as of December 31, 2023, is a deficit of \$1.102 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
- 2022 \$3.207 million
- 2023 (\$1.414) million