



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: November 25, 2024

SUBJECT: Budget Variance for the Period Ending October 31, 2024

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 October 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 October 31, 2024 indicate a net surplus position of \$0.946 million (revenue surplus of \$1.012 million, offset by an expense overspend of \$0.066 million).

The revenue surplus is primarily due to increased Extra Duty Detail requests and additional Grant Revenue recognized, which are offset with increased expenditures.

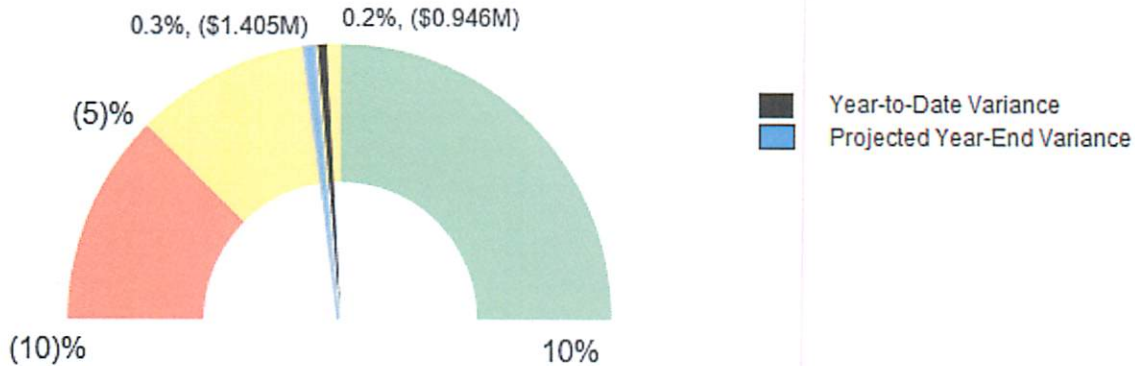
The overspend in personnel expense is primarily due to increased overtime as a result of maintaining minimum staffing levels, and policing required for the NHL playoffs.

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 \$1.405 million (\$2.507 million underspend from current year operations, offset by the deficit of \$1.102 million in the operating reserve).

- Favourable budget variance, $\geq 0\%$
- 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: Nov 26, 24

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending October 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	%
Revenue																
Traffic Safety Act Fines (Note 1)	\$ 854	\$ 595	\$ (259)	-30.3%	\$ 9,451	\$ 6,503	\$ (2,948)	-31.2%	\$ 8,555	\$ 5,921	\$ (2,634)	-30.8%	\$ 10,262	\$ 7,030	\$ (3,232)	-31.5%
Transfer from Reserve (OTS / FSR) (Note 2)	\$ -	\$ -	\$ -		1,670	1,982	312	18.7%	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Provincial Grants (Note 3)	1,565	3,258	1,693	108.2%	4,598	10,592	5,994	130.4%	15,648	17,005	1,357	8.7%	45,019	47,875	2,856	6.3%
Other Revenue (Note 4)	2,993	3,411	418	14.0%	29,186	30,033	847	2.9%	31,053	33,341	2,289	7.4%	37,041	39,476	2,435	6.6%
Secondments	1,251	1,163	(89)	-7.1%	11,294	11,952	658	5.8%	13,074	12,949	(125)	-1.0%	15,564	15,370	(194)	-1.2%
Tow Lot	632	637	4	0.7%	5,958	4,970	(988)	-16.6%	6,323	5,198	(1,125)	-17.8%	7,588	6,238	(1,350)	-17.8%
PICS and Alarm Control	580	697	117	20.2%	5,531	6,150	620	11.2%	5,661	6,317	657	11.6%	6,756	7,690	934	13.8%
Extra Duty ¹	284	543	259	91.4%	2,400	2,659	259	10.8%	2,432	4,451	2,019	83.0%	3,217	5,100	1,883	58.5%
E911 Fees	112	86	(26)	-23.4%	1,117	1,036	(81)	-7.2%	1,117	1,076	(41)	-3.7%	1,340	1,284	(56)	-4.2%
School Resource Officer (SRO)	-	(6)	(6)		986	998	12	1.2%	1,020	1,066	46	4.5%	1,020	1,066	46	4.5%
Other ²	134	291	157	117.5%	1,900	2,268	367	19.3%	1,425	2,283	857	60.2%	1,556	2,727	1,172	75.3%
Total Revenue	5,412	7,264	1,852	34.2%	44,905	49,110	4,205	9.4%	55,256	56,267	1,012	1.8%	92,322	94,381	2,059	2.2%
Expense																
Personnel																
Salary and benefits (Note 5)	34,483	34,805	(322)	-0.9%	328,728	356,974	(28,246)	-8.6%	360,519	360,890	(371)	-0.1%	432,034	431,254	780	0.2%
EPS Overtime (Note 6a)	1,009	1,255	(246)	-24.4%	8,503	16,128	(7,625)	-89.7%	9,495	15,555	(6,060)	-63.8%	11,593	18,153	(6,560)	-56.6%
External Overtime (Note 6b)	40	58	(18)	-45.0%	340	461	(121)	-35.6%	394	661	(267)	-67.8%	472	735	(263)	-55.7%
	35,532	36,118	(586)	-1.6%	337,571	373,563	(35,992)	-10.7%	370,408	377,106	(6,698)	-1.8%	444,099	450,142	(6,043)	-1.4%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1,812	2,219	(407)	-22.5%	15,576	19,225	(3,649)	-23.4%	21,435	18,772	2,663	12.4%	25,251	25,526	(275)	-1.1%
Contracts and services (Note 8)	2,644	2,745	(101)	-3.8%	21,952	24,091	(2,139)	-9.7%	28,956	26,374	2,582	8.9%	36,703	34,897	1,806	4.9%
Vehicles (Note 9)	800	792	8	1.0%	8,298	7,951	347	4.2%	8,471	8,779	(308)	-3.6%	10,131	10,560	(429)	-4.2%
Facilities (Note 10)	1,936	2,223	(287)	-14.8%	16,994	16,730	264	1.6%	18,186	18,272	(86)	-0.5%	25,286	21,833	3,453	13.7%
Other Expenditures ¹ (Note 11)	349	556	(207)	-59.4%	3,435	2,627	808	23.5%	3,954	2,172	1,781	45.1%	5,123	3,187	1,936	37.8%
	7,541	8,535	(994)	-13.2%	66,255	70,624	(4,369)	-6.6%	81,002	74,369	6,632	8.2%	102,494	96,003	6,491	6.3%
Total Expense	43,073	44,653	(1,580)	-3.7%	403,826	444,187	(40,361)	-10.0%	451,410	451,475	(66)	0.0%	546,593	546,145	448	0.1%
Position before Adjustments	37,661	37,389	272	0.7%	358,921	395,077	(36,156)	-10.1%	396,154	395,208	946	0.2%	454,271	451,764	2,507	0.6%
Tangible Capital Assets Budget adjustment (Note 12)													10,374	10,374	-	0.0%
Transfer to/(from) EPS Reserve (Note 13)														1,102	(1,102)	-0.2%
Net Position	\$ 37,661	\$ 37,389	\$ 272	0.7%	\$ 358,921	\$ 395,077	\$ (36,156)	-10.1%	\$ 396,154	\$ 395,208	\$ 946	0.2%	\$ 464,645	\$ 463,240	\$ 1,405	0.3%

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 October 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 – Over budget due to increased E911 revenue to partially offset increased overtime in the Emergency Communications Operations Management Branch (ECOMB), and additional revenue for the 50 New Officers grant.

Forecast – Same as year to date.

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 over 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 ten months of the year is:

Attrition	October	October YTD	Full Year
Original Projection	5	46	59
Actual & Updated Projection	8	68	90

As of November 21, 2024 forty-two sworn members have announced retirement, thirty-one tendered their resignation, and three were released for an attrition total of seventy-six. Of these, sixty-eight were no longer on the payroll as of October 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 Team (HRET) from the City of Edmonton, 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