



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2015-June-01

SUBJECT: Financial Report for the Period Ending April 30, 2015

RECOMMENDATION:

That the financial report for the period ending April 30, 2015 be received for information.

INTRODUCTION:

This report provides current and projected year end financial performance information for the Edmonton Police Service (EPS) for the period ending April 30, 2015.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending April 30, 2015 indicate a net surplus position of \$1.681 million or 1.8% mainly due to under spends in non-personnel of \$2.215 million and personnel of \$0.868 million, offset by a shortfall in revenue of \$1.402 million.

The main cause of the under budget position in non-personnel costs is the timing of purchases which will be addressed through updated bureau spending plans. It is expected that these budgets will be utilized during the year.

Personnel costs are under budget primarily due to vacant positions. This is slightly offset with higher part time personnel costs in the Police Communications Branch and overtime for investigative projects.

The shortfall in Traffic Safety Act (TSA) fines is a result of an increase in the volume of calls for service as well as an increased focus on violent crimes. The current projection has been adjusted to \$1.556 million to reflect the lower than expected revenue. Also, a shortfall in the recognition of the Provincial E911 Grant is offset with savings in personnel and non-personnel expenditures. E911 Grants will be carried forward to offset future expenses.

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
Financial Report for the Period Ending April 30, 2015
(\$000's)

	Current Period				2014 Year to Date				2015 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)	\$ 1 285	\$ 1 074	\$ (211)	-16.4%	\$ 5 144	\$ 4 482	\$ (662)	-12.9%	\$ 4 666	\$ 3 979	\$ (687)	-14.7%	\$ 14 708	\$ 13 152	\$ (1 556)	-10.6%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	4 705	4 705	-	0.0%	-	-	-		9 410	9 410	-	0.0%	18 819	18 819	-	0.0%
Provincial Grants (Note 3)	217	44	(173)	-79.7%	-	-	-		3 492	2 822	(670)	-19.2%	27 148	27 148	-	0.0%
Other Revenue (Notes 4 and 12)	2 265	2 267	2	0.1%	8 732	9 171	439	5.0%	9 291	9 246	(45)	-0.5%	28 033	27 492	(541)	-1.9%
Total Revenue	8 472	8 090	(382)	-4.5%	13 876	13 653	(223)	-1.6%	26 859	25 457	(1 402)	-5.2%	88 708	86 611	(2 097)	-2.4%
Expenditures																
Personnel																
Salary and benefits (Note 5)	25 499	25 455	44	0.2%	92 012	94 126	(2 114)	-2.3%	97 964	97 116	848	0.9%	285 508	280 346	5 162	1.8%
EPS Overtime (Note 6a)	775	636	139	17.9%	3 108	2 907	201	6.5%	3 110	3 141	(31)	-1.0%	10 313	10 209	104	1.0%
External Overtime (Note 6b)	37	3	34	91.9%	144	124	20	13.9%	148	97	51	34.5%	445	259	186	41.8%
	26 311	26 094	217	0.8%	95 264	97 157	(1 893)	-2.0%	101 222	100 354	868	0.9%	296 266	290 814	5 452	1.8%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	810	742	68	8.4%	5 908	5 935	(27)	-0.5%	6 356	5 635	721	11.3%	13 096	13 952	(856)	-6.5%
Contracts and services (Note 8)	1 520	1 424	96	6.3%	5 605	5 009	596	10.6%	6 086	5 733	353	5.8%	22 143	22 652	(509)	-2.3%
Vehicles (Note 9)	578	489	89	15.4%	2 717	2 597	120	4.4%	2 393	1 919	474	19.8%	1 931	1 403	528	27.3%
Facilities (Note 10)	1 404	1 390	14	1.0%	5 194	4 752	442	8.5%	5 473	5 130	343	6.3%	17 621	17 575	46	0.3%
Other Expenditures (Note 11)	265	271	(6)	-2.3%	607	546	61	10.0%	766	442	324	42.3%	9 930	9 858	72	0.7%
	4 577	4 316	261	5.7%	20 031	18 839	1 192	6.0%	21 074	18 859	2 215	10.5%	64 721	65 440	(719)	-1.1%
Total Expenditures (Note 13)	30 888	30 410	478	1.5%	115 295	115 996	(701)	-0.6%	122 296	119 213	3 083	2.5%	360 987	356 254	4 733	1.3%
Position before Adjustments	22 416	22 320	96	0.4%	101 419	102 343	(924)	-0.9%	95 437	93 756	1 681	1.8%	272 279	269 643	2 636	1.0%
Tangible Capital Assets Budget adjustment (Note 14)													7 746	7 746	-	0.0%
Net Position	\$ 22 416	\$ 22 320	\$ 96	0.4%	\$ 101 419	\$ 102 343	\$ (924)	-0.9%	\$ 95 437	\$ 93 756	\$ 1 681	1.8%	\$ 280 025	\$ 277 389	\$ 2 636	0.9%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****Financial Report for the Period Ended April 30th 2015****1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – An increase in the volume of calls for service as well as an increased focus on violent crimes, has resulted in lower than anticipated TSA Fines Revenue. Currently we have received 95% of 2014 revenues. The effects of the rate increases are not yet being realized. It is anticipated that EPS may begin seeing these increases in July actuals.

Forecast – Same as the year to date.

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

Year to Date – On budget.

Forecast – Same as the year to date.

3. Provincial Grants

Year to Date – Less E911 Grant revenue has been recognized year to date, which is offset by lower non-personnel expenses.

Forecast – On budget. The unused E911 Grant will be carried forward to offset future expenses.

4. Other Revenue

Year to Date – Under budget mainly due to vacant positions in ALERT, (approximately 6 authorized positions) which result in lower secondment recoveries. Also, lower revenue from Municipal Bylaw Violations. These are partially offset with an increase in School Resource Officer recoveries.

Forecast – It is expected that the above variances will continue throughout the year and have been reflected in the Forecast. Also, included in the forecast is recognition of various unbudgeted grant revenue which are offset with higher expenditures.

5. Salary and Benefits

Year to date – Under budget as a result of savings from vacant positions and lower court costs. This is slightly offset with higher part time personnel costs in the Police Communications Branch.

Forecast – It is expected that the above variances will continue throughout the year and have been reflected in the Forecast. Also, the budget received to support the 49 new positions will be utilized to cover the one-time costs under furniture & equipment and tangible capital asset transfers, as identified to Council in Spring 2015.

5. Salary and Benefits (continued)

The sworn member attrition position for the first 4 months of the year is:

Attrition	April	April YTD	Full Year
Original Projection	7	28	85
Actual & Updated Projection	8	30	85

As of May 21, 2015, eight sworn members have tendered their resignation, twenty five announced their retirement, and two have been dismissed for an attrition total of thirty five. Of these, thirty were no longer on the payroll as of April 30, 2015.

6a. EPS Overtime

Year to date – Over budget primarily due to major projects in the Homicide Section.

Forecast – Despite the year to date overspend, the Homicide Section is projected to be on budget by the end of the year. The Community Policing Bureau is expected to be over budget due to an increase in crimes and calls for service in the Northeast Division. Offsetting this are expected underspends in Tactical, Drug & Gang and PICS & Alarm based on year to date spending patterns, resulting in a projected surplus of approximately \$104K.

6b. External Overtime

Year to date – Underspent primarily due to less overtime used in ALERT (offset with lower other revenue).

Forecast – Same as the year to date.

7. Furniture, Equipment, IT, Materials and Supplies

Year to date – Underspent mainly due a large IT maintenance agreement which is under review with City of Edmonton Law Branch. Also contributing to the underspend is the delay in delivery of orders that have been placed.

Forecast – The projected overspend is due to Infrastructure purchases to support the 49 new positions, and maintenance contracts, which are offset in salaries and benefits.

8. Contracts & Services

Year to date – The variance is primarily a result of fewer year to date expenditures related to the E911 Grant, which is offset with lower E911 Grant revenue being recognized. This is partially offset with overspending in Facilities Management due to higher snowfall in Q1 & Q2, as well as an overspend in the Radio Section as a contracted Radio Engineer has been engaged (a vacant position is held in salaries and benefits).

8. Contracts & Services (continued)

Forecast – The forecasted overspend is primarily due to the PCB Revitalization Project, the 20 year Strategic Facility Plan, an increase in anticipated snow removal costs in Facilities Management, as well as unbudgeted costs for a contract radio engineer in the Radio Section, which are offset in facilities and salaries and benefits.

9. Vehicle Costs

Year to date – Under budget mainly due to lower kilometers driven, resulting in lower fuel & maintenance costs.

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget due to lower custodial, maintenance, space rent, and utilities, offset by telephone charges.

Forecast – This includes funding for the EPS Gateway Facility fit up costs which was approved by Chief's Committee. Offsetting this are custodial charges that are expected to be under budget and will be used to fund overspending in other costs.

11. Other Expenditures

Year to Date – Under budget primarily as a result of higher than expected recoveries on insurance claims, as well as the timing on travel & training in various areas.

Forecast – The variance is mainly due to higher than expected recoveries on 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 April amounted to \$1.3 million (rounded).

14. Tangible Capital Assets

Budget held to cover capital qualifying expenses for projects such as vehicles to support the 49 new positions, offset in salaries and benefits.