



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2015-June-29

SUBJECT: Financial Report for the Period Ending May 31, 2015

RECOMMENDATION:

That the financial report for the period ending May 31, 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 May 31, 2015.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending May 31, 2015 indicate a net surplus position of \$3.363 million or 2.8% mainly due to under spends in personnel of \$3.509 and non-personnel of \$1.626 million, offset by a shortfall in revenue of \$1.772 million.

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 main cause of the under budget position in non-personnel costs are lower expenditures related to the E911 Grant (offset by lower revenues), as well as lower vehicle costs due to lower kilometers driven. The year-end projection has been adjusted to reflect these results.

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 \$1.797 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.

CONCLUSION:

Based on the operating results to the end of May and the explanations attached, the year-end forecast indicates that the EPS may be \$0.968 million or 0.3% under budget.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

Written by: Kathryn REYNOLDS, T/A Director, Finance Management Branch 

Reviewed by: Robert DAVIDSON, T/A Executive Director, Finance Division 

Approved by: Danielle CAMPBELL, Deputy Chief, Corporate Services Bureau 

Chief of Police: _____ 

Date: _____ JUN 30 2015 _____

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending May 31, 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)	\$ 1 260	\$ 1 130	\$ (130)	-10.3%	\$ 6 551	\$ 5 537	\$ (1 014)	-15.5%	\$ 5 826	\$ 5 109	\$ (717)	-12.3%	\$ 14 708	\$ 12 911	\$ (1 797)	-12.2%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		-	-	-		9 410	9 410	-	0.0%	18 819	18 819	-	0.0%
Provincial Grants (Note 3)	217	78	(139)	-64.1%	-	-	-		3 708	2 900	(808)	-21.8%	27 148	26 548	(600)	-2.2%
Other Revenue (Notes 4 and 12)	2 261	2 059	(202)	-9.0%	10 947	11 256	309	2.8%	11 551	11 304	(247)	-2.1%	28 033	27 330	(703)	-2.5%
Total Revenue	3 738	3 267	(471)	-12.6%	17 498	16 793	(705)	-4.0%	30 495	28 723	(1 772)	-5.8%	88 708	85 608	(3 100)	-3.5%
Expenditures																
Personnel																
Salary and benefits (Note 5)	25 499	25 455	44	0.2%	115 118	117 590	(2 472)	-2.1%	123 234	119 617	3 617	2.9%	286 236	281 680	4 556	1.6%
EPS Overtime (Note 6a)	775	636	139	17.9%	3 870	3 885	(15)	-0.4%	3 811	3 943	(132)	-3.5%	10 313	10 707	(394)	-3.8%
External Overtime (Note 6b)	37	3	34	91.9%	180	169	11	6.1%	185	161	24	13.0%	445	306	139	31.2%
	26 311	26 094	217	0.8%	119 168	121 644	(2 476)	-2.1%	127 230	123 721	3 509	2.8%	296 994	292 693	4 301	1.4%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	810	742	68	8.4%	6 671	6 818	(147)	-2.2%	6 847	6 409	438	6.4%	12 944	13 761	(817)	-6.3%
Contracts and services (Note 8)	1 520	1 424	96	6.3%	7 016	6 453	563	8.0%	7 329	7 137	192	2.6%	20 955	20 840	115	0.5%
Vehicles (Note 9)	578	489	89	15.4%	3 403	3 322	81	2.4%	2 970	2 526	444	14.9%	1 925	1 389	536	27.8%
Facilities (Note 10)	1 404	1 390	14	1.0%	6 511	6 143	368	5.7%	6 752	6 456	296	4.4%	17 448	17 597	(149)	-0.9%
Other Expenditures (Note 11)	265	271	(6)	-2.3%	907	745	162	17.9%	929	673	256	27.6%	10 371	10 289	82	0.8%
	4 577	4 316	261	5.7%	24 508	23 481	1 027	4.2%	24 827	23 201	1 626	6.6%	63 643	63 876	(233)	-0.4%
Total Expenditures (Note 13)	30 888	30 410	478	1.5%	143 676	145 125	(1 449)	-1.0%	152 057	146 922	5 135	3.4%	360 637	356 569	4 068	1.1%
Position before Adjustments	27 150	27 143	7	0.0%	126 178	128 332	(2 154)	-1.7%	121 562	118 199	3 363	2.8%	271 929	270 961	968	0.4%
Tangible Capital Assets Budget adjustment (Note 14)													8 096	8 096	-	0.0%
Net Position	\$ 27 150	\$ 27 143	\$ 7	0.0%	\$ 126 178	\$ 128 332	\$ (2 154)	-1.7%	\$ 121 562	\$ 118 199	\$ 3 363	2.8%	\$ 280 025	\$ 279 057	\$ 968	0.3%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****Financial Report for the Period Ended May 31st 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 93% of 2014 revenues.

Forecast – Same as the year to date. It is anticipated that EPS will see the impact of the rate increases in July.

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 in Contracts and Services.

Forecast – Same as for the year to date. E911 Grant revenue that is not recognized in 2015 will be carried forward to offset future expenses.

4. Other Revenue

Year to Date – Under budget mainly due to vacant positions in ALERT, (6 positions) which result in lower secondment recoveries and lower extra duty revenue due to new business rules implemented last year. This is partially offset with an increase in unbudgeted grant revenue (directly offset with expense) and 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 mainly due to vacancies and lower court costs and is partially offset with higher part time personnel costs in the Police Communications Branch.

5. Salary and Benefits (continued)

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 April.

The sworn member attrition position for the first 5 months of the year is:

Attrition	May	May YTD	Full Year
Original Projection	7	35	85
Actual & Updated Projection	4	34	85

As of June 23, 2015, eleven sworn members have tendered their resignation, twenty nine announced their retirement, one member is deceased and two have been dismissed for an attrition total of forty three. Of these, thirty four were no longer on the payroll as of May 31, 2015.

6a. EPS Overtime

Year to date – The over budget position is mainly due to a major project 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 critical summer patrol staffing as well as requirements for the CAT Teams. Also, unanticipated overtime costs have also been incurred as a result of the Regimental Funeral. Offsetting these are anticipated underspends in DEOPS, Tactical and Drug & Gang based on year to date spending patterns. The overall EPS position is a projected overspend of \$394k.

6b. External Overtime

Year to date – The underspent is 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 to a delay in the delivery of furniture orders, less than anticipated body armour replacements, dress uniform, and ammunition purchases.

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 underspend is primarily due to lower E911 Grant expenditures which is offset with lower E911 Grant revenue being recognized. This is partially offset with overspends for snow removal, as well as an over spend for a contracted Radio Engineer (a vacant position is held in salaries and benefits).

Forecast – The forecasted underspend is primarily due to fewer expenditures related to E911 Grant and lower extra duty costs resulting from the new business rules. Partly offsetting this are anticipated costs for the Regimental Funeral, snow removal (offset with savings in Facilities), 20 Year Strategic Facility Plan, and staff augmentation for the Information Technology Branch.

9. Vehicle Costs

Year to date – The under budget position is mainly due to lower kilometers driven, resulting in lower fuel & maintenance costs.

Forecast – Same as the year to date.

10. Facilities

Year to Date – The under budget position is due to lower telephone charges, space rent, and utilities.

Forecast – This includes approved renovation projects for the EPS Gateway Facility fit up costs and Downtown Division front counter remodeling. Offsetting this are custodial charges that are expected to be under budget (offset with spending in Contracts & Services).

11. Other Expenditures

Year to Date – The under budget position is primarily due to higher than expected recoveries on insurance claims and 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.