



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2015-November-30

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

RECOMMENDATION:

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

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending October 31, 2015 indicate a net surplus position of \$3.026 million or 1.4% mainly due to under spends in personnel of \$4.596 million and non-personnel of \$1.610 million, offset by a shortfall in revenue of \$3.180 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 fewer kilometers driven, lower custodial charges, space rent, and a lower insurance premium.

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 trend shows the TSA revenue to be approximately 93% of 2014 levels. As a result, the current projection has been adjusted to \$1.960 million to reflect the lower than expected revenue. Also, less E911 Grant revenue has been recognized, which 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 October and the explanations attached, the year-end forecast indicates that the EPS may be \$0.500 million or 0.2% over budget. This projection includes approvals through the Critical Unfunded Initiative report to October 5, 2015.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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

Chief of Police:  _____

Date: DEC 01 2015

Edmonton Police Service
 Budget Variance by Major Category of Revenues & Expenditures
 For the Period Ending October 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)	\$ 1 310	\$ 1 235	\$ (75)	-5.7%	\$ 13 586	\$ 11 727	\$ (1 859)	-13.7%	\$ 12 326	\$ 10 845	\$ (1 481)	-12.0%	\$ 14 708	\$ 12 748	\$ (1 960)	-13.3%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	4 705	4 705	-	0.0%	-	-	-		18 819	18 819	-	0.0%	18 819	18 819	-	0.0%
Provincial Grants (Note 3)	217	(23)	(240)	-110.6%	23 580	24 021	441	1.9%	26 716	25 196	(1 520)	-5.7%	27 148	26 548	(600)	-2.2%
Other Revenue (Notes 4 and 12)	2 333	2 522	189	8.1%	22 356	22 578	222	1.0%	23 253	23 074	(179)	-0.8%	28 033	27 864	(169)	-0.6%
Total Revenue	8 565	8 439	(126)	-1.5%	59 522	58 326	(1 196)	-2.0%	81 114	77 934	(3 180)	-3.9%	88 708	85 979	(2 729)	-3.1%
Expenditures																
Personnel																
Salary and benefits (Note 5)	25 677	23 781	1 896	7.4%	228 437	226 933	1 504	0.7%	237 629	232 814	4 815	2.0%	286 156	283 303	2 853	1.0%
EPS Overtime (Note 6a)	900	951	(51)	-5.7%	8 378	8 536	(158)	-1.9%	8 526	8 841	(315)	-3.7%	10 303	10 563	(260)	-2.5%
External Overtime (Note 6b)	37	18	19	51.4%	360	370	(10)	-2.8%	371	275	96	25.9%	445	320	125	28.1%
	26 614	24 750	1 864	7.0%	237 175	235 839	1 336	0.6%	246 526	241 930	4 596	1.9%	296 904	294 186	2 718	0.9%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	682	1 173	(491)	-72.0%	10 402	10 343	59	0.6%	11 118	11 227	(109)	-1.0%	13 011	14 329	(1 318)	-10.1%
Contracts and services (Note 8)	1 493	1 655	(162)	-10.9%	14 943	13 403	1 540	10.3%	15 625	15 254	371	2.4%	20 775	20 248	527	2.5%
Vehicles (Note 9)	634	555	79	12.5%	6 809	6 703	106	1.6%	5 991	5 705	286	4.8%	7 251	7 063	188	2.6%
Facilities (Note 10)	1 526	1 316	210	13.8%	13 110	12 372	738	5.6%	13 862	13 138	724	5.2%	17 304	17 344	(40)	-0.2%
Other Expenditures (Note 11)	231	416	(185)	-80.1%	3 507	3 333	174	5.0%	3 686	3 348	338	9.2%	4 483	4 329	154	3.4%
	4 566	5 115	(549)	-12.0%	48 771	46 154	2 617	5.4%	50 282	48 672	1 610	3.2%	62 824	63 313	(489)	-0.8%
Total Expenditures (Note 13)	31 180	29 865	1 315	4.2%	285 946	281 993	3 953	1.4%	296 808	290 602	6 206	2.1%	359 728	357 499	2 229	0.6%
Position before Adjustments	22 615	21 426	1 189	5.3%	226 424	223 667	2 757	1.2%	215 694	212 668	3 026	1.4%	271 020	271 520	(500)	-0.2%
Tangible Capital Assets Budget adjustment (Note 14)													9 005	9 005	-	0.0%
Net Position	\$ 22 615	\$ 21 426	\$ 1 189	5.3%	\$ 226 424	\$ 223 667	\$ 2 757	1.2%	\$ 215 694	\$ 212 668	\$ 3 026	1.4%	\$ 280 025	\$ 280 525	\$ (500)	-0.2%

Edmonton Police Service

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

Financial Report for the Period Ended October 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.

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 – The under budget is mainly due to vacant positions in ALERT (8 positions), which results in lower secondment recoveries. Also contributing to the under budget position is lower Municipal Bylaw Violation revenue and lower Extra Duty policing revenue as a result of new business rules (offset in Contracts & Services). Partly offsetting the under spend is higher Police Information Check revenue from an increase in fingerprinting applications and fees, as well as higher School Resource Officer recoveries.

Forecast – Same as for the year to date.

5. Salary and Benefits

Year to date – Under budget mainly due to vacancies and lower court costs which is partially offset with higher part time personnel costs in the Police Communications Branch.

Forecast – It is expected that the year to date 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, contracts & services and tangible capital asset transfers, as identified to Council in April.

5. Salary and Benefits (continued)

The sworn member attrition position for the first 10 months of the year is:

Attrition	October	October YTD	Full Year
Original Projection	7	70	85
Actual & Updated Projection	4	61	70

As of November 25, 2015, twenty six sworn members have tendered their resignation, forty announced their retirement, one member is deceased and two have been dismissed for an attrition total of sixty nine. Of these, sixty one were no longer on the payroll as of October 31, 2015.

6a. EPS Overtime

Year to date – The over budget position is mainly due to a major project in the Homicide Section as well as costs incurred for the critical summer patrol staffing and Community Action Teams in The Community Policing Bureau. Also contributing to the overspend is \$140K related to the Officer involved shooting and \$95K incurred for a Regimental Funeral. Partly offsetting this are underspends in a number of Sections within the Investigative Support Bureau.

Forecast – Same as for the year to date.

6b. External Overtime

Year to date – This underspend is primarily due to less overtime used in ALERT (offset with lower Other Revenue).

Forecast – Same as for the year to date.

7. Furniture, Equipment, IT, Materials and Supplies

Year to date – Overspend mainly due to mandatory maintenance costs for Air 1 and Air 2 as well as higher than anticipated maintenance requirements in Facilities Management. Partly offsetting this are ammunition purchases, and equipment upgrades to the Nixon Range that have yet to be made.

Forecast – The overspend is due to costs for mandatory maintenance requirements for Air 1 and Air 2 as well as Infrastructure purchases to support the 49 new positions and purchases of critically needed equipment, which are offset in Salary and Benefits. Also contributing to the projected overspend are higher than anticipated maintenance requirements in Facilities Management.

8. Contracts & Services

Year to date – The underspend is primarily due to lower E911 Grant expenditures (directly offset by revenues), as well as lower amounts paid to members for Extra Duty policing as a result of new business rules (offset with lower revenue). Partly offsetting this overspend are costs for a contracted Radio Engineer (a vacant position is held in salaries and benefits), higher snow removal costs, as well as costs for psychological counseling services related to unanticipated incidents with EPS.

8. Contracts & Services (continued)

Forecast – The under spend is the result of lower expenditures related to the E911 Grant (offset with lower Provincial Grant revenue), and lower extra duty costs resulting from the new business rules (offset with lower revenue). This is offset by a number of approved projects, such as the Police Communications Branch Revitalization, the 20 Year Strategic Facility Plan, staff augmentation in the Information Technology Branch higher snow removal costs (offset with savings in Facilities) and costs for the Regimental Funeral.

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 for the year to date.

10. Facilities

Year to Date – The under budget position is due to renovation projects such as the EPS Gateway Facility fit up and the Downtown Division front counter remodeling that are currently underway, as well as lower custodial charges and space rent.

Forecast – The minor variance is due to approved renovation projects for the EPS Gateway Facility fit up costs and Downtown Division front counter remodeling. Offsetting this are custodial charges and space rent 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 a lower than expected insurance premium.

Forecast – Same as for the year to date partially offset by increased travel training requirements.

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 October 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.