



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2015-December-30

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

RECOMMENDATION:

That the financial report for the period ending November 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 November 30, 2015.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending November 30, 2015 indicate a net surplus position of \$3.598 million or 1.5% mainly due to under spends in personnel of \$4.284 million and non-personnel of \$1.706 million, offset by a shortfall in revenue of \$2.392 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, custodial and space rent charges, and insurance premiums.

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 95% of 2014 levels. As a result, the current projection has been adjusted to \$1.792 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

Written by: Robert DAVIDSON, Director, Finance Management Branch 

Reviewed by: Jodie GRAHAM, Executive Director, Finance Division 

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

Danielle Campbell
A/Chief of Police
Chief of Police: _____



Date: 2015 Dec. 30

Edmonton Police Service

Budget Variance by Major Category of Revenues & Expenditures

For the Period Ending November 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)	\$ 1 310	\$ 1 214	\$ (96)	-7.3%	\$ 14 993	\$ 12 712	\$ (2 281)	-15.2%	\$ 13 636	\$ 12 060	\$ (1 576)	-11.6%	\$ 14 708	\$ 12 916	\$ (1 792)	-12.2%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		-	-	-		18 819	18 819	-	0.0%	18 819	18 819	-	0.0%
Provincial Grants (Note 3)	217	1 037	820	377.9%	23 580	24 021	441	1.9%	26 931	26 233	(698)	-2.6%	27 148	26 548	(600)	-2.2%
Other Revenue (Notes 4 and 12)	2 633	2 695	62	2.4%	24 339	25 996	1 657	6.8%	25 887	25 769	(118)	-0.5%	28 033	27 910	(123)	-0.4%
Total Revenue	4 160	4 946	786	18.9%	62 912	62 729	(183)	-0.3%	85 273	82 881	(2 392)	-2.8%	88 708	86 193	(2 515)	-2.8%
Expenditures																
Personnel																
Salary and benefits (Note 5)	22 957	23 322	(365)	-1.6%	249 222	248 531	691	0.3%	260 586	256 135	4 451	1.7%	286 136	283 436	2 700	0.9%
EPS Overtime (Note 6a)	790	717	73	9.2%	9 183	9 304	(121)	-1.3%	9 316	9 557	(241)	-2.6%	10 303	10 539	(236)	-2.3%
External Overtime (Note 6b)	37	58	(21)	-56.8%	396	441	(45)	-11.4%	408	334	74	18.1%	445	359	86	19.3%
	23 784	24 097	(313)	-1.3%	258 801	258 276	525	0.2%	270 310	266 026	4 284	1.6%	296 884	294 334	2 550	0.9%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	449	838	(389)	-86.6%	11 253	11 099	154	1.4%	11 567	12 065	(498)	-4.3%	12 755	14 133	(1 378)	-10.8%
Contracts and services (Note 8)	1 686	1 262	424	25.1%	16 554	15 362	1 192	7.2%	17 311	16 515	796	4.6%	20 775	20 195	580	2.8%
Vehicles (Note 9)	622	646	(24)	-3.9%	7 488	7 325	163	2.2%	6 613	6 351	262	4.0%	7 251	7 207	44	0.6%
Facilities (Note 10)	1 427	1 270	157	11.0%	14 709	13 772	937	6.4%	15 290	14 408	882	5.8%	17 304	17 251	53	0.3%
Other Expenditures (Note 11)	205	278	(73)	-35.6%	3 729	3 672	57	1.5%	3 890	3 626	264	6.8%	4 759	4 593	166	3.5%
	4 389	4 294	95	2.2%	53 733	51 230	2 503	4.7%	54 671	52 965	1 706	3.1%	62 844	63 379	(535)	-0.9%
Total Expenditures (Note 13)	28 173	28 391	(218)	-0.8%	312 534	309 506	3 028	1.0%	324 981	318 991	5 990	1.8%	359 728	357 713	2 015	0.6%
Position before Adjustments	24 013	23 445	568	2.4%	249 622	246 777	2 845	1.1%	239 708	236 110	3 598	1.5%	271 020	271 520	(500)	-0.2%
Tangible Capital Assets Budget adjustment (Note 14)													9 005	9 005	-	0.0%
Net Position	\$ 24 013	\$ 23 445	\$ 568	2.4%	\$ 249 622	\$ 246 777	\$ 2 845	1.1%	\$ 239 708	\$ 236 110	\$ 3 598	1.5%	\$ 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 November 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.

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 – Under budget mainly due to vacant positions in ALERT (6 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 11 months of the year is:

Attrition	November	November YTD	Full Year
Original Projection	7	70	85
Actual & Updated Projection	6	67	72

As of December 22, 2015, twenty nine sworn members have tendered their resignation, forty announced their retirement, one member is deceased and two have been dismissed for an attrition total of seventy two. Of these, sixty seven were no longer on the payroll as of November 30, 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 due to mandatory maintenance costs for Air 1 and Air 2 as well as higher uniform and clothing costs in Materials Management.

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) and lower costs for legal advisors. Partly offsetting the underspend are higher snow removal and facility maintenance costs, higher psychological counseling services related to unanticipated incidents with EPS, and costs for a contracted Radio Engineer (a vacant position is held in salaries and benefits).

8. Contracts & Services (continued)

Forecast – Same as for the year to date partially 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.

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 partially offset by Air1/Air2 maintenance costs due to invoices yet to be received as well as a higher than budgeted US exchange rate.

10. Facilities

Year to Date – The under budget position is due renovation projects currently underway, such as the EPS Gateway Facility fit up and the Downtown Division front counter remodeling, with costs yet to be transferred from another City Department. Also there are lower custodial and space rent charges.

Forecast – Minor underspend.

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 November 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.