



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2016-May-30

SUBJECT: Monthly Financial Report for the Period Ending April 30, 2016

RECOMMENDATION:

That the monthly report for the period ending April 30, 2016 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, 2016.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending April 30, 2016 indicate a net surplus position of \$0.714 million or 0.7% mainly due to under spends in non-personnel of \$1.586 million and personnel of \$0.902 million, offset by a shortfall in revenue of \$1.774 million.

The main cause of the under budget position in non-personnel costs is due to the timing of purchases. It is expected that these budgets will be utilized during the year and will be over spent due to Police Communication Branch (PCB) revitalization project.

The under budget position in personnel costs is primarily due to vacant positions slightly offset with higher part time personnel costs in PCB. The year end personnel surpluses are committed to offset costs associated with the PCB revitalization project.

The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an estimated 7% increase of tickets issued by Police members and the Provincial decision to increased rates. In addition, Bylaw fine revenues have seen a significant decrease due to a new system that allows the City of Edmonton to better allocate provincial revenue to the initiator of the revenue (previously, EPS was the default for all Bylaw fine revenue). EPS Finance is working with City Administration to determine an appropriate budget reallocation for the fall of 2016.

Emerging Issue

Personnel costs associated with EPS assistance with Fort McMurray wildfires' evacuees are being tracked and will be submitted to the Province at the conclusion for potential reimbursement.

CONCLUSION:

Based on the operating results to the end of April and the explanations attached, the year-end forecast indicates that the EPS may be \$1.543 million or 0.5% over budget due to a shortfall in Bylaw revenues and costs associated with Fort McMurray fires.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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Approved by: Brian ROBERTS, T/A Chief Administrative Officer, Corporate Services Bureau 

Chief of Police: 

Date: MAY 31 2016

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending April 30, 2016
(\$000's)

	Current Period				2015 Year to Date				2016 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)	\$ 1 558	\$ 1 178	\$ (380)	-24.4%	\$ 4 666	\$ 3 979	\$ (687)	-14.7%	\$ 5 638	\$ 4 162	\$ (1 476)	-26.2%	\$ 17 808	\$ 13 522	\$ (4 286)	-24.1%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	5 096	5 096	-	0.0%	9 410	9 410	-	0.0%	10 192	10 192	-	0.0%	20 384	20 384	-	0.0%
Provincial Grants (Note 3)	212	196	(16)	-7.5%	3 492	2 822	(670)	-19.2%	3 457	3 236	(221)	-6.4%	27 273	27 693	420	1.5%
Other Revenue (Notes 4 and 12)	1 921	2 040	119	6.2%	9 291	9 246	(45)	-0.5%	8 912	8 835	(77)	-0.9%	27 131	25 870	(1 261)	-4.6%
Total Revenue	8 787	8 510	(277)	-3.2%	26 859	25 457	(1 402)	-5.2%	28 199	26 425	(1 774)	-6.3%	92 596	87 469	(5 127)	-5.5%
Expenditures																
Personnel																
Salary and benefits (Note 5)	25 092	24 106	986	3.9%	97 964	97 116	848	0.9%	102 562	101 695	867	0.8%	302 453	295 942	6 511	2.2%
EPS Overtime (Note 6a)	692	862	(170)	-24.6%	3 110	3 141	(31)	-1.0%	2 971	2 929	42	1.4%	10 609	10 691	(82)	-0.8%
External Overtime (Note 6b)	36	13	23	63.9%	148	97	51	34.5%	144	151	(7)	-4.9%	432	453	(21)	-4.9%
	25 820	24 981	839	3.2%	101 222	100 354	868	0.9%	105 677	104 775	902	0.9%	313 494	307 086	6 408	2.0%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	738	1 251	(513)	-69.5%	6 356	5 635	721	11.3%	4 521	4 242	279	6.2%	12 941	15 517	(2 576)	-19.9%
Contracts and services (Note 8)	1 333	1 296	37	2.8%	6 086	5 733	353	5.8%	6 178	5 502	676	10.9%	21 424	20 604	820	3.8%
Vehicles (Note 9)	621	667	(46)	-7.4%	2 393	1 919	474	19.8%	2 365	2 519	(154)	-6.5%	2 143	2 567	(424)	-19.8%
Facilities (Note 10)	1 448	1 355	93	6.4%	5 473	5 130	343	6.3%	5 528	4 843	685	12.4%	17 566	18 705	(1 139)	-6.5%
Other Expenditures (Note 11)	216	193	23	10.6%	766	442	324	42.3%	869	769	100	11.5%	9 800	9 305	495	5.1%
	4 356	4 762	(406)	-9.3%	21 074	18 859	2 215	10.5%	19 461	17 875	1 586	8.1%	63 874	66 698	(2 824)	-4.4%
Total Expenditures (Note 13)	30 176	29 743	433	1.4%	122 296	119 213	3 083	2.5%	125 138	122 650	2 488	2.0%	377 368	373 784	3 584	0.9%
Position before Adjustments	21 389	21 233	156	0.7%	95 437	93 756	1 681	1.8%	96 939	96 225	714	0.7%	284 772	286 316	(1 543)	-0.5%
Tangible Capital Assets Budget adjustment (Note 14)													5 580	5 580	-	0.0%
Net Position	\$ 21 389	\$ 21 233	\$ 156	0.7%	\$ 95 437	\$ 93 756	\$ 1 681	1.8%	\$ 96 939	\$ 96 225	\$ 714	0.7%	\$ 290 352	\$ 291 895	\$ (1 543)	-0.5%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended April 30th 2016****1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – The shortfall in Traffic Safety Act (TSA) fines is a result of a decrease in the volume of tickets paid and collected despite an estimated 7% increase of tickets issued by Police members and the Provincial decision to increased rates.

Forecast – Same as for the year to date.

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

Year to Date – Transfers from the OTS occur on a quarterly basis with the second quarter completed in April.

Forecast – No variance is expected.

3. Provincial Grants

Year to Date – There has been less E911 Grant and Heavy Users of Service (HUOS) revenue recognized offset by lower non-personnel expenses.

Forecast – Expect to recognize higher E911 Grant revenues to partially offset non-personnel costs associated with the Police Communication Branch (PCB) revitalization project.

4. Other Revenue

Year to Date – The under budget position is primarily due to lower bylaw fine revenues. A new system allows City of Edmonton to better allocate provincial revenue to the initiator of that revenue (previously, EPS was the default for these Bylaw fine revenue). Also contributing to the shortfall is lower Secondment recoveries due to 10 vacancies in ALERT (offset by lower personnel costs); offset by increased towing revenues, Police Information Checks, and various grants and fees.

Forecast – Expected to be under budget due to Bylaw fine revenues.

5. Salary and Benefits

Year to date – Under budget primarily as a result of savings from vacant positions and lower court costs, slightly offset with higher part time personnel costs in the PCB.

Forecast – Same as for the year to date.

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

Attrition	April	April YTD	Full Year
Original Projection	5	22	70
Actual & Updated Projection	7	22	70

As of May 05, 2016, ten sworn members have tendered their resignation, and seventeen announced their retirement for an attrition total of twenty-seven. Of these, twenty-two were no longer on the payroll as of April 30, 2016.

6a. EPS Overtime

Year to date – Slightly under budget.

Forecast – An overspend is projected mainly due to EPS assistance with Ft. McMurray wildfires.

6b. External Overtime

Year to date – Slightly over budget.

Forecast – Same as the year to date.

7. Furniture, Equipment, IT, Materials and Supplies

Year to date – Underspent mainly due to the timing on the ordering and delivery of equipment and supplies as well as fewer orders placed during the first four months of the year.

Forecast – An over spend is projected mainly due to the PCB Revitalization Project, which is offset by an under spend in personnel costs, contracts & services and additional Provincial E911 Grants revenue recognized.

8. Contracts & Services

Year to date – Currently under budget due to less expenditures for the E911 Grant (offset by lower revenues recognized), less than anticipated snow removal charges, and timing on various contracts.

Forecast – Same as the year to date.

9. Vehicle Costs

Year to date – Over budget due to higher maintenance and collision repairs cost.

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget due to less than budgeted custodial and maintenance costs as well as fluctuation in utility rates and consumption.

Forecast – An overspend is projected mainly due to the PCB Revitalization Project, which is offset by an underspend in personnel costs, contracts & services and Provincial Grants revenue. This is also offset by savings in utility rates and consumption, and lower custodial and maintenance 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.

Forecast – Same as the year to date.

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 \$1.65 million (rounded).

14. Tangible Capital Assets

Budget held to cover capital qualifying expenses for projects such as vehicles.