



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2016-July-04

SUBJECT: Monthly Financial Report for the Period Ending May 31, 2016

RECOMMENDATION:

That the monthly report for the period ending May 31, 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 May 31, 2016.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending May 31, 2016 indicate a net surplus position of \$0.103 million or 0.1% mainly due to a shortfall in revenue of \$2.274 million, offset by an under spends in non-personnel of \$1.793 million and personnel of \$0.584 million.

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 6% 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 the City Administration to determine an appropriate budget reallocation for the fall of 2016.

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 lower benefit, court costs and stat holiday pay. The year end personnel costs surpluses are committed to offset costs associated with the PCB revitalization project.

Emerging Issue

Personnel costs associated with EPS assistance with Fort McMurray wildfires' evacuees are being tracked and costs to date (including overtime) amount to \$0.600 million. EPS is working with the City Administration for potential reimbursement from Province.

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 \$1.880 million or 0.6% 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

Written by: Robert DAVIDSON, Director, Finance Management Branch *RP*

Reviewed by: Jodie GRAHAM, Executive Director, Finance Division *JG*

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

BROCK KAHANYSKY

[Signature]
5th July 2016

Chief of Police:   Anthony (Tony) Harder
Acting Chief of Police

Date: *16 JUL 16*

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	\$ 1 153	\$ (405)	-26.0%	\$ 5 826	\$ 5 109	\$ (717)	-12.3%	\$ 7 196	\$ 5 315	\$ (1 881)	-26.1%	\$ 17 808	\$ 13 434	\$ (4 374)	-24.6%
Transfer to COE General Revenues	-	-	-		-	-	-		-	-	-		-	-	-	
Transfer from Reserve (OTS) (Note 2)	-	-	-		9 410	9 410	-	0.0%	10 192	10 192	-	0.0%	20 384	20 384	-	0.0%
Provincial Grants (Note 3)	205	129	(76)	-37.1%	3 708	2 900	(808)	-21.8%	3 662	3 365	(297)	-8.1%	27 273	27 596	323	1.2%
Other Revenue (Notes 4 and 12)	1 934	1 915	(19)	-1.0%	11 551	11 304	(247)	-2.1%	10 846	10 750	(96)	-0.9%	27 131	26 048	(1 083)	-4.0%
Total Revenue	3 697	3 197	(500)	-13.5%	30 495	28 723	(1 772)	-5.8%	31 896	29 622	(2 274)	-7.1%	92 596	87 462	(5 134)	-5.5%
Expenditures																
Personnel																
Salary and benefits (Note 5)	25 290	25 136	154	0.6%	123 234	119 617	3 617	2.9%	127 852	126 831	1 021	0.8%	302 468	296 452	6 016	2.0%
EPS Overtime (Note 6a)	775	1 244	(469)	-60.5%	3 811	3 943	(132)	-3.5%	3 746	4 173	(427)	-11.4%	10 609	10 967	(358)	-3.4%
External Overtime (Note 6b)	36	39	(3)	-8.3%	185	161	24	13.0%	180	190	(10)	-5.6%	432	454	(22)	-5.1%
	26 101	26 419	(318)	-1.2%	127 230	123 721	3 509	2.8%	131 778	131 194	584	0.4%	313 509	307 873	5 636	1.8%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1 019	819	200	19.6%	6 847	6 409	438	6.4%	5 540	5 061	479	8.6%	12 891	16 186	(3 295)	-25.6%
Contracts and services (Note 8)	1 437	1 349	88	6.1%	7 329	7 137	192	2.6%	7 615	6 851	764	10.0%	21 399	19 867	1 532	7.2%
Vehicles (Note 9)	606	619	(13)	-2.1%	2 970	2 526	444	14.9%	2 971	3 138	(167)	-5.6%	2 143	2 426	(283)	-13.2%
Facilities (Note 10)	1 422	1 406	16	1.1%	6 752	6 456	296	4.4%	6 950	6 249	701	10.1%	17 567	18 472	(905)	-5.2%
Other Expenditures (Note 11)	260	344	(84)	-32.3%	929	673	256	27.6%	1 129	1 113	16	1.4%	9 798	9 229	569	5.8%
	4 744	4 537	207	4.4%	24 827	23 201	1 626	6.5%	24 205	22 412	1 793	7.4%	63 798	66 180	(2 382)	-3.7%
Total Expenditures (Note 13)	30 845	30 956	(111)	-0.4%	152 057	146 922	5 135	3.4%	155 983	153 606	2 377	1.5%	377 307	374 053	3 254	0.9%
Position before Adjustments	27 148	27 759	(611)	-2.3%	121 562	118 199	3 363	2.8%	124 087	123 984	103	0.1%	284 711	286 591	(1 880)	-0.7%
Tangible Capital Assets Budget adjustment (Note 14)													5 642	5 642	-	0.0%
Net Position	\$ 27 148	\$ 27 759	\$ (611)	-2.3%	\$ 121 562	\$ 118 199	\$ 3 363	2.8%	\$ 124 087	\$ 123 984	\$ 103	0.1%	\$ 290 353	\$ 292 233	\$ (1 880)	-0.6%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended May 31st 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 6% 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 8 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 lower court costs, stat holiday pay, and Workers Compensation Board (WCB) Partners In Rebate (PIR).

Forecast – Same as for the year to date, and WCB Dividends distribution.

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

Attrition	May	May YTD	Full Year
Original Projection	5	27	70
Actual & Updated Projection	5	27	70

As of May 31, 2016, eleven sworn members have tendered their resignation, and twenty announced their retirement for an attrition total of thirty-one. Of these, twenty-seven were no longer on the payroll as of May 31, 2016.

6a. EPS Overtime

Year to date – Overspend as a result of EPS assistance with Ft. McMurray wildfires.

Forecast – Same as the year to date.

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.

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. One-time purchases identified through critical unfunded initiatives also contribute to an overspent projection.

8. Contracts & Services

Year to date – Currently under budget due to less expenditures for the E911 Grant (offset by lower revenues recognized), late recruitment of paramedic resources for the Detention Management Unit, 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 primarily 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 – Slightly under budget.

Forecast – Under budget primarily as a result of 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 May amounted to \$1.8 million (rounded).

14. Tangible Capital Assets

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