



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2017-September-05

SUBJECT: Financial Report for the Period Ending July 31, 2017

RECOMMENDATION:

That the financial report for the period ending July 31, 2017 be received for information.

INTRODUCTION:

This report provides current financial performance information for the Edmonton Police Service (EPS) for the period ending July 31, 2017 and a year-end forecast.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending July 31, 2017 indicate a net surplus position of \$4.104 million or 2.4% mainly due to surplus in revenue of \$2.482 million, an underspend in non-personnel costs of \$1.922 million, offset by an overspend in personnel costs of \$0.300 million.

The surplus in revenue is primarily due to ongoing recognition of E911 Grant revenues (offset by personnel expenses), retroactive (third and fourth quarters of 2016) 911 Operators expenses as supported by Alberta Emergency Management Agency, increased fees and greater volume of Police Information Checks (PIC), and the recognition of revenue associated with EPS 125 events and other miscellaneous donations (offset by non-personnel expenses). The surplus in revenue will increase during the year and will be used to offset one-time purchases identified through priority unfunded initiatives.

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 overspent due to various one-time purchases identified through priority unfunded initiatives.

The over budget position in personnel costs is mainly due to costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs, and higher part time costs in Police Communication Branch (partially offset by revenue).

CONCLUSION:

Based on the operating results to the end of July and the explanations attached, the year-end forecast indicates that the EPS may be \$1.185 million or 0.4% over budget. The projection for the Police Service is primarily due to unbudgeted costs associated with Rounds 1 and 2 of Stanley Cup Playoffs and for the Police Commission's anticipated overspend resulting from an additional audit position.

ADDITIONAL INFORMATION ATTACHED:

Operating:

I Budget Variance by Major Category of Revenue & Expenditures

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Approved by: Denis JUBINVILLE, T/A Chief Administrative Officer, Corporate Services Bureau 

Chief of Police: 

Date: SEP 05 2017

Edmonton Police Service
Budget Variance by Major Category of Revenues & Expenditures
For the Period Ending July 31, 2017
(\$000's)

	Current Period				2016 Year to Date				2017 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)	\$ 1 421	\$ 1 435	\$ 14	1.0%	\$ 10 312	\$ 7 548	\$ (2 764)	-26.8%	\$ 8 919	\$ 8 774	\$ (145)	-1.6%	\$ 15 508	\$ 15 508	\$ -	0.0%
Transfer to COE General Revenues	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%
Transfer from Reserve (OTS) (Note 2)	5 573	5 573	-	0.0%	15 288	15 288	-	0.0%	16 719	16 719	-	0.0%	22 292	22 292	-	0.0%
Provincial Grants (Note 3)	233	526	293	125.8%	26 011	25 577	(434)	-1.7%	26 430	28 224	1 794	6.8%	27 923	30 234	2 311	8.3%
Other Revenue (Notes 4 and 12)	1 950	2 115	165	8.5%	15 426	14 815	(611)	-4.0%	15 115	15 948	833	5.5%	26 034	27 581	1 547	5.9%
Total Revenue	9 177	9 649	472	5.1%	67 037	63 228	(3 809)	-5.7%	67 183	69 665	2 482	3.7%	91 757	95 615	3 858	4.2%
Expenditures																
Personnel																
Salary and benefits (Note 5)	27 927	27 786	141	0.5%	176 427	172 308	4 119	2.3%	195 622	196 246	(624)	-0.3%	330 169	330 345	(176)	-0.1%
EPS Overtime (Note 6a)	1 103	982	121	11.0%	5 954	5 806	148	2.5%	6 229	5 900	329	5.3%	11 030	10 790	240	2.2%
External Overtime (Note 6b)	38	40	(2)	-5.3%	252	275	(23)	-9.1%	268	273	(5)	-1.9%	460	465	(5)	-1.1%
	29 068	28 808	260	0.9%	182 633	178 389	4 244	2.3%	202 119	202 419	(300)	-0.1%	341 659	341 600	59	0.0%
Non-Personnel																
Furniture, equipment, IT, materials and supplies (Note 7)	1 206	1 111	95	7.9%	7 959	7 073	886	11.1%	7 813	7 527	286	3.7%	11 840	14 125	(2 285)	-19.3%
Contracts and services (Note 8)	1 530	1 397	133	8.7%	11 003	10 263	740	6.7%	10 093	10 147	(54)	-0.5%	17 467	20 389	(2 922)	-16.7%
Vehicles (Note 9)	627	691	(64)	-10.2%	4 095	4 331	(236)	-5.8%	4 402	4 317	85	1.9%	7 693	7 623	70	0.9%
Facilities (Note 10)	1 487	1 267	220	14.8%	9 851	8 838	1 013	10.3%	9 728	8 277	1 451	14.9%	16 809	15 888	921	5.5%
Other Expenditures (Note 11)	246	198	48	19.5%	3 192	2 827	365	11.4%	3 183	3 029	154	4.8%	1 939	2 825	(886)	-45.7%
	5 096	4 664	432	8.5%	36 100	33 332	2 768	7.7%	35 219	33 297	1 922	5.5%	55 748	60 850	(5 102)	-9.2%
Total Expenditures (Note 13)	34 164	33 472	692	2.0%	218 733	211 721	7 012	3.2%	237 338	235 716	1 622	0.7%	397 407	402 450	(5 043)	-1.3%
Position before Adjustments	24 987	23 823	1 164	4.7%	151 696	148 493	3 203	2.1%	170 155	166 051	4 104	2.4%	305 650	306 835	(1 185)	-0.4%
Tangible Capital Assets Budget adjustment (Note 14)													13 858	13 858	-	0.0%
Net Position	\$ 24 987	\$ 23 823	\$ 1 164	4.7%	\$ 151 696	\$ 148 493	\$ 3 203	2.1%	\$ 170 155	\$ 166 051	\$ 4 104	2.4%	\$ 319 508	\$ 320 693	\$ (1 185)	-0.4%

Edmonton Police Service**Explanation of Variances by Major Category of Expenditures and Revenues – Notes****For the Period Ended July 31st 2017****1. Traffic Safety Act (TSA) Fines Revenue**

Year to Date – Revenue is currently under budget but it has fluctuated from month to month.

Forecast – Current revenue levels fluctuate month to month therefore a balanced budget is projected at this time.

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

Year to Date – Quarterly transfers from the OTS, with the first three payments received to date.

Forecast – No variance is expected.

3. Provincial Grants

Year to Date – Over budget primarily due to ongoing recognition of E911 Grant revenues (offset by personnel expenses), recognition of revenues to offset all 911 Operators expenses from July 01 to December 31, 2016 as supported by Alberta Emergency Management Agency on March 02, 2017, and additional Municipal Policing Assistance Grant (MPAG) funds based on the municipal census.

Forecast – Same as for the year to date.

4. Other Revenue

Year to Date – The over budget position is primarily due to Secondments (offset by greater personnel costs), increased fees and greater volume of Police Information Checks (PIC), and revenues associated with EPS 125 events (offset by greater non-personnel costs). This is offset by reduced volume of towed vehicles, and false alarm fees.

Forecast – Same as for the year to date.

5. Salary and Benefits

Year to date – Over budget as a result of higher part time costs in Police Communication Branch, partially offset by overtime underspend and E911 revenue.

Forecast – Slightly over budget.

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

Attrition	July	July YTD	Full Year
Original Projection	6	39	70
Actual & Updated Projection	13	39	70

As of August 18, 2017, one sworn member has been dismissed, nineteen sworn members have tendered their resignation, and twenty-nine announced their retirement for an attrition total of forty-nine. Of these, thirty-nine were no longer on the payroll as of July 31, 2017.

6a. EPS Overtime

Year to date – Underspend as a result of limited need of overtime in Community Policing and Police Communication (offset by greater part time costs), fewer Traffic collisions causing major injury, less than projected overtime required to date in Major Crimes and Serious Crimes Branches. This is offset by costs associated with Rounds 1 and 2 for the Stanley Cup Playoffs.

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 – Under budget due to the timing of purchases.

Forecast – An over spend is projected mainly due to the increased cost of the Microsoft enterprise agreement and other licenses, as well as one-time operating purchases identified through priority unfunded initiatives, such as Conducted Electrical Weapons, Arwen Project, and Wire Tap upgrade. The projected overspend is to be offset by surplus in revenue.

8. Contracts & Services

Year to date – Over budget primarily as a result of Commission's IT Governance Audit, and costs associated with EPS 125 events (offset by other revenue).

Forecast – An over spend is projected mainly due to the one-time operating purchases identified through priority unfunded initiatives, such as Communications revitalization project, Community initiative fund, as well as costs associated with EPS 125 events. The overspend is projected to be offset by surplus in revenue.

9. Vehicle Costs

Year to date – Under budget primarily due to lower maintenance and repair costs.

Forecast – Same as the year to date.

10. Facilities

Year to Date – Under budget as a result of lower custodial, space rent and building maintenance costs as well as fluctuations in utility rates and consumption offset by higher snow removal and landscaping contracts.

Forecast – Same as the year to date. This will offset one-time purchases identified through priority unfunded initiatives, and costs charged to other budget categories (other expenditures).

11. Other Expenditures

Year to Date – Under budget due to the timing of purchases.

Forecast – Over budget as a result of various facilities, renovation and leasing allocations being charged to City's inter-departmental category instead of facilities where budget exists, and budget being transferred to accommodate capital priority unfunded initiatives.

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 July amounted to \$1.8 million (rounded).

14. Tangible Capital Assets

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