



EDMONTON POLICE SERVICE

REPORT TO THE EDMONTON POLICE COMMISSION

DATE: 2018-December-31

SUBJECT: Budget Variance Report for the Period Ending November 30, 2018

RECOMMENDATION(S):

That this report be received for information.

COMMENTS / DISCUSSION:

Operating Results

The operating results for the period ending November 30, 2018 indicate a net surplus position of \$0.808 million or 0.3% (expense underspend of \$1.150 million offset by revenue shortfall of \$0.342 million). The underspend in expenditures is primarily due to Northwest Campus not being operational until 2019 and lower custodial and maintenance costs offset by personnel increases to support the City's annexation to the South and the Federal legalization of cannabis. The revenue shortfall is primarily a result of lower than expected Traffic Safety Act revenues and vehicle tows, offset by increased fees and greater volume of Police Information Checks (PIC), Heavy Users of Service grant extension, greater overall Secondment recoveries, and additional SRO recoveries.

Based on the operating results to the end of November, the year-end forecast indicates that the EPS will be under budget by \$2.613 million which will be transferred to EPS reserve.

ADDITIONAL INFORMATION ATTACHED:

Attachment I - Budget Variance by Major Category of Revenue & Expenditures

Written By:  Irina LANGREITER, T/A Director, Financial Management Branch

Reviewed By:  Jodie GRAHAM, Executive Director, Business Development Division

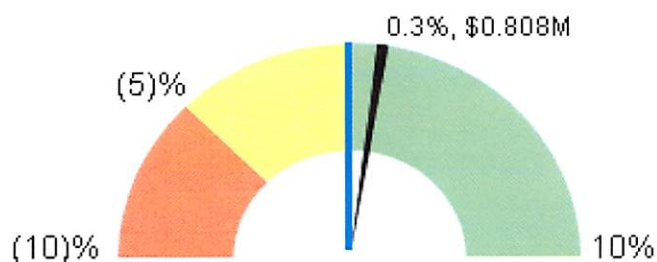
Approved By:  Denis JUBINVILLE, T/A Chief Administrative Officer, Corporate Services Bureau

Chief of Police:  

Date: 2019-Jan-02

Edmonton Police Service
Budget Variance by Major Category of Revenue & Expenditures
For the Period Ending November 30, 2018 (\$000's)

- Favourable budget variance, >= 0%
- Unfavourable budget variance, 0% to (5)%
- Unfavourable budget variance, > (5)%



- Year-to-Date Variance
- Projected Year-End Variance

	Year-to-Date			
	Budget	Actual	Variance \$	%
Revenue	91 479	91 137	(342)	-0.4%
<i>Personnel</i>	319 295	322 993	(3 698)	-1.2%
<i>Non-Personnel</i>	59 772	54 924	4 848	8.1%
Expense	379 067	377 917	1 150	0.3%
Transfer to/from EPS Reserve (Note 2)	-	-	-	0.0%
Net Position	287 588	286 780	808	0.3%

	Projected Year-End			
	Budget	Actual	Variance \$	%
Revenue	95 718	94 693	(1 025)	-1.1%
<i>Personnel</i>	358 951	360 064	(1 113)	-0.3%
<i>Non-Personnel</i>	66 699	61 948	4 751	7.1%
Expense	425 650	422 012	3 638	0.9%
TCA (Note 1)	7 445	7 445	-	0.0%
Transfer to/from EPS Reserve (Note 2)	-	2 613	(2 613)	0.0%
Net Position	337 377	337 377	-	0.0%

Year-to-Date

Revenue - Unfavourable variance resulting from lower Traffic Safety Act revenues of 3%, compared to last year (partially due to a lower number of officer issued tickets), and lower vehicle tows; offset by increased fees and greater volume of Police Information Checks (PIC), Heavy Users of Service grant extension, greater overall Secondment recoveries, and additional SRO recoveries.

Personnel - Unfavourable variance as a result of being over strength to support the City's annexation to the South, Federal legalization of Cannabis, and higher part time costs in Police Communication Branch to transition staffing and greater Secondments (offset by revenues). This is offset by funds not needed to support NHL Playoffs.

Non-Personnel - Favourable variance due to lower than expected custodial and maintenance, and renovations costs, budget not required for on-going operating costs for Northwest Campus as it is not operational until 2019, and delayed Information Technology contracts, such as e-Ticketing, Major Case Management, and Digital Asset Management System.

Projected Year-End

Revenue - The unfavourable variance is primarily due to lower Traffic Safety Act revenues that are expected to continue to year end. This is offset by a COE Corporate error on revenue for the legalization of cannabis, excess revenue due to fewer purchases of the approved Cannabis Traffic Testing Device, and lower IT and training costs (offset by Non-Personnel).

Personnel - The unfavourable year end variance is in line with the year to date.

Non-Personnel - The favourable year to date variance is expected to continue to year end plus lower than expected costs for the legalization of cannabis resulting from the delayed legalization date, less purchases of the approved Cannabis Traffic Testing Device, and lower IT and training costs (offset by Revenue).

Notes:

(1) TCA refers to Tangible Capital Assets, where budget is held to cover capital-qualifying expenses for purchases such as vehicles and/or information technology projects.

(2) On June 26, 2018 City Council approved Policy C605 Edmonton Police Reserve. In accordance with the policy, in the event the reserve falls into a deficit position, a strategy will be developed by the EPS, to be approved by City Council, in order to achieve a balanced position over a period not to exceed three years, starting with the subsequent year operating budget.

	2017 Year-to-Date				2017 Year-End				
	Budget	Actual	Variance \$	%	Budget	Actual	Variance \$	%	
Revenue	84 639	87 760	3 121	3.7%	Revenue	91 477	94 972	3 495	3.8%
Expense	333 526	328 825	4 701	1.4%	Expense	410 985	417 118	(6 133)	-1.5%
Net Position	248 887	241 065	7 822	3.1%	Net Position	319 508	322 146	(2 638)	-0.8%