

Edmonton Police Service Funding Formula Policy C604 Further Analysis

Executive Committee - May 18, 2022

Item 6.1

We are here to respond to Council motions related to EPS funding

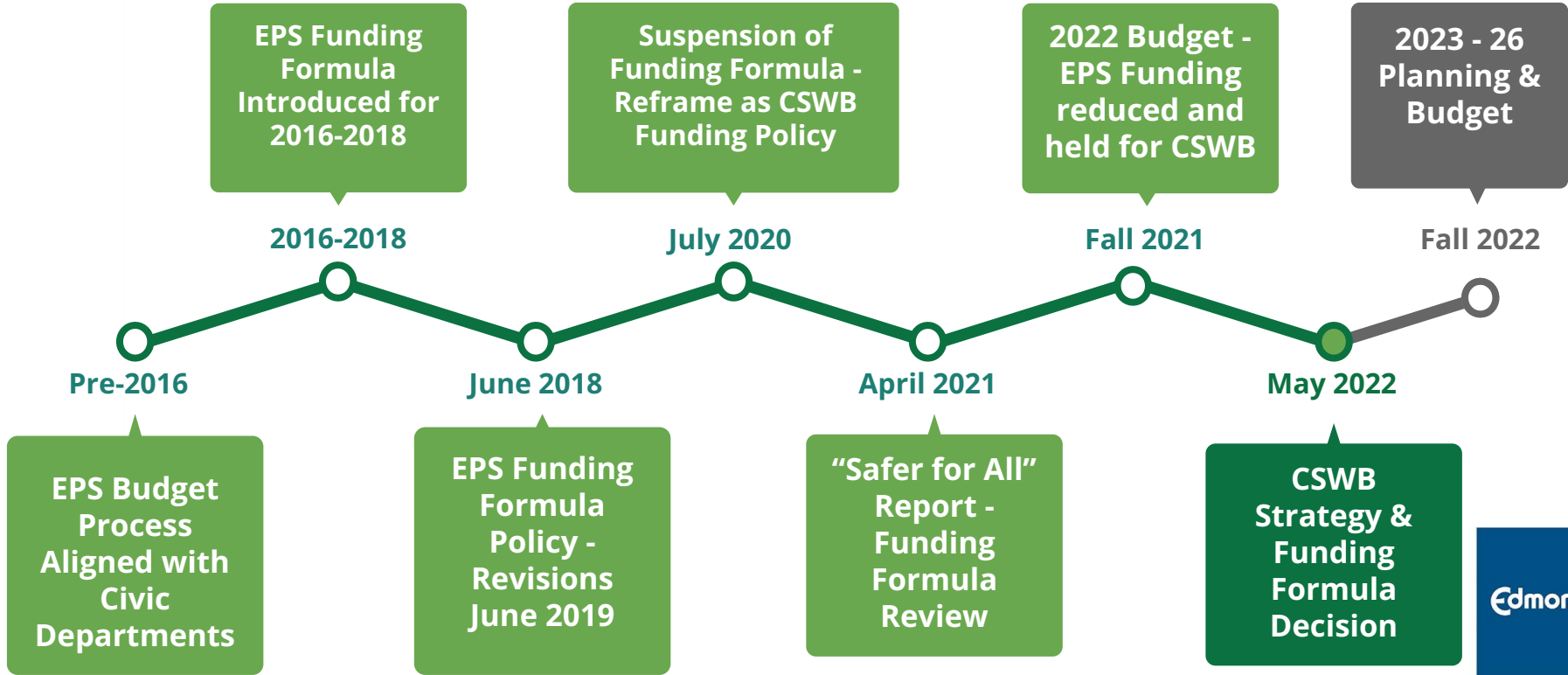
July 6, 2020 Motion

Suspend the EPS Funding Formula Policy C604 pending review and reframing as an Edmonton Community Safety and Well-Being Funding Policy

April 6, 2021 Motion

Conduct further analysis regarding amendments to the EPS Funding Formula Policy C604, including but not limited to, peer funding level comparators and performance accountability mechanisms

How We Got Here



Suspended Funding Formula - Policy C604

Operating Budget Amount =

$$\text{Base Budget} * (1 + \text{Population Change \%} + \text{Police Price Index \%} - \text{Efficiency Factor \%})$$

- *Base budget = prior year net operating requirement + transfer from Traffic Safety & Automated Enforcement Reserve*
- *Population Change - annual change in population (statistics driven)*
- *Police Price Index - annual inflation for police operating expenses (statistics driven)*
- *Efficiency Factor - annual reduction to EPS operating budget for efficiencies (Council Decision)*

Policing - Roles & Responsibilities



- Establishment of Commission/appointment of members
- Approve total amount of EPS operating funding
- Ratify the appointment of the Chief of Police
- Prepare overall budget request in consultation with Chief of Police
- Recruit and provide direction to the Chief of Police
- Allocation of Council approved funding based on priorities
- Carry out policing duties in accordance with EPC oversight

Police Funding 2019 - 2022 (\$ millions)

Year	Net Operating Requirement (Annual Tax Levy Funding)	\$11M Reduction (July 6, 2020)	\$10.9M Reduction (November 30, 2021)	Revised Net Operating Requirement (Annual Tax Levy Funding)	Traffic Safety & Automated Enforcement Reserve Annual Funding	Total Annual Operating Funding
2019	\$356.3	-	-	\$356.3	\$22.3	\$378.6
2020	\$372.5	-	-	\$372.5	\$22.3	\$394.8
2021	\$389.3	(\$5.5)	-	\$383.8	\$22.3	\$406.1
2022	\$406.8	(\$11.0)	(\$10.9)	\$384.9	\$22.3	\$407.2

**\$21.9 M reduction
2021-22**

**\$407.2 M
2022 base
operating
funding**

Edmonton

Council Decisions for EPS Funding

Community Safety & Well-Being Strategy

- Anti-racism
- Reconciliation
- Safe/Inclusive Spaces
- Equitable Policies, Procedures Standards and Guidelines
- Pathways In and Out of Poverty
- Crime Prevention and Crisis Intervention
- Well-being

City of Edmonton



Edmonton Police Service



Other Orders of Government

1. Amount of funding
2. Mechanism to reasonably grow funding

EPS Funding Strategy - Funding Mechanism Options

	Align to Existing City Budget Process	Revised Funding Formula (Recommendation)	Interim Approach - Freeze or Deduction
Potential Benefits	<ul style="list-style-type: none"> + Familiar + Transparency + Opportunity for annual adjustments 	<ul style="list-style-type: none"> + Stable & predictable + Participation in corporate reductions + EPC manages funds and budget pressures 	<ul style="list-style-type: none"> + Time to gauge impact & align with CSWB + Minimize current service impacts
Potential Tradeoffs	<ul style="list-style-type: none"> - Overriding role of commission - Time consuming, contentious - Less predictable 	<ul style="list-style-type: none"> - Less transparent - Potential funding inequities with other departments 	<ul style="list-style-type: none"> - Defers funding decision - Potential service impacts

Next Steps

- If recommendation approved:
 - Direction from Council on revisions
 - Proposed funding formula and policy brought back for consideration as a part of the 2023-2026 budget deliberations
- If Council chooses not to implement a funding formula:
 - EPS will complete the 2023-2026 budget following the same process as civic departments
 - Estimated salary settlements will be held corporately

Questions?