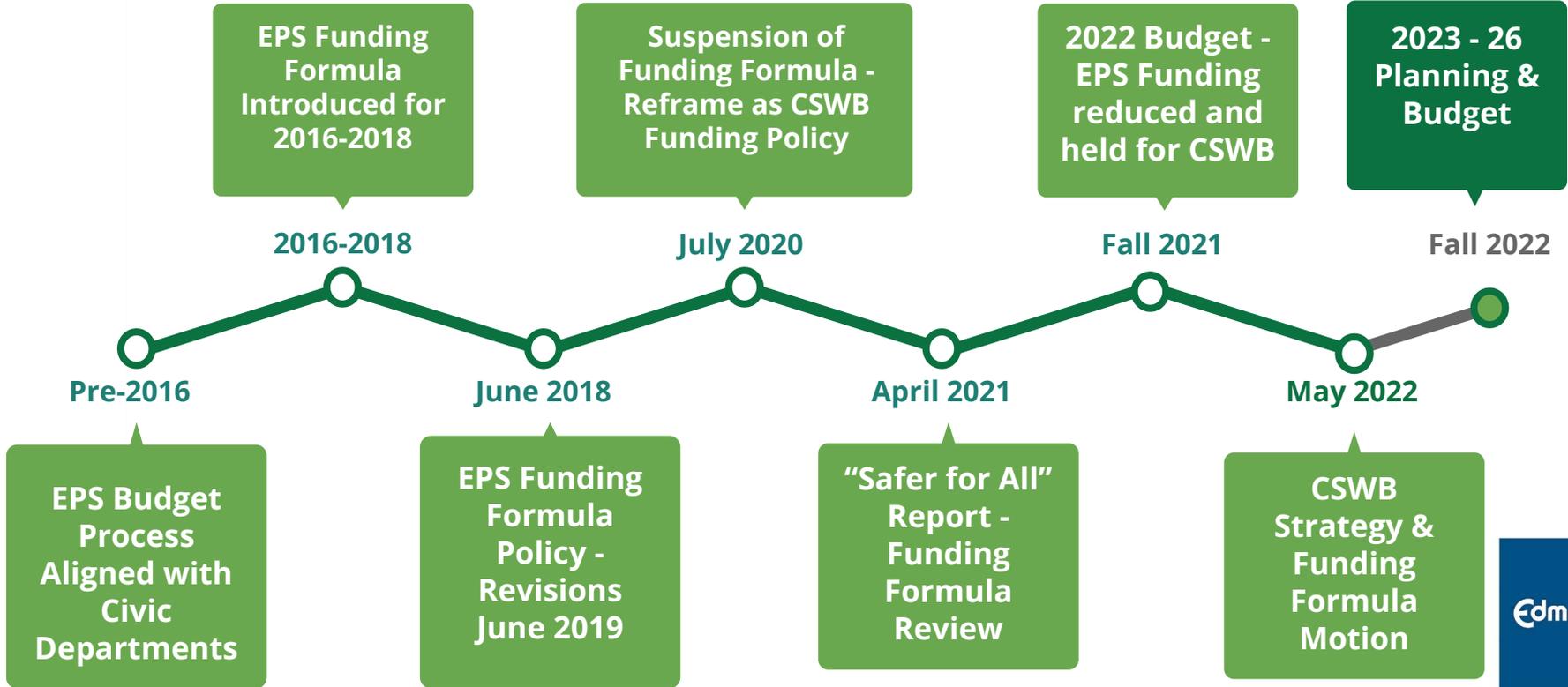


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Edmonton Police Service - Revised Funding Formula and Related Policy

City Council - October 3, 2022

How We Got Here



Council motion June 2022:

That Administration, in consultation with the Edmonton Police Service and the Edmonton Police Commission, develop a revised funding formula and related policy, and return to City Council for approval as part of the 2023-2026 Operating Budget deliberations.

Funding Formula Policy - Principles

- *Edmonton Police Service are essential for the provision of public safety.*
- *Certainty and predictability are important for long-term planning.*
- *Clarity of accountability is necessary while respecting the boundaries of the Police Act, the Municipal Government Act and the statutory function of police.*
- *The police are part of Community Safety and Well-being where there is interconnectivity and interdependency.*

Funding Formula Policy - Intention

The formula is intended to manage the financial impacts of:

- a. Population growth,
- b. Inflation, and
- c. Operating impacts of capital for projects that are funded by the Edmonton Police Service.

The formula is not intended to provide funding:

- a. For major capital projects, including new buildings and facilities,
- b. For Edmonton Police Service salary settlements,
- c. To address significant changes in legislation,
- d. To address significant urban growth due to annexation,
- e. For operating impacts of police-initiated capital projects that are City Council approved, and
- f. For operating impacts of significant City of Edmonton initiated capital projects that increase the demand for policing.

Funding Formula - Policy C604

Two elements to determining funding:

Tax supported funding:

$$A = [B+C+D]$$

Formula for growth:

$$C = [(F*G)+(H*I)]$$

Funding Formula - Policy C604

$$\text{Tax supported Funding:}$$
$$A = [B+C+D]$$

- A* is the total tax-supported funding for Edmonton Police Service for the applicable fiscal year
- B* is the total tax-supported funding for Edmonton Police Service for the previous fiscal year
- C* is the Edmonton Police Service Funding Formula as calculated by this policy
- D* is the Edmonton Police Service salary settlements, which are held corporately and calculated and allocated separately after the ratification of a Collective Bargaining Agreement

Funding Formula - Policy C604

Formula for Growth

$$C = [(F * G) + (H * I)]$$

- C** is the Edmonton Police Service Funding Formula as calculated by this policy
- F** is the personnel net expenditure budget for the applicable fiscal year, prior to any salary settlements for that fiscal year
- G** is the population growth rate for Edmonton Census Subdivision for the applicable fiscal year
- H** is the non-personnel net expenditure budget for the applicable fiscal year
- I** is the Non-Personnel Inflation Calculator (NPIC) for the applicable fiscal year

NPIC defined as the forecasted annual inflation rate on Edmonton Police Service non-personnel related expenditures, represented as a percentage. This figure is calculated by City Administration

Upper limit of the formula

The funding formula includes a limit in order to keep police expenditures in line with the rest of the City's Civic Operating Departments.

- *Funding limited to the current ratio of EPS to Civic Operating Departments being 30%*

EPS total Expenditures: \$485,000,000

Civic Department Expenditures: \$1,600,000

EPS/Civic Departments must be less than 30% or reduced until this ratio is maintained.

Requesting Funding Outside the Formula

Four situations where funding can be adjusted by service package:

- a. Where additional funds are required to manage financial impacts of significant legislative change
- b. Where the City implements a policy, program or service that increases demand for policing
- c. Where partnership opportunities are identified between Edmonton Police Service and community safety and well-being service providers that require additional policing resources
- d. Where additional funds are required for operating impacts of capital in instances where City Council approved the capital profile

Other Items

- *Budget Allocations based on forecasts with true-up required every two years to reflect actual population growth and experienced inflation.*
- *Adjustment to the Funding Formula Policy requires non-statutory public hearing.*
- *Performance metrics not tied to funding as more research is required.*

Questions?

Types of Expenditures and Funding Adjustments

Adjustments to the formula are based on Expenditures and growth is adjusted differently based on differing types of expenditures

- *Expenditures as the base for determining growth was used as this provides a stable base within the control of the Edmonton Police Service*