A thin, dark green vertical line on the left side of the slide.

# **Edmonton Police Service - New Funding Formula Scenario Calculations**

**City Council - October 7, 2022**

## Tax-Supported Funding

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



**A** is the total tax-supported funding for EPS for the current year

**B** is total tax-supported funding for EPS for the previous year

**C** is the EPS Funding Formula

**D** is the EPS salary settlements for current year (held corporately; not part of calculation, allocated after ratification)

## Growth Formula

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

**F** is the personnel net expenditure budget for the current year (prior to any salary settlements for the current year)

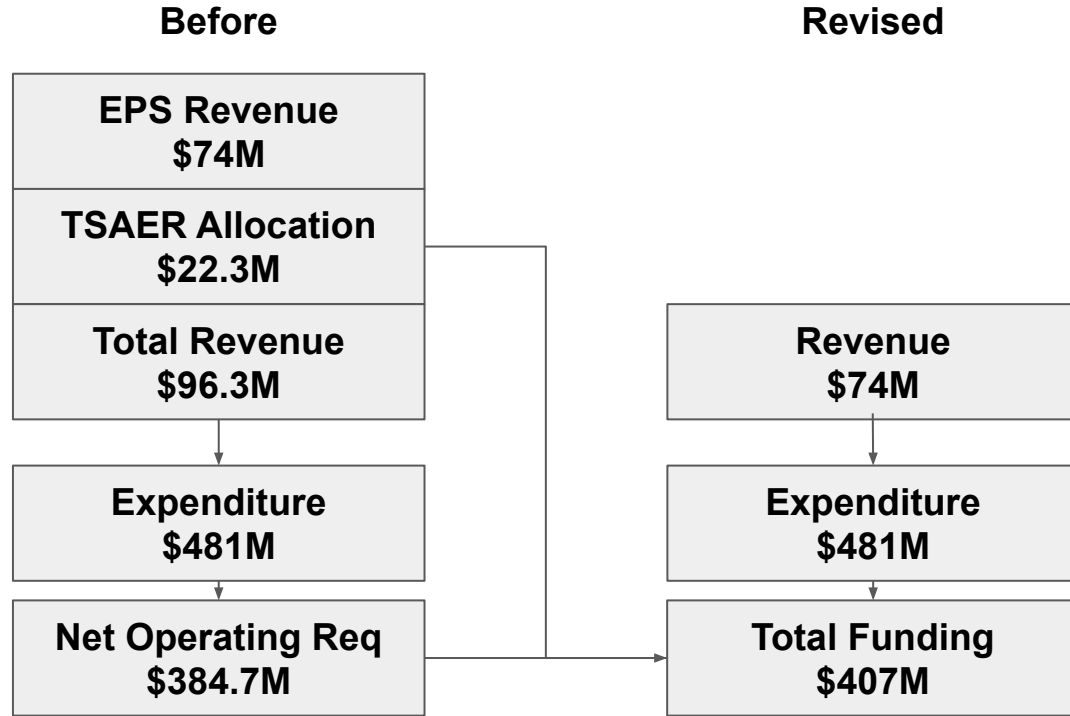
**G** is the population growth rate for the current year

**H** is the non-personnel net expenditure budget for the current year

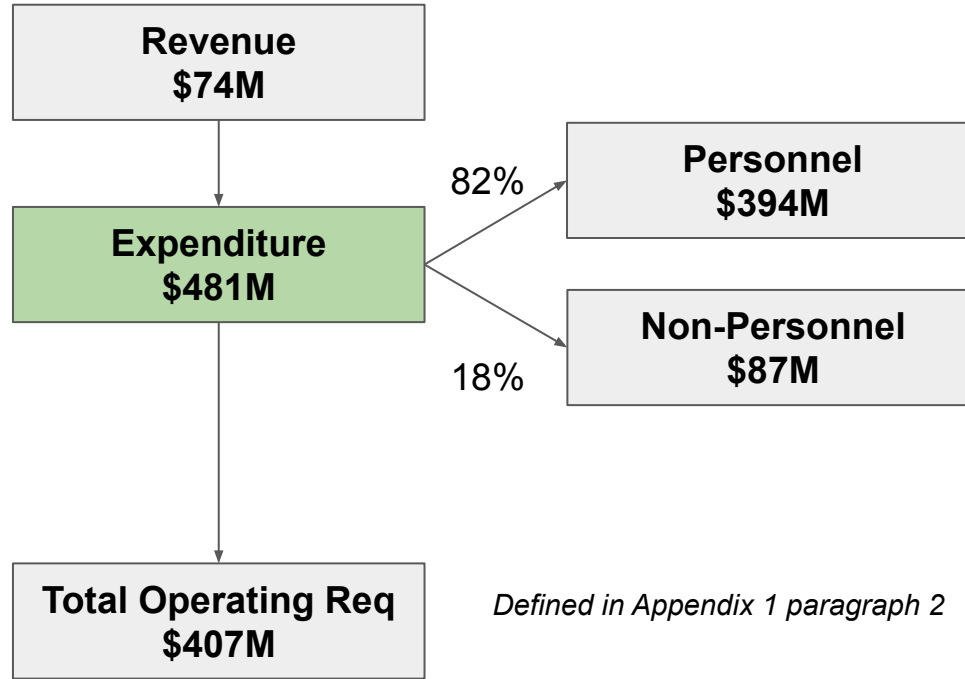
**I** is the Non-Personnel Inflation Calculator (NPIC) for the current year

## Scenario 1: Year 1 (2023)

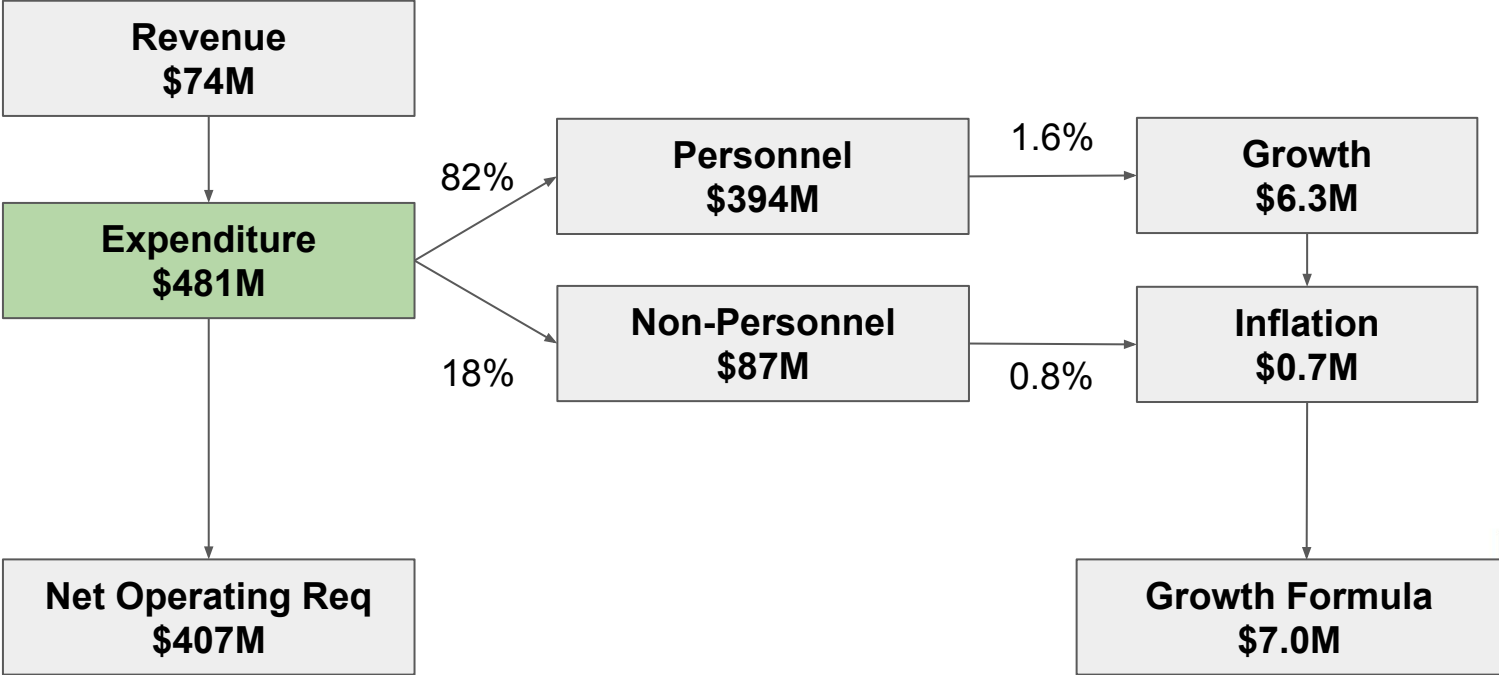
### No Salary Settlement; Ratio not Exceeded



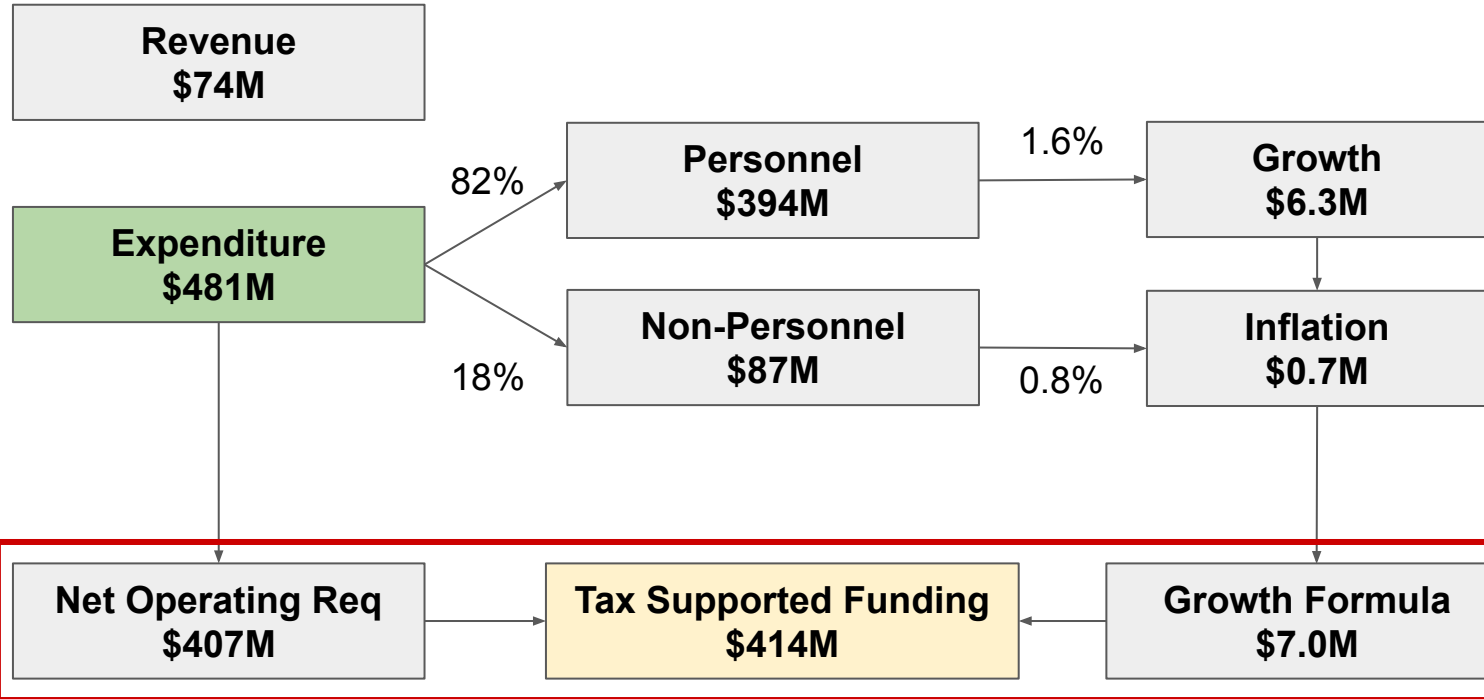
**Scenario 1: Year 1 (2023)**  
**No Salary Settlement; Ratio not Exceeded**



**Scenario 1: Year 1 (2023)**  
**No Salary Settlement; Ratio not Exceeded**

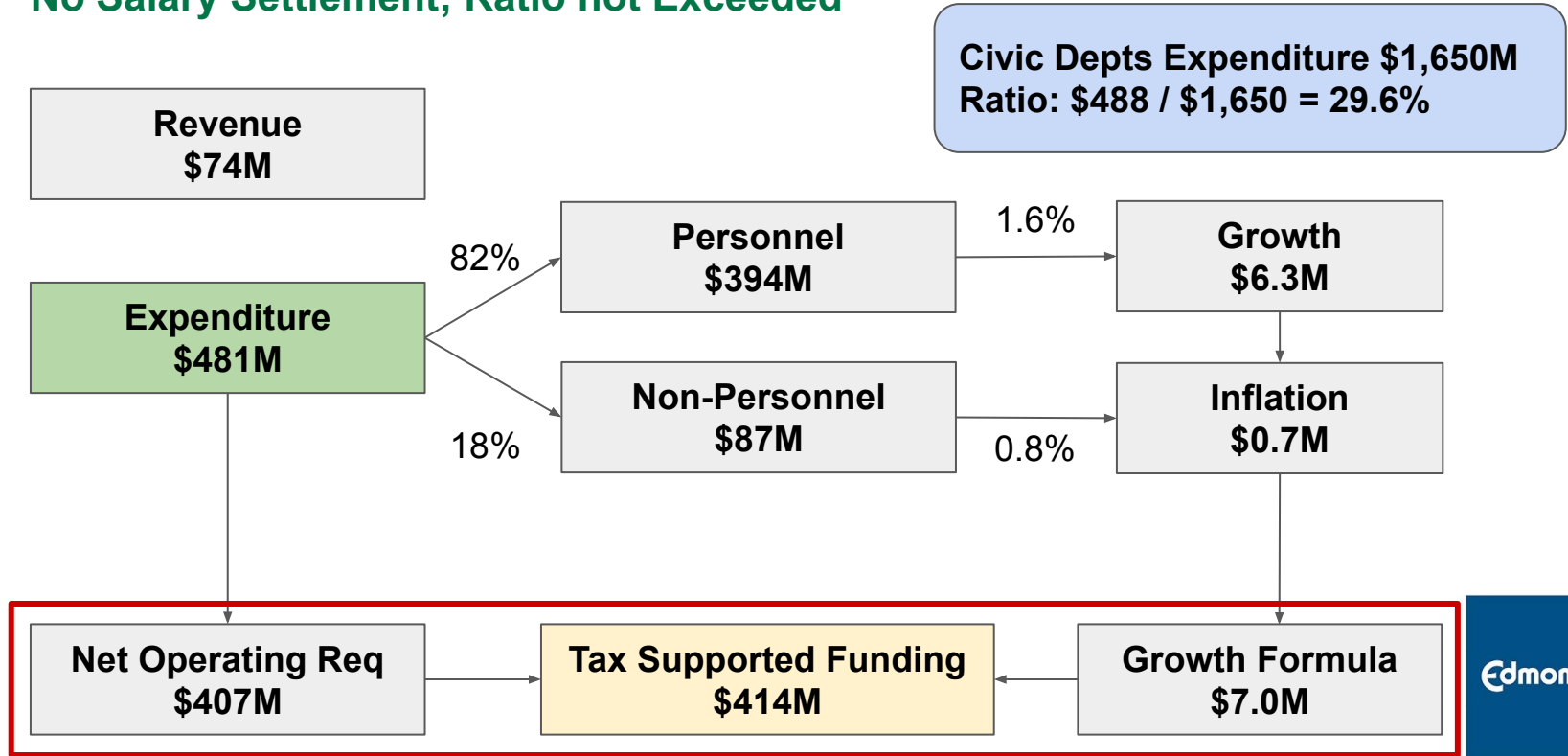


**Scenario 1: Year 1 (2023)**  
**No Salary Settlement; Ratio not Exceeded**



# Scenario 1: Year 1 (2023)

## No Salary Settlement; Ratio not Exceeded



**Scenario 2: Year 1 (2023)**  
**Salary Settlement; Ratio not Exceeded**

**Civic Depts Expenditure \$1,650M**  
**Ratio: \$489 / \$1,650 = 29.6%**

**Revenue**  
**\$74M**

**Expenditure**  
**\$481M**

**Personnel**  
**\$394M**

**Non-Personnel**  
**\$87M**

**Growth**  
**\$6.3M**

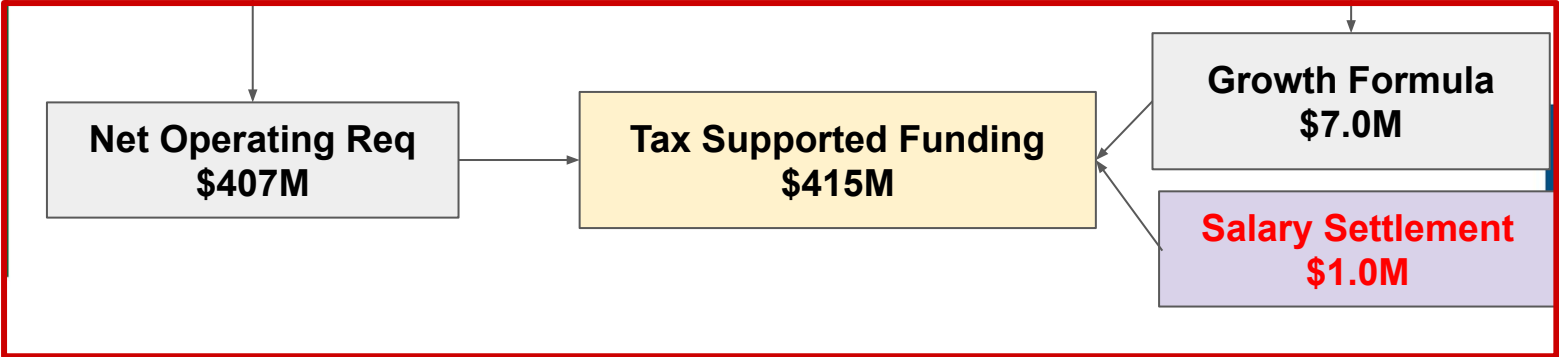
**Inflation**  
**\$0.7M**

**Net Operating Req**  
**\$407M**

**Tax Supported Funding**  
**\$415M**

**Growth Formula**  
**\$7.0M**

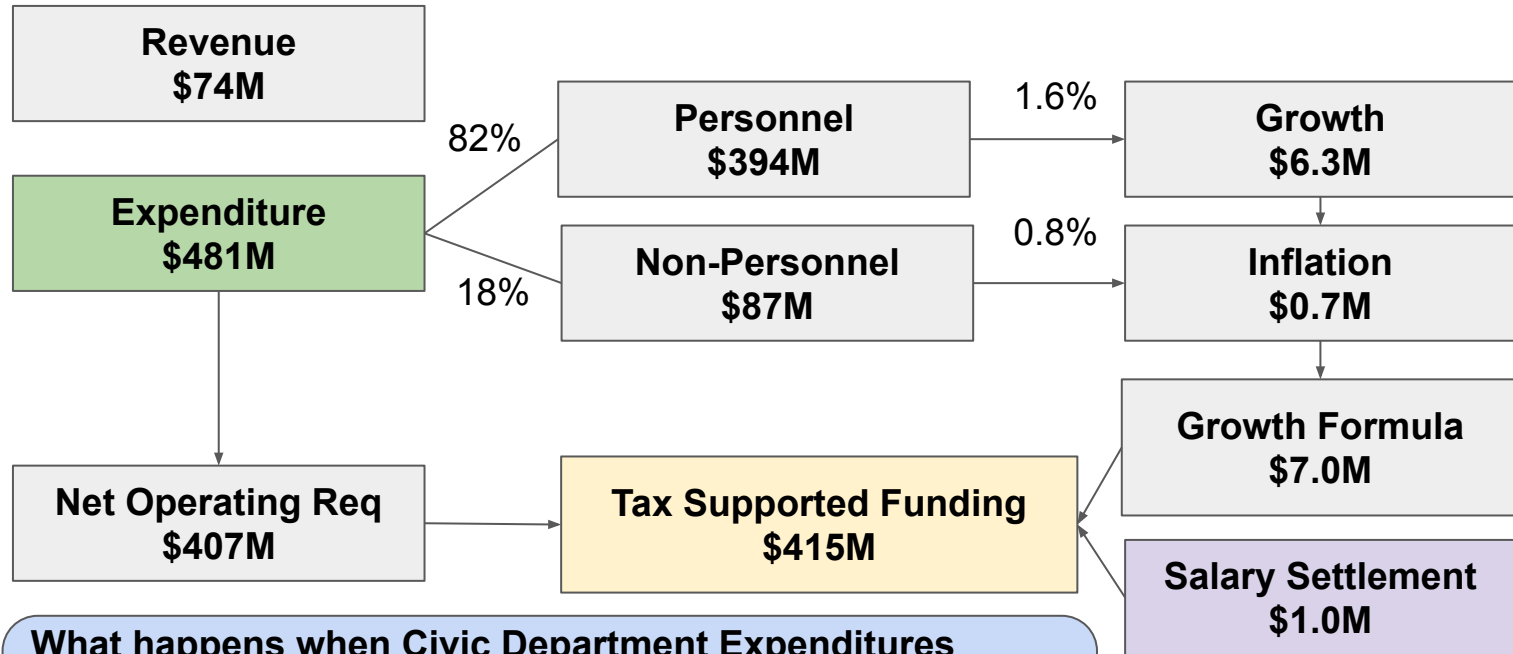
**Salary Settlement**  
**\$1.0M**





### Scenario 3: Year 1 (2023)

## Salary Settlement; Civic Departments Reduced and Ratio Exceeded



What happens when Civic Department Expenditures decrease and the ratio is exceeded?

Civic Depts Expenditure \$1,550M

Ratio:  $\$489 / \$1,550 = 31.5\%$

# Scenario 3: Year 1 (2023) - Salary Settlement; Ratio Exceeded (Civic Dept Reductions)

Civic Depts Expenditure \$1,550M  
Ratio: \$482 / \$1,550 = 31.0%

Revenue  
\$74M

Expenditure  
\$481M

82% Personnel  
\$394M

18% Non-Personnel  
\$87M

1.6% Growth  
\$6.3M

0.8% Inflation  
\$0.7M

Net Operating Req  
\$407M

Tax Supported Funding  
\$408M

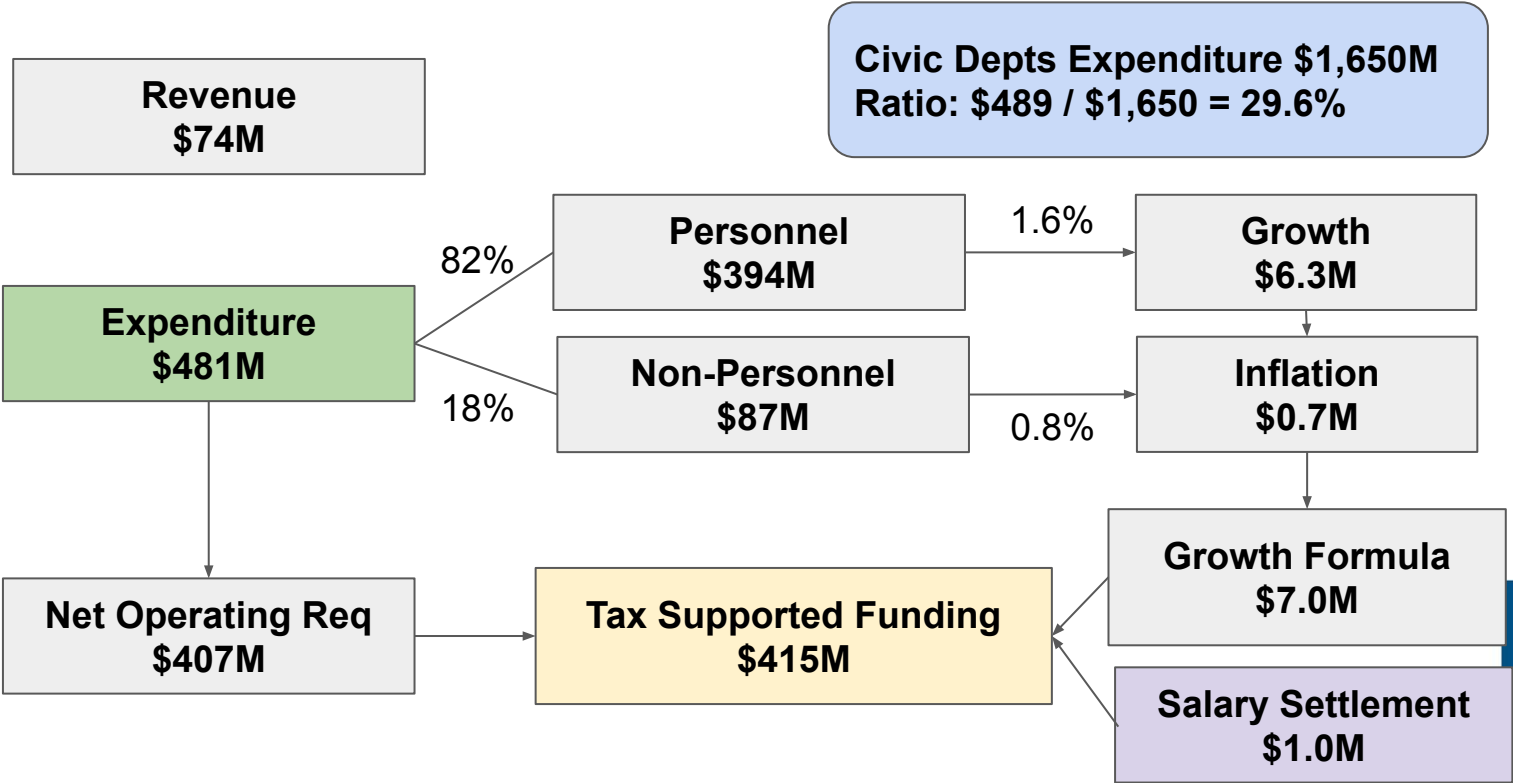
Growth Formula  
\$0M

Salary Settlement  
\$1.0M



# Scenario 4: Year 1 (2023)

## Salary Settlement; Ratio not Exceeded, Provincial Funding Reduced



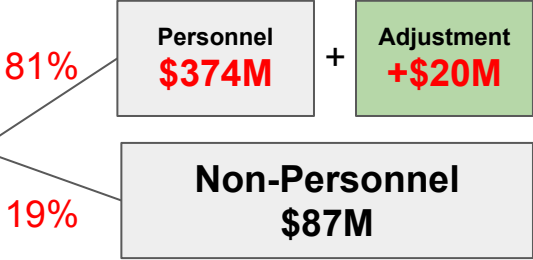
# Scenario 4: Year 1 (2023) - Salary Settlement; Ratio not Exceeded (Provincial Funding Reductions)

**Civic Depts Expenditure \$1,650M**  
**Ratio: \$469 / \$1,650 = 28.4%**

**Revenue**  
**\$54M**

**Expenditure**  
**\$461M**

**Net Operating Req**  
**\$407M**



1.6% Growth \$6.3M

0.8% Inflation \$0.7M

Growth Formula \$7.0M

Salary Settlement \$1.0M

**Tax Supported Funding**  
**\$415M**



**Scenario 5: True Up of Year 1 (2023)**  
**No Salary Settlement; Ratio not Exceeded**

**Revenue**  
**\$74M**

**Expenditure**  
**\$481M**

82%

18%

**Personnel**  
**\$394M**

**Non-Personnel**  
**\$87M**

1.6%

0.8%

**Growth**  
**\$6.3M**

**Inflation**  
**\$0.7M**

**Civic Depts Expenditure \$1,650M**  
**Ratio: \$488 / \$1,650 = 29.6%**

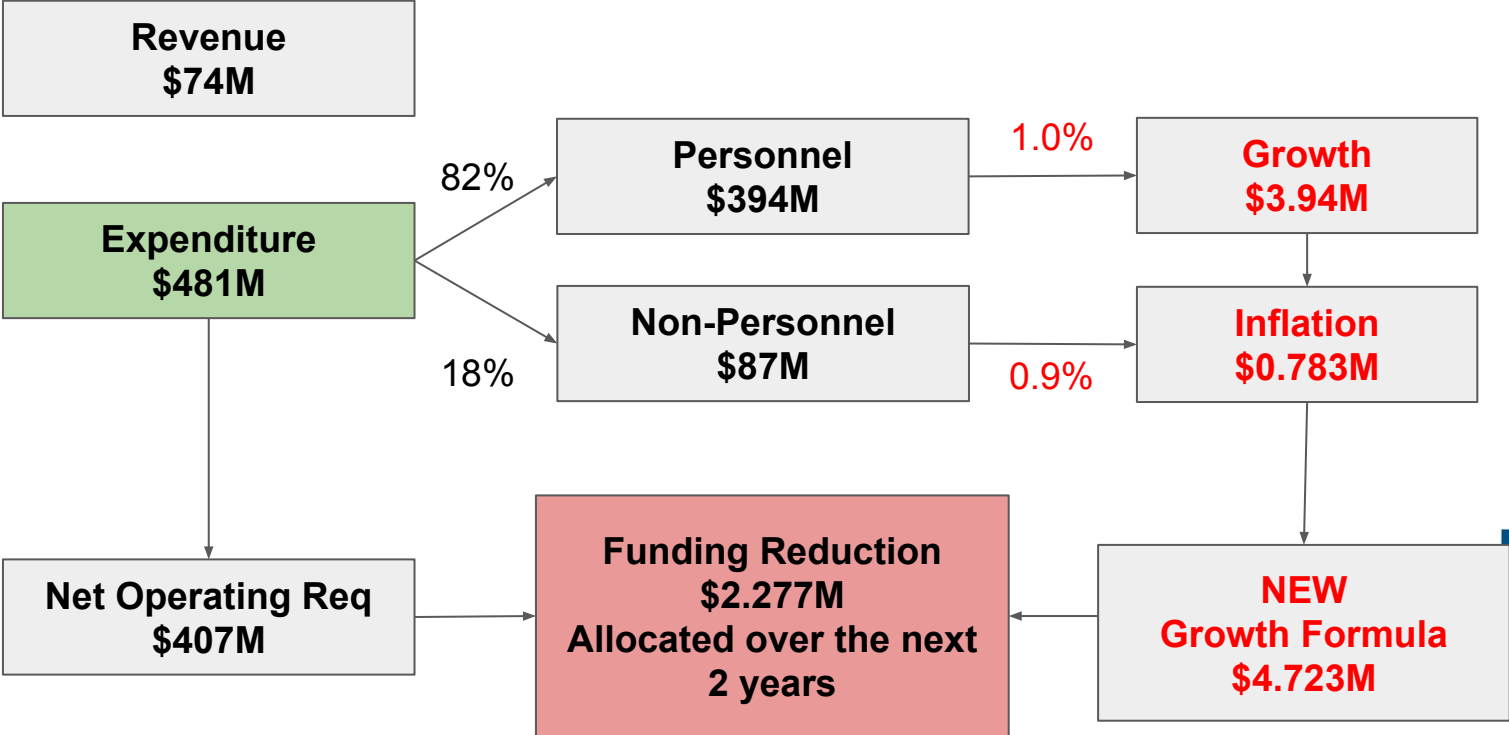
**Net Operating Req**  
**\$407M**

**Tax Supported Funding**  
**\$414M**

**Growth Formula**  
**\$7.0M**



**Scenario 5: True Up of Year 1 (2023)**  
**No Salary Settlement; Ratio not Exceeded**



# Questions