



WINNIPEG POLICE SERVICE

FINANCIAL REPORT

2019 Second Quarter

Aug 9, 2019

Table of Contents

Quarterly Budget Update	3
2019 Second Quarter Revenue	4
2019 Second Quarter Expenses	6
Overall Financial Status and Forecast	9
Risks/Assumptions to Year End Forecast	9
2019 Second Quarter Capital Update (\$)	10
2019 Second Quarter Capital Notes and Risks	10

This quarterly financial report has been prepared by the Winnipeg Police Service as required by section 76(2) of the Winnipeg Police Board Rules of Practice and Procedure. This quarterly report has not been subject to an external audit or review.



Quarterly Budget Update

2019 Q2

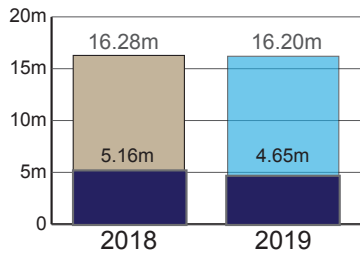
vs. Last Year compares Q2 2018

Revenue

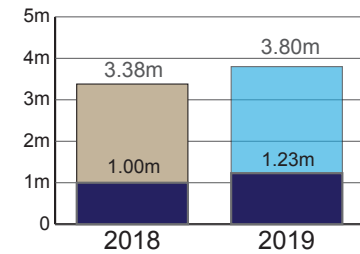
	2018	2019	
Q2 Actual	10.44m	10.34m	↓ 1%
% of Budget	21.8%	22.4%	

■ Q2 Actual
 ■ 2018 Actual Full Year
 ■ 2019 Budget

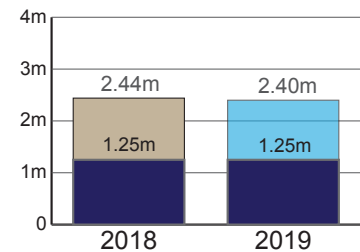
Photo Enforcement ↓ 10%



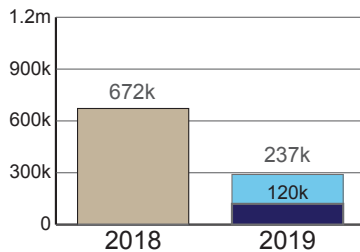
Traditional Enforcement ↑ 22%



Criminal Record Checks 0%



Alarm Permit Renewal ↑ 100%



Other Notables

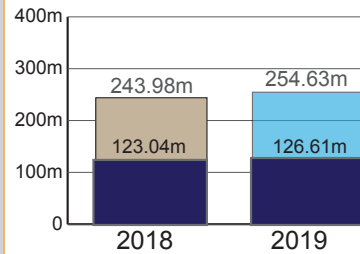
Government Grants +189k (+29%) Police Services -114k (-5%)

Expenses

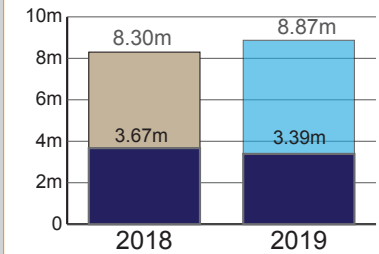
	2018	2019	
Q2 Actual	145.10m	146.22m	↑ 1%
% of Budget	49.9%	48.5%	

■ Q2 Actual
 ■ 2018 Actual Full Year
 ■ 2019 Budget

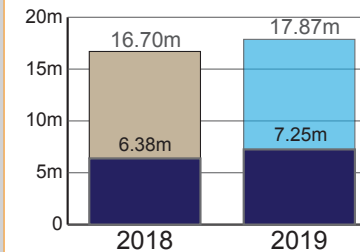
Salary & Benefits ↑ 3%



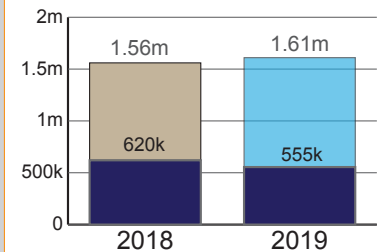
Overtime ↓ 8%



Services ↑ 13%



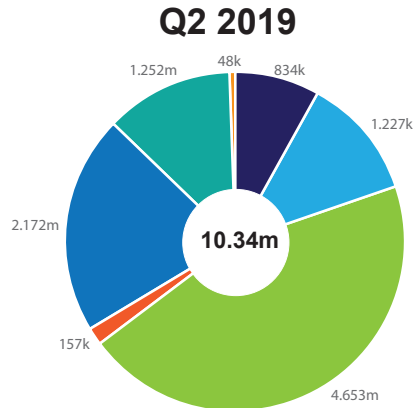
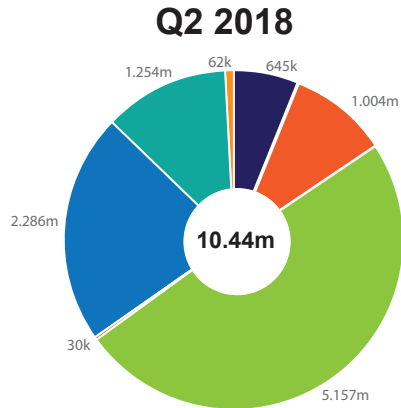
Asset Purchases ↓ 11%



Other Notables

Grant Transfer & Other (-40%) Materials Parts Supplies (+4%)

2019 Second Quarter Revenue



- Other
- Record Searches
- Police Services
- Other Regulation Fees
- Traffic Enforcement Initiative
- Police Fines
- Government Grants

Government Grants ↑ 29%

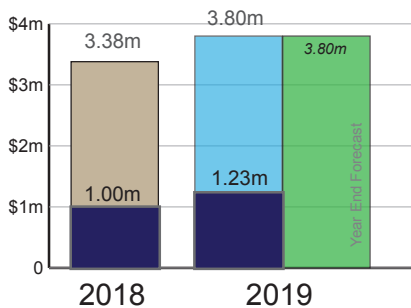


- Q2 2018 included \$500k deferred funding and \$145k from 2017 GRASP funding.
- Q2 2019 includes \$797k of funding received to date for Federal Guns and Gangs initiative.
- 2018 included Criminal Property Forfeiture funding offset by expenses of same value. This funding will also occur in 2019 but total value unknown at this time.
- Provincial funding is typically received in Q3.

Year End Forecast

Over budget \$1.14m for Guns and Gangs funding offset by an increase in expenses of same value.

Traditional Enforcement ↑ 22%



- YTD Tickets issued are up 46% for 2019.

Year End Forecast

On budget

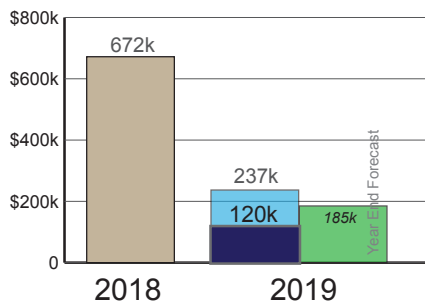
Photo Enforcement ↓ 10%



- Revenues are down 10% from 2018.
- Past trends indicate that summer months are the greatest generators of revenue for construction zone enforcement.
- Construction enforcement for 2019 is limited in Winnipeg.

Year End Forecast
Under budget \$1.5m

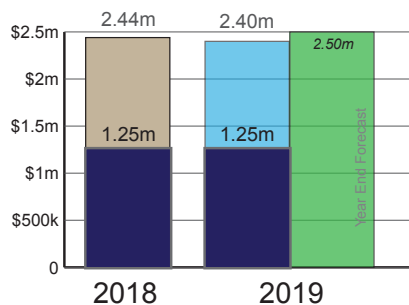
Alarm Permit Renewal ↑ 100%



- 2018 generated significant one-time revenue due to processing of alarm permit renewal backlog.
- Some 2019 revenue will be related to the backlog.
- New permit software implemented in early part of Q2 automates the renewal process.

Year End Forecast
Under budget \$52k

Criminal Record Checks 0%

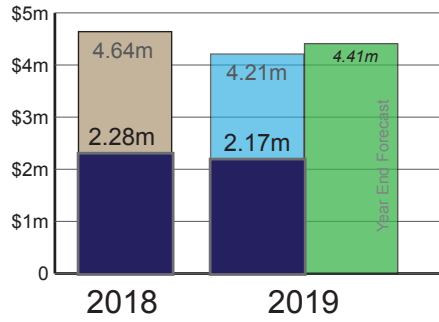


- Volumes are expected to increase.

Year End Forecast
Over budget \$0.1m

Police Services

↓ 5%

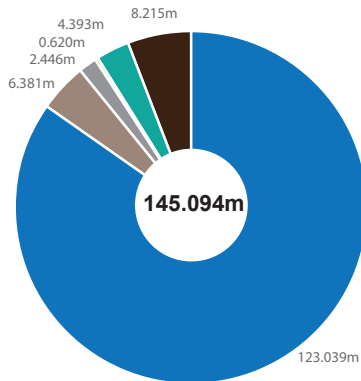


- 2018 included early billing of School Resource services.
- Other police services are up 8% due to change in accounting for Police Escorts and volume of Special Duty events.

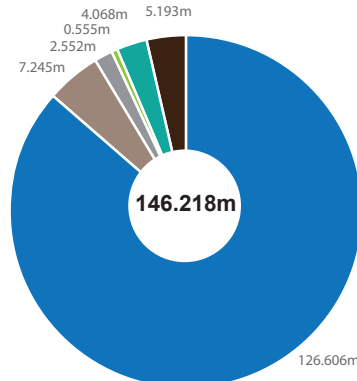
Year End Forecast
Over budget \$0.2m

2019 Second Quarter Expenses

Q2 2018



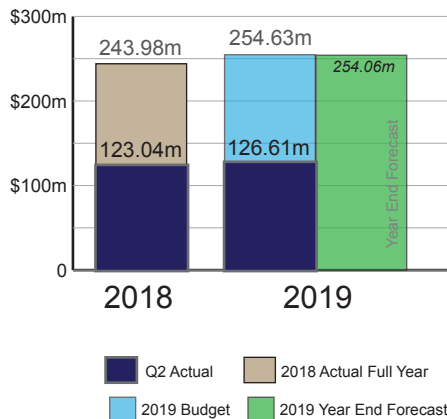
Q2 2019



- Transfers, Others, Recoveries
- Debt & Finance Charges
- Assets & Purchases
- Materials Parts Supplies
- Services
- Salaries & Benefits

Salary & Benefits

↑ 3%

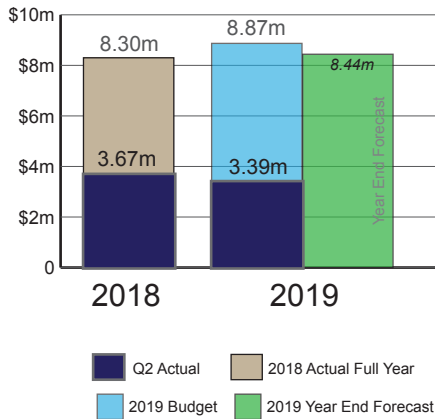


- Salaries up 3% related to CBA and step increases.
- Attrition forecast is on target YTD.
- Overtime savings continue to be achieved driven by overtime management strategies.

Year End Forecast
Under budget \$0.57m
\$0.43m in overtime savings and \$0.14m in other savings

Overtime

↓ 8%



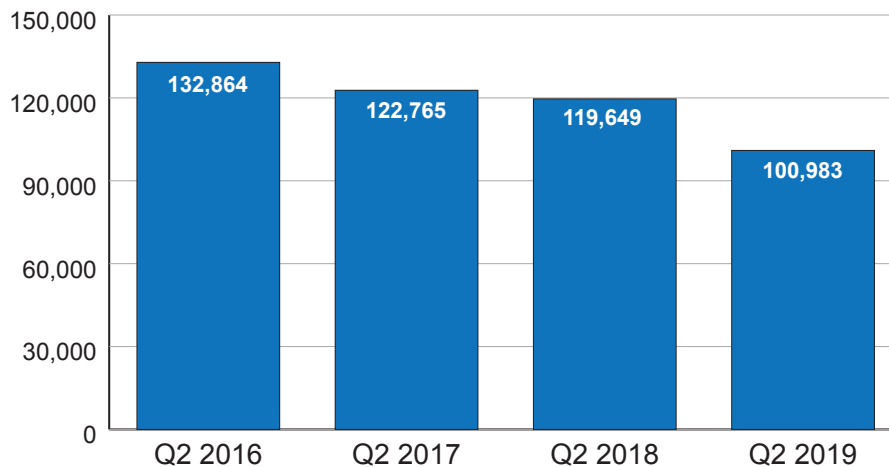
- Total overtime is trending down for this quarter.

Year End Forecast

Under budget: \$0.43m

Overtime savings will be offset by \$0.3m in Jets Whiteout overtime

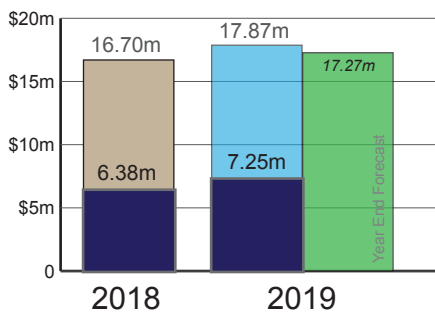
Converted Overtime Hours



Converted overtime hours - actual number of hours awarded pursuant to the provisions of the Collective Bargaining Agreements. In most cases, compensation can be provided as time or pay as elected by the member. Statistics are based on a calendar year starting January 1 to the end of the given quarter.

Services

↑ 13%



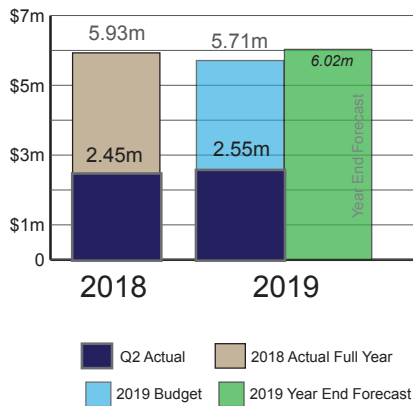
- Q2 increase due to timing of contract payments compared to prior year.
- Year End forecast includes purchases from Guns and Gangs funding.

Year End Forecast

Under budget: \$0.60m

\$0.034m Guns and Gangs purchases offset by \$0.634m in photo enforcement contract and other savings. Guns and Gangs purchases offset by increase in Government Grants of same value.

Materials Parts Supplies ↑ 4%



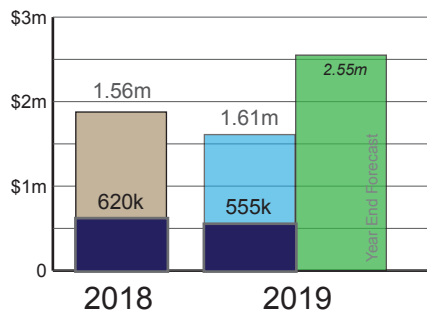
- Q2 up due to timing of supplies compared to prior year.
- Year end forecast includes purchases from Guns and Gangs funding.

Year End Forecast

Over budget \$0.31m

\$0.15m Guns and Gangs purchases plus \$0.16m for other supplies. Guns and Gangs purchases offset by increase in Government Grants of same value

Asset Purchases ↓ 11%



- Asset Purchases down from Q2 2018 related to 2017 orders that were received late. Timing differences year over year will occur in this category.

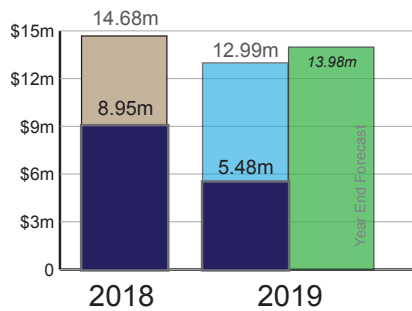
- Year end forecast includes purchases from Guns and Gangs funding.

Year End Forecast

Over budget: \$0.94m

\$0.95m Guns and Gangs purchases offset by \$0.01m in other savings. Guns and Gangs purchases offset by increase in Government Grants of same value.

Grants Transfers & Other ↓ 40%



- Cash to Capital of \$2.9m for full year is down 11% from 2018; charges and timing will vary year to year based on capital projects underway. 2019 has not been charged where as 2018 was charged in Q2.

- Municipal accommodations of \$4.94m for the quarter (\$9.89m full year) are comparable to prior year.

- Claims are down 50% from Q2 2018, timing and amounts will vary year to year.

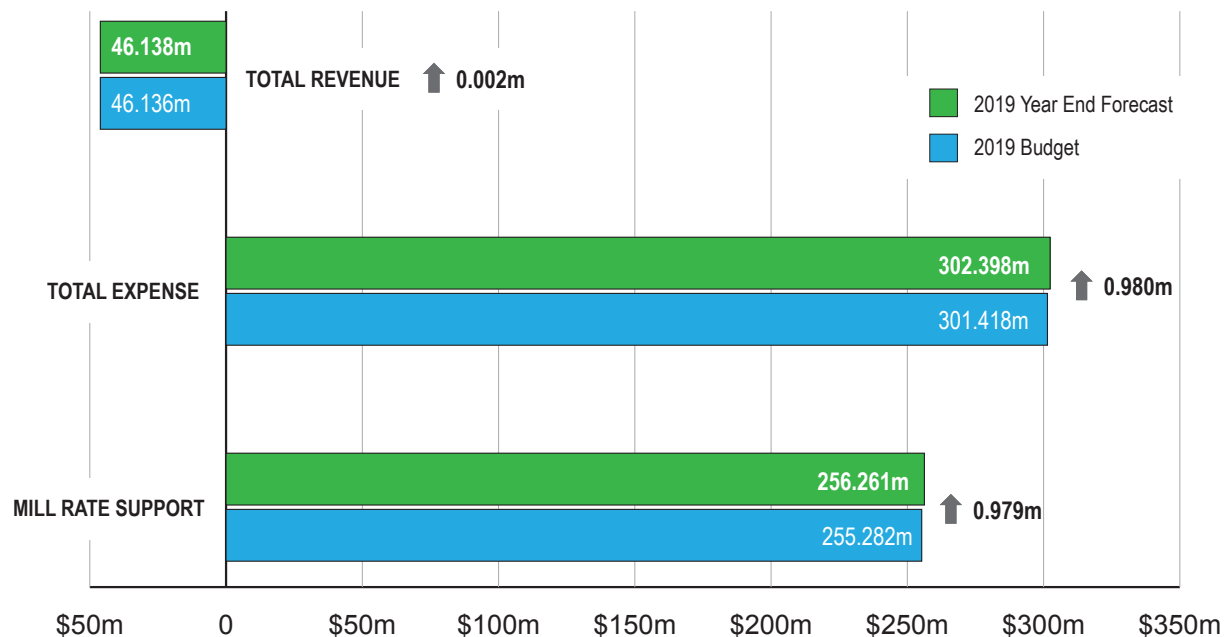
- \$988,000 in expenditure management to be achieved in this account.

Year End Forecast

Over budget: \$0.99m

Forecast variance will continue throughout the year to accommodate expenditure management in other expense categories.

Overall Financial Status and Forecast



- **Year End Revenue Forecast up \$0.002m** related to revenues from the Guns and Gangs initiative and other revenues offset by a decrease in Photo Enforcement revenue.
- **Year End Expense Forecast up \$0.979m** related to Guns and Gangs purchases and Jets Whiteout overtime, offset by a decrease for Photo Enforcement expenses.

Risks/Assumptions to Year End Forecast

- Attrition forecast is on target YTD; current salary forecast assumes attrition targets are attained.
- Use of overtime in specialty units (Homicide, Major Crimes and Ident) in response to the high volume of violent crime may impact the budget in remaining quarters.
- Jets Whiteout overtime costs will be attempted to be managed within existing budget.
- Use of the holdover provision in General Patrol to address high number of calls for service and major criminal events may impact the savings that can be achieved in overtime.
- Use of callouts/callbacks to maintain minimum staffing as a result of an increase in member injuries sustained during work hours may impact the budget.
- Major plumbing repair at non-HQ police-owned building may impact expenditure management efforts.

2019 Second Quarter Capital Update (\$)

Open Capital Projects \$ (000's)

Year	Description	Budget
2018	North District Police Station	23,379
2017	Police Division Systems Upgrade	2,467
2015	Police Division Systems Upgrade	1,686
2018	Intelligence Led Report(Ph 2)	1,665
2017	Police HQ Bldg Systems Safeguards	1,261
2019	Tech Upgrades - Information Technology	1,200
2019	Major Case Management System Expansn	1,158
2019	In Car Computing	1,000
2018	WPS Data Integrity, Audit & Quality	662
2019	Evidence Archival -Tenant Improvements	500
2015	Electronic Ticketing	500
2013	Communication, New Phone System	490
2019	North Station IT Requirements	300
2018	Bomb Unit Truck Replacement	300
2016	Police HQ Bldg Sys Safeguards	290
2017	Computer Assisted Dispatch	250
2016	Mobile and Transient Users	250
2016	Electronic Ticketing	200

2019 Second Quarter Capital Notes and Risks

The Service is focusing on the outstanding projects from prior years, the majority of which were related to Headquarters. While there has been some progress on the 2013-2017 projects, it is anticipated that further work will continue with completion of projects throughout the remainder of the year.

Capital requirements for the North District Station and Evidence Archival storage site are at risk of being underfunded, and the two projects need to be separated to address immediate needs associated with each distinct project. Both are listed as critical risk. Discussions are ongoing as part of the 2020 budget process. WPS awaits corporate direction related to next steps.