



Kingston Police

Public Agenda Information Report

To: Kingston Police Services Board

From: Scott Fraser, Acting Chief of Police
Scarlet Eyles, Director of Finance

Subject: Operating Budget Status Update as of October 31, 2023 (Q3)

Date: December 6, 2023

Recommendation:

That the Operating Budget Status Update as of October 31, 2023, Report Number 23-40 is for information only.

Summary:

This information report provides a financial status update of the general operating budget for the Kingston Police as at October 31, 2023. Exhibits to the report provide detailed budget and actual information and resulting variances by revenue and expense with an overall net operating position which reflects 83.7% of the total budget at October 31, 2023. To ensure that net spending remains within the approved budget parameters, staff regularly monitor and review budget variance information. This allows for unanticipated variances to be identified on a timely basis and any necessary corrective action to be taken in response to changing circumstances and conditions.

Revenues and expenditures are tracking as expected and/or reflect expected seasonal and timing variances normally experienced year to year. However, as reported last quarter and years' prior, the unbudgeted costs incurred to police post-secondary student mass gatherings put significant pressure on the Kingston Police fiscal circumstances, making it difficult to manage expenditures and remain within the budget.

As at the end of October, total costs to police these gatherings is \$577K as compared to approximately \$1.2M in 2022. This reflects \$147K of costs to police the St. Patrick's Day events within the University District, \$61K incurred during the month of September

(move-in weekend and weekends leading up to Homecoming), and \$355K of expenditures incurred during the Homecoming weekend. Aside from these unbudgeted costs, staff would project a balanced net operating position by year-end, staying within the approved budget. While expenditures are significantly lower compared to the prior year, continuing to absorb these costs within the existing budgeted amounts is not sustainable. Staff have implemented measures to reduce expenses where possible and continue to pursue new grants and other funding opportunities to limit the overall impact to the budget; however, Kingston Police are forecasting a year-end deficit as a result.

It should be noted that a large portion of these costs are unavoidable to ensure public safety and follow recommended guidelines and regulations. Staff will continue to monitor budget and financial impacts of policing unsanctioned gatherings, with the intent to incorporate effects of these into the 2024 operating budget request, so that the budget accurately reflects and aligns with actual needs.

The discussion below provides further information on the general operating revenue and expenditure results to October 31, 2023. For additional details, quarterly budget status reports are provided to the Kingston Police Services Board and presented during the regular public meetings. Past reports are available on the website and can be accessed through the following link - [**PSB Meetings - Kingston Police**](#)

Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the ten months ending October 31, 2023, of \$37.1M, compares to a budget of \$44.4M, resulting in a year-to-date deficit of \$165K or 0.37%. Gross revenues and expenditures, as reported, show actual revenues of approximately \$4.5M in comparison to a budget of \$5.3M and expenditures of \$41.2M in comparison to a budget of \$49.7M. The table below reflects the net operating information (revenues less expenditures).

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	Annual 2023 Budget	Actuals Year to Date	Variance \$	YTD=83.33% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,110,714)	(2,436,029)	674,685	78.31%
Provincial Subsidies	(2,183,501)	(2,072,721)	110,780	94.93%
Total Revenue & Recoveries	(5,294,215)	(4,508,750)	785,465	85.16%
Expenditures				
Salaries, Wages & Benefits	42,332,835	35,347,482	(6,985,353)	83.50%
Materials, Supplies & Fees	3,151,442	2,550,372	(601,070)	80.93%
Contracted Services	3,902,619	3,482,655	(419,964)	89.24%
Transfers to Reserves & Reserve Funds	274,108	266,057	(8,051)	97.06%
Total Expenditures	49,661,004	41,646,568	(8,014,436)	83.86%
Net	44,366,789	37,137,818	(7,228,971)	83.71%

Revenues

The majority of revenues are tracking as expected and/or reflect expected seasonal and timing variances. There are some favourable revenue projections and other variance clarifications as noted below:

- Provincial grant revenues are \$2.1M or 95% of the annual budget, resulting in a year-to-date surplus of \$253K. Results include \$238K of unbudgeted provincial funding (75%) to support automated license plate recognition (ALPR) technology. The additional ALPR grant revenues offset corresponding costs of \$282K in expenditure recovery. The remaining unfavourable balance in expenditure recovery reflects the timing of other budgeted recoveries for officer secondments.
- Background check revenues are lower than budget reflecting actual experience realized over the past few years.
- Revenues also include unbudgeted payroll benefit rebates of \$37K resulting from a reduction in the projected cost of claims. Benefit costs are budgeted annually based on estimated plan premiums.
- Auction proceeds are higher than budgeted, reflecting higher than anticipated proceeds received at the first police auction held in the spring. In accordance with policy, net proceeds generated from the sale of capital items are transferred to the police capital reserve fund.

Expenditures

Most of the expenditures are tracking as expected and/or are consistent with typical timing and other budget variances experienced year to year, such as payroll benefits which are skewed to the first half of the year, and paid duty where demand occurs later in the year. Contracted services are proportionately higher in the first half of the year and reflect the timing of large renewal contracts which cover the fiscal year. By year-end, it is projected that both contracted services and contracted maintenance will be within budget. The following information provides further detail of the variances by expenditure category.

Salaries and wages are \$35.3M or 83.5% of the annual budget, resulting in a year-to-date unfavourable variance of approximately \$70K. Significant variances are noted below:

- Full-time wages are under budget, primarily due to staff vacancies, turnover, and the timing of new hires. Kingston Police continues to experience challenges in recruiting for vacant positions.
- Part-time wages are unfavourable, reflecting backfill requirements due to staff vacancies, primarily in the communications center.
- Overtime costs are exceeding budgeted projections at the end of October. Overtime costs are highly dependent on the occurrence of major incidents.
 - \$346K of unbudgeted costs were incurred for policing post-secondary mass gatherings.
 - \$78K attributed to the Collins Bay shooting incident.
 - \$19K of overtime costs were incurred responding to local rallies and protests that emerged with groups supporting each side of the ongoing Israeli / Hamas conflict in Gaza.
 - The remaining variance is primarily due to coverage for staff vacancies and other reimbursable OT such as the RIDE (Reduce Impaired Driving Everywhere) program.

Supplies and services are \$6.0M or 85.53% of the annual budget, reflecting an unfavourable variance of \$155K. Notable variances are discussed below.

- Uniforms & protective clothing are trending higher than projected and reflect increased costs related to supply chain issues, inflation, upgrades to safety elements, and new regulations. This budget can be impacted by a higher or lower than anticipated number of retirements, new hires, or existing officers finding that their gear is no longer fitting properly.
- Education and training is favourable, reflecting the elimination of the police college tuition. Effective January 1, 2023, the Ontario government announced the elimination of tuition for the Basic Constable Training (BCT) program.

- Utilities are 53% spent or \$126K lower than budget, due to lower than anticipated electricity rates combined with less consumption.
- Investigative services includes \$231K of unbudgeted costs to support policing the University District events. These costs primarily reflect bringing reinforcements from other police agencies to provide additional staffing resources. Additional grants from Criminal Intelligence Service Ontario (CISO) have assisted with financing investigations, which has helped to offset the costs.

Departments continue to work with finance staff to review variances on a regular basis and look for opportunities to offset cost pressures. Unforeseen circumstances, situations, or activities always present budgetary risk to a police budget such as spikes in crime rates or activities, protests and unsanctioned gatherings. Staff are anticipating additional costs throughout the remainder of the year due to continued protests. In addition, the four collective agreements expired December 31, 2022, and outstanding labour contract settlements may further impact 2023 budget results.

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Appendices:

Appendix A – Kingston Police – Actual to Budget as at October 31, 2023

Appendix A

	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=83.33% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(2,072,721)	(2,183,501)	(110,780)	94.93%
Alarm licence	(121,035)	(133,600)	(12,565)	90.59%
Payroll experience recovery	(37,519)	-	37,519	0.00%
Pay duty revenue	(81,567)	(150,000)	(68,433)	54.38%
Expenditure recovery	(1,205,128)	(1,592,114)	(386,986)	75.69%
Sale of photos, maps & reports	(582,766)	(800,000)	(217,234)	72.85%
Auction proceeds	(74,681)	(35,000)	39,681	213.38%
Contribution from Police Sick Leave Reserve Fund	(333,333)	(400,000)	(66,667)	83.33%
Total Revenue & Recoveries	(4,508,750)	(5,294,215)	(785,465)	85.16%
Operating Expenditures				
Salaries, Wages & Benefits				
Full-time wages-permanent	24,193,512	31,114,317	6,920,805	77.76%
Part-time wages	1,207,007	1,067,257	(139,750)	113.09%
Overtime-regular	1,352,870	1,129,891	(222,979)	119.73%
Shift premiums & standby	77,582	92,689	15,107	83.70%
Paid duty	97,361	120,000	22,639	81.13%
Honorariums	6,754	11,750	4,996	57.48%
Payroll allowances	90,762	98,700	7,938	91.96%
Payroll benefits	7,118,856	8,524,305	1,405,449	83.51%
WSIB Premiums	1,202,778	173,926	(1,028,852)	691.55%
Total Salaries, Wages & Benefits	35,347,482	42,332,835	6,985,353	83.50%
Supplies and Services				
Uniforms & protective clothing	335,357	185,570	(149,787)	180.72%
Food & nutrition supplies	34,821	29,700	(5,121)	117.24%
Supplies	230,691	398,322	167,631	57.92%
Fuels & lubricants	412,941	441,764	28,823	93.48%
Software	71,701	81,400	9,699	88.08%
Telecommunications	193,025	288,000	94,975	67.02%
Education & training	226,819	345,250	118,431	65.70%
Travel	102,034	118,050	16,016	86.43%
Insurance services	379,068	396,377	17,309	95.63%
Utilities	224,605	421,320	196,715	53.31%
Professional services	262,753	295,000	32,247	89.07%
Investigative services	523,431	408,500	(114,931)	128.13%
Contracted services	1,779,232	2,043,750	(369,901)	87.06%
Contracted maintenance	1,124,710	1,403,844	960,150	80.12%
Equipment rentals	36,916	65,351	28,435	56.49%
Other	94,924	131,863	36,939	71.99%
Total Supplies & Services	6,033,028	7,054,061	1,021,033	85.53%

Contribution to Reserve Funds

Transfer to Police Equipment Reserve Fund	266,057	274,108	8,051	97.06%
Total Contribution to Reserve Funds	266,057	274,108	8,051	97.06%
Net	37,137,818	44,366,789	7,228,971	83.71%