



## Kingston Police

### Public Agenda Information Report

To: Kingston Police Services Board

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

Subject: Operating Budget Status Update as of December 31, 2023 (Q4)

Date: March 13, 2024

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#### Recommendation:

**That** the Operating Budget Status Update as of December 31, 2023, Report Number 24-12 is for information only.

#### Summary:

This information report provides a financial status update of the general operating budget for the Kingston Police as at December 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 100.59% of the total budget at December 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.

With respect to the financial results, most of the revenues and expenditures are within budget. 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 December, total costs to police these gatherings are \$581K as compared to approximately \$1.2M in 2022. While expenditures are significantly lower compared to the prior year, year-end results include \$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 \$373K of expenditures incurred during the Homecoming weekend. Without these unbudgeted costs, staff would have achieved a year-end surplus position, staying within the approved budget.

Staff implemented a number of measures to reduce expenses and manage discretionary spending where possible and were able to utilize additional grants and other funding opportunities to limit the overall impact to the budget. It should be noted that a large portion of these costs are unavoidable to ensure public safety and follow recommended guidelines and regulations. While the 2024 approved budget incorporates estimated expenditures associated with policing unsanctioned gatherings, staff will continue to monitor budget and financial impacts, with the intent to continuously look at measures that will reduce these costs.

The discussion below provides further information on the general operating revenue and expenditure results to December 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\*\*](#)

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## Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the twelve months ending December 31, 2023, of \$44.6M, compares to a budget of \$44.4M. Gross revenues and expenditures, as reported, show actual revenues of approximately \$5.8M in comparison to a budget of \$5.3M and expenditures of \$50.4M in comparison to a budget of \$49.7M. The table below reflects the net operating information (revenues less expenditures).

	<b>Annual 2023 Budget</b>	<b>Actuals Year to Date</b>	<b>Variance \$</b>	<b>YTD=100.00% Actual to Budget %</b>
<b>Revenues &amp; Recoveries</b>				
Fees, Charges & Other Revenue	(3,110,714)	(3,296,249)	(185,535)	105.96%
Provincial Subsidies	(2,183,501)	(2,507,279)	(323,778)	114.83%
<b>Total Revenue &amp; Recoveries</b>	<b>(5,294,215)</b>	<b>(5,803,528)</b>	<b>(509,313)</b>	<b>109.62%</b>
<b>Expenditures</b>				
Salaries, Wages & Benefits	42,332,835	43,028,392	695,557	101.64%
Materials, Supplies & Fees	3,151,442	3,244,350	92,908	102.95%
Contracted Services	3,902,619	3,833,236	(69,383)	98.22%
Transfers to Reserves & Reserve Funds	274,108	327,762	53,654	119.57%
<b>Total Expenditures</b>	<b>49,661,004</b>	<b>50,433,739</b>	<b>772,735</b>	<b>101.56%</b>
<b>Net</b>	<b>44,366,789</b>	<b>44,630,211</b>	<b>263,422</b>	<b>100.59%</b>

## Revenues

The majority of revenues exceeded budget projections. The following information provides further detail of the year-end results by revenue category:

- Provincial grant revenues are \$2.5M or 115% of the annual budget, resulting in a year-to-date surplus of \$324K. Results include \$313K of unbudgeted provincial funding to support automated license plate recognition (ALPR) technology. The additional ALPR grant revenues offset corresponding costs in expenditure recovery. The remaining favourable balance in expenditure recovery primarily reflects additional recoveries for officers seconded to the Provincial Repeat Offender Parole Enforcement (ROPE) unit, which has increased to full funding of two officers.
- Revenues also include unbudgeted payroll benefit rebates of \$40K resulting from a reduction in the projected cost of claims. Benefit costs are budgeted annually based on estimated plan premiums.
- Pay duty revenues are higher than budget reflecting additional requests for paid duty officers. These revenues are offset with corresponding paid duty officer salaries.

- Background check revenues are lower than budget reflecting actual experience realized over the past few years.
- Auction proceeds are higher than budgeted, reflecting higher than anticipated proceeds received at the police auctions. In accordance with policy, net proceeds generated from the sale of capital items are transferred to the police capital reserve fund.

## **Expenditures**

Total net expenditures for the year were \$50.4M or 101.56% of the approved expenditure budget. Most of the expenditure categories are within budgeted projections; however, increased staffing costs are impacting fiscal year-end results. While inflationary increases are impacting a number of expenditures, efforts were made to manage the level of discretionary spending in order to offset inflationary pressures where possible. The following information provides further detail of the variances by expenditure category.

**Salaries and wages** are \$43.0M or 101.64% of the annual budget, resulting in a year-to-date unfavourable variance of approximately \$696K. Budget pressures were experienced in absentee costs related to WSIB, other leaves, and accommodations as well as additional overtime costs incurred to police mass gatherings. Significant variances are noted below:

- Full-time wages are under budget, primarily due to staff vacancies, turnover, and the timing of new hires. Similar to other Police services, Kingston Police continue 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.
- Capital-allocated salaries & benefits of \$150K reflect the recovery of staffing costs from NG-911 capital grant funding.
- Overtime costs are exceeding budgeted projections at the end of December. Overtime costs are highly dependent on the occurrence of major incidents.
  - \$355K 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 conflict in Gaza.
  - The unfavourable variance is offset with overtime savings across departments.

- WSIB premiums were primarily budgeted within the full-time wages account and thus the overage in this account should be offset against the full-time wages account variance.
- As the four collective agreements expired December 31, 2022, the year-end budget results include an estimated labour contract settlement amount.

**Supplies and services** are \$7.1M or 100.33% of the annual budget, reflecting an unfavourable variance of \$24K. This category includes costs such as uniforms and protective clothing, utilities, gasoline and diesel fuel, insurance, fleet parts and tires, telecommunications, education, and training. Contracted services and contracted maintenance include asset maintenance and support contracts and other service contracts including cleaning services, winter control, and city building maintenance charges. Professional services include legal and consulting services. Notable variances are discussed below.

- Uniforms & protective clothing were 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.
- Software is overbudget due to increased costs for information technology (IT) software.
- 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 64% spent or \$150K lower than budget, due to lower than anticipated electricity rates combined with less consumption.
- Investigative services include \$238K 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 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.

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**Appendices:**

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

## Appendix A

	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=100.00% Actual to Budget %
<b>Revenues &amp; Recoveries</b>				
Provincial grants	(2,507,279)	(2,183,501)	323,778	114.83%
Alarm licence	(156,328)	(133,600)	22,728	117.01%
Payroll experience recovery	(39,846)	-	39,846	0.00%
Pay duty revenue	(175,089)	(150,000)	25,089	116.73%
Expenditure recovery	(1,675,504)	(1,592,114)	83,390	105.24%
Sale of photos, maps & reports	(778,250)	(800,000)	(21,750)	97.28%
Auction proceeds	(71,231)	(35,000)	36,231	203.52%
Contribution from Police Sick Leave Reserve Fund	(400,000)	(400,000)	(0)	100.00%
<b>Total Revenue &amp; Recoveries</b>	<b>(5,803,528)</b>	<b>(5,294,215)</b>	<b>509,313</b>	<b>109.62%</b>
<b>Operating Expenditures</b>				
<b>Salaries, Wages &amp; Benefits</b>				
Capital-allocated salaries & benefits	(150,000)	-	150,000	0.00%
Full-time wages-permanent	29,991,685	31,114,317	1,122,632	96.39%
Part-time wages	1,444,416	1,067,257	(377,159)	135.34%
Overtime-regular	1,520,509	1,129,891	(390,618)	134.57%
Shift premiums & standby	115,392	92,689	(22,703)	124.49%
Paid duty	128,086	120,000	(8,086)	106.74%
Honorariums	12,507	11,750	(757)	106.44%
Payroll allowances	96,612	98,700	2,088	97.88%
Payroll benefits	8,382,722	8,524,305	141,583	98.34%
WSIB Premiums	1,486,463	173,926	(1,312,537)	854.65%
<b>Total Salaries, Wages &amp; Benefits</b>	<b>43,028,392</b>	<b>42,332,835</b>	<b>(695,557)</b>	<b>101.64%</b>
<b>Supplies and Services</b>				
Uniforms & protective clothing	408,913	185,570	(223,343)	220.36%
Food & nutrition supplies	43,487	29,700	(13,787)	146.42%
Supplies	304,068	398,322	94,254	76.34%
Fuels & lubricants	440,423	441,764	1,341	99.70%
Software	197,164	81,400	(115,764)	242.22%
Telecommunications	259,928	288,000	28,072	90.25%
Education & training	325,441	345,250	19,809	94.26%
Travel	118,008	118,050	42	99.96%
Insurance services	454,881	396,377	(58,504)	114.76%
Utilities	271,581	421,320	149,739	64.46%
Professional services	394,259	295,000	(99,259)	133.65%
Investigative services	572,363	408,500	(163,863)	140.11%
Contracted services	1,843,755	2,043,750	199,995	90.21%
Contracted maintenance	1,280,502	1,403,844	123,342	91.21%
Equipment rentals	41,377	65,351	23,974	63.31%
Other	121,391	131,863	10,472	92.06%
<b>Total Supplies &amp; Services</b>	<b>7,077,585</b>	<b>7,054,061</b>	<b>(23,524)</b>	<b>100.33%</b>

<b>Contribution to Reserve Funds</b>				
Transfer to Police Equipment Reserve Fund	327,762	274,108	(53,654)	119.57%
<b>Total Contribution to Reserve Funds</b>	327,762	274,108	(53,654)	119.57%
<b>Net</b>	44,630,211	44,366,789	(263,422)	100.59%