



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 June 30, 2024 (Q2)

Date: July 18, 2024

Recommendation:

That the Operating Budget Status Update as of June 30, 2024, Report Number 24-28 is for information only.

Summary:

This information report provides a financial status update of the general operating budget for the Kingston Police as at June 30, 2024. 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 49.22% of the total budget at June 30, 2024. 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, revenues and expenditures are tracking as expected and/or reflect expected seasonal and timing variances normally experienced year to year. The discussion below provides further information on the general operating revenue and expenditure results to June 30, 2024.

Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the six months ending June 30, 2024, of \$23.4M, compares to a budget of \$47.5M. Gross revenues and expenditures,

as reported, show actual revenues of approximately \$2.6M in comparison to a budget of \$5.3M and expenditures of \$26.0M in comparison to a budget of \$52.9M. The table below reflects the net operating information (revenues less expenditures).

	Annual 2024 Budget	Actuals Year to Date	Variance \$	YTD=50% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,293,982)	(1,599,435)	(1,694,547)	48.56%
Provincial Subsidies	(2,044,208)	(958,096)	(1,086,112)	46.87%
Total Revenue & Recoveries	(5,338,190)	(2,557,531)	(2,780,659)	47.91%
Expenditures				
Salaries, Wages & Benefits	45,167,112	22,458,271	22,708,841	49.72%
Materials, Supplies & Fees	2,821,285	1,535,849	1,285,436	54.44%
Contracted Services	4,589,658	1,772,934	2,816,724	38.63%
Transfers to Reserves & Reserve Funds	282,331	183,258	99,073	64.91%
Total Expenditures	52,860,386	25,950,313	26,910,073	49.09%
Net	47,522,196	23,392,782	24,129,414	49.22%

Revenues

The majority of revenues are tracking as expected and/or reflect expected seasonal and timing variances in services such as alarm licensing, paid duties, and background checks. There are some favourable revenue projections and other variance clarifications as noted below.

- Provincial grant revenues are \$958K or 46.87% of the annual budget, resulting in a year-to-date shortfall of \$64K. Timing of the Community Safety & Policing (CSP) local funding for the Mobile Crisis Response Team (MCRRT) program is contributing to a shortfall of \$223K. Offsetting the unfavourable variance is higher than projected Court Security Prisoner Transportation (CSPT) funding of \$91K at the end of the second quarter. Results also include \$63K of unbudgeted provincial funding to support victims of intimate partner violence. These additional grant revenues offset corresponding costs.
- The unfavourable balance in expenditure recovery primarily reflects the timing of other budgeted recoveries for officer secondments.
- Payroll experience recovery reflect unbudgeted payroll benefit rebates of \$29K 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. 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 trending 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 maintenance is typically favourable in the first two quarters as routine maintenance projects occur later in the year. The following information provides further detail of the first quarter variances by expenditure category.

Salaries and wages are \$22.5M or 49.72% of the annual budget, resulting in a year-to-date positive variance of approximately \$125K. Significant variances are noted below:

- Full-time wages are under budget, primarily due to staff vacancies and the timing of new hires.
- Part-time wages are unfavourable, reflecting backfill requirements due to full-time staff vacancies in the communications center.
- Capital-allocated salaries & benefits of \$346K reflect the recovery of staffing costs from NG-911 capital grant funding.
- Overtime costs are exceeding budgeted projections by \$91K. These costs are highly dependent on the occurrence of major incidents. At the end of the second quarter there were a high number of incidents requiring the emergency response unit.
- Overtime costs to date include \$117K of costs were incurred to police the St. Patrick's Day events within the University District.
- Budget pressures continue to be experienced in absentee costs related to WSIB, other leaves, and accommodations.
- As the four collective agreements expired December 31, 2022, budget results include an estimated labour contract settlement amount.

Supplies and services are \$3.3M or 44.65% of the annual budget, reflecting a favourable variance of \$397K. This category includes costs such as uniforms and protective clothing, gasoline and diesel fuel, 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.

- Software is overbudget due to the timing of renewal contracts which cover the fiscal year. By year-end, it is projected that software will be within budget.

- Travel is primarily budgeted within the education and training account and thus the overage in this account should be offset against that account variance.
- Investigative services include \$47K of costs to support policing the University District events. These costs primarily reflect bringing reinforcements from other police agencies to provide additional staffing resources. It is anticipated that most costs will be incurred over the third quarter with the homecoming events and return of students in the University District.

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 June 30, 2024

Appendix A

	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=50% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(958,096)	(2,044,208)	(1,086,112)	46.87%
Alarm licence	(92,685)	(137,608)	(44,923)	67.35%
Payroll experience recovery	(29,497)	-	29,497	0.00%
Pay duty revenue	(56,738)	(150,000)	(93,262)	37.83%
Expenditure recovery	(814,993)	(1,766,374)	(951,381)	46.14%
Sale of photos, maps & reports	(363,428)	(800,000)	(436,572)	45.43%
Auction proceeds	(42,093)	(40,000)	2,093	105.23%
Contribution from Police Sick Leave Reserve Fund	(200,000)	(400,000)	(200,000)	50.00%
Total Revenue & Recoveries	(2,557,531)	(5,338,190)	(2,780,659)	47.91%
Operating Expenditures				
Salaries, Wages & Benefits				
Capital-allocated salaries & benefits	(345,761)	-	345,761	0.00%
Full-time wages-permanent	15,572,849	31,691,958	16,119,109	49.14%
Part-time wages	679,023	1,208,309	529,286	56.20%
Overtime-regular	874,801	1,568,071	693,270	55.79%
Shift premiums & standby	22,010	55,594	33,584	39.59%
Paid duty	50,824	120,000	69,176	42.35%
Honorariums	10,000	21,520	11,520	46.47%
Payroll allowances	40,000	129,398	89,398	30.91%
Payroll benefits	4,971,739	9,022,262	4,050,523	55.11%
WSIB Premiums	582,786	1,350,000	767,214	43.17%
Total Salaries, Wages & Benefits	22,458,271	45,167,112	22,708,841	49.72%
Supplies and Services				
Uniforms & protective clothing	36,414	66,570	30,156	54.70%
Food & nutrition supplies	8,556	35,000	26,444	24.45%
Supplies	200,437	416,000	215,563	48.18%
Fuels & lubricants	242,351	496,229	253,878	48.84%
Software	235,467	308,763	73,296	76.26%
Telecommunications	143,278	306,000	162,722	46.82%
Education & training	110,207	370,450	260,243	29.75%
Travel	176,970	142,650	(34,320)	124.06%
Insurance services	172,939	264,322	91,383	65.43%
Utilities	3,281	10,000	6,719	32.81%
Professional services	179,071	531,000	351,929	33.72%
Investigative services	209,909	609,500	399,591	34.44%
Contracted services	1,274,419	2,746,058	1,471,639	46.41%
Contracted maintenance	230,352	877,410	647,058	26.25%
Equipment rentals	19,988	57,981	37,993	34.47%
Other	65,143	173,010	107,867	37.65%

Total Supplies & Services	3,308,784	7,410,943	4,102,159	44.65%
Contribution to Reserve Funds				
Transfer to Police Equipment Reserve Fund	183,258	282,331	99,073	64.91%
Total Contribution to Reserve Funds	183,258	282,331	99,073	64.91%
Net	23,392,782	47,522,196	24,129,414	49.22%