



Kingston Police

Public Agenda Information Report

To: Kingston Police Service Board

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

Subject: Kingston Police Operating Budget Status Update
as of September 30, 2024 (Q3)

Date: November 21, 2024

Recommendation:

That the Operating Budget Status Update as of September 30, 2024, Report Number 24-42 is for information only.

Summary:

This information report provides a financial status update of the general operating budget for the Kingston Police as at September 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 73.88% of the total budget at September 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 September 30, 2024.

Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the nine months ending September 30, 2024, of \$35.1M, compares to a budget of \$47.5M. Gross revenues and expenditures, as reported, show actual revenues of approximately \$4.6M in comparison to a budget of \$5.3M and expenditures of \$39.8M 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=75% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,293,982)	(2,868,178)	(425,804)	87.07%
Provincial Subsidies	(2,044,208)	(1,770,294)	(273,914)	86.60%
Total Revenue & Recoveries	(5,338,190)	(4,638,472)	(699,718)	86.89%
Expenditures				
Salaries, Wages & Benefits	45,167,112	34,379,810	10,787,302	76.12%
Materials, Supplies & Fees	2,821,285	2,329,894	491,391	82.58%
Contracted Services	4,589,658	2,781,574	1,808,084	60.61%
Transfers to Reserves & Reserve Funds	282,331	257,195	25,136	91.10%
Total Expenditures	52,860,386	39,748,474	13,111,912	75.20%
Net	47,522,196	35,110,001	12,412,195	73.88%

Revenues

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

- Provincial grant revenues are \$1.8M or 86.6% of the annual budget, resulting in a year-to-date surplus of \$237K. Higher than projected Court Security Prisoner Transportation (CSPT) funding of \$136K positively impacts the revenue variance for the period. Results also include \$63K of unbudgeted funding through a new provincial grant to support initiatives related to intimate partner violence. While this grant provides additional grant revenues, the funds are offset by corresponding program-related costs.
- Background check revenues exceed budgeted estimates reflecting regular, anticipated seasonal timing variances. These timing-related increases align with historical trends.
- Pay duty revenues are higher than budget due to an increase in requests for paid duty officers. These revenues are offset with corresponding paid duty

officer salaries. The positive variance is largely attributable to \$94K in recoveries from the City of Kingston, due to the request for paid duty officer assistance to secure the area in and/or adjacent to the Integrated Care Hub, during September. A portion of the recovery from the city was allocated to other police agencies, offsetting corresponding expenses, as \$35K was reimbursed to these agencies for their assistance.

- The favourable balance in expenditure recovery primarily reflects an unbudgeted contribution from Criminal Intelligence Service Ontario (CISO), which supported the purchase of X-ray machine equipment.
- Payroll experience recovery reflect unbudgeted payroll benefit rebates of \$34K 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 third quarter variances by expenditure category.

Salaries and wages are \$34.4M or 76.12% of the annual budget, resulting in a year-to-date negative variance of approximately \$504K. 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 and the court services unit.
- Capital-allocated salaries & benefits of \$346K reflect the recovery of staffing costs from Next-generation 9-1-1 capital grant funding.
- Overtime costs are exceeding budgeted projections by \$415K. Overtime is impacted by the volume of homicides, major critical incidents, traffic fatalities and the overall increase in violent crime coupled with the complexity of investigations. At the end of the third quarter there were several major incidents, including four homicides, resulting in \$205K of additional overtime expenses. The remaining overage is reflective of the increase in other major incidents including, traffic fatalities, missing persons, and standoffs. As well as coverage

for staff vacancies and other reimbursable overtime such as the RIDE (Reduce Impaired Driving Everywhere) program.

- Overtime costs to date also include \$117K of budgeted costs 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 \$5.1M or 68.97% of the annual budget, reflecting a favourable variance of \$447K. This category includes costs such as uniforms and protective clothing, gasoline and diesel fuel, fleet parts and tires, ammunition, 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.

- Travel, Education & Training, is over budget by \$53K, primarily due to requirements under the Community and Safety Policing Act (CSPA). The CSPA replaces the previous Police Service Act and includes provisions that mandate additional training for police officers in areas such as de-escalation, mental health, and diversity, to improve interactions with the public to promote community-focused policing.
- Insurance expenses are over budget at the end of the third quarter, primarily due to higher-than-anticipated premiums. Results also include an overallocation of \$29K which has been corrected in the fourth quarter.
- Investigative services include \$49K 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 September 30, 2024

Appendix A

	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=75% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(1,770,294)	(2,044,208)	(273,914)	86.60%
Alarm licence	(125,942)	(137,608)	(11,666)	91.52%
Payroll experience recovery	(33,559)	-	33,559	0.00%
Pay duty revenue	(253,946)	(150,000)	103,946	169.30%
Expenditure recovery	(1,463,427)	(1,766,374)	(302,947)	82.85%
Sale of photos, maps & reports	(645,857)	(800,000)	(154,143)	80.73%
Auction proceeds	(45,446)	(40,000)	5,446	113.62%
Contribution from Police Sick Leave Reserve Fund	(300,000)	(400,000)	(100,000)	75.00%
Total Revenue & Recoveries	(4,638,472)	(5,338,190)	(699,718)	86.89%
Operating Expenditures				
Salaries, Wages & Benefits				
Capital-allocated salaries & benefits	(345,761)	-	345,761	0.00%
Full-time wages-permanent	23,562,824	31,691,958	8,129,134	74.35%
Part-time wages	1,068,256	1,208,309	140,053	88.41%
Overtime-regular	1,590,891	1,568,071	(22,820)	101.46%
Shift premiums & standby	50,009	55,594	5,585	89.95%
Paid duty	172,368	120,000	(52,368)	143.64%
Honorariums	10,000	21,520	11,520	46.47%
Payroll allowances	75,838	129,398	53,561	58.61%
Payroll benefits	7,115,829	9,022,262	1,906,433	78.87%
WSIB Premiums	1,079,558	1,350,000	270,442	79.97%
Total Salaries, Wages & Benefits	34,379,810	45,167,112	10,787,302	76.12%
Supplies and Services				
Uniforms & protective clothing	68,676	66,570	(2,106)	103.16%
Food & nutrition supplies	11,717	35,000	23,283	33.48%
Supplies	259,669	416,000	156,331	62.42%
Fuels & lubricants	359,782	496,229	136,447	72.50%
Software	246,493	308,763	62,270	79.83%
Telecommunications	204,507	306,000	101,493	66.83%
Travel, Education & Training	437,966	513,100	75,134	85.36%
Insurance services	288,232	264,322	(23,910)	109.05%
Utilities	4,033	10,000	5,967	40.33%
Professional services	244,088	531,000	286,912	45.97%
Investigative services	297,053	609,500	312,447	48.74%
Contracted services	2,032,726	2,746,058	713,332	74.02%
Contracted maintenance	516,176	877,410	361,234	58.83%
Equipment rentals	35,887	57,981	22,094	61.90%
Other	104,462	173,010	68,548	60.38%
Total Supplies & Services	5,111,469	7,410,943	2,299,474	68.97%

Contribution to Reserve Funds

Transfer to Police Equipment

Reserve Fund 257,195 282,331 25,136 91.10%

**Total Contribution to
Reserve Funds**

257,195 282,331 25,136 91.10%

Net 35,110,001 47,522,196 12,412,195 73.88%