



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 March 31, 2024 (Q1)

Date: May 16, 2024

Recommendation:

That the Operating Budget Status Update as of March 31, 2024, Report Number 24-21 is for information only.

Summary:

This information report provides a financial status update of the general operating budget for the Kingston Police as at March 31, 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 25.05% of the total budget at March 31, 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 March 31, 2024.

Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the three months ending March 31, 2024, of \$11.9M, compares to a budget of \$47.5M. Gross revenues and

expenditures, as reported, show actual revenues of approximately \$1.2M in comparison to a budget of \$5.3M and expenditures of \$13.1M 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=25% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,293,982)	(563,139)	2,730,843	17.10%
Provincial Subsidies	(2,044,208)	(624,103)	1,420,105	30.53%
Total Revenue & Recoveries	(5,338,190)	(1,187,242)	4,150,948	22.24%
Expenditures				
Salaries, Wages & Benefits	45,167,112	11,384,916	(33,782,196)	25.21%
Materials, Supplies & Fees	2,821,285	707,046	(2,114,239)	25.06%
Contracted Services	4,589,658	887,078	(3,702,580)	19.33%
Transfers to Reserves & Reserve Funds	282,331	112,675	(169,656)	39.91%
Total Expenditures	52,860,386	13,091,716	(39,768,670)	24.77%
Net	47,522,196	11,904,474	(35,617,722)	25.05%

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 \$624K or 31% of the annual budget, resulting in a year-to-date surplus. Results include \$63K of unbudgeted provincial funding to support victims of intimate partner violence. The 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 \$26K 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 \$11.4M or 25.21% of the annual budget, resulting in a year-to-date unfavourable variance of approximately \$93K. Budget pressures continue to be experienced in absentee costs related to WSIB, other leaves, and accommodations. 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.
- Overtime costs are exceeding budgeted projections by \$69K at the end of March. Overtime costs are highly dependent on the occurrence of major incidents.
 - \$117K of costs were incurred to police the St. Patrick's Day events within the University District.
- As the four collective agreements expired December 31, 2022, budget results include an estimated labour contract settlement amount.

Supplies and services are \$1.6M or 21.51% of the annual budget, reflecting a favourable variance of \$259K. 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.
- 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.

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 March 31, 2024

Appendix A

	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=25% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(624,103)	(2,044,208)	(1,420,105)	30.53%
Alarm licence	(42,469)	(137,608)	(95,139)	30.86%
Payroll experience recovery	(25,886)	-	25,886	0.00%
Pay duty revenue	(5,573)	(150,000)	(144,427)	3.72%
Expenditure recovery	(315,977)	(1,766,374)	(1,450,397)	17.89%
Sale of photos, maps & reports	(131,140)	(800,000)	(668,860)	16.39%
Auction proceeds	(42,093)	(40,000)	2,093	105.23%
Contribution from Police Sick Leave Reserve Fund	-	(400,000)	(400,000)	0.00%
Total Revenue & Recoveries	(1,187,242)	(5,338,190)	(4,150,948)	22.24%
Operating Expenditures				
Salaries, Wages & Benefits				
Capital-allocated salaries & benefits	-	-	-	0.00%
Full-time wages-permanent	7,683,327	31,691,958	24,008,631	24.24%
Part-time wages	375,051	1,208,309	833,258	31.04%
Overtime-regular	460,542	1,568,071	1,107,529	29.37%
Shift premiums & standby	12,200	55,594	43,394	21.95%
Paid duty	18,434	120,000	101,567	15.36%
Honorariums	-	21,520	21,520	0.00%
Payroll allowances	40,000	129,398	89,398	30.91%
Payroll benefits	2,523,841	9,022,262	6,498,421	27.97%
WSIB Premiums	271,521	1,350,000	1,078,479	20.11%
Total Salaries, Wages & Benefits	11,384,916	45,167,112	33,782,196	25.21%
Supplies and Services				
Uniforms & protective clothing	19,104	66,570	47,466	28.70%
Food & nutrition supplies	6,075	35,000	28,925	17.36%
Supplies	60,877	416,000	355,123	14.63%
Fuels & lubricants	112,168	496,229	384,061	22.60%
Software	164,108	308,763	144,655	53.15%
Telecommunications	46,106	306,000	259,894	15.07%
Education & training	41,473	370,450	328,977	11.20%
Travel	66,113	142,650	76,537	46.35%
Insurance services	82,833	264,322	181,490	31.34%
Utilities	1,644	10,000	8,356	16.44%
Professional services	62,622	531,000	468,378	11.79%
Investigative services	134,266	609,500	475,234	22.03%
Contracted services	602,794	2,746,058	2,143,264	21.95%
Contracted maintenance	124,970	877,410	752,440	14.24%
Equipment rentals	11,291	57,981	46,690	19.47%

Other	57,683	173,010	115,327	33.34%
Total Supplies & Services	1,594,125	7,410,943	5,816,818	21.51%
Contribution to Reserve Funds				
Transfer to Police Equipment Reserve Fund	112,675	282,331	169,656	39.91%
Total Contribution to Reserve Funds	112,675	282,331	169,656	39.91%
Net	11,904,474	47,522,196	35,617,722	25.05%