



Kingston Police

Public Agenda Information Report

To: Kingston Police Service Board

From: Adam MacIntosh, Chief of Police
Scarlet Eyles, Director of Finance

Subject: Operating Budget Status Update as of December 31, 2025 (Q4)

Date: March 17, 2026

Strategic Priority Alignment:

Administrative/Procedural

Recommendation:

That the Operating Budget Status Update as of December 31, 2025, Report Number 26-24 is for information only.

That the Board approve the staff recommendation to request that City Council approve the transfer of \$400,000 from the 2025 year-end operating surplus to the Police Capital Reserve, with the funds to be utilized in 2026, to support urgent facility repairs, equipment and furniture replacements, and to address current space constraints.

Background/Analysis:

This information report provides a financial status update of the general operating budget for the Kingston Police as at December 31, 2025. 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 98.41% of the total budget at December 31, 2025. 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.

The year-end surplus was influenced by the cyber incident that affected operations during the first half of the year. During the recovery period, operational capacity was redirected to incident response, service restoration, and stabilization activities, which delayed the implementation of planned initiatives and limited the ability to advance non-critical work as originally scheduled.

Overall, financial results reflect higher-than-projected revenues and recoveries across most categories, while most expenditures are within budgeted estimates. Salaries and wages are below budget, primarily due to staff vacancies and the timing of hires. However, increased professional services costs to address the cyber incident are impacting fiscal year-end results. The discussion below provides further information on the general operating revenue and expenditure results to December 31, 2025.

For additional details, quarterly budget status reports are provided to the Kingston Police Service Board and presented during the regular public meetings. Past reports are available on the website and can be accessed through the following link - [**Police Service Board - Meetings | Kingston Police**](#).

Financial Considerations:

Operating Revenue and Expenditure Results:

With respect to the overall results, the total net cost for the twelve months ending December 31, 2025 of \$53.2M, compares to a budget of \$54.1M. Gross revenues and expenditures, as reported, show actual revenues of approximately \$7.0M in comparison to a budget of \$5.7M and expenditures of \$60.2M in comparison to a budget of \$59.7M. The table below reflects the net operating information (revenues less expenditures).

	Annual 2024 Budget	Actuals Year to Date	Variance \$	YTD=100% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,427,621)	(3,964,101)	536,480	115.65%
Provincial Subsidies	(2,224,633)	(3,005,570)	780,937	135.10%
Total Revenue & Recoveries	(5,652,254)	(6,969,671)	1,317,417	123.31%
Expenditures				
Salaries, Wages & Benefits	51,494,316	50,003,132	1,491,184	97.10%
Materials, Supplies & Fees	3,094,713	3,542,580	(447,867)	114.47%
Contracted Services	4,826,054	6,256,250	(1,430,196)	129.63%
Transfers to Reserves & Reserve Funds	290,801	362,404	(71,603)	124.62%
Total Expenditures	59,705,884	60,164,367	(458,483)	100.77%
Net	54,053,630	53,194,696	858,934	98.41%

Revenues

Total revenues and recoveries are higher than budget by \$1.3M or 123%, with most revenues exceeding the projected amounts at year-end. The following information provides further detail of the year-end results by revenue category:

- Provincial grant revenues are \$3.0M or 135% of the annual budget, resulting in a year-to-date surplus of \$781K.
 - Higher than projected Court Security Prisoner Transportation (CSPT) funding of \$336K positively impacts the revenue variance.
 - Additional funding of \$45K from the Ministry of Community Safety & Correctional Services for billings related to prisoner transportation.
 - \$89K unbudgeted funding from the Mobile Crisis Response Team (MCRT) Enhancement Grant. These funds offset corresponding program costs.
 - One-Time Disclosure Protocol Provincial Grant funding of \$213K to acquire the auto-transcription software and to offset increased staffing hours.
- Background check revenues are under budget by \$105K at the end of December. The cyber incident temporarily limited the ability to provide this service. In addition, criminal record checks were contracted to other police services to maintain service continuity, which has also impacted expenditures.
- The favourable balance in expenditure recoveries reflects net additional recoveries of \$434K, as outlined below:
 - Additional secondment recoveries of \$202K from the Criminal Intelligence Service Ontario (CISO), supporting regional intelligence. These revenues offset currently budgeted salaries and benefits.
 - Additional secondment recoveries of \$172K supporting regional intelligence, and from Correctional Service Canada (CSC), supporting the Joint Uncrewed Aerial Vehicles (UAV) and Contraband Interdiction Task Force. Funds offset currently budgeted salaries and benefits.
 - Provincial Strategy grant was amended to reflect an increase in funding in the amount of \$87K. Federal funding was disbursed through Provincial Strategy to Protect Children from Sexual Abuse and Exploitation on the Internet (Provincial Strategy) to raise awareness and/or help advance efforts to combat internet child sexual exploitation.

- While overall expenditure recoveries increased, the Community Safety and Policing (CSP) Grant – Provincial Priorities Funding Stream was not approved for the 2025–26 cycle, resulting in a decrease of \$338K in provincial funding.
- The remaining positive variance is largely attributed to participant fees from internally hosted conferences and other funded covert projects, which offset expenses incurred to host the respective events and respective corresponding project costs.
- Pay duty revenues exceeded the budget due to a higher-than-anticipated volume of requests for paid duty officers. These revenues are offset with corresponding paid duty officer salaries.
- Payroll experience recovery reflects unbudgeted payroll benefit rebates of \$35K 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 semi-annual auctions held in 2025. In accordance with policy, net proceeds generated from the sale of capital items are transferred to the police capital reserve fund.

Expenditures

Overall expenditures are within approved budget projections. Variances are primarily due to staffing vacancies, timing of hires, and professional services required to respond to the cyber incident. Inflationary pressures were also experienced across several non-salary accounts; however, discretionary spending was managed where possible to mitigate these impacts. The information below provides further detail on variances by expenditure category:

Salaries and wages are \$50.0M or 97.10% of the annual budget, resulting in a year-to-date positive variance of approximately \$1.5M. Budget pressures were experienced in absentee costs related to WSIB, accommodations, and other leaves, as well as additional overtime costs incurred to police major incidents. Significant variances are noted below:

- Full-time wages are 96.34% spent, primarily due to staff vacancies and the timing of new hires. The 2025 budget included 13 new positions to offset long-term absences; however, retirements, turnover, and vacancies primarily in Frontline Patrol, Special Services, and the Criminal Investigations Division, along with staffing shortages and absences in the Communications/911 Dispatch Unit, have contributed to the variance.

- Payroll benefits are under budget, primarily due to the staffing vacancies, turnover, and timing of new hires.
- Part-time wages are unfavourable, reflecting backfill requirements due to full-time staff absences in the reception desk, communications dispatchers, and court services and records units.
- Overtime costs are below budgeted projections by \$207K. 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. Overtime is also impacted by coverage for staff vacancies and reimbursable overtime related to initiatives such as the RIDE (Reduce Impaired Driving Everywhere) program, which is funded through an annual grant.
 - Overtime costs to date include \$58K in budgeted mass-gathering costs to police St. Patrick's Day events in the University District, \$32K incurred in September (move-in weekend and the weekends leading up to Homecoming), and \$101K incurred during the Homecoming and Fauxcoming weekends. Total budgeted mass-gathering overtime was \$350K, while actual costs were \$191K, resulting in a favourable variance of \$159K.
 - Overtime costs are over budget by \$129K or 358% in the Communications/911 Dispatch Unit. This variance is primarily related to staffing shortages, including vacancies and absences.
 - The remaining variance is attributable to lower-than-anticipated overtime requirements outside of mass-gathering events over the period.
- Paid duties are exceeding budget by \$123K, due to a higher-than-anticipated volume of requests for paid duty officers. Paid duties are fully cost recovered as they are charged out to the respective customer.
- WSIB premiums exceeded budget by \$391K, at the end of December. WSIB costs continue to increase, primarily due to related legislation and PTSD coverage, which has expanded benefits for first responders and members suffering from mental stress injuries. The increasing trend in these absences has placed significant strain on existing resources. Pressures continue to be experienced in absentee costs related to WSIB, other leaves, and accommodations.

Supplies and services are \$9.8M or 124% of the annual budget, reflecting an unfavourable variance of \$1.9M. 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:

- Professional services were higher than budget, primarily reflecting costs related to the cyber incident response, including specialized legal services. Additional legal advice, consulting, and advisory services were also required to address labour-related matters and other emerging issues during the year. Costs related to the restoration and recovery phase of the cyber incident—including the replacement, rebuilding, and upgrading of IT infrastructure to restore operations and strengthen cybersecurity—were charged to the IT capital budget envelope.
- Fuel cost savings of \$95K were realized due to lower-than-expected fuel prices.
- Uniforms & protective clothing were higher than projected and reflect costs related to price increases, 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.
- Contracted services are \$3.2M or 109% of budget, primarily due to additional project-related costs. These costs are fully offset by additional funding from Criminal Intelligence Service Ontario (CISO) to support investigative activities.
- Investigative services expenses are favourable by \$153K. Costs to support policing the University District events were substantially decreased in 2025. These costs primarily reflect bringing reinforcements from other police agencies to provide additional staffing resources. Additionally, total costs incurred to date in 2025 to police the university district show a 32% reduction compared to the prior year.

Transfer to Police Equipment Reserve Fund – the transfer to the Police Equipment Reserve Fund reflects additional funds allocated to the reserve resulting from higher-than-anticipated proceeds earned from the police auctions. 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.

Contacts:

Gregory Ridge, Chair, Kingston Police Service Board

613-876-6984

Adam MacIntosh, Chief of Police

613-549-4660 ext. 2213

Scott Gee, Deputy Chief of Police

613-549-4660 ext. 2213

Scarlet Eyles, Director of Finance

613-549-4660 ext. 2285

Exhibits Attached:

Appendix A – Kingston Police – Actual to Budget as at December 31, 2025

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	Actuals Year to Date	Annual Budget \$	Variance \$	YTD=100% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(3,005,570)	(2,224,633)	780,937	135.10%
Alarm licence	(151,978)	(141,736)	10,242	107.23%
Payroll experience recovery	(33,692)	-	33,692	0.00%
Pay duty revenue	(259,825)	(154,500)	105,325	168.17%
Expenditure recovery	(2,290,663)	(1,856,385)	434,278	123.39%
Sale of photos, maps & reports	(744,894)	(850,000)	(105,106)	87.63%
Auction proceeds	(79,584)	(25,000)	54,584	318.34%
Contribution from Police Sick Leave	(400,000)	(400,000)	(0)	100.00%
Reserve Fund	(400,000)	(400,000)	(0)	100.00%
Total Revenue & Recoveries	(6,969,671)	(5,652,254)	1,317,417	123.31%
Operating Expenditures				
Salaries, Wages & Benefits				
Full-time wages-permanent	34,319,242	35,623,103	1,303,861	96.34%
Part-time wages	1,534,514	1,325,212	(209,302)	115.79%
Overtime-regular	1,479,984	1,686,729	206,746	87.74%
Shift premiums & standby	118,979	58,755	(60,224)	202.50%
Paid duty	246,016	123,600	(122,416)	199.04%
Honorariums	13,010	31,510	18,500	41.29%
Payroll allowances	97,988	147,798	49,811	66.30%
Payroll benefits	10,095,451	10,790,484	695,033	93.56%
WSIB Premiums	2,097,950	1,707,125	(390,825)	122.89%
Total Salaries, Wages & Benefits	50,003,132	51,494,316	1,491,184	97.10%
Supplies and Services				
Uniforms & protective clothing	202,562	69,800	(132,762)	290.20%
Food & nutrition supplies	16,938	35,700	18,762	47.45%
Supplies	379,006	427,075	48,069	88.74%
Fuels & lubricants	443,794	538,968	95,174	82.34%
Software	372,086	355,657	(16,429)	104.62%
Telecommunications	268,375	312,120	43,745	85.98%
Travel, Education & Training	502,829	599,500	96,671	83.87%
Insurance services	345,628	363,173	17,545	95.17%
Utilities	6,850	10,500	3,650	65.24%
Professional services	2,250,290	523,950	(1,726,340)	429.49%
Investigative services	499,746	653,000	153,254	76.53%
Contracted services	3,174,495	2,916,662	(257,833)	108.84%
Contracted maintenance	1,043,997	893,208	(150,789)	116.88%
Equipment rentals	98,811	59,140	(39,671)	167.08%
Other	193,422	162,314	(31,108)	119.17%
Total Supplies & Services	9,798,830	7,920,767	(1,878,063)	123.71%

Contribution to Reserve FundsTransfer to Police Equipment Reserve
Fund

362,404

290,801

(71,603)

124.62%

**Total Contribution to Reserve
Funds**

362,404

290,801

(71,603)

124.62%

Net

53,194,696

54,053,630

858,934

98.41%