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 June 30, 2026 (Q2)
Date:	July 14, 2026

Strategic Priority Alignment:

Administrative/Procedural

Recommendation:

That the Operating Budget Status Update as of June 30, 2026, Report Number 26-64 is for information only.

Summary:

This information report provides a financial status update of the Kingston Police general operating budget as at June 30, 2026. Exhibits to the report provide detailed budget and actual information, and resulting variances by revenue and expense, with an overall net operating position reflecting a surplus position of 48.53% of the total budget. 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 reflect typical seasonal and timing variances. The discussion below provides further information on the general operating revenue and expenditure results to June 30, 2026.

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**.

Operating Revenue and Expenditure Results:

For the six months ended June 30, 2026, the net operating cost was $27.8M, compared to an annual budget of $57.3M. Gross revenues and expenditures, as reported, show actual revenues of approximately $3.2M in comparison to a budget of $5.7M and expenditures of $30.1M in comparison to a budget of $62.9M. The table below summarizes the net operating position (revenues less expenditures).

	Annual 2026 Budget	Actuals Year to Date	Variance $	YTD=50% Actual to Budget %
Revenues & Recoveries				
Fees, Charges & Other Revenue	(3,126,985)	(1,906,135)	(1,220,850)	60.96%
Provincial Subsidies	(2,555,594)	(1,294,842)	(1,260,752)	50.67%
Total Revenue & Recoveries	(5,682,579)	(3,200,976)	(2,481,603)	56.33%
Expenditures				
Salaries, Wages & Benefits	54,406,153	27,022,496	27,383,657	49.67%
Materials, Supplies & Fees	3,262,782	1,796,234	1,466,548	55.05%
Contracted Services	4,964,249	2,020,953	2,943,296	40.71%
Transfers to Reserves & Reserve Funds	299,525	145,401	154,124	48.54%
Total Expenditures	62,932,709	30,985,083	31,947,626	49.24%
Net	57,250,130	27,784,107	29,466,023	48.53%

<u>Revenues</u>

Most revenues are tracking as expected and/or reflect typical seasonal and timing variances for this time of year in services such as alarm licensing, paid duties, background checks, and auction proceeds. Favourable revenue variances are noted below:

- The favorable balance in expenditure recoveries is largely due to participant fees from internally hosted conferences (including the 2026 Canadian Counter UAS Conference) and other funded covert projects. These revenues offset the costs incurred to host the events and related project expenses.

- Payroll experience recovery reflects unbudgeted payroll benefit rebates of $31K resulting from a reduction in the projected cost of claims. Benefit costs are budgeted annually based on estimated plan premiums.

Expenditures

Most expenditures are tracking as expected and reflect typical timing and other variances experienced throughout the year. For example, payroll benefits which are typically skewed to the first half of the year, while paid duty demand generally occurs later in the year. Contracted services and maintenance are often favourable in the first two quarters, as routine maintenance projects are typically completed later in the year. The following information provides further detail of the second quarter variances by expenditure category.

Salaries and wages are $27.0M or 49.7% of the annual budget, resulting in a year-to-date positive variance of approximately $181K. Budget pressures continue to be experienced in absentee costs related to WSIB, accommodations, and other leaves. Overtime costs are influenced by the volume and complexity of investigations, including homicides, major critical incidents, and traffic fatalities, as well as broader increases in violent crime. 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 absences within Communications (dispatch), the Reception Desk, and the Records Unit.
- Payroll benefits are under budget, primarily due to the staffing vacancies, and timing of new hires, as noted above. Additionally, benefits are typically weighted toward the first half of the year.
- Overtime costs are below budgeted projections by $120K at the end of June.
    - $39K in costs were incurred to police St. Patrick's Day events in the University District.
    - Overtime pressures related to Homecoming and Fauxcoming typically occur later in the fall, following the return of post-secondary students.
- WSIB premiums are exceeding budgeted projections by $500K, as at the end of June. WSIB costs continue to increase, primarily due to legislative changes and expanded PTSD coverage, which has expanded benefits for first responders and members experiencing mental stress injuries. The increasing trend in these absences continues to strain existing resources and is contributing to ongoing pressures related to WSIB, other leaves, and accommodation costs.

Supplies and services are $3.8M, or 46.4% of the annual budget, resulting in a positive variance of $297K. This category includes costs such as uniforms and protective clothing, gasoline and diesel fuel, fleet parts and tires, ammunition, telecommunications, and education and training. Contracted services and contracted maintenance include asset maintenance and support contracts, as well as other service contracts (e.g., cleaning services, winter control, and City building maintenance charges). Professional services include legal and consulting services. Notable variances are discussed below:

- Professional services primarily reflect additional legal and consulting support required to address ongoing operational and labour-related matters and other priorities that have arisen during the year.
- Uniforms & protective clothing are over budget as at the end of the second quarter, reflecting price increases and inflation, upgrades to safety elements, and new regulatory requirements. This account is typically timing-related, with several annual purchases occurring earlier in the year, and can also fluctuate based on the number of retirements and new hires, as well as replacement needs for existing officers due to sizing changes or condition. Most of the variance will be realigned to the capital protective gear budget in July.
- Supplies are over budget, reflecting the timing of ammunition purchases made earlier in the year for use throughout the fiscal year.
- Software costs are higher than budget, reflecting the timing of renewal contracts that are paid in advance for fiscal-year coverage.
- Investigative services are under budget, as costs related to Homecoming and Fauxcoming typically occur later in the fall following the return of post-secondary students.

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, 2026

	Actuals Year to Date	Annual Budget $	Variance $	YTD=50% Actual to Budget %
Revenues & Recoveries				
Provincial grants	(1,294,842)	(2,555,594)	(1,260,752)	50.67%
Alarm licence	(104,739)	(146,000)	(41,261)	71.74%
Payroll experience recovery	(30,872)	-	30,872	0.00%
Pay duty revenue	(175,226)	(159,100)	16,126	110.14%
Expenditure recovery	(1,011,156)	(1,521,385)	(510,229)	66.46%
Sale of photos, maps & reports	(376,810)	(875,500)	(498,690)	43.04%
Auction proceeds	(7,331)	(25,000)	(17,669)	29.33%
Contribution from Police Sick Leave Reserve Fund	(200,000)	(400,000)	(200,000)	50.00%
Total Revenue & Recoveries	(3,200,976)	(5,682,579)	(2,481,603)	56.33%
Operating Expenditures				
Salaries, Wages & Benefits				
Full-time wages-permanent	17,876,788	37,445,512	19,568,724	47.74%
Part-time wages	998,363	1,599,350	600,987	62.42%
Overtime-regular	748,025	1,736,739	988,714	43.07%
Shift premiums & standby	35,350	60,541	25,191	58.39%
Paid duty	63,703	127,300	63,597	50.04%
Honorariums	-	1,010	1,010	0.00%
Payroll allowances	66,859	159,398	92,539	41.94%
Payroll benefits	5,843,860	11,498,138	5,654,278	50.82%
WSIB Premiums	1,389,548	1,778,165	388,617	78.15%
Total Salaries, Wages & Benefits	27,022,496	54,406,153	27,383,657	49.67%
Supplies and Services				
Uniforms & protective clothing	149,113	74,850	(74,263)	199.22%
Food & nutrition supplies	8,149	36,414	28,265	22.38%
Supplies	253,935	436,800	182,865	58.14%
Fuels & lubricants	266,328	564,480	298,152	47.18%
Software	207,202	376,203	169,001	55.08%
Telecommunications	134,559	318,362	183,803	42.27%
Travel, Education & Training	269,997	632,200	362,203	42.71%
Insurance services	129,311	395,298	265,987	32.71%
Utilities	3,410	11,025	7,615	30.93%
Professional services	359,316	498,700	139,384	72.05%
Investigative services	209,305	683,500	474,195	30.62%
Contracted services	1,388,597	3,044,979	1,656,382	45.60%
Contracted maintenance	294,122	912,834	618,712	32.22%

Equipment rentals	27,800	60,323	32,523	46.09%
Other	81,793	166,624	84,831	49.09%
Total Supplies & Services	3,816,590	8,227,031	4,410,441	46.39%
Contribution to Reserve Funds				
Transfer to Police Equipment Reserve Fund	145,401	299,525	154,124	48.54%
Total Contribution to Reserve Funds	145,401	299,525	154,124	48.54%
Net	27,783,510	57,250,130	29,466,620	48.53%