



NIAGARA REGIONAL POLICE SERVICE

Police Service Board Report

PUBLIC AGENDA

Subject: Financial Variance Overview for the Period Ending March 31, 2025

Report To: Chair and Members, Niagara Police Service Board

Report Date: 2025-05-02

Recommendation

That the Niagara Police Service Board (Board) receive this report for information.

Key Facts

- The purpose of this report is to provide an analysis of the 2025 Q1 financial results of the Niagara Regional Police Service (Service) and Board as per the Financial Reporting, Control and Procurement of Goods and Services By-Law 412-2024.
- For the period ending March 31, 2025, the Service and Board have a combined net expenditure before indirect allocations deficit of \$826,662.34 from normal operations.
- Based on the results for the 3-month period, the Service is forecasting a deficit of \$1,269,550.00 by the end of this fiscal year.

Financial Considerations

There are no financial implications relating to the recommendations contained within this report.

Analysis

The quarterly variance overview provides a synopsis of the combined financial operations for the Service and the Board for the period ending March 31, 2025. As detailed in Appendix 1, the Service and Board have a combined net expenditure before indirect allocations deficit of \$826,662.34, representing 1.6% of the total budget to date.

The two primary contributing factors include a shortfall in funding provided from casino operations accompanied with a decrease in grant funding provided for Court Security and Prisoner Transportation (CSPT).

The Service is forecasting a deficit of \$1,269,550.00 by the end of this fiscal year, based on the following contributing factors:

- The shortfall from the CSPT revenue for this year;
- 2025 casino revenue will remain on par to previous year's results; and
- All expenditures for the year will remain on budget.

The following variance analysis provides a detail synopsis of the financial activity within each object of expenditure as reported in Appendix 2.

Compensation:

For the period ending March 31, compensation costs were above the approved budget by \$63,437.50, representing 0.1% of the total compensation budget.

This unfavourable variance is the result of overages within uniform salaries due to overtime requirements for meeting minimum staffing requirements and responding to major investigations. Civilian salaries experienced an overage due to overtime requirements in operationally essential units. The Service has further experienced overages in WSIB claims and payments for health and dental services. Additionally, statutory deduction expenses for CPP, EI, and Employer Health Tax surpassed the budgeted estimate.

At this time, the Service is forecasting compensation costs to be on-budget by year-end.

Administrative:

For the period ending March 31, administrative costs were above the approved budget by \$93,956.04, representing 7.8% of the total administrative budget.

The unfavourable variance results are primarily from increased tuition fees to attend training for investigative-specific courses, and expenses incurred for pre-hire medical assessments. As the Ontario Police College (OPC) is no longer able to accommodate members attending OPC for training courses, the Service is required to incur costs for member accommodation at local hotels. Helping to mitigate these overages are savings realized for external professional services.

Based on year-to-date results, the Service is forecasting administrative costs to be on-budget for year-end.

Operational and Supply:

For the period ending March 31, operational and supply costs were above the approved budget by \$102,052.35, representing 11.6% of the total operational and supply budget to date. This unfavourable variance is the result of timing differences for payments to partner agencies and purchases of arsenal and ammunition.

Based on year-to-date results, the Service is forecasting operational and supply costs to be on-budget for year-end.

Occupancy and Infrastructure:

For the period ending March 31, occupancy and infrastructure costs were below the approved budget by \$9,803.91, which represents 9.9% of the total occupancy and infrastructure budget to date. This favourable variance is the result of savings in building repairs and site leases.

Based on year-to-date results, the Service is forecasting occupancy and infrastructure costs to be on-budget for year-end.

Equipment, Vehicles, and Technology:

For the period ending March 31, equipment, vehicles, and technology costs were below the approved budget by \$89,303.47, representing 3.3% of the total equipment, vehicles and technology budget-to-date. This favourable variance is primarily the result of savings realized with the purchase of gasoline for Service vehicles. For the quarter, the average fuel price of \$1.54/litre was below the budgeted rate of \$1.59/litre.

Based on year-to-date results, the Service is forecasting occupancy and infrastructure costs to be on-budget for year-end.

Revenues & Recoveries:

For the period ending March 31, revenues were below the approved budget by \$670,561.19, representing 12.2% of the total revenue budget to date.

Provincial grant funding was below budget as a result of a reduction in CSPT funding. Once the current year commenced, the Service was advised that 2025 CSPT funding would be \$6,244,540.00, a reduction of \$769,550.00 from the previous year. This resulted in an unfavourable Q1 variance of \$171,880.00.

Revenues derived from fees for service are below budget due to reduced monies received from the City of Niagara Falls for casino funding. The Service receives 18% of the amount provided to the City of Niagara Falls from the Ontario Lottery and Gaming Corporation (OLG) to a maximum of \$4,200,000.00 per annum. For the period of January to March 2025 the city received \$3,743,375.00 in funding from OLG. Accordingly, the Service received \$673,808.00 for the period, creating a shortfall of \$301,193.00 from the Q1 budget.

Indirect Allocations and Debt:

For the period ending March 31, 2025, indirect allocations and debt were below the approved budget by \$233,416.10, representing 5.7% of the total budget. The main savings are from lower-than-budgeted self-insured pay-outs and facility charges. Indirect allocations and debt are not approved by the Board as they are costs incurred by the Region and allocated to all regional departments and Agencies, Boards, and Commissions (ABCs) in accordance with Region Policy C-F-004 Cost Allocation. Indirect allocations include expenses for shared services such as finance, payroll, procurement, asset management, insurance, legal, IT, building maintenance, and property management. Also included are debt charges including principal and interest, as well as capital funding for Service projects funded through the Region's capital levy and capital funding for support projects that directly benefit the Service.

Conclusion:

The detailed variance analysis has been prepared based on results of operations as of March 31, 2025. As the year progresses, Service staff will continue to monitor any developments that will impact the achievement of the annual budget.

Alternatives Reviewed

Not applicable.

Relationship to Police Service/Board Strategic Priorities

To comply with the provisions of Board By-Law 412-2024 - Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service.

Relevant Policy Considerations

- Section 289 of the Municipal Act requires municipalities to prepare a balanced budget that includes all expenditures and revenues for the taxation year.
- By-Law 412-2024 - Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service.

Other Pertinent Reports

8.5 – 2024.11.28 Financial Variance Overview - Period Ending September 30, 2024
9.1 – 2025.02.27 Financial Variance Overview - Year Ending December 31, 2024

This report was prepared by Curtis Custers, Financial Analyst, Finance Unit, and reviewed by Anthony Gallo, Acting Manager, Finance Unit and Laura Rullo, Director, Finance and Asset Management. Recommended by Luigi Greco, Deputy Chief, Support Services.



Submitted by:

Bill Fordy, O.O.M. #9615
Chief of Police

Appendices

- Appendix 1 Operating Statement of Revenue and Expenses for the Period Ending March 31, 2025
- Appendix 2 Operating Statement by Object of Expenditure Sub-Category for the Period Ending March 31, 2025

Niagara Regional Police Service and Board
Appendix 1: 2025 Operating Statement of Revenue and Expenses

Object of Expenditure	2024 Jan. - March Actual	2025 Jan. - March Actual	2025 Jan. - March Budget	Variance Surplus / (Deficit)	%	2024 Full Year Actual	2025 Annual Forecast	2025 Annual Budget	Forecast vs Budget Surplus/ (Deficit)	%
Gross Expenditures										
Compensation	47,121,565	51,014,745	50,951,308	(63,438)	(0.1%)	192,600,441	212,631,348	212,631,348	-	0.0%
Administrative	998,998	1,299,659	1,205,703	(93,956)	(7.8%)	4,563,340	4,817,670	4,817,670	-	0.0%
Operational & Supply	977,993	980,712	878,660	(102,052)	(11.6%)	3,618,611	3,127,542	3,127,542	-	0.0%
Occupancy & Infrastructure	62,856	89,259	99,063	9,804	9.9%	385,735	396,228	396,228	-	0.0%
Equipment, Vehicles & Technology	2,325,395	2,625,386	2,714,690	89,303	3.3%	9,077,281	10,181,239	10,181,238	-	0.0%
Financial Expenditures	14,654	3,200	-	(3,200)	(100.0%)	13,285	-	-	-	0.0%
Intercompany Charges	(502,386)	(545,922)	(538,484)	7,438	(1.4%)	(2,051,960)	(2,210,472)	(2,210,472)	-	0.0%
Transfers To/From Reserve Funds	983,750	1,208,750	1,208,750	(0)	0.0%	3,550,000	4,835,000	4,835,000	-	0.0%
	51,982,824	56,675,791	56,519,690	(156,101)	(0.3%)	211,756,734	233,778,555	233,778,555	-	0.0%
Revenues										
Provincial Grants	(2,937,763)	(2,721,079)	(2,979,108)	(258,029)	8.7%	(11,378,740)	(10,201,504)	(10,971,054)	(769,550)	7.0%
Fees for Service	(1,027,750)	(1,070,648)	(1,334,882)	(264,234)	19.8%	(4,974,283)	(4,994,900)	(5,494,900)	(500,000)	9.1%
Other Revenues	(1,112,125)	(1,026,454)	(1,174,751)	(148,297)	12.6%	(4,705,829)	(4,856,248)	(4,856,248)	-	0.0%
	(5,077,638)	(4,818,180)	(5,488,741)	(670,561)	12.2%	(21,058,852)	(20,052,652)	(21,322,203)	(1,269,550)	6.0%
Net Expenditures Before Indirect Allocations	\$ 46,905,187	\$ 51,857,611	\$ 51,030,949	\$ (826,662)	(1.6%)	\$ 190,697,882	\$ 213,725,903	\$ 212,456,352	\$ (1,269,550)	(0.6%)
Indirect Allocations & Debt	5,787,082	3,899,541	4,132,957	233,416	5.7%	19,701,048	18,267,382	18,267,382	-	0.0%
Net Expenditures After Indirect Allocations	\$ 52,692,269	\$ 55,757,152	\$ 55,163,906	\$ (593,246)	(1.1%)	\$ 210,398,930	\$ 231,993,285	\$ 230,723,734	\$ (1,269,550)	(0.6%)

Niagara Regional Police Service and Board

Appendix 2: 2025 Operating Statement By Object of Expenditure Sub-Category

	2024 Jan. - March Actual	2025 Jan. - March Actual	2025 Jan. - March Budget	Variance Surplus / (Deficit)	%	2024 Full Year Actual	2025 Annual Forecast	2025 Annual Budget	Forecast vs Budget Surplus/ (Deficit)	%
Gross Expenditures										
Compensation										
Uniform Salaries & Wages	25,620,379	27,649,337	27,597,452	(51,886)	(0.2%)	106,207,753	117,254,224	117,254,224	-	0.0%
Civilian Salaries & Wages	9,424,035	10,124,631	10,061,371	(63,260)	(0.6%)	38,993,134	41,644,247	41,644,247	-	0.0%
Benefits & WSIB	11,413,866	12,665,122	12,616,800	(48,321)	(0.4%)	43,193,941	48,933,407	48,933,407	-	0.0%
Additional Compensation	346,475	381,636	391,896	10,259	2.6%	3,476,866	4,149,233	4,149,233	-	0.0%
Special Duty	51,188	37,693	34,189	(3,504)	(10.3%)	328,783	266,237	266,237	-	0.0%
Sick Leave Payout	265,622	156,325	249,600	93,275	37.4%	399,962	384,000	384,000	-	0.0%
	47,121,565	51,014,745	50,951,308	(63,438)	(0.1%)	192,600,441	212,631,348	212,631,348	-	0.0%
Administrative										
External Professional Services	196,743	214,821	307,566	92,745	30.2%	844,766	1,230,260	1,230,260	-	0.0%
Staff Development	278,956	468,012	325,869	(142,143)	(43.6%)	1,497,638	1,303,392	1,303,392	-	0.0%
Office, Advertising, Travel	132,277	179,568	150,382	(29,186)	(19.4%)	706,944	601,502	601,502	-	0.0%
Telephone & Communications	245,105	301,063	318,331	17,268	5.4%	1,111,550	1,268,318	1,268,318	-	0.0%
Licensing & Permits	20,539	19,403	26,562	7,159	27.0%	93,652	106,238	106,238	-	0.0%
Employee Medicals	79,596	89,412	41,999	(47,413)	(112.9%)	190,224	168,000	168,000	-	0.0%
General Administrative Costs	45,782	27,380	34,994	7,613	21.8%	118,566	139,960	139,960	-	0.0%
	998,998	1,299,659	1,205,703	(93,956)	(7.8%)	4,563,340	4,817,670	4,817,670	-	0.0%
Operational & Supply										
Program Specific Supplies & Materials	570,886	535,640	411,841	(123,800)	(30.1%)	1,691,109	1,645,855	1,645,855	-	0.0%
Uniforms	154,807	221,721	201,389	(20,332)	(10.1%)	1,221,048	805,487	805,487	-	0.0%
Investigation Expense	124,862	88,932	135,155	46,223	34.2%	569,197	540,600	540,600	-	0.0%
Other Expenses	127,438	134,419	130,275	(4,144)	(3.2%)	137,258	135,600	135,600	-	0.0%
	977,993	980,712	878,660	(102,052)	(11.6%)	3,618,611	3,127,542	3,127,542	-	0.0%
Occupancy & Infrastructure										
Property Leases	27,217	27,544	32,511	4,966	15.3%	107,885	130,028	130,028	-	0.0%
Property & Infrastructure Maintenance	35,640	61,715	66,552	4,837	7.3%	277,851	266,200	266,200	-	0.0%
	62,856	89,259	99,063	9,804	9.9%	385,735	396,228	396,228	-	0.0%
Equipment, Vehicles & Technology										
Minor Equipment & Equipment Maintenance	613,317	859,595	819,887	(39,708)	(4.8%)	2,430,479	2,602,023	2,602,023	-	0.0%
Gasoline	394,265	410,715	495,138	84,423	17.1%	1,685,727	1,980,550	1,980,550	-	0.0%
Vehicle Maintenance	436,385	356,656	342,873	(13,783)	(4.0%)	1,245,385	1,371,500	1,371,500	-	0.0%
Computer Licences & Support	881,427	998,421	1,056,793	58,372	5.5%	3,715,689	4,227,165	4,227,165	-	0.0%
	2,325,395	2,625,386	2,714,690	89,303	3.3%	9,077,281	10,181,239	10,181,238	-	0.0%
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