



2005 Budget Book

Prepared by the Finance Division
1211 John Counter Boulevard

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Glossary of Terms

Assessment

Market value of a property as established for various classes of property by the Municipal Property Assessment Corporation (MPAC).

Assets

Historical cost of defined resources of the municipality such as land, buildings, vehicles, cash etc. Under provincial accounting regulations, a municipality writes off the cost of assets in the year of acquisition.

Annual Operating Budget

The financial operating plan for the municipality that establishes annual revenue and expense estimates for a function, service or program. The *Municipal Act* requires that a municipality pass an operating budget on an annual basis. The operating budget establishes municipal priorities and goals for the current year.

Annual Capital Budget

A yearly program with expenditure estimates adopted by council covering longer term and one-time expenditures for fixed assets that are in excess of ten thousand dollars.

Capital Financing

The source of revenue to fund the capital expenditure plan including: pay-as-you-go, long term borrowing (debentures), reserve and reserve funds and grants.

10 Year Capital Plan

A multi-year capital expenditure and financing plan setting out the long term financial requirements of the municipality. This program enables council to determine long-term expenditure priorities. The capital program should be linked to multi-year service plans.

Capital Project

A capital project or item is an expenditure of funds that provides a value of service/equipment in excess of one year and should exceed a cost of \$10,000. This excludes the ongoing general maintenance of assets, and in the case of refurbishing, it should increase the life of an asset by a minimum of five years.

Debt

Value of all outstanding debentures or other debt financing issued by the municipality.

Debentures

A long-term loan (debt) usually repayable on fixed dates, with a fixed rate of interest. Debentures are generally secured by municipal assets.

Debt Charges

The principal and interest payments necessary to retire outstanding debt arising from capital expenditures.

Fiscal Year

The period for which budgets are prepared and financial records maintained. The fiscal year for a municipality is the calendar year (January 1 to December 31).

Grant

A financial contribution from the provincial or federal government to support a particular function, service or program. Most grants are conditional in nature.

Gross Expenditure

Includes all expenditures incurred to provide a function, service or program.

Health & Safety Priority

A capital project is categorized as health and safety priority if there is an urgent requirement for repairs due to demonstrated concerns of a health and safety hazard.

Investment Income Earnings

Investment earnings arise from the investment of the city's positive cash flow. Cash is invested on a pooled basis and the earnings allocated to operations and reserve funds.

MMAH

Ministry of Municipal Affairs and Housing of the Province of Ontario.

Net Expenditures

Expenditure amounts remaining to be funded by the taxpayer after specific deductions have been made for revenues related to a function, service or program.
(Gross Expenditure – Revenue = Net Expenditure)

Ontario Municipal Partnership Fund

The Ontario Municipal Partnership Fund is a new fund program announced in early 2005 to replace the Community Reinvestment Fund (CRF), which provides funding to municipalities. The new program differs significantly from the CRF. Details on the new program will be known during the course of 2005.

OSIFA

The Ontario Strategic Infrastructure Financing Authority. OSIFA is an agency of the Provincial Government, reporting to the Minister of Finance, that has been set up as a tool to offer low-cost and longer term financing to assist Ontario's public sector institutions in renewing their infrastructure.

Other Revenue

Represents all revenues other than property taxation, provincial and federal grants, interdepartmental recoveries and fees and charges such as user fees, fines, interest earnings, and revenues from any other source.

Payments in Lieu of Taxes

Payments made to the municipality by federal and provincial government institutions that have properties situated within municipal boundaries. Since statutes exempt public buildings from the payment of property taxes, the payment in lieu of taxes is intended to compensate the city for the provision of municipal services.

Program

Activities of a department, which constitutes a service delivery unit and may encompass one or more related municipal services (e.g., the Solid Waste Management Program includes a number of services and is a division of the Operations Department) and displays the following: is aimed at one or more target groups (e.g., households); has program goals defined in social terms with outcomes of public good (e.g., public health); and is either mission-driven (e.g., recreation), or mandate-driven (e.g., law-enforcement).

Property Taxes

Property taxes are the main source of revenue for funding municipal services. Tax rates are expressed as a percentage and are calculated for each property class based on the net taxation requirement of the municipality and the assessment values of properties within its boundaries. The tax rate multiplied by the assessed value of a property results in the property tax owed to the municipality.

Reserve/Reserve Fund

Reserves and reserve funds have designated purposes and are created through the specific authorizations of council. All earnings from the investment of reserve funds must form part of the reserve fund, whereas the investment earnings from reserves flow to the operating budget. The assets of reserve funds are segregated and restricted to the purpose of the reserve funds and generally may be combined for investment purposes.

Revenue

Sources of income received by the municipality for the fiscal year.

Service

A series of activities that deliver a public good, respond to the needs of the public, or fulfill the requirements of other stakeholders. Service level refers to the level of services approved for delivery of the program.

Supplementary Assessment

Supplementary assessment results from new properties being brought on the assessment rolls during the year.

Surplus

An excess of revenues over expenditures

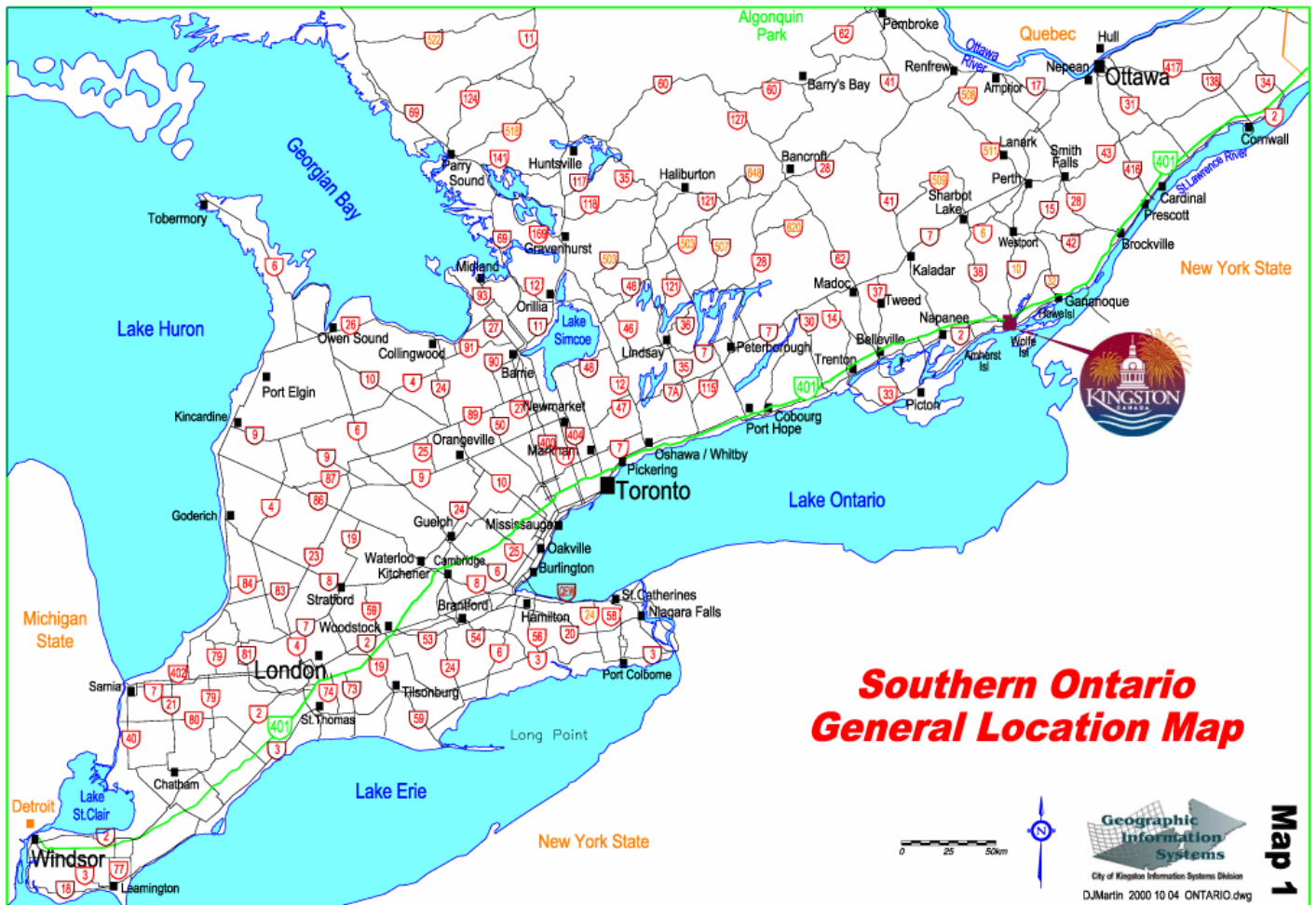
Tax Rate

A rate, set for each property class, used to determine the amount of property tax revenue owing to the municipality. Taxes on individual properties are calculated by multiplying a property's current value assessment (CVA) by the applicable tax rate.

User Fees

Fees charged by the municipality for the use of its services (examples: bus fares, ice rental fees, water and wastewater charges and fees for various city permits).

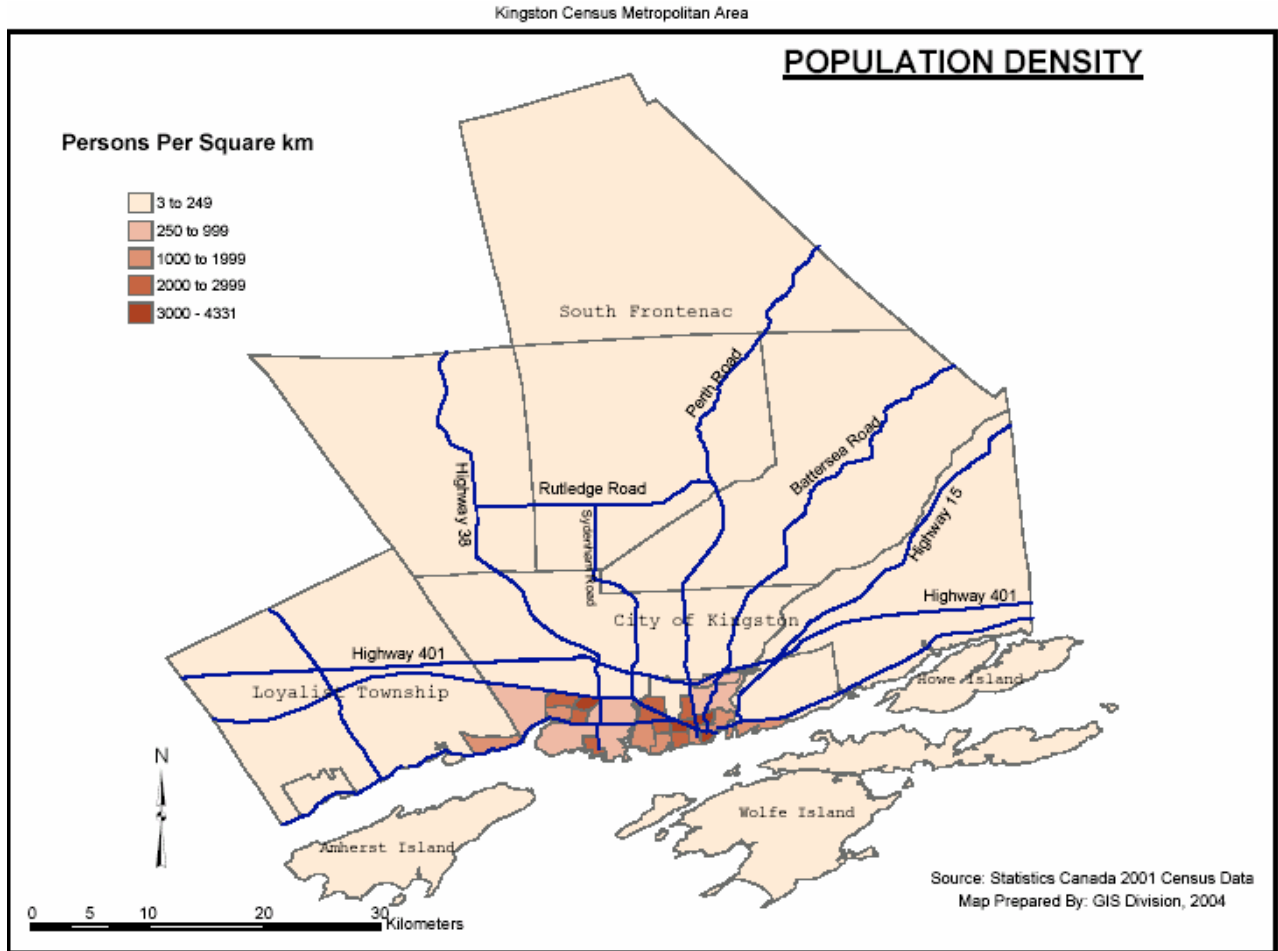
City of Kingston Locator Map



Toronto to Kingston	260 km
Ottawa to Kingston	175 km
Montreal to Kingston	290 km

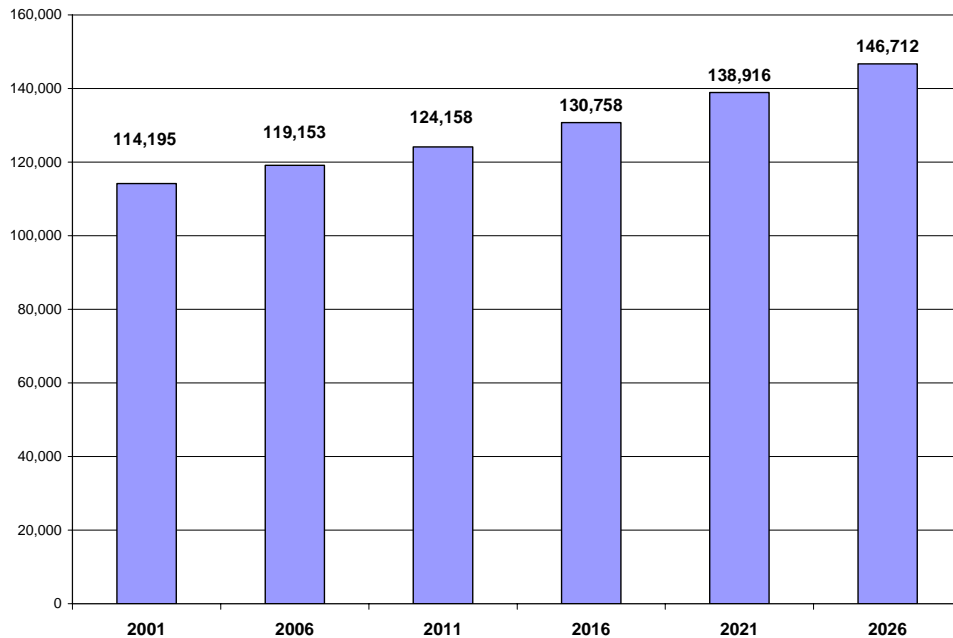


City of Kingston Population



CITY OF KINGSTON POPULATION PROJECTION

Source: Stevens Associates, March 20, 2003, as reported in the City of Kingston Urban Growth Strategy



City of Kingston Mayor and Council

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[Photo: Paul Evoy]

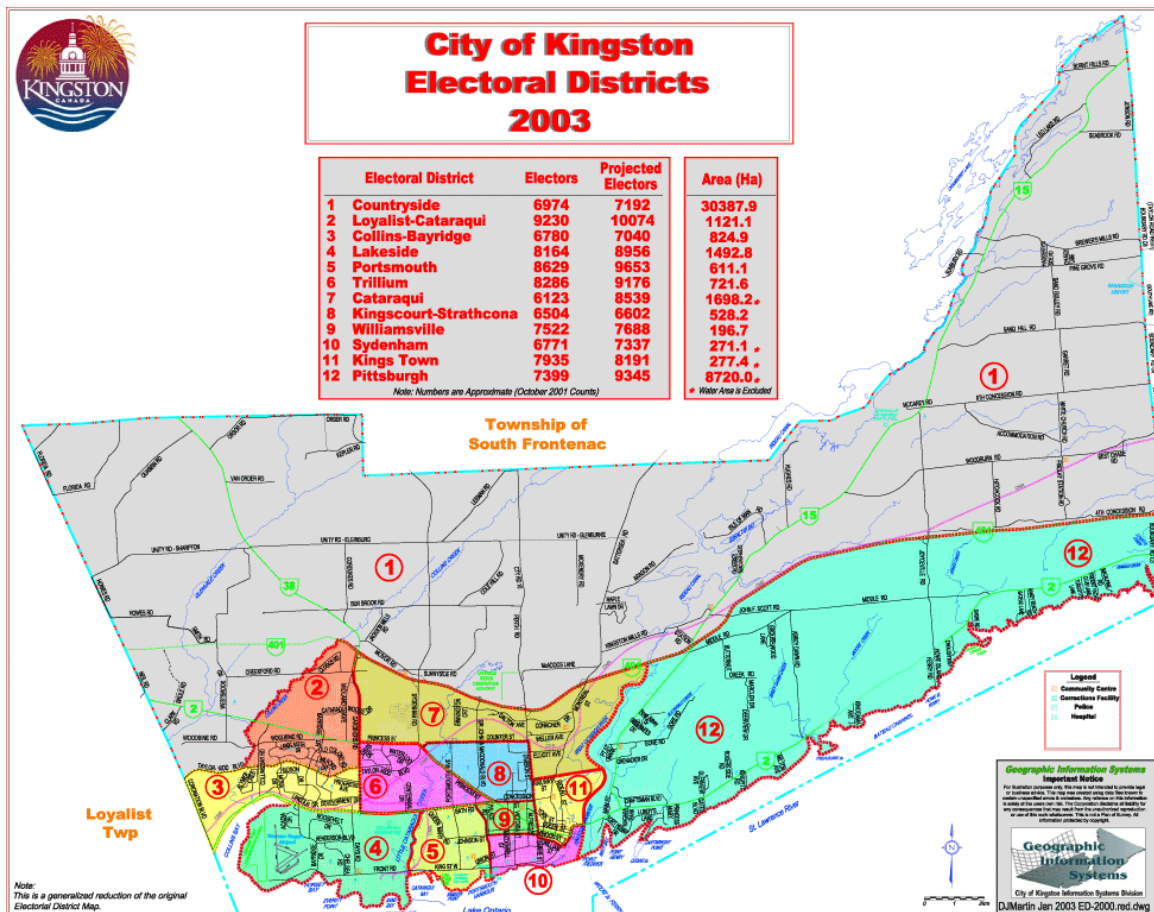
Back Row (from left):

Councillor Kevin George, Loyalist-Catarauqui
 Councillor Floyd Patterson, Sydenham
 Councillor George Sutherland, Countryside
 Mayor Harvey Rosen
 Councillor Rick Downes, Kings Town
 Councillor Steve Garrison, Kingscourt-Strathcona
 Councillor Ed Smith, Williamsville

Front Row (from left):

Councillor Leonore Foster, Pittsburgh
 Councillor George Stoparczyk, Trillium
 Councillor Sara Meers, Catarauqui
 Councillor Bittu George, Collins-Bayridge
 Councillor Beth Pater, Portsmouth
 Councillor George Beavis, Lakeside

It is the role of council to represent the public and to consider the well being and interests of the municipality, develop and evaluate the policies and programs of the municipality, determine which services the municipality provides, ensure that administrative practices and procedures are in place to implement the decisions of council, maintain the financial integrity of the municipality and to carry out the duties of council under the Municipal Act and other provincial legislation.



New in 2005 – Standing Committees

In 2005, five new Standing Committees have replaced the Committee of the Whole committee system. Each Standing Committee will debate and recommend issues to City Council. Standing Committees are associated with city departments. Committee of the Whole continues to function when required to allow the entire Council to be involved in debating particular topics and to make an overall recommendation to Council.

1. Corporate Services Committee – meets the fourth Tuesday of each month

The Corporate Services Committee deals with issues under the jurisdiction of the Commissioner of Corporate Services, including administrative matters within the department, audit, 211, Finance, Human Resources, Information Services, Council Support, Client Services and Legal Services. The committee also considers matters under the jurisdiction of the CAO, which include administrative matters, strategic initiatives, communications and Utilities (water, sewer and gas). The Commissioner of Corporate Services is Denis Leger. Councillors on the committee are: George Beavis, Rick Downes, Bittu George, Ed Smith and George Sutherland.

2. Operations Committee – meets the second Thursday of every month

The Operations Committee deals with issues related to the Operations Department, including transit, roads, solid waste, properties, fleet, parking airport, utilities (water sewer and gas) and bicycling. The Operations Department is represented at committee meetings by Mark Segsworth, Commissioner of Operations. Councillors on the committee are: Steve Garrison, Leonore Foster, Kevin George, Ed Smith and George Beavis.

3. Community Services Committee – meets the fourth Monday of each month

The Community Services Committee deals with issues related to the Community Services Department, including matters of policy on administration within the department (emergency planning, community grants, accessibility issues) social services, cultural services, housing, fire & rescue, and long-term care. The Community Services Department is represented at committee meetings by Commissioner Lance Thurston. Councillors on the committee are: Rick Downes, Beth Pater, Steve Garrison, Floyd Patterson and Sarah Meers

4. Planning and Development Services Committee – meets the second Wednesday of each month

In general, there is a standing committee for each of the City's four departments. However, Planning and Development Services Committee is one of two standing committees associated with the Planning Department (the other is the long-standing Planning Committee). Issues assigned to the Planning Committee include: Planning Fees, Downtown Action Plan, administrative matters within the department (Brownfield's), Building and Licensing, Building Plumbing, Inspections, Permits, Property Standards, Animal Control, General By-Law, School Crossing Guards, Environment (LEED) Conservation, Partners in Climate Protection, Engineering (Road Design, construction development, traffic - signs, lights, storm-water management, Environmental Assessments (EA's). The Planning Department is represented at Planning and Development Services Committee meetings by Commissioner Cynthia Beach. Councillors on the committee are: Bittu George, George Stoparczyk, Leonore Foster, Sara Meers and Floyd Patterson.

5. Planning Committee – meets the third Thursday of each month

The Planning Committee considers and reports to council on issues related to development applications and land use policy, such as: Zone Changes / Temporary Use By-Laws / Holding Zones, Official Plan Amendments, Plans of Subdivision / Condominium, Condominium conversion, Interim Control By-Laws, Site Plan Control, Housing Policies, Official Plan and Zoning Policies, Land Use Policies / Major Studies, such as the Urban Growth Strategy and Transportation Master Plan. Legislation governing most planning activities is the Planning Act. At times, there may be issues related to the Heritage Act, Condominium Act or Municipal Act.

Committees, Boards & Other Appointments

- Appeals Committee
- Cataraqui Region Conservation Authority (CRCA)
- CRCA - Lemoine Point Advisory Committee
- Committee Of Adjustment (Urban And Rural)
- Court Of Revision Committee
- Downtown Kingston Improvement Area (DBIA) Board Of Management
- Focus Kingston Steering Committee
- Kingston Access Bus (KAB)
- Kingston Community Memorial Centre Advisory Committee
- Kingston Economic Development Corporation (KEDCO)
- Kingston Environmental Advisory Forum (KEAF)
- Kingston, Frontenac, Lennox & Addington (KFL&A) Health Unit
- Kingston Frontenac Public Library Board
- Kingston & Frontenac Housing Corporation
- Kingston Non-Profit Housing Committee
- Kingston Police Services Board
- Municipal Heritage Advisory Committee (Lacac) Lvec Steering Committee
- Maclachlan Woodworking Museum Committee
- Milton Cemetery Board
- Pittsburgh Community Benefit Fund
- Plumbers & Electricians Licensing Examining Board
- Rural Affairs Advisory Committee (RAAC)
- Rural/Urban Liaison Committee (RULAC)
- Task Force to Review Services
- Taxi Commission
- 911 Management Committee

For more information on Boards and Commissions visit our city website:
www.cityofkingston.ca



A Message from Denis Leger

ACTING CHIEF ADMINISTRATIVE OFFICER



In late 2004, Council established strategic priorities and direction to initiate seven major projects during its term of office. These projects include:

1. upgrade for secondary treatment to the Ravensview Sewage Treatment Plant
2. construction of a large venue entertainment centre
3. construction of a multiplex community centre
4. widening of John Counter Boulevard to four lanes
5. refurbishment of the Grand Theatre
6. revitalization of the city's historic market square
7. acquisition of the K & P Trail

The City of Kingston's 2005 operating and capital budgets were prepared considering the resource requirements for:

- the seven major initiatives
- ongoing infrastructure rejuvenation and maintenance programs
- other works currently in progress
- levels of service established for delivery of the variety of municipal services provided in the City of Kingston

A multi-year operating budget strategy was introduced in 2004 to address the increasing public and development demands on the city's services and the resulting financial challenges. The emphasis of this strategy is on finding long term sustainable and affordable solutions to achieve a balanced budget, while providing services at acceptable levels. Inherent in this approach is a plan for regular and ongoing review of services and service levels, which includes consultation with stakeholders and the public.



2005 Operating Budget

The overall operating expenditure budget increased 3.2% from \$281M in 2004 to \$290M in 2005. Of this amount, the municipal utilities of gas, water and waste water, which are funded primarily from utility rates, total \$62M. The balance of \$228M, which is funded from property taxation, grants and other non tax revenues such as fees and charges, represents property tax supported services.

A net property taxation increase of \$8.5M, or approximately 6%, was required to balance the budget. The impact to individual taxpayers will vary by area due to the funding policies for the area rated services of fire and garbage. It is important to note that Council's commitment to putting a dedicated 1% increase per annum to the Municipal Capital Reserve Fund continues to be a budget priority and will provide much needed financing for the city's capital program in the long term.

In general, operating budget expenditure levels were held to below inflation, where possible, with departments meeting financial efficiency targets. Financial pressures continue in certain service areas including fire, police and the services delivered by Frontenac County, specifically land ambulance and Fairmount Home for the Aged, for which the city is the major financial contributor.

Over the past several years, the city has drawn on reserve funds to balance its budget. The plan is to reduce and eventually discontinue this practice over the next several years. In the 2005 budget, the reliance on reserve funds for balancing continues to be reduced in accordance with this strategy. In a recent development, the city lost significant revenue from the Province of Ontario with the introduction of the Ontario Municipal Partnership Fund (OMPF), which has replaced the Community Reinvestment Fund (CRF). The lost revenues amount to approximately \$3M and place upward pressure on property tax rates. As a result, the lost revenues are being phased into the budget over the next several years.

The benchmark the City of Kingston uses for evaluating overall tax, water and waste water as a percentage of the median household income level is The Municipal Study – 2004, as prepared by BMA Management Consulting Inc. Compared to the provincial municipal average, the City of Kingston has a high burden of property taxes and utility rates as a percentage of median household income. For Kingston, the ratio ranged from 5.3% in 2003 to 5.5% in both 2004 and 2005. This is generally not due to a high level of taxation or utility rates, but because Kingston residents have a much lower median household income, which is below the provincial municipal average. As part of the city's multi-year budget strategy, the target ratio is to remain below a 6% level. The city will continue to monitor this key measure and incorporate it into its strategic direction.



2005 Capital Budget

In 1999, Council committed to a long term strategy of contributing to capital reserves to develop sustainable financing solutions. In line with that strategy, the budget includes a 1% tax increase dedicated for capital purposes. This plan now provides a cumulative yearly contribution of 7%. The city plans to continue annual 1% increases for at least the next 10 years. The city's capital reserve fund balances have increased substantially since 1998 and have been a significant factor in our bond rating level improving from A to A⁺.

The 2005 capital budget focuses on developing long term financial plans to meet infrastructure replacement requirements and incorporates plans and strategies to achieve Council's seven major initiatives.

The municipal utility budgets are capital intensive, identifying the completion of some major infrastructure work. Over the next 10 years, there will be further planned major project initiatives, which will require capital grant financing in order to hold rate increases to acceptable levels.

Our strategic direction continues to focus on municipal priorities and efficient, effective and affordable service levels. Partnerships and financial arrangements between the federal, provincial and municipal governments will be necessary if the city is to develop sustainable financial plans to meet its infrastructure requirements. Council and staff are committed to pursuing such funding and partnership opportunities and are actively engaged in discussions and grant applications on an ongoing basis.

The Chief Administrative Officer assists Council on fiscal management and organizational and service challenges and is responsible for the general guidance of the City of Kingston. He/she is accountable to Council for departmental program delivery and the policy direction of the corporation.





Council received and adopted the following Corporate Mission, Vision and Values on June 17, 2003. They were created by a contingent of staff and members of council to achieve a common purpose and to define “what we are, what we believe and what we are striving to become in the future”.

Mission

To enhance the quality of life for present and future generations by providing progressive, professional services and leadership that reflects the needs of all those who work, live, visit or play in the City of Kingston.

Vision

We are a progressive, innovative corporation with satisfied citizens and employees. Our fiscal health enables us to update our infrastructure and grow our business community. We support a high quality of life for all of our citizens and they value the services we provide.

Values

T e a m w o r k

We are equally responsible to work together to achieve our common goals.

R e s p e c t

We treat others as we want to be treated.

I n t e g r i t y

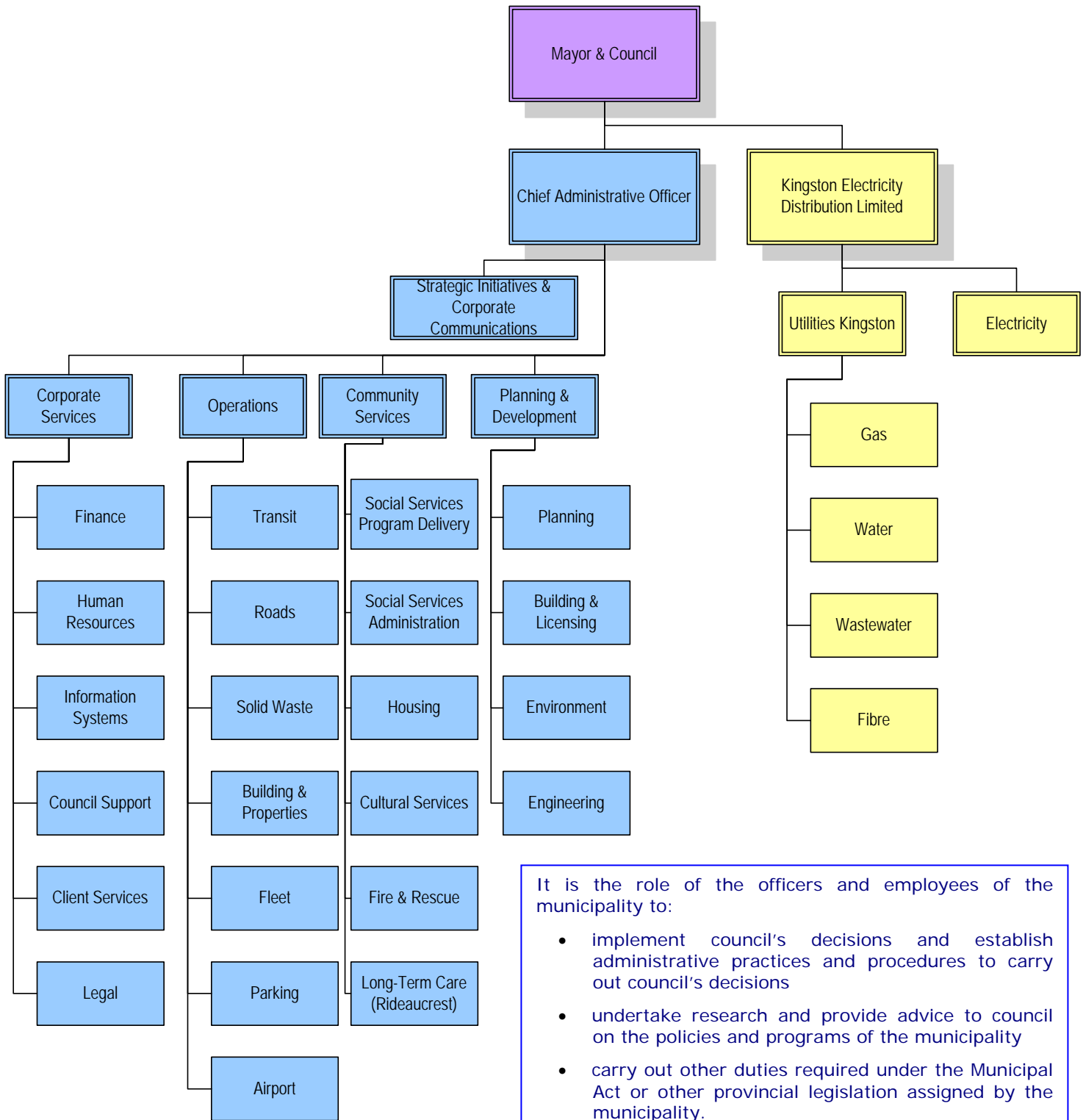
Through honesty and integrity we earn the trust of our peers and those we serve.

P r i d e

Our sense of accomplishment is achieved through our contribution to the community. We are recognized for the quality of our work.



City of Kingston Organizational Chart



It is the role of the officers and employees of the municipality to:

- implement council's decisions and establish administrative practices and procedures to carry out council's decisions
- undertake research and provide advice to council on the policies and programs of the municipality
- carry out other duties required under the Municipal Act or other provincial legislation assigned by the municipality.



2005 Budget Timetable

Budget Presentations, Deliberations & Adoption

Nov 1, 2004	Budget Overview, Utilities Kingston, Mayor and Council, CAO, Fiscal Services
Nov 2	Corporate Services
Nov 3	Planning & Development Services, Operations Services, KEDCO
Nov 8	KFP Library Board, County of Frontenac, KAS, DBIA
Nov 10	Kingston Police Services, KFL&A Health Unit, CRCA
Nov 11	2005 budget deliberation
Nov 16	Council meeting to pass the 2005 budget and by-laws
Nov 23	First and second reading of capital and operating budget by-laws
Nov 30	Third reading and approval of the 2005 capital and operating budget by-laws
Apr 19, 2005	2005 Operating budget amendments approved

Operating Budget By-law 04-340, as amended

\$290,127,042

Capital Budget By-law 04-341

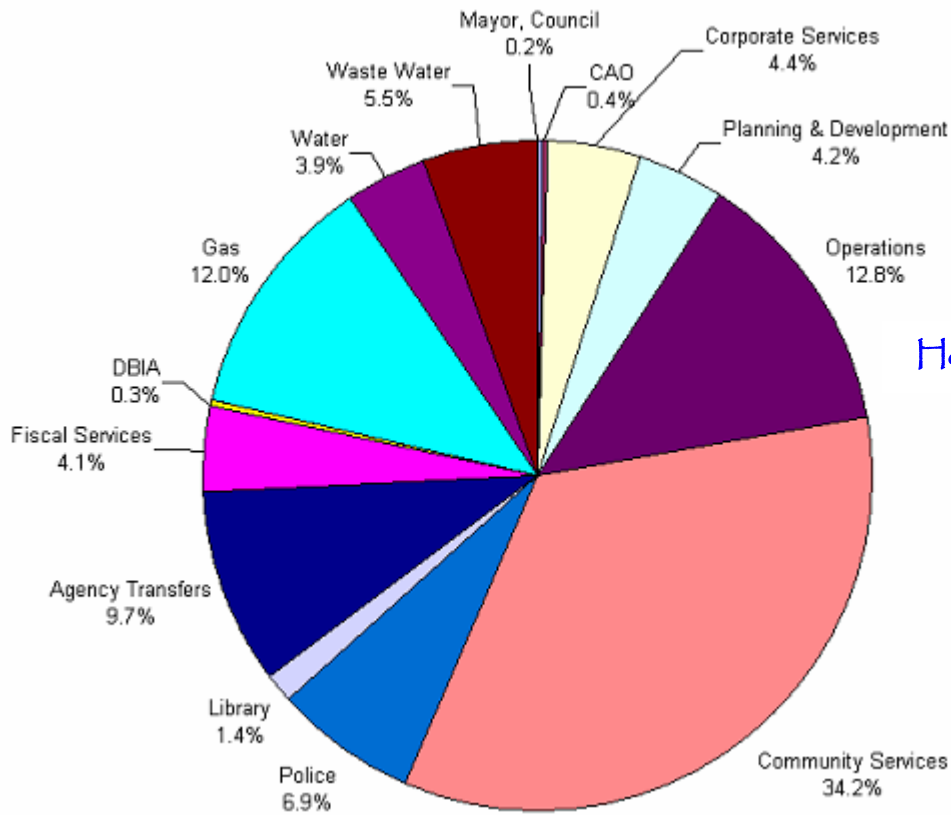
\$104,782,152



Operating Budget



2005 Operating Budget



How Is The Money Spent?

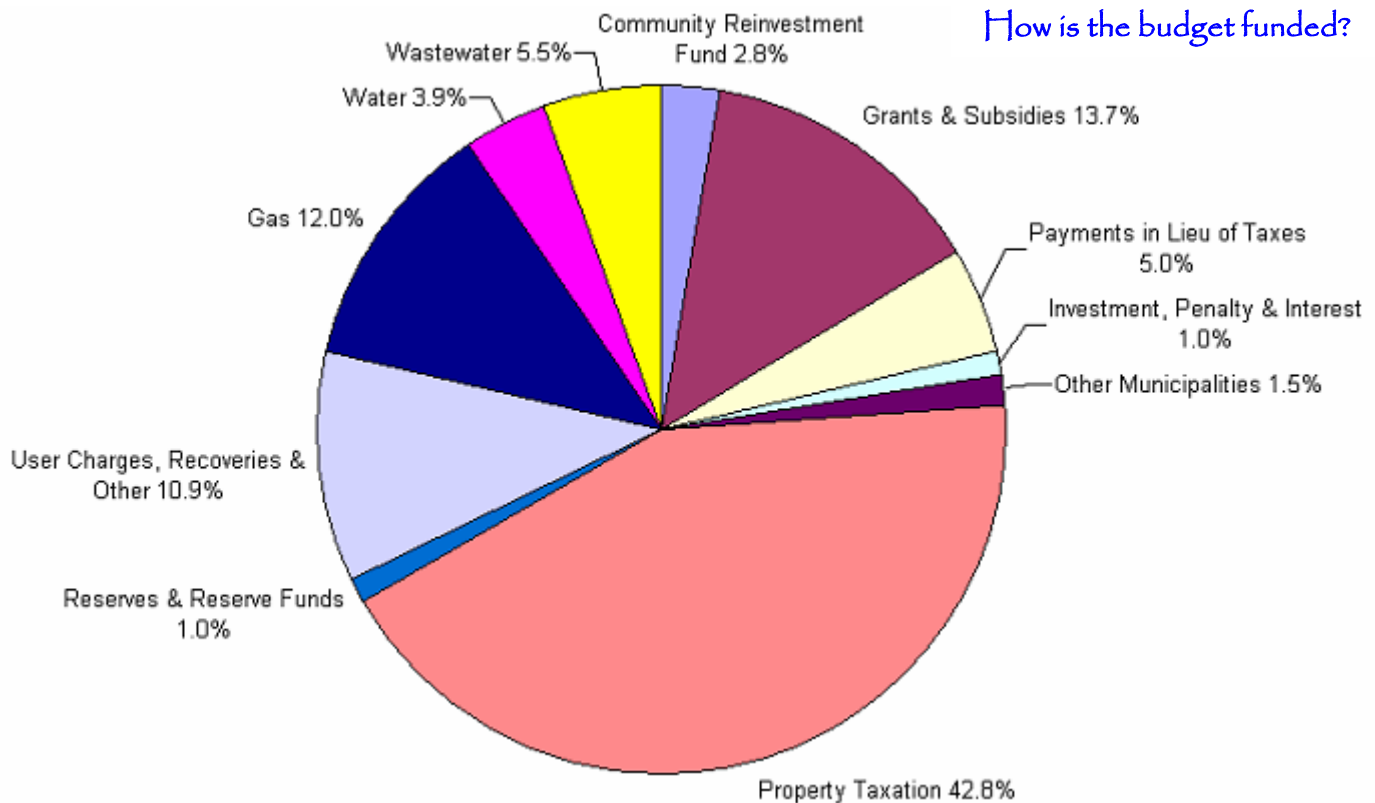
Gross Expenditures

Mayor, Council	\$ 607,983
CAO	1,218,132
Corporate Services	12,795,299
Planning & Development	12,233,157
Operations	37,366,371
Community Services	99,112,277
Police	20,110,080
Library	4,036,837
Agency Transfers	28,029,960
Fiscal Services	11,907,924
Downtown Business Association	916,450
Gas	34,770,547
Water	11,192,662
Waste Water	15,829,363
Total	290,127,042



2005 Operating Budget

How is the budget funded?



Gross Revenues

Ontario Municipal Partnership Fund	\$ 6,559,000
Grants & Subsidies	39,550,070
Payments in Lieu of Taxes	14,700,000
Investment, Penalty & Interest	2,850,000
Other Municipalities	4,439,411
Property Taxation	125,020,060
Reserves & Reserve Funds	3,886,998
User Charges, Recoveries & Other	31,328,931
Gas	34,770,547
Water	11,192,662
Wastewater	15,829,363
Total	290,127,042

Municipal Operations by Department & Division

	Gross Expenditure	Gross Revenue	Net Expenditure
MAYOR AND COUNCIL	\$ 607,983	\$ (3,037)	\$ 604,946
CAO	1,218,132	(190,153)	1,027,979
CORPORATE SERVICES			
Commissioner's Office	299,643	(15,330)	284,313
Finance Services	1,812,401	(643,119)	1,169,282
Human Resources	1,921,062	(184,701)	1,736,361
Information Systems	4,101,973	(1,184,487)	2,917,486
Council Support	1,643,817	(223,517)	1,420,300
Client Services	1,607,233	(767,350)	839,883
Legal Services	1,409,171	(1,393,936)	15,235
TOTAL CORPORATE SERVICES	12,795,299	(4,412,439)	8,382,860
OPERATIONS SERVICES			
Commissioner's Office	245,541	(0)	245,541
Airport	997,775	(792,064)	205,711
Properties	2,999,299	(1,579,147)	1,420,152
Fleet (Gross Expenditure less Recoveries)*	0	(0)	0
Parking	4,968,937	(4,968,937)	0
Transit	9,215,421	(3,949,520)	5,265,901
Solid Waste	9,861,447	(2,418,450)	7,442,997
Roads	9,077,951	(303,124)	8,774,827
TOTAL OPERATIONS SERVICES	37,366,371	(14,011,242)	23,355,129
COMMUNITY SERVICES			
Commissioner's Office	1,274,767	(125,000)	1,149,767
Social Services Admin.	5,875,224	(3,416,040)	2,459,184
Housing	13,082,475	(5,675,700)	7,406,775
Cultural Services	14,258,453	(6,770,742)	7,487,711
Long Term Care	14,638,357	(8,165,814)	6,472,543
Social Services Program Delivery	34,152,588	(27,410,470)	6,742,118
Fire & Rescue	15,830,413	(104,350)	15,726,063
TOTAL COMMUNITY SERVICES	99,112,277	(51,668,116)	47,444,162
PLANNING & DEVELOPMENT			
Commissioner's Office	523,967	(110,000)	413,967
Planning	1,402,993	(378,652)	1,024,341
Building Permits & By-law	2,490,627	(2,877,780)	(387,153)
Engineering	6,722,572	(219,319)	6,503,253
Environment	1,092,999	(96,406)	996,593
TOTAL PLANNING & DEVELOPMENT	12,233,157	(3,682,157)	8,551,000
AGENCY TRANSFERS	28,029,960	(1,745,002)	26,284,959
FISCAL SERVICES	11,907,924	(12,902,265)	(994,341)
DOWNTOWN BUSINESS ASSOCIATION	916,450	(891,450)	25,000
POLICE	20,110,080	(0)	20,110,080
LIBRARY	4,036,837	(0)	4,036,837
PROPERTY TAX SUPPORTED SERVICES	228,334,470	(89,505,861)	138,828,610
WATER	11,192,662	(11,192,662)	0
WASTEWATER	15,829,363	(15,829,363)	0
GAS	34,770,547	(34,770,547)	0
TOTAL GROSS EXPENDITURES	290,127,042		
TOTAL GROSS REVENUES		(151,298,433)	
TOTAL AMOUNTS TO BE RAISED BY TAXATION			138,828,610

* Fleet costs are fully allocated to divisions based on a charge out rate



Department of Corporate Services 2005 Highlights

D e n i s L e g e r , C o m m i s s i o n e r

The Corporate Services Department provides the primary administrative support services for the City of Kingston. These services include: Client Services, Council Support, Legal Services, Finance, Human Resources, and Information Systems. Corporate Services also provides administrative support to Utilities Kingston on a cost recovery basis.

Client Services Division

Marielle Laplante-Wheeler, Manager

The Client Services Division provides the first line of response for many municipal inquiries through the Municipal Call Centre (546-0000), and also administers the corporate telephone system and Electronic Services Delivery initiative. In 2005, the Client Services Division will continue to focus on strategies that will improve customer satisfaction and access to municipal services through a variety of channels.

Council Support Division

Carolyn Downs, Manager

The Council Support Division includes the Office of the City Clerk, and provides administration services to council and committees and records management services for the Corporation. Council Support retains all original by-laws enacted by City Council. The division is responsible for processing marriage, death and burial certificates (Vital Statistics). The review of records retention and management will be a renewed focus in 2005 as well as the implementation of the new governance model adopted by City Council.

Legal Services Division

Hal Linscott, Director

The Legal Services Division provides legal support for the Corporation and administers the provincial offences office for the Kingston area. The challenges for 2005 continue to focus on a multitude of issues including OMB hearings, interpretation of changing regulations, environmental issues and enhanced strategy of collection for long outstanding provincial offences fines.

Finance Services Division

Gerard Hunt, Manager

The Finance Division offers budgeting and financial planning, accounting and reporting, property taxation and revenue and purchasing services for the Corporation. In 2005, the Finance Division will continue to introduce financial strategies and policies intended to achieve the long term financial requirements of the city

Human Resources Division

Bill Bishop, Director

The Human Resources Division offers recruitment, training, employee and labour relations, workplace health and safety, employee wellness, salary administration/compensation and benefit management services. In 2005, the focus will centre on recruitment of CAO and 16 Career Firefighters, maintenance of internal equity salary/wage programs, preparation and commencement of collective bargaining with a number of employee groups, the development of an Attendance Management Program and Succession Planning Program, and increasing the functionality and roll-out of certain elements of our Human Resources/Payroll Management System.

Information Systems Division

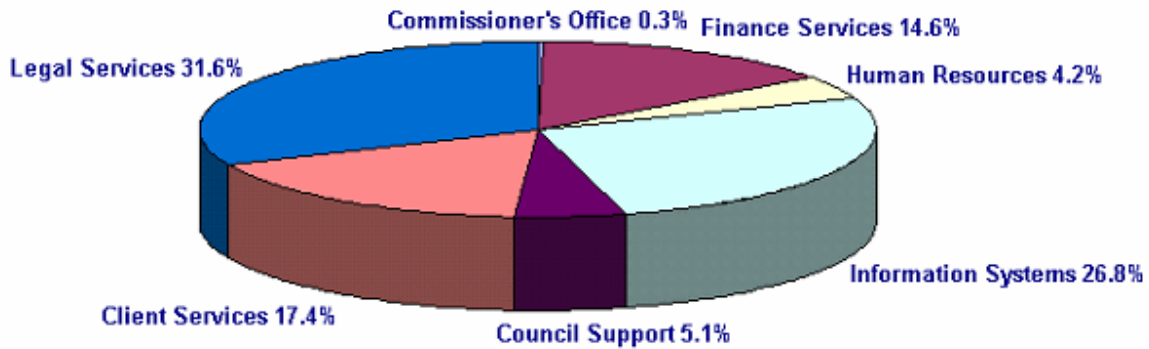
Jim DeHoop, Director

The Information Systems Division provides technology and systems support to all departments and divisions in the Corporation. A number of new applications are scheduled to be implemented or upgraded in 2005 as departments move to automate various aspects of their business, in particular, the Fire Services Computer Aided Dispatch (CAD) system and an integrated Enterprise Geographic Information System (GIS). Further development of the City's IT continuity and consolidated back-up/recovery programs will further enhance risk mitigation of IT assets and infrastructure.



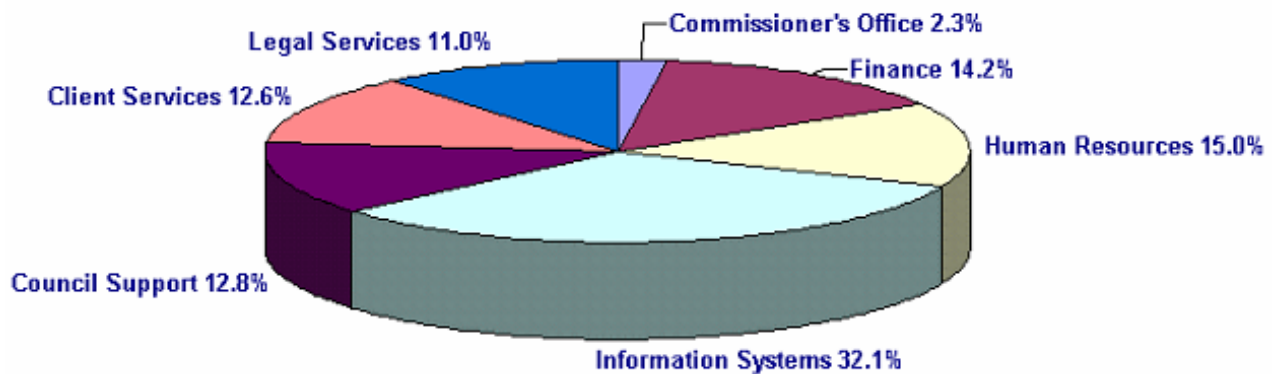
Corporate Services

Gross Revenues



Commissioner's Office	\$	15,330
Finance Services		643,119
Human Resources		184,701
Information Systems		1,184,487
Council Support		223,517
Client Services		767,350
Legal Services		1,393,936
Total		4,412,439

Gross Expenditures



Commissioner's Office	\$	299,643
Finance		1,812,401
Human Resources		1,921,062
Information Systems		4,101,973
Council Support		1,643,817
Client Services		1,607,233
Legal Services		1,409,171
Total		12,795,299

Department of Operations 2005 Highlights

Mark Segsworth, Commissioner

The Operations Department manages the following group of services: Solid Waste (Garbage and Recycling), Road and Street maintenance, Transit, Airport operations, Municipal properties, Corporate Fleet maintenance and Municipal Parking facilities. Plans are progressing to complete the rink as part of the Market Square Revitalization in 2005.

Solid Waste Division

John Giles, Manager

In 2005 the Solid Waste Division will continue preparing for Source Separated Organics collection and composting in order to work towards the provincial goal of diverting 60% of waste from landfill by 2008. By-laws will be rewritten in order to harmonize funding and levels of service in accordance with the requirements of the Municipal Act. Household Hazardous Waste disposal will be tendered. Recycling processing and collection will be tendered. Improvements at the Material Recovery Facility will be completed to increase efficiency

Roads Division

Damon Wells, Manager

With Winter Control activities consuming approximately half of the annual Operating Budget, continued improvement to winter operating procedures, will again be a major 2005 focus for the division. Winter Control "Contracted Services" terms and acquisition will be reviewed and updated. The completed Salt Management Plan will be recommended for acceptance as policy, and adherence to the SMP will require initiating changes to Winter Control operating procedures. A concerted ditching program, initiated in 2004, will continue through 2005, with long term drainage improvements being the goal. A GPS/GIS based sidewalk inspection program will be initiated, to help develop and plan a sidewalk maintenance program.

Airport Division

New Manager in 2005

After some review and re-evaluation of services, 2005 will see the hiring of a new Airport Manager. The Kingston Norman Rogers Airport will continue to focus on air transportation, security and necessary upgrades.

Properties Division

Barclay Mayhew, Manager

The Properties Division will continue to implement the recommendations of the Municipal Accommodations Plan. The service review has identified many issues with respect to ownership and leasing of city owned properties, which will help form the future direction of this division. There will be continuous upgrades to buildings, along with energy efficient lighting and new elevators in a number of our buildings.

Fleet Division

Robert Steele, Manager

The Fleet Division will work on fleet replacement standards and work to maximize the use of fleet equipment throughout the various divisions it services. The implementation of a maintenance management system will continue to be a priority.

Parking Division

Paula Nichols, Manager

The Parking Services Division continues to work on strategies adopted by council last year, including installation of Pay and Display. Work on signage and improved perimeter treatments at surface lots, particularly on Wellington Street and ongoing repairs at parking garages will continue. Other work includes involvement in a Transportation/Parking Demand study and defining Parking Enforcement Levels of Service.

Transit Division

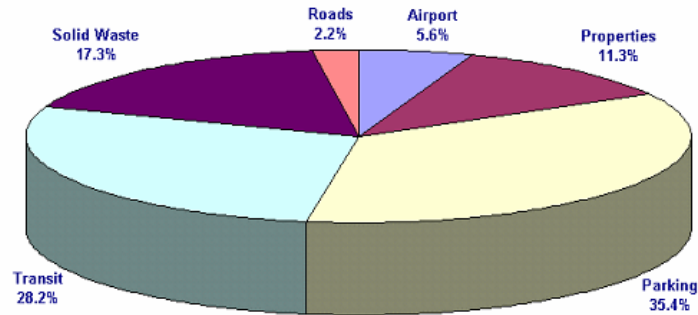
Malcolm Morris, Manager

2005 will see the Implementation of the Transit Five Year Business Plan. In addition, a new transit terminal will be completed this year at the newly redeveloped Kingston Centre.



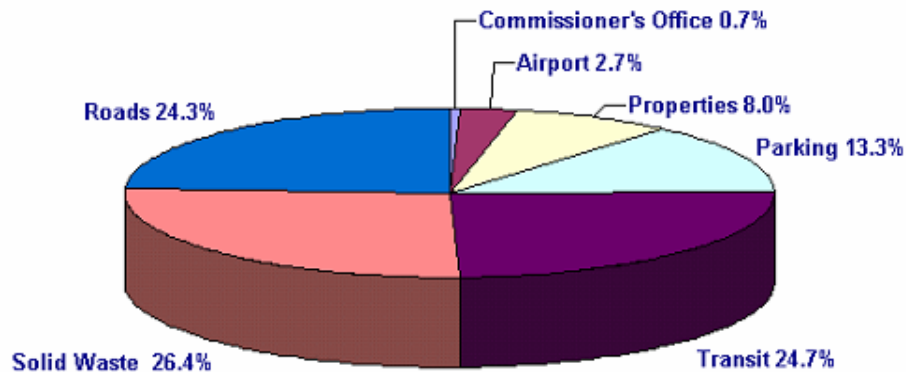
Department of Operations

Gross Revenues



Commissioner's Office	\$	0
Airport		792,064
Properties		1,579,147
Fleet *		0
Parking		4,968,937
Transit		3,949,520
Solid Waste		2,418,450
Roads		303,124
Total		14,011,242

Gross Expenditures



Commissioner's Office	\$	245,541
Airport		997,775
Properties		2,999,299
Fleet (Gross Expenditure Less Recovery) *		0
Parking		4,968,937
Transit		9,215,421
Solid Waste		9,861,447
Roads		9,077,951
Total		37,366,371

**Fleet costs are fully allocated to divisions based on a charge out rate*

Department of Community Services 2005 Highlights

Lance Thurston, Commissioner

The Community Services Department manages an array of people services including: fire & rescue, social housing, Ontario Works, child care, social services, arts and heritage, parks and open space, cemeteries, recreation and leisure services, long-term care, emergency management, accessibility, and community development.

Office of the Commissioner

The Office of the Commissioner will be busy working on a number of initiatives and projects, which include the development of a project plan and scope for the Multiplex Community Centre Project in consultation with the Steering Committee and Community Advisory Group, implementation of recommendations from the Year 2 Accessibility Plan and preparation of the Year 3 Plan, plans and initiatives to achieve the Community Emergency Management Enhanced Standards and Regulations, competing at the National level within the Communities in Bloom program and enhancing the Kingston program, organizing a successful Doors Open Kingston event and facilitating the Healthy Community Fund program. Work in the Review of Services and Internal Efficiencies initiatives continues.

Cultural Services Division

Ann Pappert, Manager

The Cultural Services division is in its full second year of operations after the former Culture and Recreation and Parks and Arenas were consolidated into one division in 2003. A significant amount of work will be done over the next 18 months in "getting our house in order" in terms of developing new administrative systems and governance along with establishing a new organizational culture. The Cultural Framework Strategy under Focus Kingston will continue with mapping existing cultural information, framing shared opportunities and identifying gaps and issues to address and define future cultural development. Major initiatives for 2005 include the Grand Theatre Restoration Project, K& P Trail and Lake Ontario Park.

Fire & Rescue Division

Harold Tulk, Chief

The Fire & Rescue Division will complete phase IV of the reorganization of fire services and will implement the service levels and initiatives as part of the final restructuring of Kingston Fire Rescue into one integrated composite fire service. 16 career firefighters and 30 volunteers will be hired in July 2005. The new Computer Aided Dispatch system will be implemented and the replacement of the radio system in conjunction with Police services will be a capital priority. A site for the training centre will be selected and plans for construction of the centre will move forward.

Housing Division

Greg Grange, Manager

For 2005 the Housing Division will continue implementation of an affordable housing strategy and initiate a new affordable housing project. Provincial benchmarking, performance indicators and best practices will be implemented for housing providers. An identification of new and/or additional local priorities will be undertaken for the Central Wait List for rent geared to income assistance. A new Service Manager Housing statement will be completed as required by the Social Housing Reform Act.

Long Term Care Division

Linda Peever, Administrator

After more than 30 years of dedicated service, long-time Administrator, John Smith retired in December 2004. Linda Peever joined the city as the new Administrator for Rideaucrest Home in January 2005. Rideaucrest is maintaining its current service model and has received full accreditation for 2004, 2005 and 2006. Preparation for the 2006 accreditation survey will begin in the fall. Staff is monitoring the status and implementing the anticipated Long Term Care Act. Administration continues in search of alternate financing methods and is working on its strategic plan. Compliance with Ministry of Health and Long Term Care standards continues to be a priority.

Social Services Division

Adele Lafrance, Manager, Administrative Services

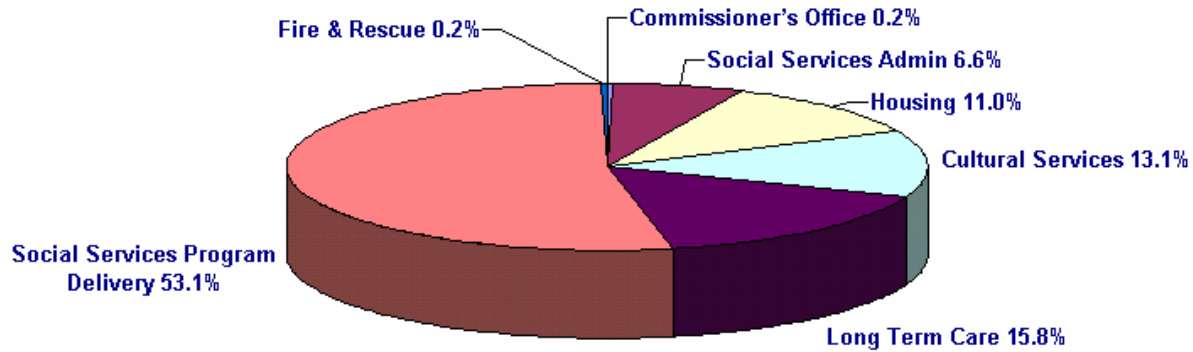
Tanie Steacy, Manager, Program Delivery

With the closure of the Central Intake Screening Unit in June 2005, Social Services will transition back to a one-stage Ontario Works application process and integrate it back into OW operations. Program development will occur for the transition of the Ontario Works Employment Assistance Program from a participation target framework to an Outcomes Measure based program. A dedicated homelessness coordinator will work on the development of a municipal Homelessness Plan. The implementation of the Kingston Frontenac Early Learning and Childcare Plan, which includes provision of fee subsidy for purpose of socialization and interaction, the piloting of local Early Learning, School Readiness initiatives and the revisiting of the local Wage Subsidy Policy. A Business Continuity Project will be undertaken to assess the Social Services operations and identify mission critical services in order to develop contingency plans for technology and other service disruption scenarios and recovery plans.



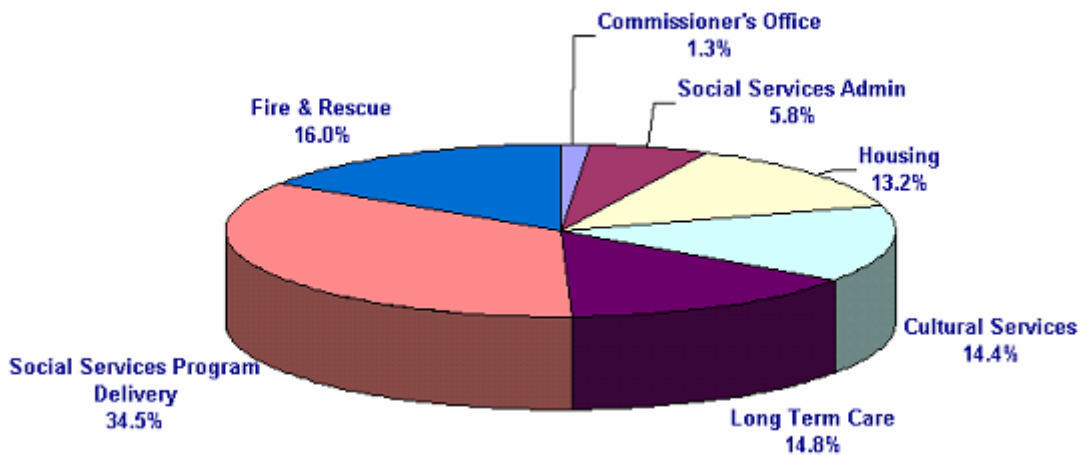
Community Services

Gross Revenues



Commissioner's Office	\$ 125,000
Social Services Admin	3,416,040
Housing	5,675,700
Cultural Services	6,770,742
Long Term Care	8,165,814
Social Services Program Delivery	27,410,470
Fire & Rescue	104,350
Total	\$51,668,116

Gross Expenditures



Commissioner's Office	\$ 1,274,767
Social Services Admin	5,875,224
Housing	13,082,475
Cultural Services	14,258,453
Long Term Care	14,638,357
Social Services Program Delivery	34,152,588
Fire & Rescue	15,830,413
Total	\$99,112,277

Department of Planning & Development 2005 Highlights

Cynthia Beach, Commissioner

The Planning & Development Services Department includes the following divisions: Engineering, Environment, Planning, Commissioner's Office and Building and Licensing.

Commissioner's Office

Joe Davis, Senior Project Manager

The Project Office lead the Brownfield's initiative to redevelop lands to facilitate clean up of properties and encourage growth within established areas of the City. The Project office continues to coordinate the implementation of the 911 enhanced system.

Environment Division

Paul MacLatchy, Manager

Management of the former Belle Park Landfill continues to be a focus for this division. Reduction of greenhouse gases, energy efficiency, municipal property remediation, coal tar investigation in the downtown area and storm water quality are managed by the Environment Division.

Building & Licensing Division

Terry Willing, Manager

A strong construction industry is projected for 2005. Proactive by-law enforcement activities will continue to improve property standards. Bill 124 takes affect on July 1 which will mean changes to the building approval process including the establishment of mandatory approval times for building permits. Major initiatives include recommendations to Council on a Business Registry system, property standards expanded to all urban areas of the City and the reconstruction of Market Square.

Engineering Division

Speros Kanellos, Manager

Major road reconstruction and initiation of the Centennial Drive extension, Taylor Kidd to Kingsdale, including the CN overpass. The division will proceed with environmental assessments on Counter Street widening and Wellington/mid block extensions.

Planning Division

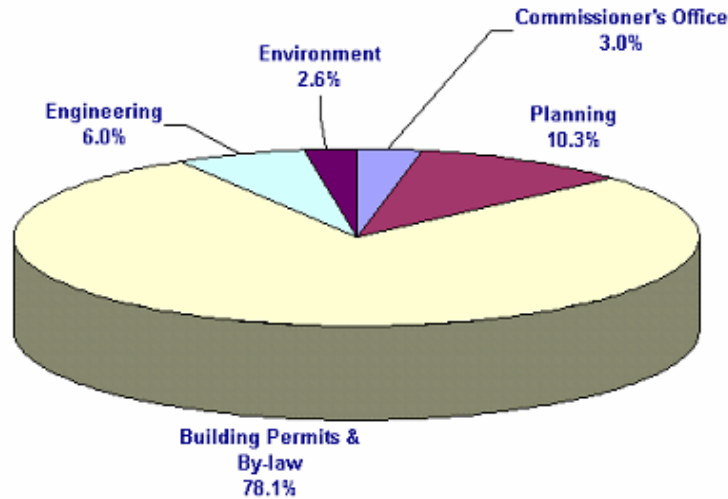
George Wallace, Manager

Planning supports the completion of a Community Improvement Plan for the implementations of the Brownfield's strategy. The Waterfront strategy, OP amendments to support the Urban Growth strategy, review of tree bylaw and Industrial Land review study are major projects in 2005. Development applications are expected to be high with a large number of private and public sector developments.



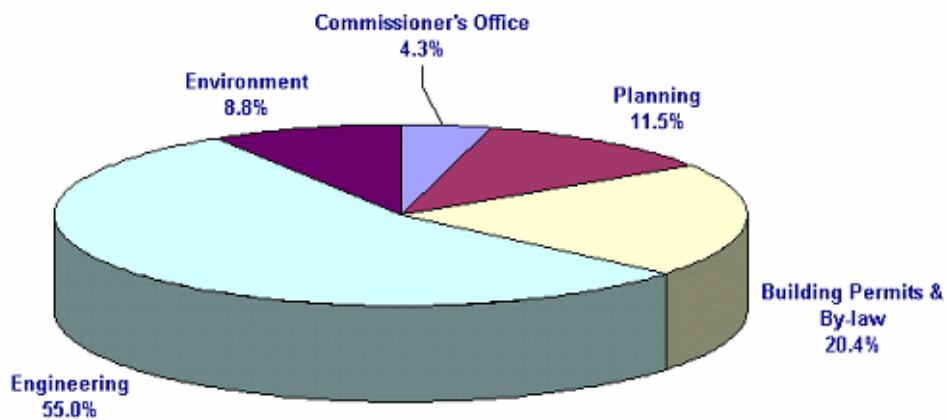
Planning & Development

Gross Revenues



Commissioner's Office	110,000
Planning	378,652
Building Permits & By-law	2,877,780
Engineering	219,319
Environment	96,406
Total	\$3,682,157

Gross Expenditures



Commissioner's Office	\$ 523,967
Planning	1,402,993
Building Permits & By-law	2,490,627
Engineering	6,722,572
Environment	1,092,999
Total	12,223,157

2005 Utility Budget Summary

	Hot Water Tank Program (Gas)	Gas	Water	Wastewater	<u>Total</u>
Operations					
Commodity charges		\$26,500,000			\$26,500,000
Cost of commodity sold		26,500,000			26,500,000
		0			0
OPERATING REVENUES					
Distribution revenues	\$1,106,500	7,100,000	\$10,980,572	\$15,149,438	34,336,510
Other revenues		64,047	212,090	679,925	956,062
subtotal	1,106,500	7,164,047	11,192,662	15,829,363	35,292,572
OPERATING EXPENSES					
Administration		1,160,574	1,636,557	1,395,159	4,192,290
Billing, Collection & Customer Service	301,982	838,190	1,429,011	1,497,938	4,067,121
Distribution		1,215,297	2,685,635	1,638,181	5,539,113
Pumping & Treatment			2,187,557	3,871,408	6,058,965
subtotal	301,982	3,214,060	7,938,760	8,402,686	19,857,489
	804,518	3,949,987	3,253,902	7,426,677	15,435,083
Surplus from operations		0	89,142	0	89,142
Principal and Interest		0	116,759	2,311,797	2,428,556
	804,518	3,949,987	3,048,001	5,114,880	12,917,386
Less:					
Contributions to reserve funds	804,518	2,449,987	3,048,001	5,114,880	11,417,386
Transfers to Municipal Capital Reserve		1,500,000			1,500,000
	0	0	0	0	0
Capital					
EXPENDITURE					
Current year's budget (net)	650,000	7,434,950	8,597,766	25,303,700	41,986,416
Carry-forward projects	0	329,652	13,098,800	19,066,275	32,494,727
	650,000	7,764,602	21,696,566	44,369,975	7,448,114
FINANCING					
Contribution from reserve funds	650,000	3,014,602	9,161,566	4,267,600	17,093,768
Impost Reserve Fund			9,330,000	4,478,375	13,808,375
Issuance of Long Term Debt		4,750,000	3,205,000	35,624,000	43,579,000
	650,000	7,764,602	21,696,566	44,369,975	74,481,143



2005 Utility Budget Highlights

Waste Water Capital Budget Summary (including carryovers) \$ 44,369,975

- ⇒ Annual renewal and replacement activity continue at a reduced level from past years as is the case in the water budget due to the requirement to complete larger scale projects.
- ⇒ In 2005 the design and tendering of documents for secondary treatment options and the expansion of capacity at Ravensview Sewage Treatment Plant will be completed. A total of \$8,500,000 is recommended for approval in 2005, with an additional \$90,000,000 anticipated for 2006, with construction completed by 2009.
- ⇒ Initiate remedial work of the North End Pumping Station and Trunk Sewer

Wastewater Operating Budget Summary

- ⇒ The wastewater operating budget shows an increase of 3.6% mainly due to general inflationary impacts.

Water Capital Budget Summary (including carryovers) \$ 21,696,566

- ⇒ Annual renewal and replacement activity will continue but at a much reduced rate from the past due to the requirement to complete larger scale projects.
- ⇒ Engineering Reports similar to those mandated following the Walkerton incident are required to be completed before the end of 2005
- ⇒ Continuation of the construction of a new elevated water tower at Creekford and Cloggs Road to alleviate pressure problems in this fast developing area of the city
- ⇒ Ongoing refurbishment of existing mains to reduce the need of complete main replacement where feasible
- ⇒ Initiation of the environmental assessment process to provide additional treatment capacity to the west end of the city
- ⇒ Numerous development driven impost funded projects are budgeted that will be contingent on development occurring

Water Operating Budget Summary

- ⇒ The water operating budget summary shows an increase of 5% mainly due to inflationary impacts and costs related to regulation requirements.

Gas Capital Budget Summary (including carryovers) \$ 7,434,950

- ⇒ Planning and engineering for the installation of a second High Pressure feed from Trans Canada's system into the city is nearing completion with anticipation of this project proceeding to construction in 2005. This will supply redundancy for the current single supply and needed additional capacity.
- ⇒ Steel gas mains will continue to be replaced where leak history indicate a requirement
- ⇒ New gas services are projected to decrease in 2005

Gas Operating Budget Summary

- ⇒ The Gas Operating budget is showing a 3% increase over 2004 for gas distribution purposes. This is attributed to general inflationary increases.

Gas Hot Water Tank Capital Budget Summary \$ 650,000

- ⇒ This is the projection for expenditures for the purchase and installation of new tanks.

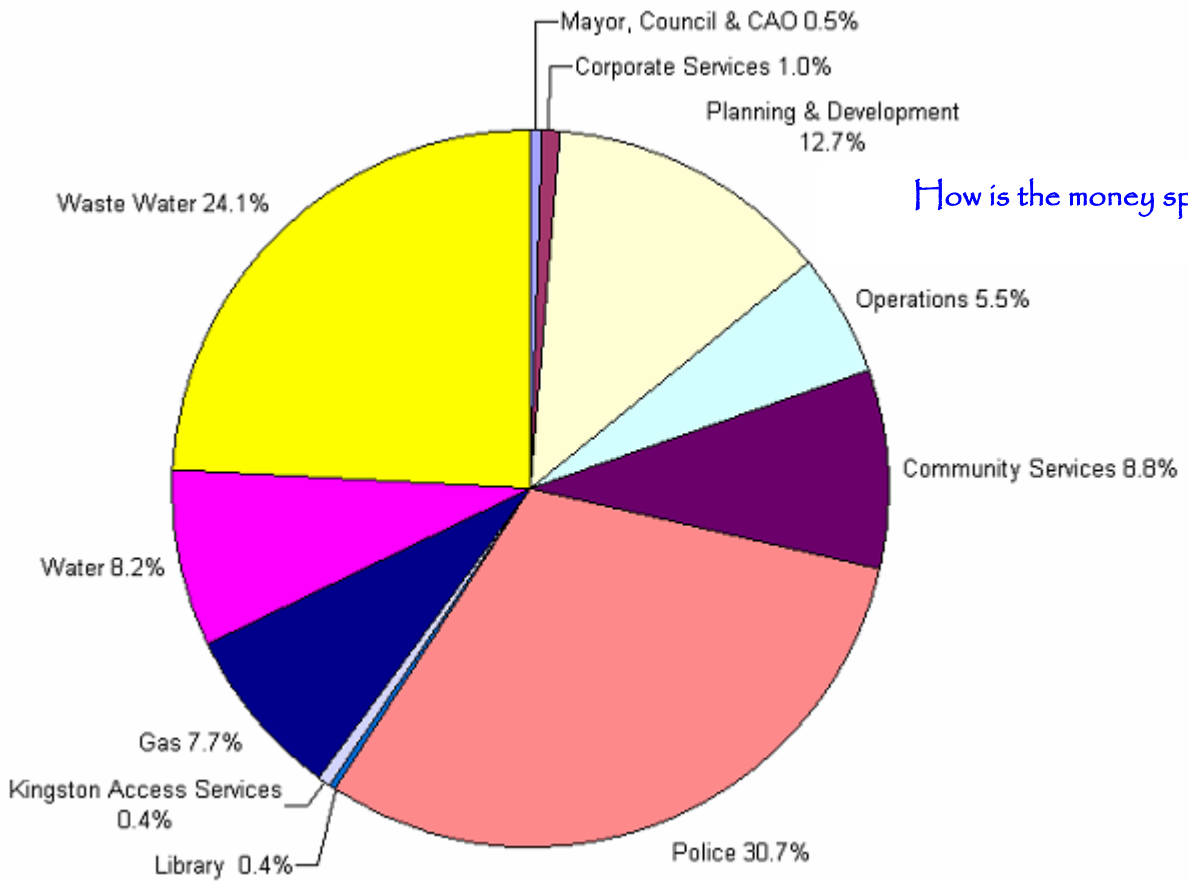
Gas Hot Water Tank Operating Budget Summary

- ⇒ Operating expenses are projected to increase by 3% due to inflationary pressures.

Capital Budget



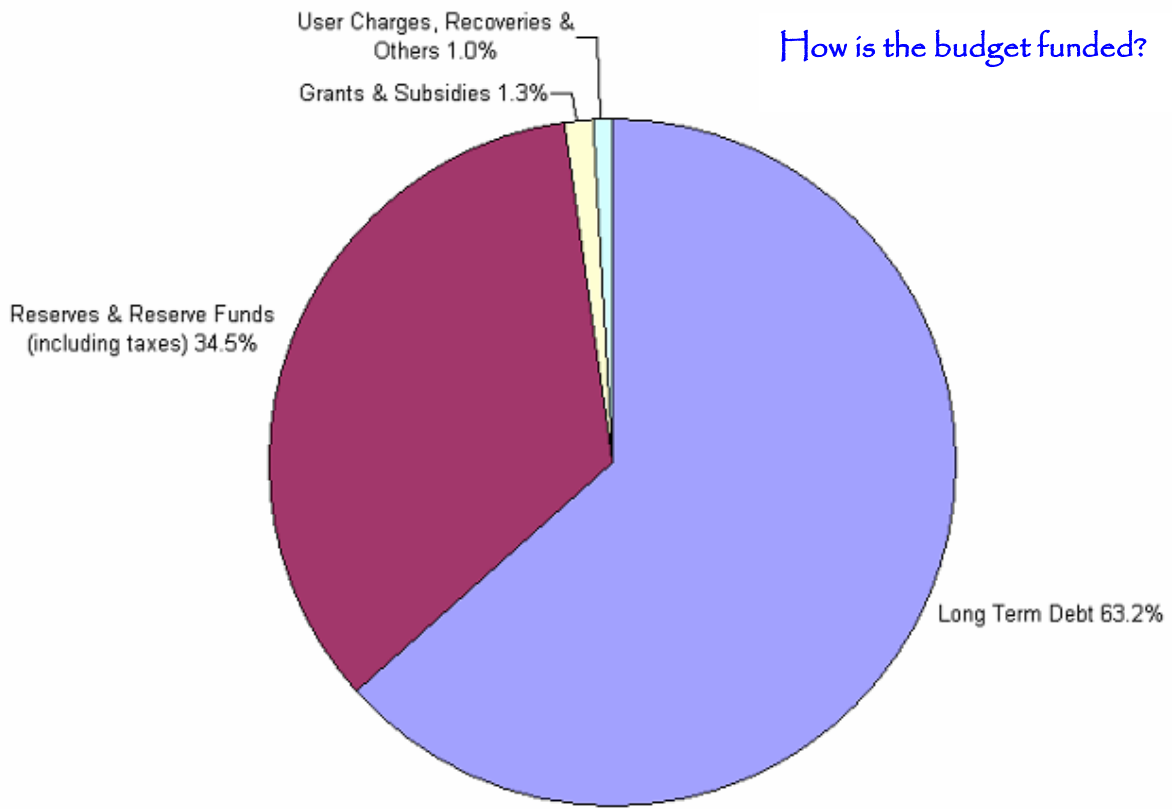
2005 Capital Budget



Gross Expenditures

Mayor, Council & CAO	\$ 500,000
Corporate Services	1,056,000
Planning & Development	13,288,187
Operations	5,809,849
Community Services	9,198,400
Police	32,163,300
Library	400,000
Kingston Access Services	380,000
Gas	8,084,950
Water	8,597,766
Waste Water	25,303,700
Total	104,782,152

2005 Capital Budget



Gross Revenues

Long Term Debt	\$ 66,270,000
Reserves & Reserve Funds	36,134,742
Grants & Subsidies	1,364,410
User Charges, Recoveries & Others	1,013,000
Total	104,782,152

Municipal Capital Project Listing

Department/Division

\$ Budget

MAYOR, COUNCIL & CAO

Projects Include:

Large Venue Entertainment Centre- preliminary studies

500,000

TOTAL

\$500,000

CORPORATE SERVICES

Human Resources

Projects Include:

PeopleSoft Functionality/Module Implementation

100,000

100,000

IS & GIS

Projects Include:

Network Management and Equipment

65,000

Data Centre/Backup Storage & Disaster Recovery

55,000

Geographic Information Systems

716,000

836,000

Council Support

Projects Include:

Colour Printer (Print Shop)

30,000

30,000

Client Services & Communications

Projects Include:

Electronic Services Delivery/Call Centre Integration

10,000

Corporate Phones – Disaster Recovery

80,000

90,000

TOTAL

\$1,556,000



Municipal Capital Project Listing

Department/Division

\$ Budget

OPERATIONS SERVICES

Transit

Projects Include:

Coin Sorting Equipment	25,000
Central Terminal	250,000
Transit bus and equipment replacement/refurbishing	1,073,212
Electronic Destination Signs	20,000
Transit Signal Priority Study	30,000
Transit Signal Priority Installations	50,000
Park and Ride Facility – Gardiners Road	70,000
	1,518,212

Roads

Projects Include:

Guide Rails (Study,Upgrades,New)	25,000
Downtown Improvements	20,000
CNR Mainline Fencing	33,000
Traffic Control Safety Upgrades	42,000
Salt Management Capital Plan	80,000
	200,000

Solid Waste

Projects Include:

Plastic perforator/mangler	35,000
Refuse Compactor for Material Recovery	30,000
Facility Compost Site Expansion	100,000
Source Separated Organics	1,140,000
	1,305,000

Properties

Projects Include:

610 Montreal Street	50,000
City Hall – Insulate Roof	100,000
City Hall – Restoration	250,000
City Hall – Truck	30,000
Court House – Elevator Upgrade	100,000
Court House – Fountain Repairs	125,000
Steam Museum – Front Brick Work	100,000
1211 John Counter Blvd. – Elevator Upgrade	80,000
	855,000

Fleet - Municipal

Projects Include:

Culture & Recreation equipment replacement	8,609
Permits/By-law equipment replacement	29,677
Fleet equipment replacement	54,139
Cultural Services equipment replacement	263,931
Streets equipment replacement	7,871
	364,227



Municipal Capital Project Listing

Department/Division

\$ Budget

OPERATIONS SERVICES CONTINUED

Fleet - Utilities

Projects Include:

Maintenance equipment replacement	10,454
Stores equipment replacement	90,051
Treatment equipment replacement	41,324
Underground equipment replacement	25,581
	167,410

Parking

Projects Include:

Chown Parking Garage	70,000
Hanson Parking Garage	57,000
Pay & Display Parking Meters	280,000
Surface Lots	33,000
Bicycle Racks	10,000
Computer Upgrade – Attended Lots	50,000
	500,000

Airport

Projects Include:

Purchase of Land	400,000
Install MALSR (ACAP)	500,000
	900,000

TOTAL

\$5,809,849



Municipal Capital Project Listing

Department/Division

\$ Budget

COMMUNITY SERVICES

Commissioner's Office

Projects Include:

Emergency Preparedness	100,000
Multi-Plex preliminary studies	25,000
	125,000

Social services - Administration

Projects Include:

CSB Technology Refresh	48,000
Postage Machine replacement	25,000
Business Continuity Plan	130,000
Emergency Generator	150,000
	353,000

Social services - Program Delivery

Projects Include:

Building Maintenance – Oakwood	25,000
	25,000

Fire

Projects Include:

Consolidate Training Centre	2,112,500
Extrication Equipment	30,000
S.C.B.A. Equipment	100,000
Hose replacement	46,000
Marine Emergency Unit	250,000
Communications Centre CAD System	130,000
Upgrade Holmatro Ext. Equipment	10,000
New Squad	400,000
New Pumper	200,000
1 New Tanker	300,000
Chevy Caprice U=9602-R	40,000
	3,618,500

Long Term Care

Projects Include:

Electric Beds	15,000
Patient Lifts	15,000
Computer Software & Handheld Units	20,000
Ventilation Upgrade	20,000
Homewide Flooring/Upgrade	15,000
Hot Water Tank Replacement (3)	12,750
Refurbishing/Equipment Program	63,750
Tub & Shower Replacement	15,000
Resident Rooms	15,000
Homewide Drapery Replacement	10,000
	201,500



Municipal Capital Project Listing

Department/Division

\$ Budget

COMMUNITY SERVICES CONTINUED

Cultural Services

Projects Include:

Leisure Facilities

Leo Lafleur Memorial Pool	20,000
Artillery Park Capital expenditure envelope	190,000

Marina Operations

Marine Post Div. Business Plan Ph 1	40,000
Upgrade Lighting	40,000
Dock Development	40,000
Docks	60,000
Reallocation of Shop to East Side	20,000
Portsmouth Olympic Harbour Bldg. (POHB) – Building	30,000
POHB – Renovate Lounges/Commercial Area Building Interior	15,000
POHB – Replacement of Roof Units – Upgrade Roof	100,000
POHB – Handicap Door Entr. Replacement	60,000
POHB – New Door Ent. Replacement	10,000
POHB – Overlay Asphalt	20,000

Parks

New Park Developments	823,900
New Trails Development	286,200
Open Space–Downtown Action Plan	195,900
Cash-in-lieu – small projects/acquisitions	155,000
Shoreline Erosion	505,000
Playground (existing) – Retrofit Program	100,000
Neighbourhood Park/Gardens Redevelopment	40,000
McBurney Park Redevelopment	60,500
Park Safety Lighting	50,000
Play Court Restoration	20,000
Parks Buildings	35,000
Lake Ontario Park Development	65,000
Monuments & Memorials Restoration	15,000
Green House	100,000
K&P Trail acquisition	300,000

Arenas

Cataraqui/Kinsmen	245,000
Centre 70	25,000
Cooks Brothers	85,000
Harold Harvey	45,000
Kingston Memorial Centre	385,000
Wally Elmer Arena	55,000

Planning & Project Administration

Cultural Management	215,000
Cultural Strategic Plan	350,000
Community Centre Study	33,900
Cemeteries	20,000
Health & Safety Overall Plan/Response	20,000

4,875,400

TOTAL COMMUNITY SERVICES

\$9,198,400



Municipal Capital Project Listing

Department/Division

\$ Budget

PLANNING & DEVELOPMENT

Planning

Projects Include:

Official Plan Consolidation	100,000
Agricultural Land Use Analysis	75,000
Waterfront Strategy	75,000
Regional Commercial Study Update	50,000
	300,000

Building & Licensing

Projects Include:

Permit Software BRRAG	30,000
	30,000

Environment

Projects Include:

Belle Island – Pilot Testing of Mgmt Options	75,000
Belle Island – Pumping System Maintenance	250,000
Belle Island – Solution Implementation	55,000
MacAdoo's Lane Landfill – care & maintenance	10,000
Partners in Climate Protection – One Ton Challenge	20,000
Partners in Climate Protection – Trade Winds Project	60,000
	470,000

Engineering

Projects Include:

Reconstruction*	2,440,000
Overlay*	1,000,000
Surface Treatment*	200,000
Storm Sewers*	686,997
Sidewalks & Pararamps*	150,000
New Sidewalks*	100,000
Downtown Revitalization*	900,000
Traffic Management General	400,000
Street Lighting	50,000
Bridges & Culverts	100,000
Storm Systems – Improvement – right-of-way	100,000
Traffic Calming Measures	40,000
Industrial Land Development	945,000
Growth Capital in Development Charges bylaw	5,376,000
	12,488,187

TOTAL

\$13,288,187

** all entries as one budget envelope*



Municipal Capital Project Listing

\$ Budget

POLICE

Projects Include:

Refresh Servers/Desktops/Audio/Notebook	50,000
Police Building	31,650,000
Replacement Vehicles	370,500
C216-Direct Entry	29,000
Digital Audio Recording Upgrade	46,000
Fleet Services Equipment	9,800
Communication Centre Office Equipment	8,000

TOTAL POLICE **\$32,163,300**

LIBRARY

Projects Include:

Facility Upgrades	400,000
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TOTAL LIBRARY **\$400,000**

KINGSTON ACCESS SERVICES

Projects Include:

Replacement of vehicles (4)	380,000
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TOTAL KINGSTON ACCESS SERVICES **\$380,000**



Gas Utility Capital Project Listing

Division	\$ Budget
<p>Regulation (Over 100 PSI)</p> <p>Projects Include: Construction</p>	6,200,000
<p>Regulation</p> <p>Projects Include: Equipment Upgrades Planning & Design</p>	65,000
<p>Distribution (IP)</p> <p>Projects Include: Steel Main Replacement New Main Extension</p>	302,500
<p>Metering (Meter and Regulation)</p> <p>Projects Include: Meters</p>	250,000
<p>Services</p> <p>Projects Include: New Services</p>	405,000
<p>Hot Water Rental Tanks</p> <p>Projects Include: Hot Water Rental Tanks</p>	650,000
<p>Construction & Office Equipment</p> <p>Projects Include: Construction Tools Office Equipment Office Renovations</p>	79,350
<p>Vehicles</p> <p>Projects Include: Vehicles</p>	600
<p>Utilities Business Systems</p> <p>Projects Include: Business Systems SCADA Records Management Systems Hardware</p>	132,500
Total	\$8,084,950



Water Utility Capital Project Listing

Division	\$ Budget
<p>Treatment</p> <p>Projects Include: Planning/Design Equipment Upgrades</p>	1,139,225
<p>Booster Stations</p> <p>Projects Include: Construction</p>	750,000
<p>Trunk Mains</p> <p>Projects Include: Planning/Design Construction</p>	2,985,000
<p>Main & Lateral Renewal</p> <p>Projects Include: Various Road Reconstruction jobs Downtown Action Plan Defective/Undersized Replacement Lining, Bursting, Cathodic Protection</p>	2,597,691
<p>Meters</p> <p>Projects Include: Aged Water Meter Replacement Program Meters</p>	150,000
<p>Storage</p> <p>Projects Include: Construction Equipment Upgrades</p>	717,000
<p>Infrastructure Planning</p> <p>Projects Include: Capacity Analysis/Modeling Development Activities</p>	123,800
<p>Construction & Office Equipment</p> <p>Projects Include: Tools and Radio Equipment Office Equipment Office Renovations</p>	95,750
<p>Vehicles</p> <p>Projects Include: Vehicles</p>	1,800
<p>Utilities Business Systems</p> <p>Projects Include: Records Management Hardware</p>	37,500
Total	\$8,597,766



Wastewater Utility Capital Project Listing

Division	\$ Budget
Treatment	8,604,000
Projects Include: Construction Equipment Upgrades	
Lift Stations	990,000
Projects Include: Planning & Design Construction Equipment Upgrades	
Trunk Waste Waters	13,375,000
Projects Include: Construction Maintenance & Remediation Extraneous Flow Reduction Catarauqui River Crossing	
Meters	150,000
Projects Include: Aged Water Meter Replacement Program Meters & Water Equipment	
Main & Lateral Renewal	1,630,000
Projects Include: Various Road Reconstruction Jobs Downtown Action Plan Defective Replacement	
Infrastructure Planning	373,800
Projects Include: Capacity Analysis/Modeling Development Activities Bio Solids Implementation Plan	
Construction & Office Equipment	88,600
Projects Include: Tools and Radio Equipment Flow Monitoring Equipment Camera Inspection Equipment Office Equipment Office Renovations	
Vehicles	1,800
Projects Include: Vehicles	
Utilities Business Systems	90,500
Projects Include: SCADA Records Management Systems Hardware	
Total	\$25,303,700



Debt Management

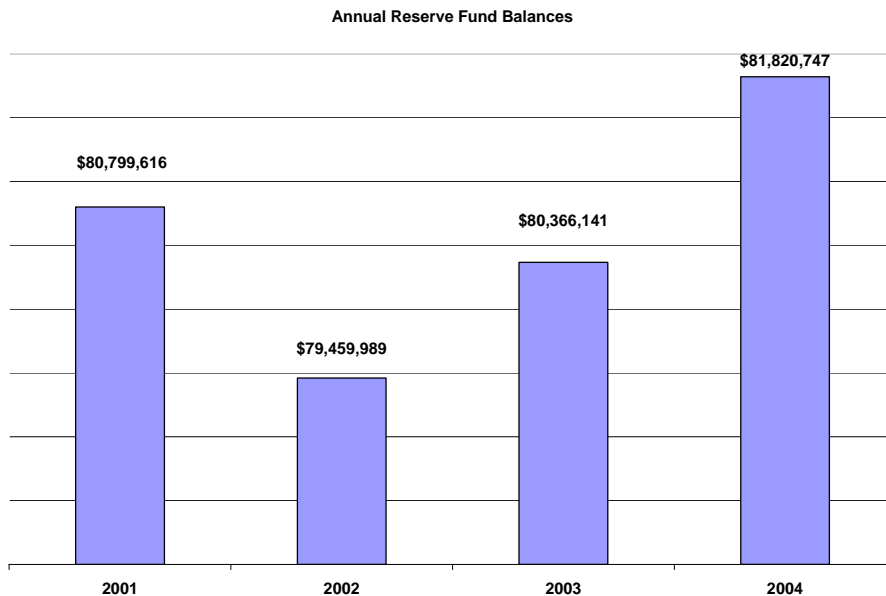


Reserves and Reserve Funds

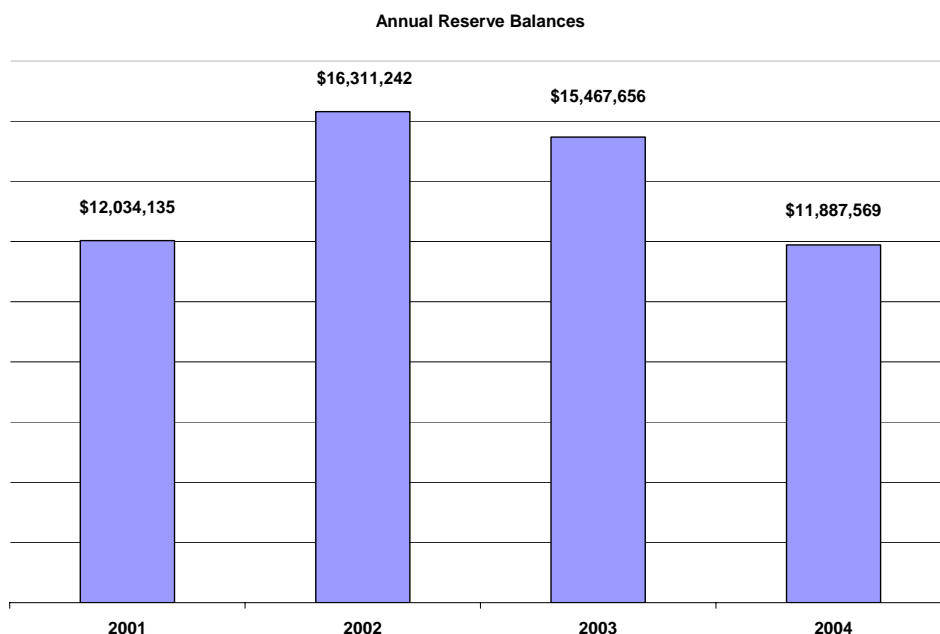
Reserves and Reserve Funds are established to fund future operating and capital expenditures, long-term liabilities, special projects, working capital requirements and to stabilize taxation and other rates. There are two kinds of reserve funds:

Obligatory Reserve Funds are established by law, accounted for separately and are earmarked for the purposes set out in Ontario Legislation such as the *Development Charges Act*, the *Planning Act* and the *Municipal Act*.

Discretionary Reserve Funds represent earmarked funds, contained in a consolidated Reserve Fund bank account and established at the discretion of council for specified purposes.



Reserves are not physically segregated in separate bank accounts like Reserve Funds but are accumulated net revenue, earmarked for specified purposes, in the general operating fund of the municipality.



Municipal Debt Limit Calculation

Every year, the MMAH determines the municipality's Annual Debt Repayment Limit under Ontario Regulation 799/94, based on the previous year's Financial Information Return (FIR).

The following table reflects council-approved long-term debt financing by year to 2004, less debenture issues and adjustments for debt amounts no longer required. These adjustments generally result from project closures approved by council in the quarterly capital reporting practices. The city has approved a total of \$126.28M in debt of which \$66.68M in debentures have been issued and \$3.08M has been adjusted in closures leaving a balance of \$56.52M yet to be issued. Of this amount, \$27.06M is related to OSIFA financing and \$29.46M to municipal debentures. During the period 1998-2004, the municipality has retired principal of approximately \$40.00M.

Debentures (Approved Not Yet Issued)	\$M	\$M
1997 and Prior Year's Approved Debt Levels		\$ 3.00
1998 Approved Debt – Municipal		9.61
1999 Approved Debt Municipal Utilities	16.28 6.24	22.52
2000 Approved Debt Municipal Utilities	6.97 3.69	10.66
2001 Approved Debt Municipal (.7 CRF amendment) Utilities	8.24 2.54	10.78
2002 Approved Debt (including amendments) Municipal (10.55 + 1.9 amendments) Utilities (1.35 + 3.75 amendments)	12.45 5.10	17.55
2003 Approved Debt (including amendments) Municipal Utilities	12.35 23.75	36.10
2004 Approved Debt (including amendments) Municipal Utilities	14.82 1.24	16.06
Total Approved Debt		\$126.28
Less the 1999, 2000, 2001, 2002, 2003 and 2004 Debentures		(66.68)
Total Approved Debt – Not Yet Issued		\$59.60
Less Amount Not Required		(3.08)
Total Approved Debt – Not Yet Issued (Revised)		\$56.52

Municipal Debt Limit Calculation

The determination of the Annual Repayment Limit for the City of Kingston is for January 1, 2005, and is based on the 2003 Financial Information Return as prepared by the municipality. The Annual Repayment Limit is then adjusted by the treasurer to reflect financial commitments and/or discharges that occurred in 2004 and which ultimately impacts on the January 1, 2005 adjusted Annual Debt Repayment Limit.

It should be noted that the treasurer's adjustments utilize an assumption that municipal debenture issues will be at an effective rate of 6.00% for a period of 10 years and OSIFA issues will be at an average of 5% for 20 to 30 years.

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City of Kingston 'A+' Ratings Affirmed On Stable Economy; Outlook Stable

Credit Analysts: Nikola Swann, Toronto (1) 416-507-2582; Suleman Souleyman, Toronto (1) 416-507-2514

TORONTO (Standard & Poor's) Sept. 28, 2004--Standard & Poor's Ratings Services today said it affirmed its 'A+' issuer credit and senior unsecured debt ratings on the City of Kingston, in the Province of Ontario. The outlook is stable.

"The ratings on Kingston reflect the city's very low current debt burden, its high level of liquidity, and an exceptionally stable economy," said Standard & Poor's credit analyst Nikola Swann. The city's significant near-, medium-, and long-term capital expenditure plans and the effects these plans could have on debt burden and liquidity; its relatively low financial flexibility; and its average economic performance constrain the ratings.

Kingston's current debt burden is low, while current liquidity is strong. Direct debt to operating revenue (Standard & Poor's adjusted) was only 27% in 2003, while Kingston's cash and liquid investment holdings were sufficient to make the city a slight net creditor. The city's debt burden is set to increase, however, and its level of liquidity to decrease, as Kingston makes repairs and renovations to key municipal infrastructure, which include substantial work on the city's roads and water and sewer system, and the expansion and enhancement of its sewage treatment plant. Although some senior government funding has been obtained, these projects are nevertheless expected to use large portions of the city's resources in the coming years, which will limit financial flexibility.

The city's economic performance is average, although it is exceptionally stable due to a variety of significant and very well-established public sector employers, and to reasonable diversification among private sector employers.

The outlook reflects Standard & Poor's expectation that Kingston will constrain its quickly increasing debt burden to levels at or near those currently expected as it progresses through its current capital expenditure plans, that adequate liquidity will be maintained, and that the city's budgetary performance and economy will not change greatly during this time. Standard & Poor's will nevertheless watch for signs of strain on the city's finances in the event of unexpected difficulties with these plans.

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

This report was reproduced from Standard & Poor's RatingsDirect, the premier source of real-time, Web-based credit ratings and research from an organization that has been a leader in objective credit analysis for more than 140 years. To preview this dynamic on-line product, visit our

2005 Taxation Revenue Summaries & Schedules



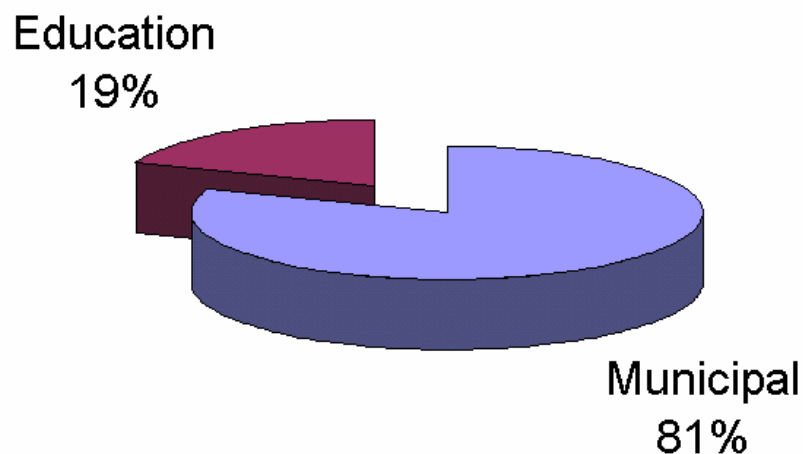
Average Residential Tax by Area

The following table is a comparison between 2004 and 2005 residential tax bills calculated for an average home assessed at \$181,226.

<u>RESIDENTIAL BILL COMPARISON</u>	2004 ASSESSMENT = \$181,226			2005 ASSESSMENT = \$181,226		
	CENTRAL	WEST	EAST	CENTRAL	WEST	EAST
TAXATION						
General	\$1,764	\$1,764	\$1,764	\$1,903	\$1,903	\$1,903
Fire	374	180	251	\$410	\$183	\$181
Garbage	79	98	79	\$82	\$102	\$82
MUNICIPAL TOTAL	\$2,217	\$2,042	\$2,094	\$2,395	\$2,188	\$2,166
Education	536	536	536	\$536	536	536
TAX TOTAL	\$2,753	\$2,578	\$2,630	\$2,931	\$2,724	\$2,702
				% increase		
				6.4%	5.6%	2.7%

What Makes Up the Property Tax Bill?

The Property Tax Bill is generally made up of two main components in the approximate proportions noted below:



Education Taxes

The tax rate is set by the Province of Ontario and is billed and collected by the municipality. These levies are remitted to your local school board.

Municipal Taxes

The tax rate for your municipal services is based on council's adoption of the annual budget. The total expenditures relate to a variety of services provided by the city. Revenues from provincial grants, user fees and other sources have been deducted from the total expenditures, resulting in an amount to be raised through municipal taxation.

2005 TAX RATE SCHEDULE

		Kingston Central	Kingston West	Kingston East	
1	Residential	Municipal	0.0104983	0.0104983	0.0104983
	RT	Fire	0.0022617	0.0010105	0.0009967
	Ratio = 1.000000	Garbage	0.0004534	\$ 101.50*	0.0004534
		Education ♦	0.0029600	0.0029600	0.0029600
		Total	0.0161734	0.0144688	0.0149084
2	New Multi Residential	Municipal	0.0104983	0.0104983	0.0104983
	NT	Fire	0.0022617	0.0010105	0.0009967
	Ratio = 1.000000	Garbage	0.0004534	\$ 101.50*	0.0004534
		Education ♦	0.0029600	0.0029600	0.0029600
		Total	0.0161734	0.0144688	0.0149084
3	Multi Residential	Municipal	0.0279539	0.0279539	0.0279539
	MT	Fire	0.0060222	0.0026906	0.0026538
	Ratio = 2.662704	Garbage	0.0012072	\$ 101.50*	0.0012072
		Education ♦	0.0029600	0.0029600	0.0029600
		Total	0.0381433	0.0336045	0.0347749
4. a)	Commercial Occupied (100%)	Municipal	0.0195987	0.0195987	0.0195987
	CTN, DTN, GTN, STN, CH	Fire	0.0042222	0.0018864	0.0018606
	Ratio = 1.866847	Garbage	0.0008464	-	0.0008464
		Education ♦	0.0212424	0.0212424	0.0212424
		Total	0.0459097	0.0427275	0.0435481
4. b)	Commercial Vacant (70%)	Municipal	0.0137191	0.0137191	0.0137191
	CUN, CXN, DUN, SUN	Fire	0.0029555	0.0013205	0.0013024
	Ratio = 1.866847	Garbage	0.0005925	-	0.0005925
		Education ♦	0.0148697	0.0148697	0.0148697
		Total	0.0321368	0.0299093	0.0304837
5. a)	Industrial Occupied (100%)	Municipal	0.0276105	0.0276105	0.0276105
	ITN, LTN, IH	Fire	0.0059482	0.0026575	0.0026212
	Ratio = 2.63000	Garbage	0.0011924	-	0.0011924
		Education ♦	0.0300898	0.0300898	0.0300898
		Total	0.0648409	0.0603578	0.0615139
5. b)	Industrial Vacant (65%)	Municipal	0.0179468	0.0179468	0.0179468
	IUN, IXN, LUN, IK	Fire	0.0038663	0.0017274	0.0017038
	Ratio = 2.63000	Garbage	0.0007751	-	0.0007751
		Education ♦	0.0195584	0.0195584	0.0195584
		Total	0.0421466	0.0392326	0.0399841
6	Farm/Industrial Farmland AD	Municipal	0.0026246	0.0026246	0.0026246
	FT, I1	Fire	0.0005654	0.0002526	0.0002492
	Ratio = 0.25000	Garbage	0.0001133	-	0.0001133
		Education ♦	0.0007400	0.0007400	0.0007400
		Total	0.0040433	0.0036172	0.0037271
7	Managed Forest	Municipal	0.0026246	0.0026246	0.0026246
	TT	Fire	0.0005654	0.0002526	0.0002492
	Ratio = 0.25000	Garbage	0.0001133	-	0.0001133
		Education ♦	0.0007400	0.0007400	0.0007400
		Total	0.0040433	0.0036172	0.0037271
8	Pipeline	Municipal	0.0106791	0.0106791	0.0106791
	PTN	Fire	0.0023006	0.0010279	0.0010138
	Ratio = 1.017222	Garbage	0.0004612	-	0.0004612
		Education ♦	0.0182014	0.0182014	0.0182014
		Total	0.0316423	0.0299084	0.0303555

* PER RESIDENTIAL UNIT

♦ Education rate has been set by Provincial Regulation 0.Reg.400/98 as amended (truncated to 7 decimals)

2005 Taxation and PIL Revenue Summary

TAXATION

GENERAL

Residential/Farm	64,208,421
New Multi-Residential	122,190
Multi-Residential	13,964,481
Commercial	20,884,411
Industrial	2,675,331
Farmland	87,122
Industrial Farmland Awaiting Development	1,628
Managed Forest	3,189
Pipeline	355,774
	102,302,547

FIRE

Central	10,650,362
West	4,163,441
East	912,260
	15,726,063

GARBAGE

Central	2,135,012
West	1,800,000
East	414,988
	4,350,000

SUPPLEMENTARY TAXATION

All Purposes	1,050,000
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TOTAL TAXATION

123,428,610

OTHER TAXATION RELATED ITEMS

Payments in Lieu of Taxes & Exempt Garbage	15,300,000
Special Charges	100,000
Write-Offs	(1,020,000)
	14,380,000

TOTAL OTHER TAXATION

14,380,000



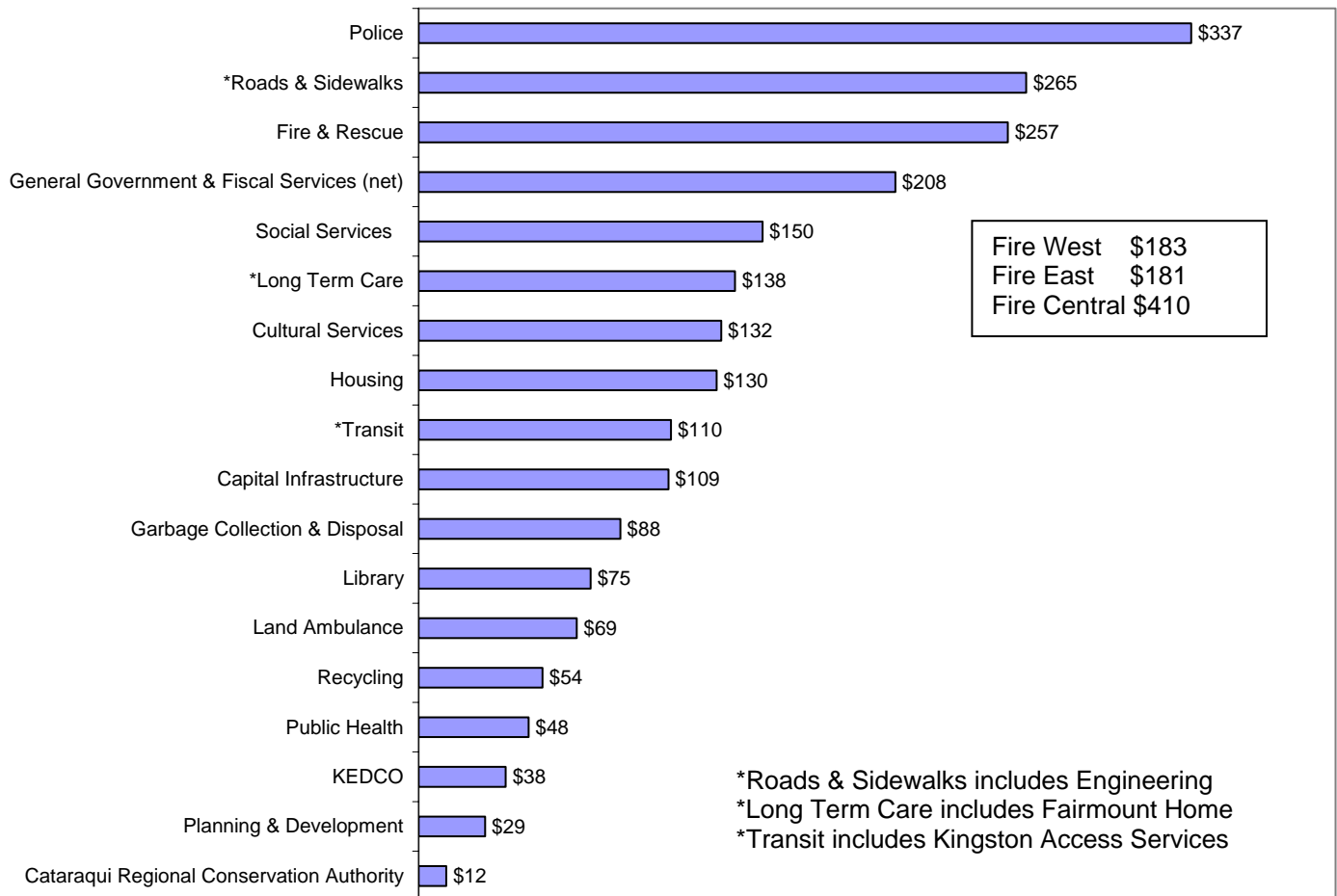
2005 Tax Classes, Tax Ratios & Vacancy Rebates

TAX RATIO	DESCRIPTION	VACANCY FACTOR
1.000000	Residential	100%
1.000000	New Multi Residential	100%
2.662704	Multi Residential	100%
1.866847	Commercial - (100%)	100%
1.866847	Commercial - Excess & Vacant Land(70%)	70%
3.204133	Industrial - (100%)	100%
3.204133	Industrial - Excess & Vacant Land (65%)	65%
0.250000	Farmland	100%
0.250000	Managed Forest	100%
0.250000	Farmland Awaiting Development	100%
1.017222	Pipeline	100%



How are my tax dollars used by the municipality?

The following example is based on a \$181,226 market value property using the total average taxes paid. It is important to remember that Fire and Garbage rates differ by area within the municipality. As a result, averages are used to provide a consistent base for explanation purposes.



Based on a home with an assessed value of \$181,226, the average taxpayer would pay \$2,785. Of this amount, 19% or \$536 represents Education taxes. The remaining 81% or \$2,249 is used for municipal services. The total of the services in the above graph equals \$2,249.



Description of Municipal Services

		2004	
<i>ATD = Average Tax Dollar</i>			
Service	Description	ATD	%
General Government & Fiscal Services (net)	CAO, Strategic Initiatives & Communications, Corporate Services, Client Services, Council Support, Finance, Human Resources, Information Systems, Legal and Municipal Buildings & Properties. Also includes unallocated net revenue, such as investment and bank interest, Community Reinvestment Fund, and contribution to/from reserve funds that may be allocated at a later date.	208	10
Transit	Provision of conventional transit services as well as the financial support to Kingston Access Bus for services to citizens who are mobility impaired	110	5
Garbage Collection & Disposal	Garbage collection and disposal services	88	3
Recycling	Recycling collection and processing, yard waste composting and household hazardous waste	54	2
Roads & Sidewalks	Maintenance and repairs (resurfacing, grading, general maintenance), street sweeping, winter control (snow and ice clearing and removal), and storm sewer maintenance, including Engineering Services	265	12
Housing	Affordable and subsidized housing	130	6
Social Services	Social assistance (Ontario Works and Family Benefits), childcare programs, day care centre, emergency hostels	150	7
Cultural Services	Ice pads, community centres, swimming pools, recreation programs, community events, marinas, golf course, theatre, museums, forestry, parks & open space, cemeteries, sports fields	132	6
Land Ambulance	Ambulance and paramedic services within the municipality	69	3
Long Term Care	Rideaucrest Home and the city's share of Fairmount Home costs	138	6
Fire & Rescue (average)	Fire suppression, public education, training & communications	257	11
Planning & Development	Management of growth and sustaining the physical form of the city through environment, planning, building inspection & licensing services	29	1
Capital Infrastructure	Contribution for capital infrastructure projects	109	5
Police	Kingston Police services	337	15
Library	Kingston Frontenac Library services	75	3
CRCA	Catarauqui Region Conservation Authority services	12	1
Public Health	Kingston, Frontenac, Lennox & Addington Health Unit	48	2
KEDCO	Kingston Economic Development Corporation services	38	2
Total		2,249	100