



**City of Kingston
Report to Council
Report Number 16-109**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer and City Treasurer
Resource Staff: Stephen Dickey, Director of Financial Services
Lana Foulds, Manager of Financial Planning
Date of Meeting: April 19, 2016
Subject: Fourth Quarter Operating Budget Report for 2015

Executive Summary:

This report provides Council with information on the financial results of the City of Kingston for the fiscal year 2015. The attachments, which include the year-end financial schedules ready for audit, as prepared by the Financial Services Department, report that the City has generated a surplus for 2015. The report recommends that the surplus be allocated to reserves and reserve funds in accordance with policy and to support longer-term capital funding strategies. The annual audited financial statements will be presented to the Administrative Policies Committee and Council upon completion of the external audit process later in the spring.

Recommendation:

That Council receive the 2015 fourth quarter operating budget status report.

That the surplus generated from municipal operations in the amount of \$3,558,804 be allocated as follows:

a. Municipal Capital Reserve Fund	\$ 338,000
b. Police Equipment Capital Reserve Fund	\$ 15,371
c. Library Capital Reserve Fund	\$ 105,553
d. Transit Capital Reserve Fund	\$ 1,147,450
e. Environment Reserve Fund	\$ 234,000
f. Grand Theatre Building Improvement Reserve Fund	\$ 241,955
g. Working Fund Reserve (in accordance with policy)	\$ 1,476,475

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That the surplus generated from the municipal utilities operations in the amount of \$3,130,093 be allocated as follows:

a. Water Capital Reserve Fund	\$ 749,129
b. Wastewater Capital Reserve Fund	\$ 709,917
c. Appliance Rental Reserve Fund	\$ 149,629
d. Municipal Capital Reserve Fund	\$ 1,521,418

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF FINANCIAL OFFICER AND CITY TREASURER

**Desirée Kennedy, Chief Financial Officer and
City Treasurer**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives

Lanie Hurdle, Community Services

Denis Leger, Transportation, Facilities & Emergency Services

Jim Keech, President and CEO, Utilities Kingston

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Options/Discussion:

The financial information provided in this report is derived from the financial accounting records of the Corporation as at December 31, 2015. The report reflects 2015 actual revenue and expenditure information together with the approved operating budget. Three exhibits are attached, reported by group and summarized by department. Agency transfers and municipal utilities are summarized as well. Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures respectively. In addition, Exhibits D, E and F provide summary reports for the 2015 operations of the Grand Theatre, INVISTA Centre & Arenas and Rogers K-Rock Centre respectively. Exhibit G provides a summary of the reserve fund activity with respect to building permit fees in accordance with legislative requirements for annual reporting.

Budget variances experienced in 2015 were considered when developing the 2016 budget estimates.

A. General Municipal Operations

The 2015 year end results report approximately \$6.7M in surplus from consolidated municipal operations, representing \$3.6M from general municipal operations and \$3.1M in surplus from municipal utility operations.

The surplus from general municipal operations of approximately \$3.6M represents approximately 1% of the total operating budget, and is the result of a number of factors, as outlined in this report. Highlights contributing to the surplus include savings from lower fuel costs, additional social services administration recoveries from the province, increased transit and airport revenues, higher than projected supplementary tax revenues, reduced spending on discretionary costs and net savings in salaries and benefit costs as a result of staff vacancies and turnover. Offsetting the above items are additional costs for winter control as well as tax related adjustments for vacancy allowances and allowances for assessment appeals.

Exhibit A, attached to this report, reflects a summary of the 2015 net departmental surpluses or deficits. These amounts are summarized by group and department. The following information provides Council with further detail of the year-end financial results by group.

i. Public Works Services

This group experienced a net surplus of approximately \$279K on a net budget of \$30M.

The Public Works Department reported a net deficit of \$370K for 2015. Budget pressures in winter control as a result of the heavy winter conditions experienced early in 2015 resulted in winter control expenditures exceeded budgets by approximately \$1.3M, including labour costs, salt and sand and equipment charges; however, these costs were offset by savings in other public works programs, as winter control demands required that staff resources be directed from other parks and roads maintenance activities. While

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corporate policy permits the use of Working Fund Reserve transfers to cover excess winter control costs, the net deficit of \$370K in Public Works has instead been absorbed by other corporate savings.

Contributing to this group's surplus is net savings in the Engineering Department of \$338K, as a result of increased utility consent and cut permit revenues and less than anticipated service costs for streetlights and traffic signals. It is recommended that this surplus be allocated to the Municipal Capital Reserve Fund to support incremental future road capital repairs including those expected to result from the additional utility consent and cut permit work.

The Solid Waste Department reported a net surplus of \$312K for 2015 resulting primarily from reduced contracted service requirements due to lower than expected volume estimates.

ii. Community Services

This group experienced a net surplus of approximately \$526K on a net budget of \$32.5M.

The Planning, Building & Licensing Department reported a net surplus of \$24K. Building permit fee revenues, totaling \$1.9M in 2015, were \$645K below budget. The *Building Code Act* requires costs related to building permit inspections and activities be fully funded from permit fees; therefore, funding was transferred from the building permit "Stabilization Reserve Fund" to cover the net revenue shortfall. Section D of this report, as well as Exhibit G, provide further details.

The Housing and Social Services Department reported a net surplus of \$371K. The revenues are very much tied to expenditure levels wherein subsidization is based on expenditure levels. The surplus was primarily a result of savings of approximately \$190K from staff vacancies and timing of hires as well as \$153K from the recovery of prior year social housing providers' net surplus funds repayable to the City. As per approved policy, an amount of \$88K was transferred to the Social Housing Capital Reserve Fund, representing a portion of these social housing provider surpluses. These funds will be used to support providers' future capital repair needs and reinvestment in renewable energy systems. In addition, due to the stabilization of Ontario Works case load in 2015, there was a net surplus in allowances and benefits of which the City's share was approximately \$27K. This amount was transferred to the Social Services Stabilization Fund Reserve in accordance with current policy.

The Recreation and Leisure Services Department reported a \$118K surplus for 2015 due primarily to fitness membership revenues that were higher than anticipated by approximately \$135K. Ice rental revenues were lower than expected by \$102K, offset by related savings in recreation staffing costs of \$95K. Detailed information regarding the INVISTA Centre and arena facilities operations for 2015 is included in the attached Exhibit E.

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Rideaucrest (long term care) operations reported a surplus of \$27K for 2015. The level of staff coverage required to support higher resident requirements resulted in increased staffing costs that were offset by additional provincial funding. Accommodation revenue was \$45K higher than anticipated due to increased billing rates, as adjusted by the province, during the year.

iii. **Transportation, Facilities & Emergency Services**

This group experienced a net surplus of approximately \$1.7M on a net budget of \$39.2M.

The Transportation Services Department includes Fleet Services, Transit and Parking. Fleet Services are fully cost recovered as they are charged out to the service areas. Transit reported a net surplus of \$1.1M primarily as a result of lower than expected fuel costs of \$712K. The remainder consists of additional revenues of \$141K and \$283K of savings in salaries and benefits as a result of temporary vacancies. This report requests an allocation of the transit operations surplus of \$1.1M to the Transit Capital Reserve Fund to support future capital requirements. Parking operations reported a surplus of \$334K primarily due to lower than budgeted staffing costs as a result of temporary vacancies. In accordance with policy, net parking revenues of approximately \$334K were transferred to the Parking Reserve Fund.

The Facilities Management & Construction Department reported a surplus of \$102K, primarily as a result of lower than anticipated utilities and cleaning service costs.

The Fire & Rescue Department reported a surplus of \$275K, primarily as a result of lower than budgeted volunteer costs. These savings have been offset by net adjustments for taxation write-offs in the amount of approximately \$260K specific to the fire areas as reported in the Taxation Revenue section of Exhibit A attached.

Included in the Commissioner's Office are airport operations, which reported a net surplus of approximately \$139K primarily due to increased passenger activity and fuel surcharge fees. Net contributions from Rogers K-Rock Centre are also included within the Commissioner's Office, and are summarized on Exhibit F attached.

iv. **Corporate & Strategic Initiatives**

This group experienced a net surplus of \$813K on a budget of \$11.7M.

The Environment & Sustainable Initiatives Department reported a surplus of \$234K as a result of staff vacancies, savings on consulting and contracted services and an unbudgeted provincial grant of \$60K. It is recommended that this surplus be transferred to the Environment Reserve Fund to support future sustainability initiatives.

The Cultural Services Department reported a surplus of \$242K due to an extra \$60K reported in federal grants, additional ticket revenues and staff vacancies. Exhibit D

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provides further detail on the Grand Theatre operations for 2015. A recommendation is included in this report to transfer \$242K to the Grand Theatre Building Improvement Reserve Fund to support future capital initiatives.

The Legal Services Department reported a \$60K surplus due primarily to lower than anticipated insurance costs.

The Office of the City Clerk reported a surplus of \$115K due to savings in advertising, postage and other discretionary costs.

Human Resources and Organization Development reported a surplus of \$157K as a result of staff vacancies and lower than expected corporate training costs.

It should be noted that in the development of the 2016 operating budgets, budgets were reset based on the experience in the 2015 results.

v. Finance, Technology and Administration

This group reported a net surplus of \$259K on a budget of \$7.9M. Included in the surplus are additional tax certificate and work order revenues (\$58K), cost efficiencies in technology equipment and telephone maintenance (\$80K), lower than budgeted Council travel and conference costs (\$30K) as well as savings as a result of staff vacancies and turnover (\$60K).

vi. Agencies and Boards

Agency and board transfers reported a net surplus of \$126K for 2015, including surpluses of Kingston Police Services and Kingston Frontenac Public Library. These operations are consolidated as part of the overall municipal surplus. Kingston Police Services reported a surplus of \$15K and the library reported a surplus of \$105K.

It is recommended that the 2015 Police operating surplus of \$15K and the 2015 Library operating surplus of \$105K be allocated to the Police Equipment Capital Reserve Fund and the Library Capital Reserve Fund respectively to support future capital funding requirements.

vii. Fiscal Services

The Fiscal Services budget shows a net surplus of \$620K as a result of additional recoveries from city departments for corporate support services based on actual costs and level of support including social services administration recoveries from the province.

Fiscal Services results also include benefit rebates and other benefit cost reductions of approximately \$500K with respect to claims experienced in connection with City staff benefit plans. Benefit costs are budgeted and recognized annually based on estimated premiums for these plans. In order to manage fluctuations in claims experience, rebates and other benefit surpluses are transferred to the Payroll Benefits Stabilization Reserve in

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order to address future benefit cost variability as a result of claims experienced as well as projected increases in future benefit costs.

As shown in Exhibit B and C, higher than budgeted revenues and expenses are offset within Fiscal Services because Fiscal Services is also used as a flow through mechanism to record any unanticipated provincial or federal monies that are received and subsequently transferred to the applicable reserves, reserve funds or capital funds.

viii. Taxation Revenue

The taxation revenue budget reported a net deficit of \$732K. Supplementary tax revenues were higher than projected by approximately \$988K as a result of additional assessment growth being placed on the tax roll by the Municipal Property Assessment Corporation (MPAC) in a timelier manner. This amount has been offset by higher than budgeted tax adjustments of \$340K for vacancy rebates and \$850K for taxation write-offs with respect to assessment appeals, including an incremental allowance set aside in order to provide for a number of appeals that are currently in process at MPAC. These adjustments have been taken into consideration as part of the 2016 approved budget estimates.

Taxation revenue includes budgeted amounts transferred for the repayment of Development Charges and Impost Fees exemptions as well as amounts for the Brownfield incentive program for properties that came on the assessment roll in 2015. The administration of these amounts is in accordance with policy. As approved by Council, the City Treasurer is given delegated authority to consider applying additional amounts to the repayment of Development Charges and Impost Fee exemptions based on any surplus resulting from assessment growth in the year. A review of supplementary tax revenues and outstanding tax exemption balances identified approximately \$423K that was used to accelerate the repayment of additional Development Charges and Impost Fee exemptions. These additional transfers will accelerate the allocation of the tax incremental financing program and ultimately recognize revenues from assessment growth in the operating fund sooner.

B. Allocation of Municipal Surplus

As included above, the net surpluses for Police, Library, Engineering, Transit, Environment & Sustainable Initiatives and Cultural Services have been requested to be transferred to capital reserve funds to address future capital requirements. In accordance with the Working Fund Reserve policy, it is recommended that the remaining net municipal surplus be transferred to the Working Fund Reserve in the amount of \$1,476,475.

A summary of the municipal surplus allocations as recommended is provided below:

a. Municipal Capital Reserve Fund	\$ 338,000
b. Police Equipment Capital Reserve Fund	\$ 15,371
c. Library Capital Reserve Fund	\$ 105,553

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d. Transit Capital Reserve Fund	\$ 1,147,450
e. Environment Reserve Fund	\$ 234,000
f. Grand Theatre Building Improvement Reserve Fund	\$ 241,955
g. Working Fund Reserve (in accordance with policy)	\$ 1,476,475

C. Municipal Operations Managed by Utilities Kingston

The operations of these municipal utilities are funded entirely by rate revenues based on established charges approved by Council during budget deliberations. Depending on the nature of the usage, often impacted by weather, as well as operational decisions made by Utilities Kingston management, annual surplus/ deficits will result. Surpluses in 2015 reflected lower building occupancy costs than anticipated in the first year of use as well as additional customer recoveries for work completed. As these operations are capital intensive, it is appropriate practice to allocate year end surplus amounts to respective capital reserve funds. Excess funds will be factored into future capital budget financing and will allow for additional infrastructure work or reduced debt issuance.

i. Water Operations

Water operations resulted in a net operating surplus of \$749K for 2015. It is recommended that the water surplus be allocated to the Water Capital Reserve Fund.

ii. Wastewater Operations

Wastewater operations resulted in a net operating surplus of \$710K for 2015. It is recommended that the wastewater surplus be allocated to the Wastewater Capital Reserve Fund.

iii. Gas Distribution and Appliance Rental Operations

Gas distribution and appliance rental operations resulted in a total operating surplus of approximately \$1.5M and \$150K respectively for 2015. Surpluses in gas operations are transferred to the Municipal Capital Reserve Fund in accordance to policy. The surplus in the appliance rental business is recommended to be allocated to the Appliance Rental Reserve Fund.

Gross revenues and expenditures for gas distribution as reported on Exhibit B and C show actuals of approximately \$28M in comparison to a budget of approximately \$39M. Included in the gas distribution operations are estimates for the commodity cost of gas which are dependent on volume projections and commodity market conditions. The gas commodity charge is reported as a flow-through and therefore included in both revenues and expenditures, to reflect the actual cost of the gas that is passed directly on to the customer. Gross revenue and expenditure budgets are normally set at a level that reflects the possible risk of higher commodity rates and/or usage which did not materialize. The commodity surplus for the calendar year 2015 is mainly due to conservative budget estimates and a warmer than projected winter season.

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Audited financial statements for the year ended December 31, 2015 for the operations of 1425445 Ontario Limited (operating as Utilities Kingston) and for Kingston Hydro Corporation have been prepared by Utilities Kingston management and will be presented for approval to their respective Board of Directors.

D. Bill 124 - Ontario Building Code Act

Bill 124 requires that the municipality publish an Annual Report on building fees in accordance with Section 7(4) of the *Building Code Act*. This report must be published within three months of the year end, and must be made available to anyone seeking this information.

The *Building Code Act* requires that building permit fees not exceed the cost of providing the service and that surplus fees be placed in a permit "Stabilization Reserve Fund" to ensure that a municipality does not suffer any negative financial impacts that would otherwise occur during slow times in the often volatile construction industry. This would also ensure that a municipality is able to retain the resources necessary to handle subsequent building booms. The 2015 Report on Building Fees, attached as Exhibit G, was made available on March 31, 2016.

Existing Policy/By Law:

By-law 2015-22, "A By-Law to Adopt the 2015 Operating Budget" and related policies.

Notice Provisions:

There are no notice requirements for this report.

Accessibility Considerations:

This report is available in an alternate format upon request.

Financial Considerations:

Allocations to reserve and reserve funds are in accordance with Council approved policy and as approved by annual budget allocations or budget amendments approved by Council.

Contacts:

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Lana Foulds, Manager of Financial Planning, Extension 2209

Other City of Kingston Staff Consulted:

Laura Deak, Manager of Finance, Utilities Kingston

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Luke Follwell, Director, Recreation and Leisure Services

Collin Wiginton, Director, Cultural Services

Paige Agnew, Director, Planning, Building & Licensing

Exhibits Attached:

Exhibit A: 2015 Net Operating Report

Exhibit B: 2015 Gross Revenue – Operating Fund – Municipal

Exhibit C: 2015 Gross Expenditure – Operating Fund – Municipal

Exhibit D: 2015 Grand Theatre Fourth Quarter Report

Exhibit E: 2015 INVISTA Centre & Arenas Fourth Quarter Report

Exhibit F: 2015 Rogers K-Rock Centre Fourth Quarter Report

Exhibit G: 2015 Report on Building Fees

City of Kingston
Net Operating
December 31, 2015

	Actuals Year to Date	Annual Budget	Variance \$	100% of Year Actual to Budget %
Public Works	20,710,031	20,339,658	370,373	102%
Engineering	2,622,772	3,120,625	(497,853)	84%
Solid Waste	6,857,553	7,169,082	(311,529)	96%
Public Works Services	30,190,356	30,629,365	(439,009)	99%
Planning, Building & Licensing	2,752,066	2,776,157	(24,091)	99%
Housing & Social Services	17,156,829	17,528,197	(371,368)	98%
Recreation & Leisure Services	6,575,329	6,693,147	(117,818)	98%
Long Term Care	5,368,506	5,395,701	(27,195)	99%
Commissioner's Office	154,955	140,947	14,008	110%
Community Services	32,007,684	32,534,149	(526,465)	98%
Transportation Services	12,142,070	13,289,505	(1,147,435)	91%
Facilities Management & Construction Services	2,296,634	2,398,594	(101,960)	96%
Fire & Rescue	22,854,094	23,129,569	(275,475)	99%
Commissioner's Office	248,757	390,865	(142,108)	64%
Transportation, Facilities & Emergency Services	37,541,555	39,208,533	(1,666,978)	96%
Environment & Sustainable Initiatives	844,335	1,078,672	(234,338)	78%
Cultural Services	3,774,507	4,016,462	(241,955)	94%
Legal Services	1,233,820	1,293,775	(59,955)	95%
City Clerk	1,588,337	1,702,951	(114,614)	93%
Human Resources & Organization Development	2,797,471	2,954,610	(157,139)	95%
Commissioner's Office & Land Development	677,361	682,567	(5,206)	99%
Corporate and Strategic Initiatives	10,915,831	11,729,037	(813,206)	93%
Mayor, Council, & CAO	1,364,869	1,432,665	(67,796)	95%
Strategic Communications	1,460,872	1,442,344	18,528	101%
Information Systems & Technology	3,119,464	3,186,643	(67,179)	98%
Financial Services	1,731,217	1,873,939	(142,722)	92%
Finance, Technology, & Administration	7,676,421	7,935,591	(259,170)	97%
Agency Transfers	64,875,291	65,001,435	(126,144)	100%
Fiscal Services & Capital Levy	27,761,626	28,381,946	(620,320)	98%
Agency and Board Transfers & Fiscal Services	92,636,916	93,383,381	(746,465)	99%
Taxation Revenue	(214,687,568)	(215,420,056)	732,488	100%
Total	(3,718,804)	0	(3,718,804)	
Water	(749,129)	0	(749,129)	
Wastewater	(709,917)	0	(709,917)	
Gas	(1,521,418)	0	(1,521,418)	
Appliance Rental	(149,629)	0	(149,629)	
Municipal Utilities	(3,130,093)	0	(3,130,093)	
Total Net Operating	(6,848,897)	0	(6,848,897)	

City of Kingston
Gross Revenue
December 31, 2015

	Actuals Year to Date	Annual Budget	Variance \$	100% of Year Actual to Budget %
Public Works	(566,323)	(684,916)	118,593	83%
Engineering	(510,601)	(460,608)	(49,993)	111%
Solid Waste	(3,528,897)	(3,433,340)	(95,557)	103%
Public Works Services	(4,605,821)	(4,578,864)	(26,957)	101%
Planning, Building & Licensing	(4,707,550)	(4,907,098)	199,548	96%
Housing & Social Services	(49,120,040)	(51,067,117)	1,947,077	96%
Recreation & Leisure Services	(8,216,942)	(8,081,184)	(135,758)	102%
Long Term Care	(11,547,938)	(11,244,475)	(303,463)	103%
Commissioner's Office	(113,344)	(150,342)	36,998	75%
Community Services	(73,705,813)	(75,450,216)	1,744,403	98%
Transportation Services	(16,769,496)	(16,511,947)	(257,549)	102%
Facilities Management & Construction Services	(3,006,622)	(3,175,308)	168,686	95%
Fire & Rescue	(285,181)	(301,593)	16,412	95%
Commissioner's Office	(2,057,759)	(1,969,570)	(88,189)	104%
Transportation, Facilities & Emergency Services	(22,119,058)	(21,958,418)	(160,640)	101%
Environment & Sustainable Initiatives	(232,667)	(231,124)	(1,543)	101%
Cultural Services	(2,571,954)	(2,444,764)	(127,190)	105%
Legal Services	(2,490,870)	(2,283,860)	(207,010)	109%
City Clerk	(273,996)	(276,600)	2,604	99%
Human Resources & Organization Development	(258,558)	(258,559)	1	100%
Commissioner's Office & Land Development	(16,175)	(51,500)	35,325	31%
Corporate and Strategic Initiatives	(5,844,221)	(5,546,407)	(297,814)	105%
Mayor, Council, & CAO	(113,619)	(172,750)	59,131	66%
Strategic Communications	(882,697)	(973,643)	90,946	91%
Information Systems & Technology	(1,362,511)	(1,356,948)	(5,563)	100%
Financial Services	(875,364)	(816,534)	(58,830)	107%
Finance, Technology, & Administration	(3,234,190)	(3,319,875)	85,685	97%
Agency Transfers	(592,610)	(463,727)	(128,883)	128%
Fiscal Services & Capital Levy	(9,739,222)	(9,162,851)	(576,371)	106%
Agency and Board Transfers & Fiscal Services	(10,331,832)	(9,626,578)	(705,254)	107%
Taxation Revenue	(222,414,859)	(219,722,223)	(2,692,636)	101%
Total	(342,255,793)	(340,202,581)	(2,053,212)	101%
Water	(24,973,849)	(25,253,134)	279,285	99%
Wastewater	(28,314,247)	(28,614,583)	300,336	99%
Gas	(27,569,988)	(39,275,000)	11,705,012	70%
Appliance Rental	(2,340,272)	(2,211,000)	(129,272)	106%
Municipal Utilities	(83,198,355)	(95,353,717)	12,155,362	87%
Total Revenue	(425,454,149)	(435,556,298)	10,102,150	98%

City of Kingston
Gross Expenditures
December 31, 2015

	Actuals	Annual	Variance	100% of Year Actual to Budget
	Year to Date	Budget	\$	%
Public Works	21,276,354	21,024,574	251,780	101%
Engineering	3,133,373	3,581,233	(447,860)	87%
Solid Waste	10,386,450	10,602,422	(215,972)	98%
Public Works Services	34,796,177	35,208,229	(412,052)	99%
Planning, Building & Licensing	7,459,615	7,683,255	(223,640)	97%
Housing & Social Services	66,276,869	68,595,314	(2,318,445)	97%
Recreation & Leisure Services	14,792,270	14,774,331	17,939	100%
Long Term Care	16,916,444	16,640,176	276,268	102%
Commissioner's Office	268,299	291,289	(22,990)	92%
Community Services	105,713,497	107,984,365	(2,270,868)	98%
Transportation Services	28,911,566	29,801,452	(889,886)	97%
Facilities Management & Construction Services	5,303,256	5,573,902	(270,646)	95%
Fire & Rescue	23,139,276	23,431,162	(291,886)	99%
Commissioner's Office	2,306,516	2,360,435	(53,919)	98%
Transportation, Facilities & Emergency Services	59,660,613	61,166,951	(1,506,338)	98%
Environment & Sustainable Initiatives	1,077,001	1,309,796	(232,795)	82%
Cultural Services	6,346,461	6,461,226	(114,765)	98%
Legal Services	3,724,690	3,577,635	147,055	104%
City Clerk	1,862,333	1,979,551	(117,218)	94%
Human Resources & Organization Development	3,056,029	3,213,169	(157,140)	95%
Commissioner's Office & Land Development	693,536	734,067	(40,531)	94%
Corporate and Strategic Initiatives	16,760,051	17,275,444	(515,393)	97%
Mayor, Council, & CAO	1,478,487	1,605,415	(126,928)	92%
Strategic Communications	2,343,569	2,415,987	(72,418)	97%
Information Systems & Technology	4,481,974	4,543,591	(61,617)	99%
Financial Services	2,606,581	2,690,473	(83,892)	97%
Finance, Technology, & Administration	10,910,611	11,255,466	(344,855)	97%
Agency & Board Transfers	65,467,901	65,465,162	2,739	100%
Fiscal Services & Capital Levy	37,500,848	37,544,797	(43,949)	100%
Agency and Board Transfers & Fiscal Services	102,968,749	103,009,959	(41,210)	100%
Taxation Revenue	7,727,291	4,302,167	3,425,124	180%
Total	338,536,989	340,202,581	(1,665,592)	99%
Water	24,224,719	25,253,134	(1,028,415)	96%
Wastewater	27,604,330	28,614,583	(1,010,253)	96%
Gas	26,048,570	39,275,000	(13,226,430)	66%
Appliance Rental	2,190,643	2,211,000	(20,357)	99%
Municipal Utilities	80,068,262	95,353,717	(15,285,455)	84%
Total Expenditures	418,605,251	435,556,298	(16,951,047)	96%

Grand Theatre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2015

Financial Performance:

Income	Actuals to Date	2015 Budget	Variance	Total 2014
Rental Revenue	(169,270)	(130,000)	(39,270)	(140,684)
Other Revenues & Recoveries ¹	(836,280)	(767,730)	(68,550)	(806,191)
Total Income	(1,005,550)	(897,730)	(107,820)	(946,875)
Expenditure				
Operational Expenditures ²	1,357,456	1,374,916	(17,460)	1,304,569
Contributions to Reserve Funds	114,449	112,619	1,830	151,075
Total Expenditures	1,471,905	1,487,535	(15,630)	1,455,644
Net	466,355	589,805	(123,450)	508,769

Notes

¹ Includes concession sales, expenditure recoveries, box office fees and a capital improvement surcharge

² Includes staffing, facility-related costs, box office costs, concessions and technical costs

Grand Theatre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2015

Operational Performance:

Key Indicators:					
	Actuals to Date			Budgeted	
Days of Use	Regina Rosen	Baby Grand		Regina Rosen	Baby Grand
Performance ¹	138	44		124	82
Non Performance ²	47	88		23	44
Total Use (by space)	185	132		147	126
Total Use (combined)	317			273	

Attendance	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2015 Total
On-site Events ³	16,787	13,475	8,153	19,897	58,312
Off-site Events ⁴	3,310	1,795	4,134	4,959	14,198
Total	20,097	15,270	12,287	24,856	72,510

Notes

¹ Includes ticketed events only (Community, Commercial, Grand Theatre Presents)

² Includes load-ins, tech days, rehearsal days, dark days and load-outs

³ Includes all ticketed events sold through the Grand Theatre and held on-site

⁴ Includes all ticketed events sold through the Grand Theatre but held off-site [i.e. Domino Theatre, Isabel Bader Centre for Performing Arts (Kingston Symphony) and Kingston Writersfest]

INVISTA Centre & Arenas Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2015

Financial Performance: INVISTA Centre

Income	Actuals to Date	2015 Budget	Variance	Total 2014
Ice Rentals	(2,350,246)	(2,430,800)	80,554	(2,398,871)
Other Revenues and Recoveries	(313,156)	(308,432)	(4,724)	(332,797)
	(2,663,402)	(2,739,232)	75,830	(2,731,668)
Expenditure				
Operational Expenditures	2,348,435	2,385,996	(37,561)	2,344,958
Contributions to Reserves	1,444,864	1,444,864	0	1,402,780
	3,793,299	3,830,860	(37,561)	3,747,738
Net	1,129,897	1,091,628	38,269	1,016,070

Summary of Ice Revenues - All Arenas

Facility	Actual 2015	Budget 2015	% 2015	Total 2014
INVISTA Centre	(2,350,246)	(2,430,800)	97%	(2,398,871)
Cataraqui-Kinsmen	(618,554)	(623,150)	99%	(647,795)
Memorial Centre	(396,404)	(412,000)	96%	(403,803)
C70	(335,848)	(334,750)	100%	(299,677)
Wally Elmer	(1,560)	(4,000)	39%	(2,273)
Total	(3,702,612)	(3,804,700)	97%	(3,752,419)

INVISTA Centre & Arenas Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2015

Operational Performance: All Arenas

Ice Rentals	INVISTA		Cat/Kin, Memorial Centre, C70		Total All Arenas	
	Hours	%	Hours	%	Hours	%
Prime						
Total Available	10,608		6,783		17,391	
Booked	8,557	81%	5,771	85%	14,328	82%
Vacant	2,051	19%	1,012	15%	3,063	18%
Non-Prime						
Total Available	9,820		3,180		13,000	
Booked	3,919	40%	977	31%	4,896	38%
Vacant	5,901	60%	2,203	69%	8,104	62%
Distribution of Ice						
Total	12,476					
Youth	9,145	73%				
Adult	3,331	27%				

Hall Rentals	INVISTA	
Halls	Hours	%
Total Available	14,592	
Booked	3,649	25%
Vacant	10,943	75%
Distribution of Halls	Hours	%
Internal	538	15%
External	2,162	59%
Partner Groups	949	26%

Rogers K-Rock Centre Quarterly Performance Report

Period: Fourth Quarter: For the Twelve Months ending December 31, 2015

Financial Performance:

Income	Actuals to Date	2015 Budget	Variance	Total 2014
SMG Events	(649,319)	(857,067)	(207,748)	(830,199)
Kingston Frontenacs Events	(457,398)	(488,344)	(30,946)	(426,940)
Other Revenues and Recoveries	(1,438,563)	(1,454,135)	(15,572)	(1,370,857)
	(2,545,280)	(2,799,546)	(254,266)	(2,627,996)
Expenditure				
Operational Expenditures	1,994,280	2,097,171	102,891	2,042,609
	1,994,280	2,097,171	102,891	2,042,609
Net Income From Operations	(551,000)	(702,375)	(151,375)	(585,387)

(Prior to Reserve Fund Contributions & Management Fees)

Rogers K-Rock Centre Quarterly Performance Report

Period: Fourth Quarter: For the Twelve Months ending December 31, 2015

Operational Performance:

Key Indicators:	2015 Actual	2015 Budget	Variance	% Achieved
Revenues				
SMG Spectator Events	(563,349)	(816,031)	(252,682)	69%
SMG Non-Spectator Events	(85,970)	(41,036)	44,934	209%
SMG Events	(649,319)	(857,067)	(207,748)	76%
Frontenacs Events	(457,398)	(488,344)	(30,946)	94%
Total Event Income	(1,106,717)	(1,345,411)	(238,694)	82%
Suites/Club Seats	(811,960)	(758,008)	53,952	107%
Naming/Advertising	(451,371)	(507,127)	(55,756)	89%
Ice Rentals	(165,484)	(170,000)	(4,516)	97%
Other	(9,748)	(19,000)	(9,252)	51%
	(2,545,280)	(2,799,546)	(254,266)	91%
Expenses				
Operating	1,994,280	2,097,171	102,891	95%
Net Income	(551,000)	(702,375)	(151,375)	78%

Number of Events				
SMG Spectator Events	31	45	14	69%
SMG Non-Spectator Events	43	30	(13)	143%
SMG Events	74	75	1	99%
Frontenacs Events	36	43	7	84%
Total Number of Events	110	118	8	93%

Attendance				
SMG Spectator Events	64,613	104,350	39,737	62%
SMG Non-Spectator Events	25,511	30,339	4,828	84%
SMG Events	90,124	134,689	44,565	67%
Frontenacs Events	116,934	124,212	7,278	94%
Total Attendance	207,058	258,901	51,843	80%

Note: Spectator Events include: Concerts, Family Shows, Entertainment Events, Performing Arts and Sporting Events

Non-Spectator Events include: Assemblies, Banquets, Consumer/Trade Shows, Conventions, Meetings, Other Events

Rogers K-Rock Centre
Quarterly Performance Report
Fourth Quarter ending December 31, 2015

The Rogers K-Rock Centre operating agreement (2013-2017) now includes a requirement for SMG to provide a detailed qualitative performance report to the City's contract administrator on a quarterly basis.

In addition to the financial information on year-to-date results of operations and key performance indicators, the quarterly report now includes a summary of year-to-date (YTD) qualitative performance measures.

Qualitative initiatives are developed annually and reported in greater detail in the Operator Annual Plan, typically presented in the 4th Quarter of each year, prior to budget deliberations.

A. Community Involvement

Meetings, Events, Public Speaking, Outreach:	<u># of occurrences –YTD</u>
• KEDCO	6
• Downtown Kingston! BIA	24
• Chamber of Commerce	7
• Post-secondary institutions	7
• Military & business	15
• Tourism	9
• Other Community/Charity	30
Community Support	<u># of contributions - YTD</u>
• In Kind - Facility (total value - \$17,215)	32
• Cash – SMG (total value - \$10,084)	17

B. Tenant/User Relations

Kingston Frontenacs – Continued general partnership discussions. Also provided the Frontenacs with additional ice time to promote *Rink of Dreams* to youth hockey leagues

C. Customer Satisfaction/ Sales & Marketing

Five promoter surveys were conducted during this quarter which indicated very favourable results and top marks in customer service. General Admission surveys were conducted for six events including three Frontenacs games showing favourable results in service level categories. Suite & club seat holders surveys also showed favourable results in all service level categories.

2015 Report on Building Fees

(In accordance with the Building Code Act (BCA), S. O. 1992, c. 23 Section 7 (4))

A. Fees

Revenues	<u>\$1,854,680</u>
	\$1,854,680
Less:	
1) Direct Costs – Administration and enforcement	(2,060,698)
2) Direct Costs – Other and related service costs	(476,902)
3) Indirect Costs – For support and overhead	(413,075)
4) Transfer from Permit Stabilization Reserve Fund	<u>1,095,996</u>
Net Cost for Building Inspection Enforcement 2015	<u>\$ -</u>

B. Permit Stabilization Reserve Fund

(Per 2006 Ontario Building Code Regulations, Division C, Part 1, Section 1.9.1.1.
(1) (d))

Opening Balance January 1, 2015	\$5,409,206
Add:	
Interest earned on fund	61,611
Less:	
1) Funding for capital purposes	(250,319)
2) Transfer from/(to) operating	<u>(1,095,996)</u>
Ending Balance December 31, 2015	<u>\$4,124,502</u>