

**Agenda**

**2019 City of Kingston Operating and Capital Budgets**

**Monday, January 28, Tuesday, January 29, 2019  
6:00 pm**

**Wednesday, January 30, 2019**

**(if required)  
6:00 pm**

- 1. Roll Call**
- 2. Disclosure of Pecuniary Interest**
- 3. Confirmation of Minutes**

**That** the Minutes of Committee of the Whole Meeting Number 01-2017, held Tuesday, November 28, 2017, and Wednesday, November 29, 2017 be confirmed.  
**(Distributed to all Members of Council on January 25, 2019)**

- 4. Delegations**
- 5. 2019 Budget Introduction**

Lanie Hurdle, Acting Chief Administrative Officer

- 6. Utilities Kingston Presentation**

Jim Keech, President and CEO, Utilities Kingston

- 7. Deliberations and Approval of Municipal Utilities Operating and 4 Year Capital Budgets**

**A. Approval of the 2019-2020 Operating Budgets and the 4 year Capital Budgets for the Municipal Utilities**

The Report of the President and CEO of Utilities Kingston (Report Number 19-041) is attached to the agenda as schedule pages 1-78 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council approve the 2019 and 2020 Municipal Utility Operating Budgets in the amounts noted below:

Committee of the Whole  
Meeting Number 2019-01  
January 28, 29 and 30, 2019

<b>WASTEWATER</b>	<b>2019</b>	<b>2020</b>
Operating Budget	\$ 16,436,000	\$ 17,129,000
Debt Costs	\$ 4,338,000	\$ 5,216,000
Transfer to Facility Repair Fund – Debt 85 Lappan’s Lane	\$ 476,000	\$ 476,000
Transfer to Capital Reserve Fund	<u>\$ 11,655,000</u>	<u>\$ 11,248,000</u>
Total Revenue	\$ 32,905,000	\$ 34,070,000
<b>WATER</b>	<b>2019</b>	<b>2020</b>
Operating Budget	\$ 14,240,000	\$ 14,701,000
Debt Costs	\$ 2,103,000	\$ 2,095,000
Transfer to Facility Repair Fund – Debt 85 Lappan’s Lane	\$ 476,000	\$ 476,000
Transfer to Capital Reserve Fund	<u>\$ 11,749,000</u>	<u>\$ 12,312,000</u>
Total Revenue	\$ 28,569,000	\$ 29,584,000
<b>GAS</b>	<b>2019</b>	<b>2020</b>
Operating Budget	\$ 4,789,000	\$ 4,895,000
Commodity Purchase, Transportation & Storage	\$ 25,000,000	\$ 25,000,000
Transfer to Facility Repair Fund – Debt 85 Lappan’s Lane	\$ 173,000	\$ 173,000
Transfer to Gas Capital Reserve Fund	\$ 3,430,000	\$ 3,529,000
Transfer to City Municipal Capital Reserve Fund	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

Committee of the Whole  
Meeting Number 2019-01  
January 28, 29 and 30, 2019

Total Revenue	\$ 35,392,000	\$ 35,597,000
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<b>APPLIANCE RENTAL BUSINESS</b>	<b>2019</b>	<b>2020</b>
Operating Budget	\$ 538,000	\$ 550,000
Transfer to Capital Reserve Fund	\$ 935,000	\$ 980,000
Transfer to Municipal Capital Reserve Fund	\$ 816,000	\$ 816,000
Transfer to City Environmental Reserve Fund	<u>\$ 544,000</u>	<u>\$ 544,000</u>
Total Revenue	\$ 2,833,000	\$ 2,889,000

and

**That** Council approve the 4 year municipal utility Capital Budgets as follows:

<b>WASTEWATER</b>	<b>\$69,073,264</b>
<b>WATER</b>	<b>\$64,789,764</b>
<b>GAS</b>	<b>\$15,279,264</b>
<b>APPLIANCE RENTAL BUSINESS</b>	<b>\$4,500,000</b>
<b>TOTAL</b>	<b>\$153,642,292</b>

and

**That** Council approve funding for the 4 year municipal utility Capital Budgets as follows:

<b>Wastewater Reserve Fund</b>	<b>\$57,085,264</b>
<b>Impost Reserve Fund – Wastewater</b>	<b>\$11,988,000</b>
<b>Water Reserve Fund</b>	<b>\$54,829,764</b>
<b>Impost Reserve Fund – Water</b>	<b>\$9,960,000</b>
<b>Gas Reserve Fund</b>	<b>\$15,279,264</b>

<b>Appliance Rental Reserve Fund</b>	<b>\$4,500,000</b>
<b>Total</b>	<b>\$153,642,292</b>

and

**That** Council approve The Corporation of the City of Kingston Drinking Water Supply System 2019 – 2023 Financial Plan as provided in Exhibit B-1 to Report Number 19-041; and

**That** Council authorize the President and CEO of 1425445 Ontario Limited (o/a Utilities Kingston) to sign the formal endorsement of these plans and submit the plan to the required Ministries; and

**That** the City's budget By-Laws include the municipal utility operating and capital budgets as approved.

**B. Approval of Rate Changes for 2019-2022 for the Water and Wastewater Rates**

The Report of the President and CEO of Utilities Kingston (Report Number 19-042) is attached to the agenda as schedule pages 79-88 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council approve:

1. The proposed water and wastewater rates, effective March 1, 2019 to December 31, 2019, the proposed water and wastewater rates, effective January 1, 2020 to December 31, 2020, the proposed water and wastewater rates, effective January 1, 2021 to December 31, 2021, and the proposed water and wastewater rates, effective January 1, 2022 as detailed in the attached rate schedules.
2. By-Law Number 2019-XXX being a By-Law to Amend By-Law Number 2011-24 "A By-Law to Impose Water & Wastewater Rates (Utilities Kingston)" be presented for all three readings.

**C. Approval of Local Distribution Rate Change and Federal Carbon Charge for Natural Gas**

The Report of the President and CEO of Utilities Kingston (Report Number 19-043) is attached to the agenda as schedule pages 89-99 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council approve:

1. The proposed gas local distribution rate change effective March 1, 2019 and January 1, 2020 as detailed in this report; and
2. The proposed Federal Carbon Charge rate effective April 1, 2019; and
3. Representatives of Utilities Kingston be authorized to act, on behalf of The Corporation of the City of Kingston, to comply with the legislated requirements of the Greenhouse Gas Pollution Pricing Act and the Federal Carbon Pricing Backstop as it relates to the natural gas utility; and
4. Utilities Kingston be authorized to execute any required operational documents that falls within the provisions of the Greenhouse Gas Pollution Pricing Act and the Federal Carbon Pricing Backstop; and
5. By-Law Number 2019-XX A By-Law to Amend By-Law Number 2010-17 "A By-Law to Impose Gas Rates, as amended by By-Law Numbers 2013-18, 2015-28, 2017-21, and 2018-17, (Exhibit A to Report Number 19-043).

**D. Approval of 2019 Rate Changes for Miscellaneous Charges and Appliance Rental Business**

The Report of the President and CEO of Utilities Kingston (Report Number 19-044) is attached to the agenda as schedule pages 100-121 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council approve:

1. The proposed Miscellaneous Charges and Appliance Rental rates adjustments as detailed in this report, effective March 1, 2019.
2. By-Law Number 2019-XX being a By-Law to Amend By-Law No. 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)" to reflect the approved rates (Exhibit A to Report Number 19-044), be presented for all three readings.

**E. Long Term Capital Budget Planning – Combined Sewer Separation Program**

The Report of the President and CEO of Utilities Kingston (Report Number 19-045) is attached to the agenda as schedule pages 122-128 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council for the City of Kingston endorses the long term objective of the total elimination of combined sewers within the City of Kingston; and

**That** in recognition of the current capital budget (2019-2022), which contains combined sewer elimination projects, that beginning with the 2023 capital program it is recommended that resources be allocated as appropriate to target the elimination of combined sewers over a 20 year sustained program.

**8. Municipal Operating and Capital Budget (Excluding Utilities) Overview**

Desirée Kennedy, Chief Financial Officer and City Treasurer, will provide an overview of the 2019 operating and capital budgets.

**9. Departmental Presentations (City)**

a) Transportation & Infrastructure Services - Jim Keech, President and CEO,  
Utilities Kingston

**10. Communication**

Correspondence from Trevor Fray, Executive Director, Kingston Access Services, dated January 7, 2019 with respect to Kingston Access Services 2019 Operating Funding request and potential impacts to service levels.

(Previously distributed to all members of Council on January 9, 2019)

(File Number CSU-F05-000-2019)

**(Attached as Schedule Pages 170-172)**

**11. Recess**

**January 29, 2019**

- 1. Reconvening Roll Call**
- 2. Disclosure of Pecuniary Interest**
- 3. Delegations**
- 4. Presentations by the External Agencies**
  1. Kingston Economic Development Corporation (KEDCO)
    - Donna Gillespie, Chief Executive Officer
  2. Tourism Kingston
    - Megan Knott, Executive Director
  3. Cataraqui Region Conservation Authority (CRCA)
    - Geoff Rae, General Manager
  4. Kingston, Frontenac, Lennox & Addington Public Health (KFL&A)
    - Dr. Kieran Moore, Medical Officer of Health
    - Alida Moffatt, Manager, Finance
  5. Kingston Access Services
    - Trevor Fray, Executive Director
  6. Kingston Frontenac Public Library
    - Patricia Enright, Chief Librarian and CEO
    - Christina Ridgley, Budget/HR Analyst
  7. Kingston Police Services Board
    - Antje McNeely, Chief of Police
    - Andrea Risk, Board Chair
    - Chris Scott, Deputy Chief
    - John Howes, Director of Finance
  8. Downtown Kingston! BIA
    - Doug Ritchie, Managing Director
  9. County of Frontenac – Fairmount Home
    - Kelly Pender, Chief Administrative Officer
    - Lisa Hirvi, Administrator

10. County of Frontenac – Land Ambulance Services
- Kelly Pender, Chief Administrative Officer
  - Gale Chevalier, Deputy Chief of Operations

**5. Departmental Presentations (City) Continued**

- a) Community Services – Lanie Hurdle, Commissioner
- b) Corporate & Emergency Services – Desirée Kennedy, Chief Financial Officer and City Treasurer
- c) Finance, Technology and Administration – Desirée Kennedy, Chief Financial Officer and City Treasurer

**6. Deliberations and Approval of Municipal Operating and Capital Budgets**

The Report of the Chief Financial Officer and City Treasurer (Report Number 19-029) is attached to the Agenda as Schedule Pages 129-169 and was distributed with the Budget Packages, wherein the following is recommended:

**That** Council approve the 2019 General Municipal (tax-supported) Operating Budget in the amount of \$388,595,930; and

**That** any variance between final assessment growth and the growth estimates included in the 2019 general municipal operating budget be transferred to/funded from the Working Fund Reserve, to offset unanticipated variances in assessment growth in future years as a stabilization measure; and

**That** Council approve the 2019 Municipal Capital Budget, as follows:

Proposed capital expenditures	<u>\$51,557,689</u>
Financing:	
General Municipal Reserve Funds (PAYG)	\$47,171,238
Working Fund Reserve	525,000
Government grants	2,348,285
Contributions from others	<u>1,513,166</u>
Total financing	<u>\$51,557,689</u>

and

**That** Council receive the following provided as part of the budget documentation:

15 year capital expenditure forecast

Capital Works in Progress listing as at September 30, 2018

Municipal Reserve Fund Schedules of Continuity; and



**That** the City Treasurer be authorized to include the approved budget estimates for 2019 in accordance with Public Sector Accounting Board (PSAB) reporting requirements as an attachment to the by-law; and

**That** the necessary by-laws be established to formally adopt these estimates; and be given all three readings at the February 19, 2019 meeting of Council.

**7. Communication**

**8. Recess/Adjournment**

**January 30, 2019 (if required)**

- 1. Reconvening Roll Call**
- 2. Disclosure of Pecuniary Interest**
- 3. Delegations**
- 4. Deliberations**
- 5. Communications**
- 6. Recess/Adjournment**