



**City of Kingston  
Report to Committee of the Whole  
Report Number 19-029**

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**To:** Mayor and Members of Council  
**From:** Desirée Kennedy, Chief Financial Officer and City Treasurer  
**Resource Staff:** Lana Foulds, Manager of Financial Planning  
**Date of Meeting:** January 28, 2019  
**Subject:** 2019 Draft Operating and Capital Budgets (excluding Utilities Kingston)

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**Executive Summary:**

Approval by Council of annual municipal operating and capital budgets and passing of associated by-laws is required under the *Municipal Act (2001)*. The operating budget is being presented to Council to establish operating revenue and expenditure estimates for the 2019 fiscal year. The capital budget includes capital expenditure estimates and related financing for the 2019 fiscal year. Once the budgets are established and the assessment roll, delivered by the Municipal Property Assessment Corporation (MPAC), is finalized and reviewed by staff, the final taxation levy calculations will be prepared and a by-law will be presented to Council for approval.

Commencing in March 2019, Council will begin a strategic planning process which will determine the priorities of Council for the current term including the parameters within which tax rates will be set. This guidance will provide direction to the Corporation and external agencies and boards for future budgets and set conditions necessary to work collaboratively to achieve the priorities over the term of this Council. In the meantime, operating and capital budgets and associated by-laws for the 2019 fiscal year require approval to ensure that City, board and agency staff can continue to deliver quality day to day services to residents. The municipal budget is a policy and planning document that provides the legal authority and directs spending limits for staff as they utilize corporate resources to provide municipal services. The municipal budget is also a tool that supports financial control by providing a framework for managing and monitoring financial results.

Recognizing that strategic priorities of Council will be established later this year, the 2019 municipal budgets have been developed to maintain service levels and to conclude on some

of the priorities of the previous Council. The approval of the operational budget will ensure that services are being delivered to residents without interruption. The 2019 recommended operating budget has been developed to reflect consistent service levels incorporating inflationary impacts, growth related demands and approved strategies for investment in capital. The 2019 recommended capital budget is a one-year capital plan that represents primarily routine asset management/life cycle investments that are necessary for the ongoing maintenance, rehabilitation and/or replacement of existing assets as well as some transitional pieces related to strategic capital priorities set by the previous Council.

## Operating Budget

The operating budget is being presented to Council in order to establish operating revenue and expenditure estimates for the fiscal year. The 2019 recommended operating budget continues to reflect the previous Council's direction to maintain an overall tax rate increase of no more than 2.5% inclusive of the 1% increase for infrastructure investment.

This increase incorporates inflationary impacts (projected at 2%), addresses growth pressures and invests an incremental 1% in capital infrastructure, without compromising service levels. It also reflects taxation revenue from assessment growth of just under 1% or \$2.0M. There are no service reductions proposed in the 2019 operating budget.

The 2019 gross operating expenditures budget of \$389M (excluding utilities) is offset by non-tax revenues of \$140M requiring \$249M to be raised by taxation and payments in lieu of taxes (PILs) from other levels of government. Of that amount, approximately 54% (\$135M) of the net tax requirement is for provision of services managed by the City corporation (internal), 29% (\$73M) is for services provided through external agencies and boards and 17% (\$41M) is for fiscal purposes, representing primarily the incremental 1% capital levy which is critical to support ongoing investment in infrastructure. Exhibit A, Parts 1 to 3 attached to this report reflects the summary operating budget information.

Forecasts for 2020, 2021 and 2022 operating budgets incorporate costs of expected operating plans, estimates for inflation and projected growth pressures as well as placeholders for enhanced transit services as identified in the Kingston Transit Business Plan (2017-2021).

The forecasts currently suggest projected tax increases at 3.5%, 3.4% and 2.9% respectively. Exhibit A Part 4 reflects forecast information and sets the tax rate at 2.5% (assuming a 2.5% target is maintained for tax rate increases) thereby reflecting a resulting budget gap between total revenue and total expenditures. As a result of the upcoming strategic planning process, Council priorities and direction will influence future operating budgets. The targeted tax rate increase and related financial parameters will be determined as part of the Council strategic priority setting sessions and projections will be reviewed and adjusted as part of the 2020 budget process.

Staff will continue to refine departmental plans, prioritize initiatives, identify operational efficiencies and new revenue sources, consider opportunities for service integration and

monitor federal and provincial funding initiatives in order to address current budget gaps based on the projected 2.5% or a future target as established through Council's strategic priority setting sessions. The projected tax increases for 2019, 2020 and 2021 are cumulative such that savings and other solutions identified in one year will be need to be sustainable in order to reduce subsequent years' gaps.

Included in the three year forecasts is an annual amount for assessment growth of \$2.0M for 2020, 2021 and 2022 based on expected construction completion including the resolution of a number of construction projects still in various stages of the appeal process at the Local Planning Appeals Tribunal (LPAT). Delayed LPAT decisions as well as increases in LPAT appeals would have an impact on the anticipated growth revenues and therefore increase the financial gap in future operational budgets.

### Capital Budget

A capital budget in the amount of \$51.6M for the City services (excluding those managed by Utilities Kingston) is being presented to establish 2019 capital budget estimates and to confirm financing to support the expenditures. Details of the 2019 capital budget requirements are presented in Exhibit B. In anticipation of the upcoming Council strategic planning process, the 2019 recommended capital budget represents primarily routine asset management/life cycle costs. The limited scope of the recommended budget also considers the staff capacity required to focus on the completion of previously approved projects sitting in capital works-in-progress. These works in progress include all previously approved projects that are not yet complete and closed. The 2019 recommended capital budget is being funded by capital reserve funds (pay-as-you-go) and government grants and will not require the issuance of any debt.

The roads infrastructure budget, normally structured as a four-year plan to integrate with Utilities Kingston's capital budgets, is being presented as a one year capital plan at this time recognizing that Council will be completing their priority setting process later this year. A multi-year capital budget approval for Engineering will be considered as part of the 2020 budget process.

A 15 year projected capital plan and related funding models are also included as part of the supporting information to assist Council with the long term vision of capital work. The 15 year capital plans incorporate senior level government grant funding under the Investing in Canada Infrastructure Program (ICIP), a proposed ten-year funding program to support transportation initiatives. This program is currently under review and additional information related to this funding as well as the provincial commitment to increase the gas tax funding will influence future capital projects for transit and active transportation.

### **Recommendations:**

**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:

- a) 15 year capital expenditure forecast
- b) Capital Works in Progress listing as at September 30, 2018
- c) 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.

**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

**Lanie Hurdle, Acting Chief Administrative  
Officer**

**Consultation with the following Members of the Corporate Management Team:**

Peter Huigenbos, Commissioner, Community Services	Not Required
Jim Keech, President and CEO, Utilities Kingston	√
Deanne Roberge, Acting Commissioner, Corporate & Emergency Services	Not Required

## **Options/Discussion:**

### **1. Budget Overview**

#### **Budget Requirements**

The adoption of an annual budget is a requirement under the *Municipal Act, 2001* and forms the basis for financial control and activity for the current fiscal year.

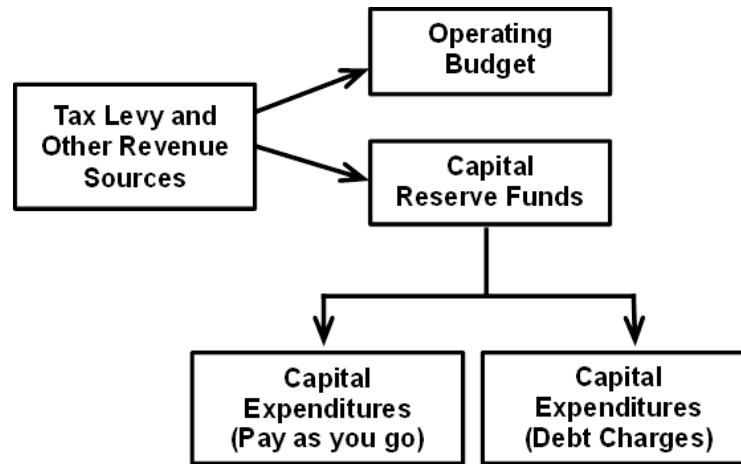
Operating budgets reflect fiscal year estimates for revenues and expenditures associated with the operations of City services. The operating budget provides approval for spending for the current fiscal year. Capital budgets reflect project estimates for capital expenditures and, once approved, the budget remains the approval for spending until completion of the project, sometimes over a number of years. For the purposes of financial planning the City also prepares multi-year plans including four-year operating budget projections as well as 15 year capital expenditure plans and funding models. The 2019 operating and capital budgets are being presented to Council for approval as part of this budget process.

Funds flow into the City from various revenue sources to be used to pay for operating costs related to the delivery of services as well as the required capital investment. The City's capital reserve funds are then used to finance capital expenditures (investments in capital assets), either by a pay-as-you-go method whereby funds are taken from the reserve funds to pay for the capital costs or through the issuance of debt whereby funds are borrowed to pay for the capital costs and the capital reserve funds are utilized to pay future debt principal and interest charges.

The City has an annual capital levy which is raised through revenues in the operating budget. This annual levy is transferred into the capital reserve funds each year. The capital levy is subject to a capital policy which increases the annual capital investment by a 1% increase in the rate of taxation. The continuation of the 1% annual increase for capital infrastructure purposes is reflective of longer term strategies for responsible asset management practices, ensuring the longer-term sustainability of the municipality's capital infrastructure, reducing current infrastructure deficits and reducing reliance on long term debt. This policy has been extremely effective to enable the rehabilitation and construction of capital assets. The continuation of the 1% increase for capital will be critical to ensure a continued asset management program.

In addition to the capital levy, where operations are funded by user fees and charges, a department's operating budget includes an amount to be transferred into the reserve funds each year to ensure user fee revenues are contributing proportionately to respective capital requirements.

The following diagram provides information on the funding relationships between the operating and capital budgets.



### **Budget Documentation**

The exhibits to this report provide further detail on the municipal operating budget by revenue and expenditure type, the net tax requirements by department, total expenditures, revenues and net tax requirements by group as well as detail on the 2019 capital budget requests. These exhibits provide the support for the recommendations as laid out in this report.

Additional supporting documentation accompanying this report is provided as an electronic document as well as in hard copy binder format. The budget data is summarized in a variety of ways enabling Council to review and assess the submissions comparatively. The document is sorted by group and is presented in accordance with the City's organizational structure, reflecting responsibilities by department and program. 2017 actuals and 2018 forecasted actuals have been included in the comparative data by group section to provide additional trend analysis. Within each group tab, the budget submission detail is summarized as follows:

- Comparative data by Group
  - 2017 actual, 2018 projected actual, 2018 approved budget, 2019 recommended budget, variance (\$), 2020, 2021 and 2022 forecasts
    - By department
    - By account type (revenues and expenditures)
  - Net taxation requirement by department
- 2019 Operating and Capital Budget Summary document to provide further context to the budget projection

- Comparative data by Department
  - 2018 approved budget, 2019 recommended budget, variance (\$), 2020, 2021 and 2022 forecasts
    - By account type (revenues and expenditures)
    - By program
  - Net taxation requirement by program
- 2019 Capital Summary

In addition, the following documents are included:

- 15 year (2019-2033) capital expenditure forecasts
- Capital Works-In-Progress listing at September 30, 2018 (previously approved capital work)
- Capital Reserve Fund schedules of continuity

During Council deliberations beginning on January 28, 2019, City departments, along with supported agencies and boards will present their respective budgets.

### **Budget Process**

The development of the budget is a comprehensive process involving staff across all departments and agencies and boards. Each year, the process involves the progression of operating and capital budget submissions through a sequence of review and analysis procedures that result in estimates that are assessed for both reasonableness and accuracy. An understanding of the aspects of the budget development process can be a useful tool in evaluating the budget from an oversight level.

Updated budget estimates are developed by all departments and submitted to the Corporate Management Team for review. Commissioners and financial analysts work with the departments to review and assess detailed budget submissions for accuracy and consistency with the business environment and operational factors. This analysis incorporates a variety of procedures, including, but not limited to:

- a detailed review of salaries and benefits built up by staff complement and wage rates;
- a review of materials, supplies and services in comparison to actual usage and expected inflationary impacts;



- a review of reserve and reserve fund transfers in conjunction with capital funding requirements;
- a review of revenues from fees and charges, including rates charged and the level of rates required to recover costs; and
- a review of capital plans that support operations and provide for a required level of asset management investment.

For the purposes of financial planning, the City prepares multi-year plans including four-year operating budget forecasts as well as 15 year capital expenditure plans and funding models. These multi-year plans and budgets provide working documents that are referenced, reviewed and updated throughout the year to reflect Council direction, changes in assumptions and other factors including economic conditions, service changes, weather predictions and historical revenue and expenditure analysis.

### **Budget Summary**

The recommended 2019 operating budget, as summarized in Exhibit A, reflects a total budget of \$388.6M offset by other than taxation-related revenues of \$139.8M and payments in lieu of taxation (PILs) of \$16.3M leaving a net property tax requirement of \$232.5M. Projected net assessment growth of just under 1% contributes \$2.0M, supplementary taxes contribute \$2.5M and the remaining \$228M represents a tax rate increase of 2.5% over 2018 levels.

Assessment growth is estimated based on a detailed analysis of properties in various stages of development. Estimated growth and supplementary tax projections are supported using specific property information originating from building permit information. Staff has been working diligently with MPAC to maximize the assessment being added to the final assessment roll for 2019 taxation purposes. A \$2M growth projection and a \$2.5M supplementary tax projection are also illustrative of the efforts made over the past years in order to limit tax rate increases.

A number of projects anticipated for construction remain in various stages of an appeal process at the Local Planning Appeals Tribunal (LPAT) delaying the realization of new assessment and often making growth projections somewhat difficult to estimate. As a result, staff recommends that any variance between the final assessment growth and the growth estimates included in the general municipal operating budget be transferred to/funded from the Working Fund Reserve in order to stabilize this estimate and to mitigate fluctuations in future years.

Agencies and boards make up approximately one-third of the overall municipal operating budget net tax requirement. The City Treasurer provided written guidance to agencies and boards in September 2018 to outline expectations for alignment with the overall tax rate targets. The recommended budgets include budget estimates as submitted for each external agency. These requests have been included in the budget document. Should

final budget submissions, when received, be greater than the established budget ceiling in this draft, staff will report to Council on the options for funding including the potential to reopen the budget.

The 2019 capital budget, 15 year capital plans and funding models are also being presented to Council at this time. The recommended 2019 capital budget, as summarized in Exhibit B, reflects a total budget of \$51.6M with funding from municipal reserve funds of \$47.2M, and other contributions, including grants, of \$4.4M.

## 2. Operating Budget - Analysis

The 2019 recommended general municipal operating budget is summarized by revenue and expenditure type in Table 1 below:

**Table 1**  
**2019 Operating Budget (Revenue and Expenditure) Summary**

	2018 Budget \$M	2019 Budget \$M	Variance \$M	Variance %
<b>Revenues</b>				
Taxation Revenue	224.2	232.5	8.3	3.7%
PIL Revenue	16.3	16.3	0.0	0.0%
Fees and Charges	53.8	56.0	2.2	4.0%
Provincial Grants and Subsidies	66.4	67.6	1.2	1.8%
Federal Grants and Subsidies	10.9	10.5	(0.4)	(4.1%)
Recoveries - Other Municipalities	2.9	3.0	0.1	2.9%
Transfers from Reserves and Reserve Funds	3.9	2.7	(1.2)	(30.9%)
<b>Total</b>	<b>378.4</b>	<b>388.6</b>	<b>10.2</b>	<b>2.7%</b>
<b>Expenditures</b>				
Salaries, Wages and Benefits	122.9	125.9	3.0	2.4%
Supplies, Materials, Rents, and Other	32.8	33.5	0.7	2.1%
Contracted Services	21.0	21.5	0.5	2.3%
Grants and Transfers to Others	65.3	65.9	0.7	1.0%
Internal Allocations and Tax Adjustments	2.9	1.8	(1.1)	(39.4%)
Transfers to Reserve Funds	62.5	66.8	4.2	6.7%
Transfers to Agencies and Boards - operating	65.6	67.8	2.1	3.2%
Transfers to Agencies and Boards - reserves	5.3	5.4	0.1	2.4%
<b>Total</b>	<b>378.4</b>	<b>388.6</b>	<b>10.2</b>	<b>2.7%</b>

## 2019 Budgeted Revenues

2019 budgeted revenues are increasing by a total of \$10.2M from \$378.4 M to \$388.6M representing a 2.7% increase over the 2018 budget estimates.

- Taxation revenues

Tax revenues are increasing by a total of \$8.3M, representing \$2M in new assessment growth, an increase in supplementary taxes of \$0.8M and additional tax revenues of \$5.5M, representing a targeted tax rate increase of 2.5%, including 1% for capital purposes.

The table below illustrates that taxation revenues are made up of:

	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>Variance</b>	<b>Increase</b>
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(\$M)</u>	<u>%</u>
Taxation Revenue	\$ 222.5	\$ 228.0	\$ 5.5	2.5%
Assessment Growth	-	2.0	2.0	0.7%
Supplementary Taxation	<u>1.7</u>	<u>2.5</u>	<u>0.8</u>	<u>0.5%</u>
	\$ 224.2	\$ 232.5	\$ 8.3	3.7%

Details on non-tax revenue impacts in the budget are as follows:

- Payments in lieu (PIL) revenue

A separate component of taxation revenues comes from properties owned by other levels of government in the form of payments in lieu of taxation (PIL), a large proportion of which (\$10.3M) relates to PILs for the federal properties in Kingston. Post-secondary student population and hospital beds funding is also included in this category at a rate of \$75 per head and bed, unchanged since 1987. Total PILs remain unchanged from 2018.

PILs from universities and colleges have increased as a result of increased enrolment; however, these increases are offset by reduced revenue from a number of federally owned properties for which assessment values are not increasing in line with other properties in the municipality.

- Fees and charges revenue

Fees and charges, estimated at \$56M, represent approximately 14% of total revenues, and are increasing approximately 4.0% over the 2018 budget. As per the Fees and Charges By-Law, user fees are adjusted annually by inflation plus 1% for capital purposes; however, where feasible, specific fees may be adjusted by a different amount to reflect changes required to maintain appropriate levels

of cost recovery or to encourage other service changes. Council recently authorized the 2019 fees and charges in December 2018 as part of By-Law Number 2005-10.

Specific revenue types detailed below provide further information on year-to-year budget changes to this category.

- Transit revenues are increasing 5% or \$383K over the prior year budget estimates. This increase relates primarily to the increased adoption of the Employer Transpass program by organizations across the City as well as increased revenues generated from the Queen's University Busit and St. Lawrence College programs.
- Parking revenue budgets are up 9% or \$857K. Rate increases are primarily in the metered revenue for streets and parking lots. This is consistent with the recommendations approved in the EITP Report 16-017 (November 1, 2016) which implemented a pricing framework in support of parking management objectives for the City.
- Revenue from the sale of recyclables is budgeted at \$1.4M for 2019, a decrease of 14% or approximately \$224K reflecting anticipated market prices. In late 2017, China issued a worldwide ban on accepting offshore wastes, including recyclable materials. This has caused market pressure and increased competition within the North American marketplace for recyclable materials which is expected to have a significant effect on the value received for recyclables in the future.
- Airport passenger facility and terminal fees increased by approximately \$190K in anticipation of the opening of the expanded runway and new terminal facility.
- Corporate investment income is projected to increase by \$290K due to increasing interest rates; this is partially offset by a decrease in penalty and interest on taxes of \$100K as a result of a reduction in outstanding taxes.
- Federal, provincial, municipal grants and subsidies

Budgets for grants and subsidies is estimated at \$81.1M combined, amounting to 21% of the total operating revenues budgeted for 2019 and increasing by \$1M or 1.2% over 2018 budget estimates.

The provincial component includes funding for Ontario Works, housing and childcare as well as funding for long term care, provincial gas tax funding (transit) and Waste Diversion Ontario (WDO) funding (solid waste).

The provincial component is increasing by \$1.2M or 1.8% over 2018 budgets. There is a significant increase in this category for provincial gas tax funding which can be attributed to continued increases to ridership. An additional \$600K over the 2018 budget is projected for provincial gas tax funding based on recent communications from the provincial government confirming the City's allocation for April 1, 2018 to March 31, 2019.

Provincial subsidies increased \$6M for childcare services in 2018 including childcare expansion planning, OEYCFC (Ontario Early Years Child and Family Centres) and ELCC (Early Learning and Childcare) programs. The funding will continue at the same level in 2019, supporting provincial objectives of integrating and transforming child and family programs, increasing access to licensed childcare and increasing quality, affordability, flexibility and inclusivity.

The 2018 budget included approximately \$730K of one-time monies carried forward from 2017 for expansion planning and ELCC purposes; however, the 2019 budget includes additional funding of \$670K for licensed home daycare and childcare fee stabilization.

2018 represented the last year of a nine-year upload period to increase the provincial share of Ontario Works benefits to 100%. This 100% provincial funding level continues in 2019. Provincial funding for Ontario Works allowances and benefits is projected to increase by \$490K for 2019. This increase reflects a rate increase of 1.5% as well as 0.5% to reflect a projected increase in caseload. It is anticipated that recent announcements with respect to reductions in Ontario Disability Support Program eligibility will result in increases to Ontario Works caseload.

Provincial revenues to support administrative and employment assistance programs are projected to increase \$182K representing inflationary increases for program administration.

Other projections contributing to the provincial funding changes include:

- Long term care provincial funding which is projected to increase by \$142K or 1.7%. Additional funding of \$106K for RN support and an increased per diem for food costs are being offset by a lower CMI (case mix index) anticipated for 2019.
- \$375K reduction in budgeted grant revenues related to the completion of the Healthy Kids program in 2018.

Federal government funding is projected to decrease by \$343K over 2018 levels. Federal gas tax revenues are projected to decrease by \$239K in 2019 based on an updated allocation that utilizes Statistics Canada population data. Federal gas tax monies are used to fund local roads and transit infrastructure. This is

budgeted in the operating fund and immediately transferred to the capital reserve funds and as such, there is zero net impact to the operating budget.

Federal funding with respect to local housing corporation contribution and rent supplement programs also continue to decrease each year as part of the previously announced step down funding schedule. 2019 budgets include reductions of approximately \$128K. Staff continue to review strategies to manage this step down funding over the longer term.

Recoveries from other municipalities reflect costs recovered for solid waste, transit and social services programs that are provided to neighbouring municipalities on a cost recovery basis.

- **Transfers from Reserves and Reserve Funds**

A total of \$2.7M has been budgeted to be transferred to operations from reserves and reserve funds. The establishment and maintenance of reserves is key to sound financial management and planning, helping to manage revenue and expenditure fluctuations in the operating budget.

Approximately \$1.2M is projected to be drawn from the Working Fund Reserve in 2019, an operating reserve that is established to address contingent matters, unusual fluctuations in programs and one-time expenditures. The recommendations in this report are predicated on the use of the Working Fund Reserve to assist the operating budget funding only in circumstances where the funding offsets non-recurring expenditures or transitional requirements including contracted services and term positions related to specific initiatives. By policy, operating surpluses are transferred to the Working Fund Reserve. Annual deficits, should they arise, would be funded from this source. There is a projected balance remaining in the Working Fund Reserve at the end of 2019 of \$5.2M.

Other transfers to operations projected in 2019 for approved purposes include \$324K for Housing and Social Services initiatives, \$142K for Brownfield related costs and approximately \$1M from other reserve funds to fund specific operational costs, including \$215K from Development Charges for library books and firefighter equipment.

## **2019 Budgeted Expenditures**

Total expenditures proposed in the 2019 budget of \$388.6M are increasing by \$10.2M or 2.7% over the 2018 approved budget. Highlights within expenditure categories are provided below.

- Salaries, Wages and Benefits

Compensation costs, estimated at \$125.9M, have increased \$3.0M (2.4%) over the 2018 budget. Base salary rates have been incorporated into 2019 budget estimates in accordance with expected settlements of collective and compensation agreements as well as expected increases to the employer portion of benefits. Overall base compensation including benefit costs is in the range of 2.0%.

The remaining variance of approximately \$500K represents net new hires for enhanced transit services and other growth related demands. Where possible, new positions are offset by savings from other wage related costs including position reductions as a result of reallocation of work processes and other continuous improvement measures. In 2019, wage costs have also been offset by costs originally budgeted in 2018 with respect to Bill 148, the *Fair Workplace, Better Jobs Act, 2017*. The provincial government recently revoked a number of provisions of Bill 148 including further increases to the minimum wage and increased entitlements to paid leave for part time employees.

Where staff time is directly attributable to capital works, these costs are allocated from the operating budget to appropriate projects within the capital budget in accordance with public sector accounting principles. Approximately \$7.5M of salary and benefit costs is projected to be allocated to capital in 2019, representing approximately 6% of total salaries and benefits, which is considered reasonable based on the proportionate level of staff effort spent on capital versus operating activities. These amounts are charged to capital projects primarily within capital intensive areas such as Engineering, Facilities, Recreation (Facilities and Parks) and Information Systems and Technology.

- Supplies, Materials, Rents and Other

These expenses are estimated at \$33.5M, an increase of \$705K or 2.1% from 2018 and include costs such as utilities, gasoline and diesel fuel, fleet parts and oil, tires, salt, telecommunications and municipal taxes. While inflationary increases are relevant for a number of expenditures in this category, efforts have been made to manage expenditures and absorb inflation where possible.

Specific costs detailed below provide further information on year-to-year budget changes to this expenditure category.

- Reduction of \$400K as a result of election costs budgeted in 2018.
- Reduction of \$80K in streetlight electricity budgets based on actual costing trends.

- Increase of \$300K in fleet maintenance costs, representing approximately 10%, due primarily to cost pressures in parts and shop supplies.

Gasoline and diesel fuels are projected at \$5.6M in 2019, representing an increase of \$424K or 8.2% over 2018 budget projections. We have experienced an average cost per litre in 2018 which has been higher than budgeted by approximately 8%. The effects of this budget variance have been incorporated into 2019 budgets along with an additional 3% increase in price in order to provide for the ongoing volatility in fuel prices. Additional volumes for the annualization of 2018 transit service enhancements are also contributing to the projected fuel increases. Future year fuel price projections have been budgeted in the 3% range.

- Contracted Services

This category, as defined for financial reporting purposes, includes a broad scope of purchased services including insurance premiums, property assessment services, asset maintenance and support contracts and other service contracts including winter control, garbage disposal, recycling collection and processing.

These costs are estimated at \$21.5M with an increase of \$457K or 2.3 % over 2018 levels. In 2018, Solid Waste contracts were renewed for the operation of the Material Recovery Facility to process recyclables and for the organics transfer, transportation and processing services. Costs associated with waste diversion, including composting organics and processing recyclables suitable for North American markets are increasing due to stricter standards and the ban of North American waste to China. 2019 solid waste operating budgets include an increase of approximately \$450K with respect to these contracts.

Also included in this category in 2018 was a Healthy Kids grant funded program of approximately \$350K. This program is no longer in effect for 2019. These costs have been offset by increased facility maintenance costs related primarily to winter control and other building maintenance costs.

- Grants and Transfers to Others

Grants and Transfers to Others are estimated at \$65.9M, increasing approximately \$700K or 1% from 2018 levels. This expenditure category represents primarily transfers for Ontario Works, housing and child care programs. Ontario Works allowances and benefits are projected to increase approximately \$500K or 2% over the 2018 budget and are offset by corresponding provincial grant revenues as noted above. Other transfer programs are also proportionate to grants revenues received for these programs and are discussed in the federal and provincial grant funding section above.



- Transfers to Reserve Funds

Transfers to Reserve Funds are made primarily to address long term funding strategies for asset management and equipment replacement purposes. Estimated at \$66.8M, the increase over 2018 of \$4.2M relates to additional investments required to support future capital funding requirements including \$2.9M capital investment related to the 1% incremental tax levy policy and approximately \$800K capital investment in parking. Financial plans included in this budget reflect the continuation of the 1% policy until 2025.

Other changes from the prior year include the \$7.5M transfer of the federal gas tax allocation to reserve funds (reduction of 239K) and the transfer of \$900K to the development charges and impost reserve funds for repayment of development exemptions (increase of \$400K).

- Transfers to Agencies and Boards

Net transfers to agencies and boards, including transfers to reserve funds for capital purposes, are projected at \$73.2M, an overall consolidated budget increase of 3.2%. Budget estimates are based on a combination of actual budget requests received to date as well as projections for budgets not yet approved by respective boards.

The budget material includes final budget submissions as approved by respective boards for the following agencies:

- Kingston Access Services (12.6% increase requested)
- Kingston Frontenac Public Library Board (2.3% increase requested)
- Kingston Police Services Board (2.5% increase requested)
- Downtown Kingston! Business Improvement Area - separate levy
- KFL&A Public Health (1.8% increase requested)
- Kingston Economic Development Corporation (1.5% increase requested)
- Tourism Kingston (0% increase requested)

The budget estimates include a draft budget request that, as of the date of finalization of this report, remains subject to approval by the agency's board:

- Cataraqui Region Conservation Authority (5.8% increase requested)

Also incorporated into the budget estimates are projections, based on discussions with County staff, for services provided by the County of Frontenac.

These budgets are scheduled to go to County Council for review and approval in February.

- County of Frontenac – Fairmount Home-operating (5.0% increase projected)
- County of Frontenac - Land Ambulance (5.0% increase projected)

For those budgets that remain subject to approval by the agency's board, should final approved budget submissions, when received, be greater than the established budget ceiling in this draft, staff will report to Council on the options for funding including the potential to reopen the budget. Future year projections for agencies have been included based on submissions received or in the range of inflation, based on consultation with these entities.

An annual transfer to the University Hospitals Kingston Foundation in the amount of \$1.05M is also included in this cost category. In 2016 Council approved a \$1.3M annual commitment to be flowed to the University Hospital's campaign beginning in 2017 for 5 years. However, the total obligation with respect to the development related charges rebate component of the previous campaign commitment was less than originally anticipated leaving a balance of approximately \$1.2M of funding remaining that will be used to fund the new commitment over the next 5 years. As a result, the total commitment of \$6.5M over 5 years can be achieved with a reduced annual levy of \$1.05M.

In addition to the reserve fund transfers described above, additional transfers of \$5.4M are budgeted to be made to capital reserve funds on behalf of specific agencies and boards where the City maintains and manages capital reserve funds on their behalf: Kingston Police Services, Kingston Frontenac Public Library and Kingston Access Services.

### **3. Capital Plans**

Capital plans include project estimates for a variety of capital work spanning the scope of municipal operations. They generally reflect routine asset management costs incurred annually to maintain and rehabilitate existing assets, growth related capital costs as determined by the Development Charges and Impost Fees Background Study and strategic capital priorities as set by Council.

Capital plans and 15 year funding models have been updated as part of the annual budget review. Project timing is reviewed and adjusted where necessary in order to manage within financial parameters that have been approved as part of the City's long range planning as well as resource capacity considerations.

The 2019 capital budget and 15 year capital plans are being presented to Council at this time. In anticipation of the upcoming Council strategic planning process, the 2019 recommended capital budget recommends primarily routine asset management/life cycle

investments that are necessary for the ongoing maintenance, rehabilitation and/or replacement of existing assets as well as the continuation of ongoing capital priorities as set by the previous Council. The limited scope of the 2019 capital budget will also allow staff to focus on the completion of previously approved projects sitting in capital works-in-progress.

The 2019 capital budget summary is provided separately as Exhibit B. It is intended to give Council a complete summary of the capital expenditure detail and related financing being recommended to Council for approval.

In addition to the annual asset management/life cycle funding envelopes, the 2019 recommended capital budget includes investment in the following specific projects:

- Development and design costs of a new parking structure at Byron lot - \$2.5M - fully funded from parking rates
- \$1M investment in active transportation in support of the Active Transportation Master Plan endorsed by Council
- Investment in affordable housing capital subsidy - \$1M to maintain the previous financial commitment until Council sets new strategic priorities
- Investment in Affordable Housing Program funded by provincial funds - \$627K to support the Kingston Frontenac Renovate Program and to enable the completion of 16 affordable housing units at Curtis Crescent and Cliff Crescent.
- Parks – \$591K in support of the Waterfront Master Plan endorsed by Council and \$1M for new parks development partially funded by development charges
- Creation of ambulance bay at Woodbine Fire Station (County of Frontenac lease) - \$650K

The 15 year capital horizon incorporates a number of strategic projects detailed below. These projects represent placeholders and have been identified as part of previous capital and strategic planning exercises, approved master plans and long-term asset management plans. The upcoming Council strategic planning sessions and pending details related to federal and provincial grant funding will influence a comprehensive review of the 15 year capital and funding models. It is anticipated that changes to reflect Council's priorities will be carried out as part of the 2020 capital budget development process. Additional information related to the federal government's Investing in Canada Plan (ICIP) funding and confirmation of the provincial government's commitment to increase the gas tax funding will also influence future capital projects for transit and active transportation. As placeholders, some of these projects will require further review as to priority, cost, timing and funding strategies, subsequent to Council's strategic planning exercise.

- Transit – new bus purchases (2020, 2021) in support of Transit Business Plan future phases
- Transit facilities expansion (2021, 2027)
- New parking supply (land and facilities) (2022, 2032)
- Future expansion of the Creekford Road municipal site (2023)
- Investment in affordable housing (2019 – 2022)
- Waterfront Master Plan (recommended over a 30 year horizon) - including major park projects - Richardson Beach, Douglas Fluhrer Park, Macdonald Memorial Park and Confederation Park
- Active Transportation Master Plan (recommended over a 20+ year horizon)
- Portsmouth Community Centre (2021, 2023)
- Fire Training Centre / Maintenance Facility (2020)
- Fire stations rehabilitation/relocation (2022, 2025, 2029, 2031, 2032)

#### **4. Capital Funding**

Capital expenditures are financed primarily through the City's capital reserve funds, using a pay-as-you-go method whereby funds are withdrawn from the reserve funds to pay for the capital costs or through the issuance of debt whereby funds are borrowed to pay for the capital costs and the capital reserve funds are utilized to pay debt principal and interest charges. The continuation of the 1% annual increase for capital infrastructure purposes, as endorsed by Council, is currently incorporated in the capital funding models for a further six years when it is projected that the annual capital investment will be at a sustainable level based on the existing capital asset portfolio and strategies for reducing the incremental levy can be considered.

The City's financial capacity and financing models reflect the capital and financing requirements for capital asset reinvestment strategies as well as new capital asset investments as provided for in the 15 year capital plans. These plans are impacted by changing priorities, which can require staff to reprioritize projects and scheduling in order to address related financial and resource capacity. Sufficient capacity and liquidity exists to allow for fluctuations.

In updating the 15 year capital plans, detailed efforts were made to carefully review financial and resource capacity and prioritize projects accordingly and, in consideration of the upcoming strategic planning process, to ensure adequate flexibility to incorporate new Council priorities in the coming months. Careful consideration was also given to

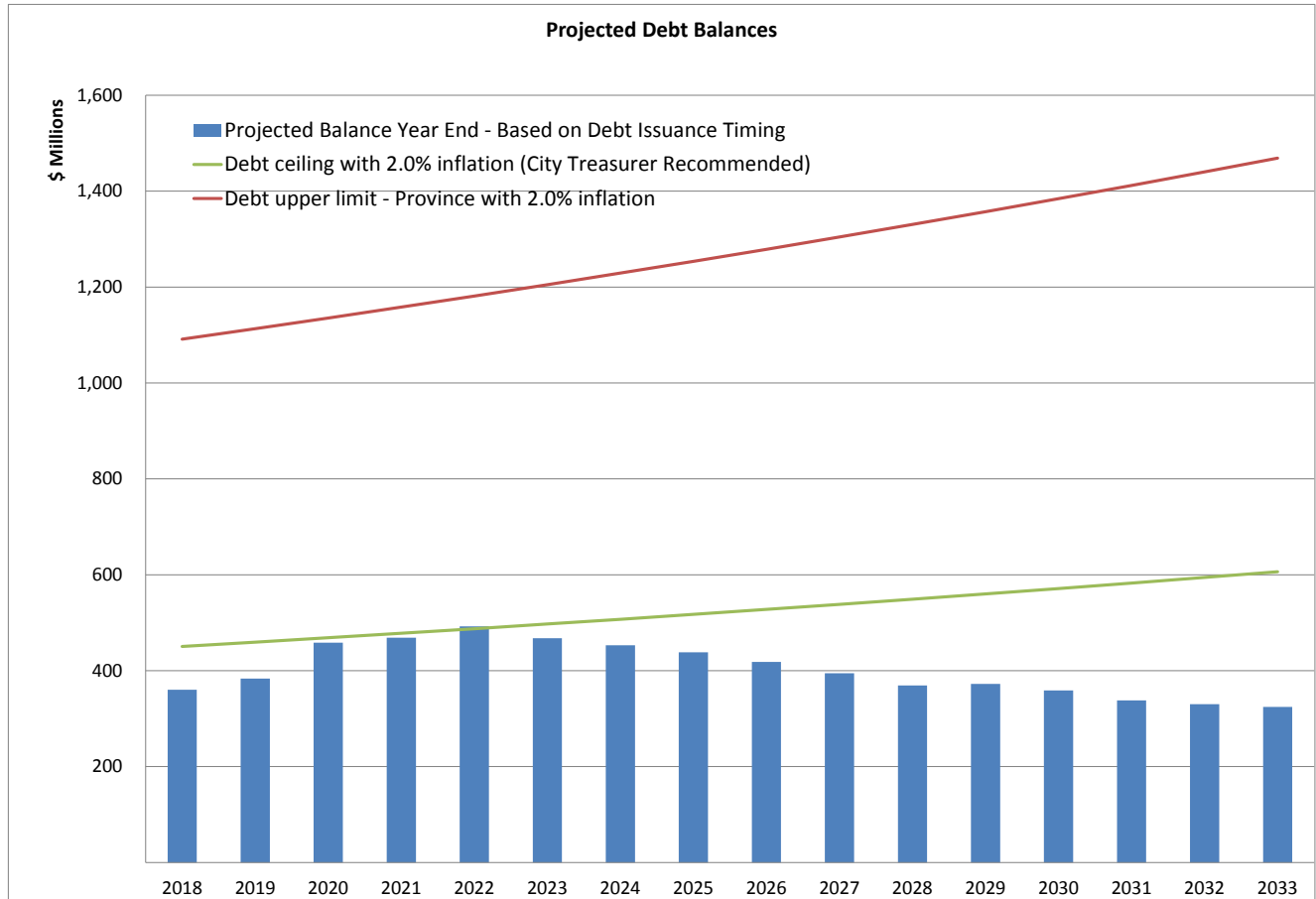
existing works-in-progress balances and the capacity required to complete those projects.

The 15 year capital plans include senior level government grant funding under the Investing in Canada Infrastructure Program (ICIP), a ten-year funding program with funding available to support transportation initiatives. This program is currently under review and confirmation of the funding and respective eligibility details has not been received. If the program does not proceed or if funds approved are less than projected in the capital plans, related expenditures will either be reconsidered and/or reprioritized within the availability of municipal funds.

Debt models have been updated in the table below to reflect the recommended capital budget and 15 year capital plans. Council Report 18-094 dated April 17, 2018 (2018 Municipal Debt Limits) reflects an upset range for total debt issuance at \$1.1B to \$1.3B as provided by the Province, based on given assumptions for amortization periods and interest rates. Reserve fund and debt models continue to incorporate the 1% annual incremental tax levy and user rate allocation for utilities and other user related services. The City Treasurer recommended maximum debt ceilings have been updated to reflect current inflationary trends.

The vertical bars in the following table depict the level of debt over time based on the cash flow analysis of the approved and future planned debt financing for the capital expenditure requirements over the 15 year projection period. The graph includes a line that reflects the provincial ceiling indexed at the rate of 2% to which the City could borrow and be within its debt capacity level. However, Council has endorsed the City Treasurer's recommendation to remain substantially below the provincial ceiling using a self-imposed maximum capacity level in 2019 of \$460M, escalated at 2% for future years in line with projected inflation.

**Table 2**  
**Projected Debt Balances**



Funding of the 2019 capital plan will not require the issuance of any debt. It is recommended that the 2019 capital budget of \$51.6M be funded primarily by capital reserve funds (pay-as-you-go) and government grants. This funding strategy supports efforts to remain below the self-imposed debt thresholds. As the 2019 budget recommendation does not include any debt funding, the 15 year debt model effectively shifts our projected level of debt out by one year, thereby improving the overall debt position.

The graph shows that the level of debt only marginally exceeds the desired levels in 2022; however, it is projected to correct itself and thereafter will be well below the parameter ceiling. Conservative assumptions have been used in projecting future debt and it is likely that the actual timing of projects will provide further opportunity to defer the timing of debt issuance in order to remain well below accepted levels.

Standard and Poor's recently reviewed our budget documents, including our capital funding and debt models, as part of their credit rating process. They confirmed an AA

rating with stable outlook noting prudent debt and related policies that keep debt accumulation manageable and capital spending controlled.

Included with the 15 year capital forecast is a projected financial plan (2020-2033) reflecting financing that corresponds to the expenditure levels. Also included in the plan documents are schedules of continuity for reserve funds that reflect the source of capital pay-as-you-go or debt financing.

A copy of the capital works in progress listing as of September 30, 2018 is included in the budget documentation for reference purposes. These works in progress include all previously approved projects that are not yet complete and closed. The 2019 capital budget requests reflect the availability of these funds for future requirements and departments confirm that the work in progress and the work planned in this capital budget are within the resource capacity of the organization, though it may span multiple years.

## **5. Taxation Levy Requirement and Tax Impact**

Table 3 on the next page reflects a breakdown of the year over year change by departments and agencies and boards of the net taxation requirement to fund the recommended budget.

**Table 3**  
**Taxation Levy Requirement**

	<u>2018</u>		<u>2019</u>		<u>Increase</u>	<u>Increase</u>
	(\$M)		(\$M)		(Decrease)	(Decrease)
					(\$M)	%
<b>Internal Services</b>						
Transportation & Infrastructure Services	49.29		51.62		2.33	4.7%
Community Services	40.46		41.20		0.74	1.8%
Corporate & Emergency Services	34.15		34.68		0.53	1.6%
Finance, Technology & Administration	7.32		7.71		0.40	5.3%
	<b>131.22</b>	54.2%	<b>135.21</b>	54.0%	<b>3.99</b>	<b>3.0%</b>
<b>Agencies and Boards</b>						
Kingston Police Services Board	37.32		38.28		0.96	2.6%
KFP Library Board	6.36		6.51		0.15	2.4%
Kingston Access Services - operating	2.60		2.93		0.33	12.7%
*Catarauqui Region Conservation Authority	1.50		1.58		0.08	5.3%
KFL&A Public Health	3.92		3.99		0.07	1.8%
*County of Frontenac - Land Ambulance	7.03		7.37		0.34	4.8%
*County of Frontenac - Fairmount Home - operating	2.17		2.28		0.11	5.1%
County of Frontenac - Fairmount Home - debt	0.71		0.71		-	0.0%
Kingston Economic Development	1.44		1.46		0.02	1.4%
Tourism Kingston	1.35		1.35		-	0.0%
Hospital Foundation	1.05		1.05		-	0.0%
	<b>65.45</b>	27.1%	<b>67.51</b>	27.0%	<b>2.06</b>	<b>3.1%</b>
<b>Subtotal</b>	<b>196.67</b>	81.3%	<b>202.72</b>	81.0%	<b>6.05</b>	<b>3.1%</b>
<b>Other</b>						
Transfer to/from Capital Reserve Funds - Boards	4.91		5.08		0.17	3.5%
Transfer to Capital Reserve Fund	34.93		37.78		2.85	8.2%
Taxation adj. assistance, exemptions & fiscal services	3.91		3.17		(0.74)	(19.0%)
Downtown Business Improvement Area (separate levy)	1.53		1.57		0.04	2.7%
	<b>45.28</b>	18.7%	<b>47.60</b>	19.0%	<b>2.32</b>	<b>5.1%</b>
<b>Total levy requirement</b>	<b>241.95</b>	100.0%	<b>250.32</b>	100.0%	<b>8.37</b>	<b>3.5%</b>
<b>Taxation Levy</b>						
Payments in Lieu of Taxes	16.29		16.29		(0.00)	(0.0%)
Downtown Business Improvement Area (separate levy)	1.49		1.53		0.04	2.8%
Taxation Growth - 2019	-		2.00		2.00	1.0%
Taxation - supplementary taxes	1.73		2.50		0.77	0.3%
Taxation - rate increase	222.44		228.00		5.56	2.5%
<b>Total levy</b>	<b>241.95</b>		<b>250.32</b>		<b>8.37</b>	<b>3.5%</b>
* preliminary budget submissions - subject to board approval						



The residential property tax bill is made up of two main components: municipal taxes and education taxes. The total property tax levy is calculated by applying the municipal tax rate and the education tax rate to the phase-in assessment value of the property. The average assessment for the City of Kingston, for 2018 taxation purposes, was approximately \$310,031 for a residential property which equates to a tax levy of approximately \$3,988 including both municipal and education components. Taxes on properties with assessments above or below this average value would be adjusted proportionately.

The municipal tax component is based on Council's adoption of the annual budget as presented herein. The education tax rate is set by the Province of Ontario and is billed and collected by the municipality as part of the total property tax bill. Based on an average assessed value of a residential property, the 2018 municipal tax component represents 87% (\$3,461) of the total tax bill and the education tax component represents 13% (\$527) of the total tax bill. These amounts will be updated for 2019 once the Province sets the education tax rates.

Similarly for commercial/industrial properties, the municipal tax and education tax components on the average assessed value of a commercial property represents 62% and 38% respectively of the total tax bill, and for industrial properties, 69% and 31% respectively. Therefore, a proportional adjustment on the overall property tax bill for a commercial/industrial property will result depending on the education tax rate set by the Province of Ontario.

Because the property tax bill includes both the municipal and education components, the total tax rate increase to the taxpayer may ultimately be lower than the municipal tax rate increase of 2.5% should the education tax rate remain constant or increase by less than a 2.5% increase. Decreased education rates due to the increase in assessment have provided municipalities with some "property tax room", reducing the impact of municipal tax rate increases. The future of provincial strategies and education rates in general continues to be unknown at this time.

A breakdown of the average residential municipal tax component by municipal service is provided in the Corporate Overview section of the budget binder. The estimated average tax bill of \$3,548 used for this breakdown has been calculated by adding 2.5% to the above municipal tax component for 2018. Based on an average market assessment value of approximately \$319,073 for 2019, the 2019 budget impact to a homeowner is \$87 over 2018.

Table 4 below outlines changes to the average residential tax bill for the past ten years reflecting increases before and after the effects of changes to the education tax rate. The first column reflects approved tax rate increases from budget. The average municipal tax change reflected in the second column incorporates the effects of assessment shifts between property classes as well as tax policy set by Council whereby tax ratios are established each year which shift relative tax burden between the property

classes. The average tax increase will vary from property to property based on property specific reassessment changes.

**Table 4**  
**Average Residential Tax Bill Changes**  
**2009 – 2018**

<b>Year</b>	<b>Council Approved Overall Budget Increase</b>	<b>Average Municipal Tax Change Year over Year (including tax ratio shifts)</b>	<b>Average Education Tax Change Year over Year</b>	<b>Average Total Tax Bill Change with Education</b>
2009	3.60%	3.90%	-0.70%	3.20%
2010	3.20%	3.10%	-0.50%	2.60%
2011	3.20%	3.10%	-0.50%	2.60%
2012	3.50%	3.30%	-0.60%	2.70%
2013	2.50%	2.80%	-0.50%	2.30%
2014	2.10%	2.20%	-0.50%	1.70%
2015	2.50%	2.50%	-0.40%	2.10%
2016	2.50%	2.60%	-0.40%	2.20%
2017	2.50%	3.20%	-0.70%	2.50%
2018	2.50%	2.20%	-0.60%	1.60%

## 6. Operating forecasts for future years

Staff has prepared departmental operating forecasts through to 2022, incorporating costs of expected operating plans, estimates for inflation and projected growth pressures as well as placeholders for enhanced services as identified in long-term business plans and any other Council direction to date. Council priorities, once determined, will influence future operating budgets. The projections for 2020 through 2022 are included as Exhibit A Part 4 and currently project tax increases of 3.5%, 3.4% and 2.9% respectively. Assumptions included in these projections are inflation at 2%, an incremental capital levy at 1% and growth from new assessment projected at just under 1% annually. The table in Exhibit A Part 4 sets a tax rate for illustration purposes at a 2.5% increase, resulting in a net expenditure gap. Projections will be reviewed and adjusted as necessary once Council has the opportunity to set its priorities for the upcoming term.

The Kingston Transit Business Plan (2017 – 2021), presented to Council on September 27, 2016, identified a number of enhanced service level and fare strategy recommendations including the introduction of Phase 3 enhancements in 2019 and

Phase 4 enhancements in 2020. In anticipation of Council's priority setting process, four year operating plan and fifteen year capital plans, as presented, incorporate a shift of Phase 3 and Phase 4 of the Transit Business Plan, as presented in Council Report 16-304, by one year with Phase 3 beginning in 2020 and Phase 4 beginning in 2021. Phase 4 has also incorporated a reduction of 2,200 service hours previously included in the business plan (annualized to 6,500 hours beginning in 2021). Budget gaps currently projected for 2020, 2021 and 2022 reflect the incremental costs of these service enhancements. Subject to Council's strategic direction, Phase 5 of the transit business plan will be examined as part of the 2020-2023 budget plans as will the opportunity to capitalize on related grants and funding that may be introduced as part of federal and provincial funding initiatives expected in 2019/2020.

In addition to the enhanced transit service, the following pressures are contributing to the budget gaps identified in 2020 through to 2022

- Additions to Solid Waste staff complement to accommodate City growth
- Operating costs for the East End Community Centre projected to begin in 2020
- Step down of Federal funding for housing programs

The projected tax increases for 2020, 2021 and 2022 are cumulative such that sustainable savings and other solutions identified in one year will reduce subsequent years' gaps where the solutions are "permanent". Based on current projections, strategies will be required in the next three years to close the gap and to maintain the future targeted tax increases.

Staff will continue to refine departmental plans, prioritize initiatives, identify operational efficiencies and new revenue sources and consider opportunities for service integration, in order to find ways to further reduce these projected increases for 2020 through 2022 and in advance of budget deliberations for those years. As a result of the upcoming Council strategic planning process, Council priorities and direction will also influence future operating budgets. Strategies to reduce or eliminate levels of service in other service areas or to extend the phase-in of service enhancements may need to be considered in order to address budget pressures in the future years.

## **7. Municipal Utilities Operating and Capital Budgets**

The municipal utilities operating budgets for water, sewer, gas and appliance rental services have been distributed separately and will be presented by Utilities Kingston at the Committee of the Whole meeting on January 28, 2019.

## **8. Public Sector Accounting Board (PSAB) Reporting Requirements**

The adoption of the full accrual basis of accounting by municipalities in 2009 required a change from the reporting of expenditures to the reporting of expenses. Expenditures represent outlays of assets, such as cash, to purchase goods and services; however, under the full accrual basis of accounting, expenses are charged as the goods and services are actually utilized or consumed. As a result, since that time, amounts reported for expenses include, for example, amortization of tangible capital assets.

Section 290 of the *Municipal Act, 2001* requires municipalities to prepare balanced budgets which include all of the expenditures and revenues for the taxation year. *Ontario Regulation 284/09, Budget Matters – Expenses*, allows municipalities to exclude from their budgets estimated amounts for non-cash expenses. The reporting changes resulted in a difference in the way expenses are budgeted and how they are reported in annual financial statements. Therefore, this report includes a recommendation for Council to authorize the City Treasurer 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.

### **Existing Policy/By-Law:**

*Municipal Act, 2001*, s. 290(1)

The estimate of revenues and expenditures contained in the City's budgets are approved by by-law.

### **Notice Provisions:**

Pursuant to the City of Kingston's Public Notice Policy, an advertisement was placed in the Kingston Whig Standard newspaper. Information pertaining to the 2019 capital and operating budgets is also posted on the City website.

### **Accessibility Considerations:**

The report and exhibits are available in alternative formats upon request.

### **Financial Considerations:**

Financial considerations are included in the body of this report.

### **Contacts:**

Desirée Kennedy, Chief Financial Officer and City Treasurer, Extension 2220

**Other City of Kingston Staff Consulted:**

Corporate Management Team

Municipal Departments

Utilities Kingston

Agencies and Boards

**Exhibits Attached:**

**Exhibit A:** 2019 Municipal Operating Budget

**Part 1:** 2019 Municipal Gross Expenditure/Revenue Summary – As Recommended

**Part 2:** 2019 Municipal Operating Budget Summary – As Recommended

**Part 3:** 2019 Municipal Gross Expenditure/Revenue Summary by Group – As Recommended

**Part 4:** 2019 Municipal Net Tax Revenue Budget Summary – As Recommended

**Exhibit B:** 2019 Municipal Capital Budget Summary – As Recommended

	2018 Approved Budget	2019 Recommended Budget	Variance (\$)
<b>Revenues</b>			
Taxation Revenue	(224,163,720)	(232,491,076)	(8,327,356)
PIL Revenue	(16,292,454)	(16,292,454)	-
Fees, Charges & Other Revenue	(53,815,404)	(55,977,011)	(2,161,607)
Provincial Subsidies	(66,410,506)	(67,609,968)	(1,199,462)
Federal Subsidies	(10,895,183)	(10,552,526)	342,657
Recoveries - Other Municipalities	(2,870,383)	(2,954,949)	(84,566)
Transfer from Reserves and Reserve Funds	(3,933,896)	(2,717,946)	1,215,950
<b>Total Revenues</b>	<b>(378,381,546)</b>	<b>(388,595,930)</b>	<b>(10,214,384)</b>
<b>Expenditures</b>			
Salaries, Wages & Benefits	122,923,102	125,949,971	3,026,869
Supplies, Materials, Rents & Other	32,802,049	33,506,715	704,666
Contracted Services	21,012,418	21,470,216	457,798
Grants & Transfers to Others	65,819,381	66,416,280	596,899
Agencies & Boards Expenditures	65,153,319	67,250,644	2,097,325
Equipment Charges & Internal Allocations	(2,454,650)	(2,905,315)	(450,665)
Tax Adjustments & Allowances	4,504,044	3,993,943	(510,101)
Debenture Principal & Interest	784,011	782,994	(1,017)
Transfers to Reserves & Reserve Funds	62,588,962	66,752,756	4,163,794
Transfers to Reserve Funds - Boards	5,248,910	5,377,726	128,816
<b>Total Expenditures</b>	<b>378,381,546</b>	<b>388,595,930</b>	<b>10,214,384</b>
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2018 Approved Budget	2019 Recommended Budget	Variance (\$)	Variance (%)
Public Works	21,869,951	22,682,211	812,260	
Transportation Services	1,368,821	1,387,070	18,249	
Transit & Fleet Services	16,174,720	17,146,360	971,640	
Engineering	2,310,864	2,174,699	(136,165)	
Solid Waste	7,565,678	8,225,552	659,874	
<b>Transportation &amp; Infrastructure Services</b>	<b>49,290,034</b>	<b>51,615,892</b>	<b>2,325,858</b>	<b>4.72%</b>
Real Estate & Environment Initiatives	1,054,754	1,034,972	(19,782)	
Planning, Building & Licensing	2,559,960	2,572,890	12,930	
Cultural Services	4,373,876	4,471,759	97,883	
Housing & Social Services	17,087,184	17,114,710	27,526	
Recreation & Leisure Services	7,669,194	8,095,048	425,854	
Long Term Care	5,662,898	5,787,399	124,501	
Communications & Customer Experience	1,601,910	1,667,347	65,437	
Commissioner's Office	445,812	455,377	9,565	
<b>Community Services</b>	<b>40,455,588</b>	<b>41,199,502</b>	<b>743,914</b>	<b>1.84%</b>
Human Resources & Organization Development	3,072,312	3,165,120	92,808	
Facilities Management and Construction	3,028,241	3,085,279	57,038	
Legal Services	1,287,801	1,343,493	55,692	
City Clerk	1,769,571	1,836,483	66,912	
Fire & Rescue	24,676,998	24,935,983	258,985	
Commissioners Office	313,281	315,401	2,120	
<b>Corporate and Emergency Services</b>	<b>34,148,203</b>	<b>34,681,759</b>	<b>533,555</b>	<b>1.56%</b>
Mayor, Council & CAO	1,069,559	1,209,799	140,240	
Chief Administrative Officer	739,065	734,471	(4,594)	
Information Systems & Technology	3,643,959	3,847,985	204,026	
Financial Services	1,612,966	1,650,939	37,973	
Chief Financial Officer	255,791	263,276	7,484.52	
<b>Finance, Technology &amp; Administration</b>	<b>7,321,340</b>	<b>7,706,470</b>	<b>385,130</b>	<b>5.26%</b>
<b>Operating budget before fiscal/capital levy and agencies &amp; boards</b>	<b>131,215,166</b>	<b>135,203,623</b>	<b>3,988,457</b>	<b>3.04%</b>
<b>Add:</b>				
Capital Levy, Fiscal Services & Tax Adjustments	38,838,780	40,951,537	2,112,757	
<b>Municipal Services</b>	<b>170,053,946</b>	<b>176,155,160</b>	<b>6,101,214</b>	<b>3.59%</b>
Agency and Board Transfers	70,402,229	72,628,370	2,226,141	
<b>Agencies &amp; Boards</b>	<b>70,402,229</b>	<b>72,628,370</b>	<b>2,226,141</b>	<b>3.16%</b>
Total tax requirement	240,456,175	248,783,530	8,327,355	
Payments in lieu	(16,292,454)	(16,292,454)	-	
<b>Property Taxation to be raised</b>	<b>224,163,721</b>	<b>232,491,076</b>	<b>8,327,355</b>	<b>3.71%</b>
<b>Taxation - rate increase</b>	<b>(222,431,718)</b>	<b>(227,991,076)</b>	<b>(5,559,358)</b>	<b>(2.5%)</b>
<b>Taxation - supplementary</b>	<b>(1,732,002)</b>	<b>(2,500,000)</b>	<b>(767,998)</b>	<b>(0.3%)</b>
<b>Taxation - growth</b>		<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>(0.9%)</b>
<b>Committee of the Whole - January 28, 29 and 30, 2019</b>			<b>-</b>	<b>159</b>

	2018 Approved Budget	2019 Recommended Budget	Variance (\$)
<b>Transportation &amp; Infrastructure Services</b>			
Expenditure	73,951,947	78,175,529	4,223,582
Revenue	(24,661,913)	(26,559,637)	(1,897,724)
<b>Net</b>	<b>49,290,034</b>	<b>51,615,892</b>	<b>2,325,858</b>
<b>Community Services</b>			
Expenditure	130,054,028	131,525,316	1,471,288
Revenue	(89,598,440)	(90,325,814)	(727,374)
<b>Net</b>	<b>40,455,588</b>	<b>41,199,502</b>	<b>743,914</b>
<b>Corporate and Emergency Services</b>			
Expenditure	40,670,219	40,915,651	245,432
Revenue	(6,522,016)	(6,233,892)	288,124
<b>Net</b>	<b>34,148,203</b>	<b>34,681,759</b>	<b>533,555</b>
<b>Finance, Technology &amp; Administration</b>			
Expenditure	12,229,794	12,597,304	367,510
Revenue	(4,908,454)	(4,890,834)	17,620
<b>Net</b>	<b>7,321,340</b>	<b>7,706,470</b>	385,130
<b>Agencies &amp; Boards</b>			
Expenditure	70,988,983	73,171,740	2,182,757
Revenue	(586,754)	(543,370)	43,384
<b>Net</b>	<b>70,402,229</b>	<b>72,628,370</b>	<b>2,226,141</b>
<b>Capital Levy, Fiscal Services and Taxation</b>			
Expenditure	50,486,575	52,210,390	1,723,815
Revenue	(252,103,969)	(260,042,383)	(7,938,414)
<b>Net</b>	<b>(201,617,394)</b>	<b>(207,831,993)</b>	<b>(6,214,599)</b>
<b>TOTAL</b>			
Expenditure	378,381,546	388,595,930	10,214,384
Revenue	(378,381,546)	(388,595,930)	(10,214,384)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>



	2018 Approved Budget	2019 Recommended Budget	Variance (\$)	Variance (%)	2020 Forecast	Variance (\$)	Variance (%)	2021 Forecast	Variance (\$)	Variance (%)	2022 Forecast	Variance (\$)	Variance (%)
<b>Public Works</b>	21,869,951	22,682,211	812,260	3.71%	23,241,426	559,215	2.47%	23,823,297	581,871	2.50%	24,376,452	553,155	2.32%
Transportation Services	1,368,821	1,387,070	18,249	1.33%	1,411,521	24,451	1.76%	1,425,578	14,057	1.00%	1,454,732	29,154	2.05%
Transit and Fleet Services	16,174,720	17,146,360	971,640	6.01%	17,805,803	659,443	3.85%	18,574,331	768,528	4.32%	18,944,914	370,583	2.00%
Engineering	2,310,864	2,174,699	(136,165)	-5.89%	2,257,217	82,518	3.79%	2,353,341	96,124	4.26%	2,400,575	47,234	2.01%
Solid Waste	7,565,678	8,225,552	659,874	8.72%	8,845,686	620,134	7.54%	9,307,635	461,949	5.22%	9,536,802	229,167	2.46%
<b>Transportation and Infrastructure Services</b>	<b>49,290,034</b>	<b>51,615,892</b>	<b>2,325,858</b>	<b>4.72%</b>	<b>53,561,653</b>	<b>1,945,761</b>	<b>3.77%</b>	<b>55,484,182</b>	<b>1,922,529</b>	<b>3.59%</b>	<b>56,713,475</b>	<b>1,229,293</b>	<b>2.22%</b>
<b>Real Estate &amp; Environmental Initiatives</b>	1,054,754	1,034,972	(19,782)	-1.88%	1,052,763	17,791	1.72%	1,066,503	13,740	1.31%	1,080,971	14,468	1.36%
Planning, Building & Licensing	2,559,960	2,572,890	12,930	0.51%	2,600,065	27,175	1.06%	2,612,514	12,449	0.48%	2,651,840	39,326	1.51%
Cultural Services	4,373,876	4,471,759	97,883	2.24%	4,641,330	169,571	3.79%	4,792,008	150,678	3.25%	4,939,510	147,502	3.08%
Housing & Social Services	17,087,184	17,114,710	27,526	0.16%	17,635,326	520,616	3.04%	18,339,734	704,408	3.99%	19,032,571	692,837	3.78%
Recreation & Leisure Services	7,669,194	8,095,048	425,854	5.55%	8,321,058	226,010	2.79%	8,734,584	413,526	4.97%	8,889,401	154,817	1.77%
Long Term Care	5,662,898	5,787,399	124,501	2.20%	6,048,596	261,197	4.51%	6,320,647	272,051	4.50%	6,598,557	277,910	4.40%
Communications & Customer Experience	1,601,910	1,667,347	65,437	4.08%	1,763,030	95,683	5.74%	1,855,732	92,702	5.26%	1,891,560	35,828	1.93%
Commissioners Office	445,812	455,377	9,565	2.15%	462,447	7,070	1.55%	470,904	8,457	1.83%	479,349	8,445	1.79%
<b>Community Services</b>	<b>40,455,588</b>	<b>41,199,502</b>	<b>743,914</b>	<b>1.84%</b>	<b>42,524,615</b>	<b>1,325,113</b>	<b>3.22%</b>	<b>44,192,626</b>	<b>1,668,011</b>	<b>3.92%</b>	<b>45,563,759</b>	<b>1,371,133</b>	<b>3.10%</b>
<b>Human Resources &amp; Organization Dev</b>	3,072,312	3,165,120	92,808	3.02%	3,343,996	178,876	5.65%	3,402,183	58,187	1.74%	3,462,442	60,259	1.77%
Facilities Management & Construction	3,028,241	3,085,279	57,038	1.88%	3,233,611	148,332	4.81%	3,365,953	132,342	4.09%	3,457,002	91,049	2.71%
Legal Services	1,287,801	1,343,493	55,692	4.32%	1,390,041	46,548	3.46%	1,410,194	20,153	1.45%	1,426,870	16,676	1.18%
City Clerk	1,769,571	1,836,483	66,912	3.78%	1,935,168	98,685	5.37%	1,983,756	48,588	2.51%	2,015,765	32,009	1.61%
Fire & Rescue	24,676,997	24,935,983	258,985	1.05%	25,297,741	361,758	1.45%	25,711,768	414,027	1.64%	26,179,508	467,740	1.82%
Commissioners Office	313,281	315,401	2,120	0.68%	323,508	8,107	2.57%	332,360	8,852	2.74%	341,464	9,104	2.74%
<b>Corporate &amp; Emergency Services</b>	<b>34,148,202</b>	<b>34,681,759</b>	<b>533,556</b>	<b>1.56%</b>	<b>35,524,065</b>	<b>842,306</b>	<b>2.43%</b>	<b>36,206,214</b>	<b>682,149</b>	<b>1.92%</b>	<b>36,883,051</b>	<b>676,837</b>	<b>1.87%</b>
<b>Mayor &amp; Council</b>	1,069,559	1,209,799	140,240	13.11%	1,233,148	23,347	1.93%	1,256,988	23,840	1.93%	1,281,338	24,350	1.94%
Chief Administrative Officer	739,065	734,471	(4,594)	-0.62%	725,953	(8,518)	-1.16%	710,130	(15,823)	-2.18%	691,800	(18,330)	-2.58%
Information Systems & Technology	3,643,959	3,847,985	204,026	5.60%	3,973,591	125,606	3.26%	4,159,094	185,503	4.67%	4,225,302	66,208	1.59%
Financial Services	1,612,966	1,650,939	37,973	2.35%	1,686,825	35,886	2.17%	1,752,485	65,660	3.89%	1,788,497	36,012	2.05%
Chief Financial Officer	255,791	263,276	7,485	2.93%	271,113	7,837	2.98%	280,091	8,978	3.31%	289,559	9,468	3.38%
<b>Finance, Technology &amp; Administration</b>	<b>7,321,340</b>	<b>7,706,470</b>	<b>385,129</b>	<b>5.26%</b>	<b>7,890,630</b>	<b>184,160</b>	<b>2.39%</b>	<b>8,158,788</b>	<b>268,158</b>	<b>3.40%</b>	<b>8,276,496</b>	<b>117,708</b>	<b>1.44%</b>
<b>Tax Requirement - Operating budget before Agencies &amp; Boards, Capital Levy, Fiscal Services &amp; Tax Adjustments</b>	131,215,165	135,203,623	3,988,458	3.04%	139,500,963	4,297,340	3.18%	144,041,810	4,540,847	3.26%	147,436,781	3,394,971	2.36%
Capital Levy, Fiscal Services and Tax Adjustments	38,838,780	40,951,537	2,112,757	5.44%	44,738,458	3,786,921	9.25%	48,422,355	3,683,897	8.23%	52,331,941	3,909,586	8.07%
<b>Total Tax Requirement - Municipal</b>	<b>170,053,945</b>	<b>176,155,160</b>	<b>6,101,215</b>	<b>3.59%</b>	<b>184,239,421</b>	<b>8,084,261</b>	<b>4.59%</b>	<b>192,464,165</b>	<b>8,224,744</b>	<b>4.46%</b>	<b>199,768,722</b>	<b>7,304,557</b>	<b>3.80%</b>
<b>Agency and Board Transfers</b>	70,402,229	72,628,370	2,226,141	3.16%	74,486,451	1,858,081	2.56%	76,355,402	1,868,951	2.51%	78,356,951	2,001,549	2.62%
<b>Total Tax Requirement</b>	240,456,173	248,783,530	8,327,357	3.46%	258,725,872	9,942,342	4.00%	268,819,567	10,093,695	3.90%	278,125,673	9,306,106	3.46%
Less: Payments in Lieu of Taxes	(16,292,454)	(16,292,454)	-	0.00%	(16,166,170)	126,284	-0.78%	(16,258,982)	(92,812)	0.57%	(16,353,893)	(94,911)	0.58%
<b>Property Taxation to be raised</b>	<b>224,163,720</b>	<b>232,491,076</b>	<b>8,327,357</b>	<b>3.71%</b>	<b>242,559,702</b>	<b>10,068,626</b>	<b>4.33%</b>	<b>252,560,585</b>	<b>10,000,882</b>	<b>4.12%</b>	<b>261,771,780</b>	<b>9,211,195</b>	<b>3.65%</b>
<b>Taxation - rate increase - 2.5%</b>	(222,431,718)	(227,991,076)	(5,559,358)	2.50%	(235,739,418)	(5,748,342)	2.50%	(243,681,469)	(5,942,051)	2.50%	(251,822,071)	(6,140,602)	2.50%
<b>Taxation - supplementary</b>	(1,732,002)	(2,500,000)	(767,998)	0.34%	(2,500,000)	-	0.00%	(2,500,000)	-	0.00%	(2,500,000)	-	0.00%
<b>Taxation - growth</b>		(2,000,000)	(2,000,000)	0.89%	(2,000,000)	(2,000,000)	0.87%	(2,000,000)	(2,000,000)	0.83%	(2,000,000)	(2,000,000)	0.77%
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>2,320,284</b>	<b>2,320,284</b>		<b>4,379,116</b>	<b>2,058,832</b>		<b>5,449,709</b>	<b>1,070,593</b>	

		FUNDING (2019)								
General Municipal	Budget 2019	Reserve Funds		Municipal Capital Reserve Fund		D.C. Reserve Fund	Impost Reserve Fund	Other	Grants	Total
		PAYG	Debt	PAYG	Debt					
<b>Transportation &amp; Infrastructure Services</b>										
Engineering	9,867,283	5,877,530		3,989,753						9,867,283
Public Works Services	1,900,000	30,000		1,308,197		136,803		425,000		1,900,000
Solid Waste	841,553	841,553								841,553
Transit & Fleet	4,733,525	4,733,525								4,733,525
Transportation Services	5,800,000	4,570,500		374,480		855,020				5,799,999
<b>Community Services</b>										
Planning, Building & Licensing	769,000	227,000		532,286		9,714				769,000
Housing & Social Services	2,977,285	250,000		984,066		78,934		1,664,285		2,977,285
Recreation & Leisure Services	7,066,603	2,053,575		4,418,655		594,373				7,066,603
Long-Term Care	845,000	845,000								845,000
Cultural Services	439,000	210,000		229,000						439,000
Real Estate & Environment Initiatives	2,095,000	1,698,333		130,000				266,667		2,095,000
<b>Corporate &amp; Emergency Services</b>										
Facilities Management & Construction Services	3,213,218	2,498,304		714,914						3,213,218
Fire & Rescue	2,365,000	1,521,500		96,750				746,750		2,365,000
<b>Finance, Technology &amp; Administration</b>										
Information Systems & Technology	4,858,222	2,822,323		1,465,000				570,899		4,858,222
Airport	880,000			196,000					684,000	880,000
<b>Subtotal</b>	<b>48,650,689</b>	<b>28,179,143</b>	<b>-</b>	<b>14,439,101</b>	<b>-</b>	<b>1,674,844</b>	<b>-</b>	<b>2,009,316</b>	<b>2,348,285</b>	<b>48,650,689</b>
<b>Library</b>	<b>832,000</b>	<b>803,150</b>						<b>28,850</b>		<b>832,000</b>
<b>Police</b>	<b>1,726,000</b>	<b>1,726,000</b>								<b>1,726,000</b>
<b>Kingston Access Services (KAS)</b>	<b>349,000</b>	<b>332,187</b>				<b>16,813</b>				<b>349,000</b>
<b>Total Police, Library &amp; KAS</b>	<b>2,907,000</b>	<b>2,861,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,813</b>	<b>-</b>	<b>28,850</b>	<b>-</b>	<b>2,907,000</b>
<b>Grand Total</b>	<b>51,557,689</b>	<b>31,040,480</b>	<b>-</b>	<b>14,439,101</b>	<b>-</b>	<b>1,691,657</b>	<b>-</b>	<b>2,038,166</b>	<b>2,348,285</b>	<b>51,557,689</b>

<b>Funding Summary:</b>	<b>Total</b>
<b>Reserve Funds</b>	<b>47,171,238</b>
<b>Grants</b>	<b>2,348,285</b>
<b>Other</b>	<b>2,038,166</b>

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b>2019 Projects</b>									
<b><u>Transportation &amp; Infrastructure Services</u></b>									
<b>Engineering Services</b>									
ENG - Engineering Capital Program	9,867,283	5,877,530	Federal Gas Tax	3,989,753					
Engineering Services	9,867,283	5,877,530		3,989,753					
<b>Public Works Services</b>									
PBW - Right-of-way Inspections/Repairs	140,000			140,000					
PBW - Forestry	850,000			425,000				425,000 WFR	
PBW - Low Volume Roads	250,000			250,000					
PBW - Building Maintenance Capital	30,000	30,000	Facility Repair						
PBW - Technology - Research & Implementation	150,000			150,000					
PBW - Parks & Sportsfields Repairs	20,000			20,000					
PBW - Equipment - Roads	420,000			295,093		124,907			
PBW - Equipment - Sidewalks	40,000			28,104		11,896			
Public Works Services	1,900,000	30,000		1,308,197		136,803		425,000	
<b>Solid Waste Services</b>									
SLW - Garbage truck (rear load dual)	236,553	236,553	SW and Recycling						
SLW - Utility compaction truck	150,000	150,000	SW and Recycling						
SLW - SW Garage-Creekford Bldg Improvements	400,000	400,000	Facility Repair						
SLW - Utility van for events and trailering OSKAR	55,000	55,000	SW and Recycling						
Solid Waste Services	841,553	841,553							
<b>Transit and Fleet Services</b>									
<b><u>Fleet</u></b>									
<b><i>Fleet-Municipal</i></b>									
FLT - Replacements - Public Works	2,457,470	2,457,470	Municipal Equipment						
FLT - Replacements - Solid Waste	306,781	306,781	Municipal Equipment						
FLT - Replacements - City Other	181,519	181,519	Municipal Equipment						

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b><i>Fleet-Utilities</i></b>									
FLT - Replacements - Treatment	52,867	52,867	Utilities Equipment						
FLT - Replacements - Underground	273,082	273,082	Utilities Equipment						
FLT - Replacements - Other	154,231	154,231	Utilities Equipment						
<b><i>Fleet-Transit</i></b>									
FLT - Bus Refurbishments	49,777	49,777	Transit						
FLT - Replacements - Transit Shuttle	227,623	227,623	Transit						
<b>Fleet</b>	<b>3,703,350</b>	<b>3,703,350</b>							
<b><u>Transit</u></b>									
TRN - Transit Telecommunications	500,000	500,000	Transit						
TRN - Bus Stops/Shelters	200,000	200,000	Transit						
TRN - Buildings-Transit	200,000	200,000	Transit						
TRN - Equipment	130,175	130,175	Transit						
<b>Transit</b>	<b>1,030,175</b>	<b>1,030,175</b>							
<b>Transit &amp; Fleet Services</b>	<b>4,733,525</b>	<b>4,733,525</b>							
<b>Transportation Services</b>									
<b><u>Transportation Services and Traffic Management</u></b>									
TRP - City-wide Routes ATMP Infrastructure	462,000	450,000	Federal Gas Tax	12,000					
TRP - Neighbourhood Routes ATMP Infrastructure	495,000	450,000	Federal Gas Tax	45,000					
TRP - Active Transportation - Pathways & Trails	66,000			7,920		58,080			
TRP - Transit Priority Measures	110,000			25,652		84,348			
TRP - Transportation Data Modelling	276,000			99,636		176,364			
TRP - Traffic Management General	779,000	750,000	Federal Gas Tax	29,000					
TRP - Traffic Calming Measures	179,000	150,000	Federal Gas Tax	29,000					
TRP - City Wide intersection & corridor improvements	662,500			126,272		536,228			
<b>Transportation Services and Traffic Management</b>	<b>3,029,500</b>	<b>1,800,000</b>		<b>374,480</b>		<b>855,020</b>			

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b><u>Parking</u></b>									
PRK - Parking Technology/Communications	50,000	50,000	Parking						
PRK - Sheraton	175,000	175,000	Parking						
PRK - Parking Structure-New Development	2,500,000	2,500,000	Parking						
PRK - Parking Enforcement	15,500	15,500	Parking						
PRK - Vehicle	30,000	30,000	Parking						
Parking	2,770,500	2,770,500							
<b>Transportation Services</b>	<b>5,800,000</b>	<b>4,570,500</b>		<b>374,480</b>		<b>855,020</b>			
<b>Transportation &amp; Infrastructure Services</b>	<b>23,142,361</b>	<b>16,053,108</b>		<b>5,672,430</b>		<b>991,823</b>		<b>425,000</b>	
<b><u>Community Services</u></b>									
<b>Planning, Building &amp; Licensing</b>									
PBL - Population Model Update	20,000	10,000	BRRAG	286		9,714			
PBL - Secondary Planning Studies	100,000			100,000					
PBL - Central Kingston Growth and Infill	15,000			15,000					
PBL - Life Cycle Analysis	25,000			25,000					
PBL - Heritage Property Designation Updates	20,000			20,000					
PBL - Development Review/Land Management	184,000	92,000	BRRAG	92,000					
PBL - Project Costs/Long Term Plan	250,000	125,000	BRRAG	125,000					
PBL - GIS Master Plan Implementation	75,000			75,000					
PBL - Migration from Beanstream to Paymantus	40,000			40,000					
PBL - Enforcement Field Hardware	40,000			40,000					
Planning, Building & Licensing	769,000	227,000		532,286		9,714			
<b>Housing &amp; Social Services</b>									
HSG - Affordable Housing Capital Subsidy	1,000,000			921,066		78,934			
SOC - Child Care Plan	40,000			40,000					
HSG - Town Homes - KFHC Merger	250,000	250,000	Social Housing Capital						
HSG - Affordable Housing Viability	23,000			23,000					
HSG - Investment in Affordable Housing (IAH)	626,785						626,785		Provincial Funding
SOC - Early ON Capital (Ministry of Education)	1,037,500						1,037,500		Provincial Funding
Community & Family Services & Housing	2,977,285	250,000		984,066		78,934	1,664,285		

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b>Recreation &amp; Leisure Services</b>									
REC - Waterfront Master Plan	590,552			590,552					
REC - Existing Parks-Sites Redevelopment	2,005,147			2,005,147					
REC - New Parks - Internal Costs	159,573			159,573					
REC - New Parks - 671 Brock St.	600,000			177,960		422,040			
REC - New Parks - Midland Park Phase 4	245,000			72,667		172,333			
REC - Community Facilities	531,739			531,739					
REC - Leon's Centre - Facilities	685,000	685,000	Leon's Centre						
REC - Recreation Facilities	248,304			248,304					
REC - Aquatic Facilities	297,367			297,367					
REC - Arena Facilities	1,176,783	1,176,783	Arena						
REC - Market Square	43,554			43,554					
REC - Marina Facilities	191,792	191,792	Marina						
REC - Portsmouth Olympic Harbour	291,792			291,792					
Recreation & Leisure Services	7,066,603	2,053,575		4,418,655		594,373			
<b>Long Term Care - Rideaucrest</b>									
LTC - Rideaucrest Home (0061) - Facility	845,000	845,000	Rideaucrest Capital						
Long Term Care - Rideaucrest	845,000	845,000							
<b>Cultural Services</b>									
CUL - Programs & Policy-Culture	75,000			75,000					
CUL - Cultural Heritage	65,000			65,000					
CUL - Cultural Arts Programs	89,000			89,000					
CUL - Grand Theatre Functional Capital	210,000	210,000	Grand Theatre Bldg Improvement						
Cultural Services	439,000	210,000		229,000					

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b>Real Estate &amp; Environment Initiatives</b>									
REE - Strategic Property Land Development	50,000			50,000					
REE - Rural Industrial Study	100,000							100,000	WFR
REE - Napier Street Access Relocation	80,000			80,000					
REE - Employment Land Acquisition	1,200,000	1,200,000	Industrial Land						
REE - DT Coal Tar Groundwater Monitoring	25,000	25,000	Environment						
REE - Belle Park Landfill	100,000	100,000	Environment						
REE - EMP Remediation and Monitoring	40,000	40,000	Environment						
REE - TESS Facility Construction	500,000	333,333	Environment					166,667	UK
Real Estate & Environment Initiatives	2,095,000	1,698,333		130,000				266,667	
<b>Community Services</b>	<b>14,191,888</b>	<b>5,283,908</b>		<b>6,294,007</b>		<b>683,021</b>	<b>1,664,285</b>	<b>266,667</b>	
<b>Corporate &amp; Emergency Services</b>									
<b>Facilities Management &amp; Construction Services</b>									
FAC - Heritage Properties	1,870,000	1,700,000	Facility Repair	170,000					
FAC - Non-Heritage Properties	840,000	620,000	Facility Repair	220,000					
FAC - Realty Asset Management	433,218	108,304	Facility Repair	324,914					
FAC - Designated Substance Management	70,000	70,000	Environment						
Facilities Management & Construction Services	3,213,218	2,498,304		714,914					
<b>Fire &amp; Rescue</b>									
FRE - Mobile Radio & Communications	700,000	700,000	Fire Capital						
FRE - Corporate Radio System	645,000	170,925	Fire Capital	96,750				96,750	UK
		235,425	Police Equipment						
		45,150	Transit						
FRE - Fire Technology Communications	120,000	120,000	Fire Capital						
FRE - Station 7 - EMS Lease	650,000							650,000	County LT Lease
FRE - Other Equipment	250,000	250,000	Fire Capital						
Fire & Rescue	2,365,000	1,521,500		96,750				746,750	
<b>Corporate &amp; Emergency Services</b>	<b>5,578,218</b>	<b>4,019,804</b>		<b>811,664</b>				<b>746,750</b>	

Capital Projects		Sources of Funding							
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes
<b><u>Finance, Technology &amp; Administration</u></b>									
<b>Information Systems &amp; Technology</b>									
IST - ICT Infrastructure	745,880	504,981	Technology					240,899	UK RF
IST - Desktop/Laptop Computers	300,000	200,000	Technology					100,000	UK RF
IST - Cyber Security	75,000	75,000	Technology						
IST - Enterprise Resource Mgmt Sustainment	542,239	542,239	Technology						
IST - Public Facing Sustainment	783,092	783,092	Technology						
IST - Information Management Sustainment	717,011	717,011	Technology						
IST - Enterprise Applications - FMS	400,000			320,000				80,000	UK RF
IST - Enterprise Applications - GIS	165,000			165,000					
IST - Enterprise Point-of-Sale	400,000			400,000					
IST - Enterprise Content Management (ECM)	290,000			232,000				58,000	UK RF
IST - Customer relationship mgmt (phases)	230,000			138,000				92,000	UK RF
IST - City website technical upgrade	75,000			75,000					
IST - DASH Improvements (minor\discretionary)	35,000			35,000					
IST - Citizen identity and access mgmt	100,000			100,000					
Information Systems & Technology	4,858,222	2,822,323		1,465,000				570,899	
<b><u>Airport</u></b>									
AIR - Airport Infrastructure Expansion	160,000			160,000					
AIR - Runway Rehabilitation	720,000			36,000			684,000		ACAP Grants
Airport	880,000			196,000			684,000		
<b>Finance, Technology &amp; Administration</b>	<b>5,738,222</b>	<b>2,822,323</b>		<b>1,661,000</b>			<b>684,000</b>	<b>570,899</b>	
<b>Total - Municipal</b>	<b>48,650,689</b>	<b>28,179,143</b>		<b>14,439,101</b>		<b>1,674,844</b>	<b>2,348,285</b>	<b>2,009,316</b>	



Projects		Sources of Funding						
Description	2017 Budget	Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	Development Charges Reserve Fund	Other	Notes
<b><u>Agencies and Boards</u></b>								
<b>Library</b>								
LIB - Branch Revitalization & Renewal (Un-Shared)	100,000	100,000	Library Capital					
LIB - Facility Repairs	370,000	370,000	Library Capital					
LIB - Materials for Sight Impaired	10,000						10,000	Steele Reserve
LIB - Shared IT	105,000	91,350	Library Capital				13,650	Frontenac County
LIB - Shared Other	40,000	34,800	Library Capital				5,200	Frontenac County
LIB-Unshared IS&T	207,000	207,000	Library Capital					
<b>Total Library</b>	<b>832,000</b>	<b>803,150</b>		-	-	-	<b>28,850</b>	
<b>Police</b>								
POL - Replacement Vehicles	530,000	530,000	Police Equipment					
POL - IT Projects	1,076,000	1,076,000	Police Equipment					
POL - Critical Incident Management Equipment	20,000	20,000	Police Equipment					
POL - Building	100,000	100,000	Facility Repair					
<b>Total Police</b>	<b>1,726,000</b>	<b>1,726,000</b>		-	-	-	-	
<b>Kingston Access Services</b>								
KAS - Replacement of KAS Vehicles	196,000	196,000	KAS Equipment					
KAS - New KAS Vehicles	98,000	81,187	KAS Equipment			16,813		
KAS - Purchase Supervisory Vehicle	35,000	35,000	KAS Equipment					
KAS - Computer Upgrade	20,000	20,000	KAS Equipment					
<b>Total KAS</b>	<b>349,000</b>	<b>332,187</b>		-	-	<b>16,813</b>	-	
<b>Total Agencies and Boards</b>	<b>2,907,000</b>	<b>2,861,337</b>		-	-	<b>16,813</b>	<b>28,850</b>	