



CITY OF KINGSTON
INFORMATION REPORT TO COUNCIL

Report No.: 12-145

TO: Mayor and Members of Council

FROM: Desirée Kennedy, City Treasurer

RESOURCE STAFF: Stephen Dickey, Deputy Treasurer
Lana Foulds, Manager of Financial Planning

DATE OF MEETING: May 1, 2012

SUBJECT: Fourth Quarter Operating Budget Report for 2011

EXECUTIVE SUMMARY:

This report provides Council with information on the financial results of the City of Kingston for the fiscal year 2011. The attachments include the year-end financial schedules, ready for audit as prepared by the Finance Department. We are pleased to report that the city experienced a surplus for 2011. The report also recommends that the surplus be allocated to reserves and reserve funds in accordance with policy and to support longer-term capital funding strategies. The annual audited financial statements will be presented to the Administrative Policies Committee and Council upon completion of the external audit later in the spring.

RECOMMENDATION:

1. **THAT** Council receive the 2011 4th quarter operating budget status report.
2. **THAT** the surplus generated from municipal operations in the amount of \$3,832,210 be allocated as follows:

a. Affordable Housing Construction Reserve	\$ 271,147
b. Solid Waste & Recycle Capital Reserve Fund	\$ 540,142
c. Transit Capital Reserve Fund	\$ 508,615
d. Library Capital Reserve Fund	\$ 259,239
e. Police Equipment Capital Reserve Fund	\$ 370,601
f. Working Fund Reserve (in accordance with policy)	\$ 1,882,466

3. **THAT** the surplus generated from the municipal utilities operations in the amount of \$2,656,196 be allocated as follows:

a. Water Capital Reserve Fund	\$ 154,259
b. Wastewater Capital Reserve Fund	\$ 230,930
c. Gas Capital Reserve Fund	\$ 2,234,372
d. Gas Capital Appliance Reserve Fund	\$ 36,635

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY DIRECTOR OF FINANCIAL SERVICES _____
 Stephen Dickey, Deputy Treasurer

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER _____
 Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	√
Lanie Hurdle, <i>Community Services</i>	√
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	√
Jim Keech, <i>President and CEO, Utilities Kingston</i>	√

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:

The financial information provided in this report is derived from the financial accounting records of the corporation as at December 31, 2011. The report reflects 2011 actual revenue and expenditure information together with the approved operating budget for the year 2011. Three exhibits are attached, reported by group and summarized by department. Agency transfers and municipal utilities are summarized as well. Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures respectively. In addition, Exhibit D, E and F provide summary reports for the operations of the Grand Theatre, INVISTA Centre and K-Rock Centre for 2011. Exhibit G provides a continuity summary of the reserve fund activity with respect to building permit fees in accordance with the legislative requirement for annual reporting as detailed in Bill 124.

During the 2012 budget deliberations, Council received budget, actual year-to-date and projected variance information as part of the budget documentation provided. At that time, departments had the opportunity to address specific questions from members of Council. Budget variances experienced in 2011 were considered when developing the 2012 budget estimates.

A. General Municipal Operations

Exhibit A, attached to this report, reflects a summary of the 2011 net departmental surpluses or deficits. These amounts are summarized by group and department. The following information provides Council with a brief explanation of the major items:

i. Mayor and Council

Mayor and Council ended the year with a net surplus of approximately \$30K resulting largely from positive variances in travel and conference budgets.

ii. Corporate Administration & CAO's Office

This group reflects a net surplus of \$436K on a budget of \$10.8M. This group includes the CAO's office, Office of the City Solicitor, Office of the City Clerk, Corporate Affairs, Financial Services, Human Resources & Organization Development and Information Systems and Technology.

- The Office of the Solicitor reported a \$163K surplus which included the City's share of Provincial Offence Act (POA) revenue, which exceeded budget by \$177K.
- The Office of the City Clerk reported a surplus of \$171K which included \$122K savings in office supplies, advertising and recruitment and postage.
- Financial Services reported a surplus of \$128K due to increased revenues of \$77K from user fees and due to a staff vacancy during part of the year.

iii. Transportation, Properties & Emergency Services

This group experienced a net surplus of approximately \$276K on a budget of approximately \$31.2M, broken down as follows:

- Net surplus in Transit of \$509K, as a result of transit ridership revenues greater than budget by \$360K primarily from the collection of different proportions of fare types than originally anticipated. In addition, contracted services, supplies and material reported savings of \$164K offset by \$103K higher than anticipated fleet costs resulting from fuel price fluctuations. It is recommended that the 2011 surplus for transit be allocated to the Transit Capital Reserve Fund to address future transit redevelopment capital requirements.
- Net surplus of \$120K in the Airport, due to a combination of higher than anticipated lease and rental revenues as well as lower operating costs in the areas of supplies, materials and contracted services.
- Net deficit of \$174K in Real Estate and Construction Services due to \$386K less than expected net contributions from the K-Rock Centre, offset by savings of \$125K in supplies and materials and \$124K in contracted services. See Exhibit F attached for further information concerning the K-Rock Centre results.
- Net deficit in Fire & Rescue of \$188K, primarily as a result of higher than budgeted salaries and benefits related to retiree pay obligations and other benefit costs.

iv. **Public Works Services**

This group experienced a net surplus of approximately \$816K on a net budget of \$27.4M, broken down as follows:

- Net surplus in Engineering of \$413K made up of positive variances in salaries \$209K as well as contracted services of \$203K due to an increased construction season which led to more resources being allocated to capital work.
- Public Works reported a net deficit of \$137K for 2011. Savings in winter control costs of \$329K due to mild/snow free winter were redirected to additional parks and roads maintenance activities resulting in costs exceeding budget in those services by approximately \$535K.
- Net surplus in Solid Waste of \$540K is due primarily to revenue from the sale of recyclable materials exceeding budget by \$503K due to improved market conditions. In addition, contracted services over budget by \$194K was offset by supplies and materials savings of \$160K and increased tipping fee revenue from the Kingston East Landfill of \$56K. It is recommended that the surplus in Solid Waste be allocated to the Solid Waste and Recycling Reserve Fund to address future capital funding requirements.

v. **Community Services**

This group experienced a net surplus of approximately \$16K, on a net budget of \$30.9M, broken down as follows:

- The Commissioner's Office reported a surplus of \$27K primarily due to staff vacancies.

- Community and Family Services reported a net surplus of \$221K primarily due to staff vacancies. The revenues of the Community and Family Services Department are very much tied to expenditure levels for Social Services, Housing and Children's Services wherein subsidization is based on expenditure levels. As a result, a macro revenue analysis can only be interpreted by taking expenditure levels into consideration.
- Housing reported a net surplus of \$271K due to staff vacancies. It is recommended that this housing surplus be allocated to the Affordable Housing Construction Reserve to be used for future housing support. It is anticipated that this will be the last year of transfer into the Affordable Housing Construction Reserve as the City has adopted a plan to invest \$1M per year for 5 years, starting in 2012, into the capital development of affordable housing.
- Recreation and Leisure Services reported a shortfall of \$489K for 2011. Ice rental revenues and advertising and other rental revenues across the city arenas were approximately \$55K and \$113K below budget respectively. Salaries costs, utilities costs and other supplies were more than anticipated by \$266K. The Belle Park Golf Course accounted for about \$163K of this deficit. Fleet costs were higher than expected by \$55K due to higher than anticipated equipment costs. Additional information regarding the INVISTA Centre facility operations for 2011 is included in the attached Exhibit E.
- There was a net deficit in the Rideaucrest operations of \$14K. Additional provincial subsidies of \$240K were received, offset by resident revenues that were below budget by \$200K. Savings occurred in salaries and benefits due largely to staff vacancies, but were offset by additional contracted services costs.

vi. **Sustainability and Growth**

This group experienced a net surplus of \$446K on a budget of \$5.6M broken down as follows:

- Commissioner's office reported a net surplus of \$38K due to cost reductions that are non-recurring.
- Building and Licensing reported a \$60K surplus in 2011. Of this amount, Licensing reported a surplus of \$114K, and Building Enforcement reported a deficit of \$54K. Cost savings in Licensing were due primarily to staff vacancies.
- Building permit fee revenues totaled \$2.7M in 2011, \$94K lower than budget. This lower revenue was offset by savings in salaries and benefits due to staff vacancies, reducing the shortfall in this department and allowing for a less than budgeted transfer from the Building Code Stabilization Reserve Fund. The Building Code Act requires that building permit fees not exceed the cost of providing the service and that surplus fees be placed in a permit "Stabilization Reserve Fund" for use if a deficit occurs. For 2011, monies were transferred from the Building Code Stabilization Reserve Fund in accordance with this legislation. The attached Exhibit G, 2011 Report on Building Fees, provides further details.

- Cultural Services reported a net surplus of \$62K, predominately due to savings realized in supplies and materials of \$121K and contracted services of \$35K which were offset by a shortfall in user fees of \$91K. See attached Exhibit D for further detail on the Grand Theatre operations for 2011. Planning and Development reported a net surplus of \$253K as compared to budget, due primarily to \$281K from staff vacancies as a result of ongoing difficulty in recruiting required planning staff.

vii. **Fiscal Services**

The Fiscal Services budget shows a net surplus of approximately \$448K. Due to a decline in interest rates, investment income was approximately \$150K less than budget. In addition, a budgeted contribution from the working fund reserve to address lower interest rates in the amount of \$300K was not made due to the anticipated corporate surplus. These shortfalls were offset by additional funding received from the 2009 Ontario Municipal Partnership Fund reconciliation in the amount of \$975K. These funds have been provided by the province to fund higher than expected expenditure levels that were reported in 2009.

Fiscal Services revenue also includes rebates received during the year from the insurance company with respect to claims experience in connection with city staff benefit plans in the amount of \$954K. The city is self-insured with respect to these benefit plans, and responsible for covering actual benefit costs plus an administrative fee. Benefit costs are budgeted and recognized annually based on estimated premiums for these plans. In order to manage fluctuations in claims experience, these rebates were transferred to the recently established Payroll Benefits Stabilization Reserve in order to address future benefit cost variability as a result of claims experience as well as expected increases in drug/dental costs and an aging workforce.

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

viii. **Taxation Revenue**

The taxation revenue budget reported a net surplus of \$260K. Focused efforts during the year to work with Municipal Property Assessment Corporation to address unbilled supplementary taxes resulted in an additional \$2.6M of supplementary tax revenues over budget. This was offset by approximately \$1M of additional tax write-offs and allowances to address the potential risks of not fully collecting tax payments on certain delinquent properties, properties whose assessment is currently under appeal and assessment variances with respect to payments-in-lieu of taxation.

In addition, as per recommendation of council passed in November 2011, the City Treasurer is given delegated authority to consider transferring any surplus resulting from assessment growth revenues in the year towards the repayment of Development Charges and Impost Fees exemptions, thereby accelerating the allocation of the tax

incremental financing program and bringing assessment growth to the operating fund sooner. As a result, approximately \$1.49M of net assessment growth was used to fund Development Charges and Impost Fees exemptions.

ix. Agencies and Boards

Transfers to other agencies reported a net surplus of \$1.1M for 2011.

- Transfers to the Health Unit reflected a recovery of prior year surpluses of \$121K received during the year.
- The contribution of \$276K to the Kingston Access Service reserve fund was not made for 2011 as no buses were purchased in 2010 leaving the reserve fund balance sufficient to fund future capital requirements.
- The surplus/deficits of Kingston Police Services and Kingston Frontenac Public Library are also consolidated as part of the overall municipal surplus. The Library reported a surplus of \$336K of which \$259K was due primarily to staff vacancies. The additional \$77K was applied to the December 31, 2010 accumulated deficit as per council recommendation in last year's 4th quarter report. The Library made a decision to delay some replacement hirings during the year while operations and staff requirements were being reviewed. Police Services reported a surplus of \$371K largely as a result of additional grant funding and other unanticipated revenues received. It is recommended that the 2011 surplus for both the Library and Police be allocated to the Library and Police Equipment Capital Reserve Funds respectively to address future capital funding requirements.
- Recoveries from the city's share of the prior year surpluses related to Land Ambulance and Fairmount Home operations were approximately \$177K. The net cost of these services is reconciled annually with the County of Frontenac, however, as approved by Council, the net recovery was used in 2011 to assist in funding the gap between the projected funding approved by Council in the 2011 budget and the final 2011 budgets subsequently submitted by the County.

B. Allocation of Annual Municipal Surplus

Staff recommends that the municipal surplus be allocated as follows:

a. Affordable Housing Construction Reserve	\$ 271,147
b. Solid Waste & Recycle Capital Reserve Fund	\$ 540,142
c. Transit Capital Reserve Fund	\$ 508,615
d. Library Capital Reserve Fund	\$ 259,239
e. Police Equipment Capital Reserve Fund	\$ 370,601
f. Working Fund Reserve (in accordance with policy)	\$ 1,882,466

In accordance with the Working Fund Reserve policy, the remaining net surplus shall be transferred to the Working Fund Reserve in the amount of \$1,882,466. Recommendation 2 provides for these authorizations.

C. Municipal Operations Managed by Utilities Kingston

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

i. Water Operations

Water operations resulted in an operating surplus of \$154K for 2011. Revenues billed on behalf of the City of Kingston were \$499K below budget, due primarily to a decrease in consumption from large commercial customers and a 3% decrease in residential consumption from 2010. Utilities Kingston managed to reduce operating expenditures by \$653K below budget by delaying the implementation of system planning, inspection monitoring and some conservation programs. This ensured that net operating budgets would be met for 2011. It is recommended that the surplus be allocated to the Water Capital Reserve Fund.

ii. Wastewater Operations

Wastewater operations resulted in an operating surplus of \$231K for 2011. Revenues billed on behalf of the City of Kingston were down \$444K due primarily to a decrease in water consumption from large commercial customers and a 3% decrease in residential water consumption from 2010. Similar to the water utility, Utilities Kingston managed to reduce operating expenditures by \$675K below budget by delaying the implementation of infrastructure planning, inspection monitoring and some water conservation programs. This ensured that net operating budgets would be met for 2011. It is recommended that the surplus be allocated to the Wastewater Capital Reserve Fund.

iii. Gas Distribution and Appliance Rental Operations

Gas distribution and appliance rental operations resulted in a total operating surplus of \$2.3M for 2011. Revenues generated from these businesses were \$1.2M above budget due to increased consumption and increased revenue opportunities from gas assets. Operating expenditures were \$1.1M under budget due to decrease in expenses for inspection monitoring, legal and consulting fees and the delay of hiring additional supervisory staff. It is recommended that the surplus be allocated to the Gas Capital Reserve Fund in the amount of \$2.2M and the Gas Appliance Capital Reserve Fund in the amount of \$37K.

Audited financial statements for the year ended December 31, 2011 for the operations of 1425445 Ontario Limited (operating as Utilities Kingston) and for Kingston Hydro

Corporation have been prepared by Utilities Kingston management and will be presented and approved by their respective Boards of Directors.

D. Bill 124 - Ontario Building Code Act

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

The Building Code Act requires that building permit fees not exceed the cost of providing the service and that surplus fees be placed in a permit "Stabilization Reserve Fund" to ensure that a municipality does not suffer any negative financial impacts that would otherwise occur during slow times in the often volatile construction industry. This would also ensure that a municipality is able to retain the resources necessary to handle subsequent building booms. The Report, attached as Exhibit F, was made available on March 31, 2011.

EXISTING POLICY/BY LAW:

By-law 2011-34, "A By-Law to Adopt the 2011 Operating Budget". Council receives the 4th quarter report and the audited financial statements on an annual basis.

NOTICE PROVISIONS:

There are no notice requirements under the *Municipal Act, 2001* for this report.

ACCESSIBILITY CONSIDERATIONS:

There are no accessibility considerations for this report.

FINANCIAL CONSIDERATIONS:

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

CONTACTS:

Stephen Dickey, Deputy Treasurer
Lana Foulds, Manager of Financial Planning

Ext. 2370
Ext. 2366

OTHER CITY OF KINGSTON STAFF CONSULTED:

Brian McCurdy, Director of Cultural Services
Terry Willing, Director Building and Licensing
Luke Follwell, Manager Recreation Facilities
John Giles, Manager, Solid Waste Disposal
Kate Tindal, Manager of Finance, Utilities Kingston
Randy Murphy, Chief Financial Officer, Utilities Kingston
Ian Semple, Project Manager, Transportation

EXHIBITS ATTACHED:

- Exhibit A: 2011 Net Operating Report
- Exhibit B: 2011 Gross Revenue – Operating Fund – Municipal
- Exhibit C: 2011 Gross Expenditure – Operating Fund – Municipal
- Exhibit D: Grand Theatre Fourth Quarter Report
- Exhibit E: INVISTA Centre Fourth Quarter Report
- Exhibit F: 2011 K-Rock Centre Fourth Quarter Report and Key Performance Measures
- Exhibit G: 2011 Report on Building Fees

CITY OF KINGSTON
Net Operating - Operating Fund - Municipal
2011-12-31

Council Report 12-145
 Exhibit A

	Actuals Year to Date	Annual Budget	Variance \$	Y-T-D = 100% Actual to Budget %
<u>Municipal Operations</u>				
Mayor & Council	798,816	828,667	(29,851)	96%
Corporate Administration				
CAO's Office	409,220	430,800	(21,580)	95%
Office of the City Solicitor	136,291	299,583	(163,293)	45%
Office of the City Clerk	1,403,840	1,575,105	(171,265)	89%
Corporate Affairs	1,083,603	929,705	153,898	117%
Financial Services	1,579,097	1,707,480	(128,383)	92%
Human Resources & Organization Development	2,906,142	2,949,192	(43,050)	99%
Information Systems & Technology	2,889,880	2,952,007	(62,127)	98%
Total Corporate Administration	<u>10,408,072</u>	<u>10,843,872</u>	<u>(435,800)</u>	<u>96%</u>
Transportation, Properties & Emergency Services				
Commissioner's Office	271,897	280,659	(8,762)	97%
Fire & Rescue	20,771,653	20,583,749	187,904	101%
Real Estate & Construction Services	2,227,196	2,053,431	173,765	108%
Transportation Services	7,677,542	8,306,188	(628,646)	92%
Total Transportation, Properties & Emergency Services	<u>30,948,288</u>	<u>31,224,027</u>	<u>(275,739)</u>	<u>99%</u>
Public Works Services				
Engineering	3,800,110	4,213,264	(413,154)	90%
Public Works	16,723,974	16,586,540	137,434	101%
Solid Waste	6,023,196	6,563,337	(540,142)	92%
Total Public Works	<u>26,547,280</u>	<u>27,363,142</u>	<u>(815,861)</u>	<u>97%</u>
Community Services				
Commissioner's Office	248,451	275,060	(26,609)	90%
Social Services	9,633,940	9,854,745	(220,805)	98%
Housing	9,495,437	9,766,584	(271,147)	97%
Recreation & Leisure Services	5,852,122	5,363,239	488,883	109%
Residential Long Term Care-Rideaucrest	5,614,648	5,600,918	13,730	100%
Total Community Services	<u>30,844,598</u>	<u>30,860,546</u>	<u>(15,947)</u>	<u>100%</u>
Sustainability & Growth				
Commissioner's Office	675,445	713,065	(37,620)	95%
Building & Licensing	111,942	172,309	(60,367)	65%
Cultural Services	2,528,000	2,590,102	(62,102)	98%
Environment & Sustainable Initiatives	828,314	861,571	(33,257)	96%
Planning & Development	1,025,082	1,278,291	(253,209)	80%
Total Sustainability & Growth	<u>5,168,782</u>	<u>5,615,337</u>	<u>(446,555)</u>	<u>92%</u>
Total All Departments	<u>104,715,837</u>	<u>106,735,590</u>	<u>(2,019,752)</u>	<u>98%</u>
Fiscal Services	20,554,725	21,003,078	(448,353)	98%
Taxation Revenue	(186,311,067)	(186,050,804)	(260,262)	100%
Total	<u>(61,040,504)</u>	<u>(58,312,137)</u>	<u>(2,728,368)</u>	<u>105%</u>
Boards and Agency Transfers	57,208,295	58,312,137	(1,103,842)	99%
Total Municipal Operations	<u>(3,832,210)</u>	<u>0</u>	<u>(3,832,210)</u>	<u>-</u>
<u>Municipal Utilities</u>				
Water	(154,259)	-	(154,259)	-
Wastewater	(230,930)	-	(230,930)	-
Gas	(2,234,372)	-	(2,234,372)	-
Appliance Rental Business	(36,635)	-	(36,635)	-
Total Municipal Utilities	<u>(2,656,196)</u>	<u>-</u>	<u>(2,656,196)</u>	<u>-</u>
Net Operating	<u>(6,488,406)</u>	<u>0</u>	<u>(6,488,406)</u>	<u>-</u>

CITY OF KINGSTON
Gross Revenue - Operating Fund - Municipal
2011-12-31

Council Report 12-145
 Exhibit B

	Gross Revenue Year to Date	Annual Budget	Variance \$	Y-T-D = 100% Actual to Budget %
<u>Municipal Operations</u>				
Mayor & Council	(531)	-	(531)	
Corporate Administration				
CAO's Office	(110,973)	(121,000)	10,027	92%
Office of the City Solicitor	(2,342,232)	(2,071,542)	(270,690)	113%
Office of the City Clerk	(202,293)	(210,535)	8,242	96%
Corporate Affairs	(196,921)	(292,500)	95,579	67%
Financial Services	(734,774)	(681,970)	(52,804)	108%
Human Resources & Organization Development	(981,126)	(1,048,117)	66,991	94%
Information Systems & Technology	<u>(1,252,544)</u>	<u>(1,190,483)</u>	<u>(62,061)</u>	<u>105%</u>
Total Corporate Administration	<u>(5,820,862)</u>	<u>(5,616,147)</u>	<u>(204,716)</u>	<u>104%</u>
Transportation, Properties & Emergency Services				
Fire & Rescue	(256,400)	(218,000)	(38,400)	118%
Real Estate & Construction Services	(3,202,636)	(3,531,612)	328,976	91%
Transportation Services	<u>(15,220,554)</u>	<u>(14,768,521)</u>	<u>(452,033)</u>	<u>103%</u>
Total Transportation, Properties & Emergency Services	<u>(18,679,589)</u>	<u>(18,518,133)</u>	<u>(161,456)</u>	<u>101%</u>
Public Works Services				
Engineering	(358,368)	(306,895)	(51,473)	117%
Public Works	(501,594)	(346,348)	(155,246)	145%
Solid Waste	<u>(4,122,501)</u>	<u>(3,698,494)</u>	<u>(424,008)</u>	<u>111%</u>
Total Public Works	<u>(4,982,464)</u>	<u>(4,351,737)</u>	<u>(630,727)</u>	<u>114%</u>
Community Services				
Commissioner's Office	(100,000)	(125,000)	25,000	80%
Social Services	(35,945,625)	(35,663,064)	(282,561)	101%
Housing	(11,969,124)	(6,560,709)	(5,408,415)	182%
Recreation & Leisure Services	(7,599,836)	(7,655,346)	55,511	99%
Residential Long Term Care-Rideaucrest	<u>(10,651,037)</u>	<u>(10,414,510)</u>	<u>(236,527)</u>	<u>102%</u>
Total Community Services	<u>(66,265,621)</u>	<u>(60,418,630)</u>	<u>(5,846,992)</u>	<u>110%</u>
Sustainability & Growth				
Commissioner's Office	(11,562)	(45,000)	33,438	26%
Building & Licensing	(3,971,305)	(4,102,204)	130,899	97%
Cultural Services	(1,962,400)	(2,138,843)	176,443	92%
Environment & Sustainable Initiatives	(79,374)	(435,625)	356,251	18%
Planning & Development	<u>(637,145)</u>	<u>(677,100)</u>	<u>39,955</u>	<u>94%</u>
Total Sustainability & Growth	<u>(6,661,785)</u>	<u>(7,398,772)</u>	<u>736,987</u>	<u>90%</u>
Total All Departments	<u>(102,410,853)</u>	<u>(96,303,418)</u>	<u>(6,107,435)</u>	<u>106%</u>
Fiscal Services	(11,801,933)	(1,937,496)	(9,864,437)	609%
Taxation Revenue	(193,677,583)	(189,947,804)	(3,729,779)	102%
Total	<u>(307,890,368)</u>	<u>(288,188,719)</u>	<u>(19,701,650)</u>	<u>107%</u>
Boards and Agency Transfers	(41,209,108)	(40,340,932)	(868,176)	111%
Total Municipal Operations	<u>(349,099,476)</u>	<u>(328,529,650)</u>	<u>(20,569,826)</u>	-
<u>Municipal Utilities</u>				
Water	(18,482,807)	(18,981,882)	499,075	-
Wastewater	(23,754,912)	(24,198,678)	443,766	-
Gas	(32,174,041)	(48,943,000)	16,768,959	-
Appliance Rental Business	<u>(1,719,690)</u>	<u>(1,717,000)</u>	<u>(2,690)</u>	-
Total Municipal Utilities	<u>(76,131,451)</u>	<u>(93,840,560)</u>	<u>17,709,109</u>	-
Gross Revenue	<u>(425,230,927)</u>	<u>(422,370,210)</u>	<u>(2,860,716)</u>	-

CITY OF KINGSTON
Gross Expenditure - Operating Fund - Municipal
2011-12-31

Council Report 12-145
 Exhibit C

	Gross Expense Year to Date	Annual Budget	Variance \$	Y-T-D = 100% Actual to Budget %
<u>Municipal Operations</u>				
Mayor & Council	799,347	828,667	(29,320)	96%
Corporate Administration				
CAO's Office	520,193	551,800	(31,607)	94%
Office of the City Solicitor	2,478,522	2,371,125	107,398	105%
Office of the City Clerk	1,606,133	1,785,640	(179,506)	90%
Corporate Affairs	1,280,524	1,222,205	58,319	105%
Financial Services	2,313,870	2,389,450	(75,579)	97%
Human Resources & Organization Development	3,887,268	3,997,309	(110,041)	97%
Information Systems & Technology	4,142,424	4,142,490	(66)	100%
Total Corporate Administration	<u>16,228,934</u>	<u>16,460,018</u>	<u>(231,084)</u>	<u>99%</u>
Transportation, Properties & Emergency Services				
Commissioner's Office	271,897	280,659	(8,762)	97%
Fire & Rescue	21,028,053	20,801,749	226,304	101%
Real Estate & Construction Services	5,429,832	5,585,044	(155,212)	97%
Transportation Services	22,898,095	23,074,709	(176,613)	99%
Total Transportation, Properties & Emergency Services	<u>49,627,877</u>	<u>49,742,160</u>	<u>(114,283)</u>	<u>100%</u>
Public Works Services				
Engineering	4,158,479	4,520,159	(361,681)	92%
Public Works	17,225,569	16,932,888	292,680	102%
Solid Waste	10,145,697	10,261,831	(116,134)	99%
Total Public Works	<u>31,529,744</u>	<u>31,714,878</u>	<u>(185,134)</u>	<u>99%</u>
Community Services				
Commissioner's Office	348,451	400,060	(51,609)	87%
Social Services	45,579,565	45,517,809	61,756	100%
Housing	21,464,561	16,327,293	5,137,269	131%
Recreation & Leisure Services	13,451,957	13,018,585	433,372	103%
Residential Long Term Care-Rideaucrest	16,265,685	16,015,428	250,257	102%
Total Community Services	<u>97,110,220</u>	<u>91,279,175</u>	<u>5,831,044</u>	<u>106%</u>
Sustainability & Growth				
Commissioner's Office	687,006	758,065	(71,058)	91%
Building & Licensing	4,083,247	4,274,513	(191,265)	96%
Cultural Services	4,490,400	4,728,945	(238,545)	95%
Environment & Sustainable Initiatives	907,687	1,297,196	(389,508)	70%
Planning & Development	1,662,227	1,955,391	(293,164)	85%
Total Sustainability & Growth	<u>11,830,567</u>	<u>13,014,109</u>	<u>(1,183,541)</u>	<u>91%</u>
Total All Departments	<u>207,126,690</u>	<u>203,039,008</u>	<u>4,087,682</u>	<u>102%</u>
Fiscal Services	32,356,658	22,940,574	9,416,084	141%
Taxation Revenue	7,366,516	3,897,000	3,469,516	189%
Total	<u>246,849,864</u>	<u>229,876,582</u>	<u>16,973,282</u>	<u>107%</u>
Agency Transfers	98,417,403	98,653,069	(235,666)	100%
Total Municipal Operations	<u>345,267,267</u>	<u>328,529,651</u>	<u>16,737,616</u>	<u>-</u>
<u>Municipal Utilities</u>				
Water	18,328,549	18,981,882	(653,333)	-
Wastewater	23,523,982	24,198,678	(674,696)	-
Gas	29,939,669	48,943,000	(19,003,331)	-
Appliance Rental Business	1,683,055	1,717,000	(33,945)	-
Total Municipal Utilities	<u>73,475,254</u>	<u>93,840,560</u>	<u>(20,365,306)</u>	<u>-</u>
Gross Expenditure	<u>418,742,521</u>	<u>422,370,211</u>	<u>(3,627,690)</u>	<u>-</u>

GRAND THEATRE QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER : Twelve months ending December 31, 2011

FINANCIAL PERFORMANCE:

INCOME	<i>Notes</i>	ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
Rental revenue		(143,305)	(137,700)	(5,605)	(126,459)
Other Revenues and Recoveries		(881,158)	(858,468)	(22,690)	(867,349)
		(1,024,463)	(996,168)	(28,295)	(993,808)
EXPENDITURE		ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
Operational Expenditures		1,086,485	1,144,036	(57,551)	1,206,087
Contributions to Reserves		95,095	100,958	(5,863)	112,499
		1,181,580	1,244,994	(63,414)	1,318,586
NET		157,117	248,826	(91,709)	324,778

GRAND THEATRE QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER : Twelve months ending December 31, 2011

OPERATIONAL PERFORMANCE:

Key Indicators:					
Days of Use	Actual Days of Use		Budgeted Days of Use		Variance
	<i>Rosen</i>	<i>Baby Grand</i>	<i>Rosen</i>	<i>Baby Grand</i>	
Community Groups	47	79	61	132	(67)
Commercial	27	0	15	0	12
Grand Theatre Presents	45	16	42	0	19
Rehearsal / set up	23	46	47	85	(63)
Dark Days	7	33	7	54	(21)
Non Performance	1	1	2	0	0
Total	150	175	174	271	(120)
Grand Use Total	325		445		

Ticket Sales	YTD Tickets Sold	Ticket Sales per Budget	Actual Variance
Community Groups	25,728	27,448	(1,720)
Commercial	11,874	7,745	4,129
Grand Theatre Presents	21,292	13,602	7,690
Off Site Events	4,830	3,000	1,830
Baby Grand	4,186	9,830	(5,644)
Total	67,910	61,625	6,285

NARRATIVE:	ACTION REQ'D?	ACTION PLANNED
The Grand Theatre had less rental revenues due to the cancellation of Queen's Musical last January, 2011, as well as the Symphony moving several of their performances to the Gospel Temple. This has impacted both Community performances and rehearsals rental goals. Additionally, with Domino Theatre moving out of the Baby Grand, our days of use, dark day, rehearsal days and ticket sales were below projections for the Baby Grand. We have compensated by an increase in Grand Presents events, off site and commercial rentals resulting in greater ticket sales than budgeted.	N	

INVISTA & ARENAS QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER : Twelve months ending December 31, 2011

FINANCIAL PERFORMANCE: INVISTA

INCOME	<i>Notes</i>	ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
Ice Rentals		(2,176,178)	(2,162,751)	(13,427)	(2,060,558)
Other Revenues and Recoveries	1	(397,139)	(515,000)	117,861	(388,550)
		(2,573,317)	(2,677,751)	104,434	(2,449,108)
EXPENDITURE		ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
Operational Expenditures	2, 3	2,151,399	2,050,391	101,008	2,156,340
Contributions to Reserves		1,283,743	1,283,743	0	1,246,352
		3,435,142	3,334,134	101,008	3,402,692
NET		861,825	656,383	205,442	953,583

SUMMARY OF ICE REVENUES - ALL ARENAS

PREVIOUS YEAR
COMPARATOR

FACILITY	<i>Notes</i>	ACTUAL 2011	BUDGET 2011	% 2011	ACTUAL 2010
<i>INVISTA Centre</i>		(2,176,178)	(2,162,751)	101%	(2,060,558)
<i>Cataraqui-Kinsmen</i>		(572,624)	(569,960)	100%	(552,701)
<i>Memorial Centre</i>		(378,630)	(410,472)	92%	(355,957)
<i>C70</i>		(286,605)	(330,773)	87%	(271,585)
<i>Wally Elmer</i>		(12,764)	(8,000)	160%	0
TOTAL		(3,426,800)	(3,481,956)	98%	(3,240,801)

INVISTA & ARENAS QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER : Twelve months ending December 31, 2011

OPERATIONAL PERFORMANCE: ALL ARENAS

RENTALS	Notes	INVISTA		Cat/Kin, Memorial Centre, C70		Total ALL Arenas	
Available Ice & Floor		Hours	%	Hours	%	Hours	%
Prime		14,160	57%	8,000	55%	22,160	56%
Non-Prime		10,620	43%	6,560	45%	17,180	44%
TOTAL		24,780		14,560		39,340	
Booked Ice & Floor							
Prime		8,906	71%	5,373	78%	14,279	73%
Non-Prime		3,699	29%	1,550	22%	5,249	27%
TOTAL		12,605		6,923		19,528	
Vacant Ice & Floor							
Prime		5,254	43%	2,627	34%	7,881	40%
Non-Prime		6,921	57%	5,010	66%	11,931	60%
TOTAL		12,175		7,637		19,812	
Distribution of Ice & Floor							
Youth	4	9,151	73%	4,648	67%	13,799	71%
Adult		3,454	27%	2,275	33%	5,729	29%
TOTAL		12,605		6,923		19,528	

HALL RENTALS	Notes	INVISTA	
Halls Available		Hours	%
Booked		4,161	21%
Vacant		15,607	79%
TOTAL		19,768	
Distribution of Halls		Hours	%
Internal		973	23%
External		2,908	70%
Partner Groups		280	7%

NARRATIVE: (Notes)	NOTE REF	ACTION REQ'D?	ACTION PLANNED
Bottled Water Policy	1	No	Amendment to Beverage Contract with Coca-Cola for the removal of bottled water from recreational facilities (\$12,500 annual reduction for the INVISTA Centre and \$7,900 annual reduction for other arenas).
Utilities Reduced	2	Yes - Ongoing	Energy Curtailment in coordination with programmable refrigeration equipment have resulted in a reduction of utility consumption, savings of \$15,000.
Salaries and Wages	3	Yes - Ongoing	Adjustments have been implemented to reduce staff wages and distributed benefits through changes in staff scheduling.
Rental Distribution	4	No	Youth and Adult Ice distribution applies to regular season schedules.

K-ROCK CENTRE QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER: For the Twelve Months Ending December 31, 2011

FINANCIAL PERFORMANCE:

INCOME	<i>Notes</i>	ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
SMG Events		(618,441)	(1,206,707)	588,266	(1,168,337)
Kingston Frontenacs Events		(278,147)	(369,211)	91,064	(280,140)
Other Revenues and Recoveries		(1,246,261)	(1,252,569)	6,308	(1,156,678)
		(2,142,849)	(2,828,487)	685,638	(2,605,155)
EXPENDITURE		ACTUALS TO DATE	2011 BUDGET	VARIANCE	TOTAL 2010
Operational Expenditures		1,728,823	2,028,487	(299,664)	2,094,041
Contributions to Reserves		100,000	100,000	0	100,000
		1,828,823	2,128,487	(299,664)	2,194,041
NET		(314,026)	(700,000)	385,974	(411,114)

K-ROCK CENTRE QUARTERLY PERFORMANCE REPORT

PERIOD: FOURTH QUARTER: For the Twelve Months Ending December 31, 2011

Key Performance Indicators

	2011 Actual	2011 Budget	Variance	% Achieved
Revenues				
SMG Spectator Events	(600,102)	(1,179,850)	(579,748)	51%
SMG Non-Spectator Events	(18,339)	(26,857)	(8,518)	68%
SMG Events	(618,441)	(1,206,707)	(588,266)	51%
Frontenacs Events	(278,147)	(369,211)	(91,064)	75%
Total Event Income	(896,588)	(1,575,918)	(679,330)	57%
Suites/Club Seats	(665,379)	(697,825)	(32,446)	95%
Naming/Advertising	(409,226)	(377,244)	31,982	108%
Ice Rentals	(166,173)	(170,000)	(3,827)	98%
Other	(5,483)	(7,500)	(2,017)	73%
	(2,142,849)	(2,828,487)	(685,638)	76%
Expenses				
Operating	1,728,823	2,028,487	299,664	85%
Contribution to Capital	100,000	100,000	-	100%
Net Income	(314,026)	(700,000)	(385,974)	45%

Number of Events				
SMG Spectator Events	39	47	8	83%
SMG Non-Spectator Events	47	17	(30)	276%
SMG Events	86	64	(22)	134%
Frontenacs Events	40	45	5	89%
Total Number of Events	126	109	(17)	116%

Attendance				
SMG Spectator Events	62,440	150,410	87,970	42%
SMG Non-Spectator Events	38,376	19,635	(18,741)	195%
SMG Events	100,816	170,045	69,229	59%
Frontenacs Events	83,514	115,805	32,291	72%
Total Attendance	184,330	285,850	101,520	64%

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

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

2011 Report on Building Fees

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

(A) FEES

Revenues	2,679,004
Transfer from Permit Stabilization Reserve Fund	390,204
	3,069,208
Less:	
1) Direct Costs - Administration and enforcement	(2,218,333)
2) Direct Costs - Other and related service costs	(346,691)
3) Indirect Costs - For support and overhead	(504,184)
	0
Net Cost for Building Inspection Enforcement 2011	0

(B) PERMIT STABILIZATION RESERVE FUND

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

Opening Balance January 1, 2011	4,739,184
Add:	
Interest earned on fund	135,057
Less: Funding for capital purposes	(75,545)
Transfer to operating	(390,204)
Ending Balance December 31, 2011	4,408,492