



**City of Kingston
Report to Committee of the Whole
Report Number 15-144**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer and City Treasurer
Resource Staff: Stephen Dickey, Director of Financial Services
Lana Foulds, Manager of Financial Planning
Date of Meeting: January 20, 2015
Subject: 2015 Draft Operating and Capital Budgets (excluding Utilities)

Executive Summary:

The operating budget is being presented to Council to establish operating revenue and expenditure estimates for the 2015 year. The capital budget includes capital expenditure estimates and related financing for a four year period (2015-2018) for Public Works Services and for the 2015 year for all other services. Once the budget is established and the assessment roll is delivered by the Municipal Property Assessment Corporation (MPAC) and analyzed by Finance staff, the final taxation levy by-law will be presented for Council approval. Approval by Council of annual municipal operating and capital budgets and passing of associated by-laws is required under the Municipal Act (2001).

Operating Budget

The 2015 recommended operating budget continues to reflect 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%), service enhancements as previously directed by Council, primarily related to Transit and Cultural Services, and capital investment, without compromising service levels. It also reflects taxation revenue from assessment growth of 0.8% or approximately \$1.5M.

Commencing early in 2015, 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

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agencies and boards for future budgets and set conditions necessary to work collaboratively to achieve the priorities over the term of this Council.

The 2015 gross operating expenditures budget of \$338M (excluding Utilities) is offset by non-tax revenues of \$120M requiring \$218M to be raised by taxation and payments in lieu of taxes (PILs) from other levels of government. Of that amount, approximately 56% (\$122M) of the net tax requirement is for provision of services managed by the City corporation (internal), 30% (\$65M) is for services provided through external agencies and boards and 14% (\$31M) is for fiscal purposes, primarily the capital levy. Exhibit A, Parts 1 to 3 attached to this report reflects the summary operating budget information.

The submission also includes forecasts for 2016, 2017 and 2018 with tax increases currently projected at 3.2%, 3.3% and 2.8% respectively. Staff will continue to investigate and recommend strategies in the coming year to address budget pressures. Exhibit A Part 4 provides this 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 gap between total revenue and total expenditures. Included in this three year forecast is an estimate of \$1.5M annually for assessment growth. This growth is projected based on information in the Population, Housing & Employment Study adopted by Council in 2014. To achieve this sustainable growth, some of the initiatives include:

- Streamlining applications and processes for development-related services as endorsed by Council from recommendations of the Mayor's Task Force on Development
- Enhancing customer service
- Updating the City's Official Plan and consolidation of Zoning policies
- Servicing employment land
- Reviewing Industrial Land strategy
- Fostering entrepreneurship and innovation
- Developing an Immigration/migration strategy

Such initiatives and strategies require time to materialize and as a result outcomes are often not reflected in the assessment growth for some years. However, longer term strategic vision and commitment is required.

Capital Budget

A capital budget in the amount of \$170.8M for the City services (excluding those managed by Utilities Kingston) is also being presented to establish the 2015 capital budget estimates and to confirm financing to support the expenditures. The capital budget includes amounts for major road infrastructure for the four year period 2015-2018 being submitted to support a multi-year capital plan, aligned closely with Utilities Kingston's capital program. Details of the capital budget are presented in Exhibit B. A 15-year projected capital plan is also included as part of the supporting information to assist Council with the long term vision of capital work.

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Recommendation:

That Council approve the 2015 General Municipal (tax-supported) Operating Budget in the amount of \$337,847,600; and

That any variance between final assessment growth and the growth estimates included in the 2015 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 endorse a continued commitment to the 1% capital policy for the term of 2015-2018 and recommend its continuation to the 2019-2022 Council; and

That Council approve the 2015-2018 Municipal Capital Budget, as follows:

	2015	2016	2017	2018	Total
Capital Expenditures:					
Public Works Services	77,563,660	17,295,650	24,599,350	17,956,250	137,414,910
Other municipal	33,420,690				33,420,690
Total	<u>\$110,984,350</u>	<u>\$17,295,650</u>	<u>\$24,599,350</u>	<u>\$17,956,250</u>	<u>\$170,835,600</u>
Financing:					
Municipal Reserve Funds	76,817,400	10,797,350	18,145,973	12,394,110	118,154,833
Long term debt	13,610,000	5,000,000	4,103,500	5,000,000	27,713,500
Working Fund Reserve	250,000	450,000	450,000	450,000	1,600,000
Grants (anticipated)	3,012,605				3,012,605
Contributions from others	17,294,345	1,048,300	1,899,877	112,140	20,354,662
Total financing	<u>\$110,984,350</u>	<u>\$17,295,650</u>	<u>\$24,599,350</u>	<u>\$17,956,250</u>	<u>\$170,835,600</u>

and

That Council approve changes to the funding previously approved in water capital budgets as pay-as-you-go from the Water Reserve Fund in the amount of \$18.38M and the Impost Reserve Fund in the amount of \$4.34M to the issuance of debt - Impost (water) Reserve Fund in the amount of \$22.72M to reflect the updated Impost Background Study and By-Law as approved by Council on September 9, 2014; and

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

- a) 15 year capital expenditure forecast
- b) Capital Works in Progress listing
- c) Municipal Reserve Funds Schedules of Continuity; and

That the City Treasurer be authorized to report the approved budget estimates for 2015 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 3, 2015 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

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives

Lanie Hurdle, Community Services

Denis Leger, Transportation, Facilities & Emergency Services

Jim Keech, President and CEO, Utilities Kingston

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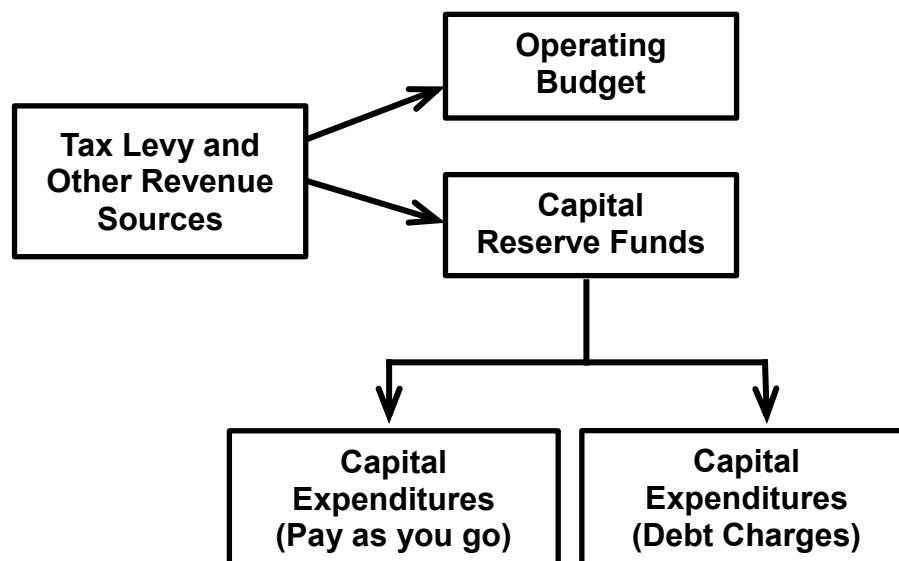
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Options/Discussion:

1. 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 the budgets associated with fiscal year operations and estimate revenues and expenditures associated with the operations of the entity. 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. The 2015 operating and capital budgets are being presented to council for approval as part of this budget process. The following diagram provides information on the funding relationships between the operating and capital budgets. 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, and we recommend that the plan continue

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for a number of years to come. 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 address capital requirements.

Capital budgets are budgets that reflect project estimates for capital expenditures and, once approved, the budget remains the approval for spending until the project is complete. In some cases this can take multiple years. The 2015 capital budget is also being presented to Council as part of this budget submission. In addition, information on 15-year capital expenditure plans and capital reserve fund balances are included as separate sections within the budget binder.

2. 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 and detail on the 2015 capital budget requests. These exhibits provide the support for the recommendations as laid out in the report.

Further budget supporting documentation accompanying this report is provided in binder format. The budget data is summarized in a variety of ways enabling Council to review and assess the submissions comparatively. The binder is sorted by group and is presented in accordance with the City's organizational structure, reflecting responsibilities by department and program. Within each group tab, the budget submission detail is summarized as follows:

- Comparative data by Group
 - 2014 forecasted actual, 2014 approved budget, 2015 recommended budget, variance (\$), 2016, 2017 and 2018 forecasts
 - By account type (revenues and expenditures)
 - By department
 - Net taxation requirement by department
- 2015 Operating and Capital Summary document to provide further context to the budget projections
- Comparative data by Department
 - 2014 approved budget, 2015 recommended budget, variance (\$), 2016, 2017 and 2018 forecasts
 - By account type (revenues and expenditures)
 - By program
 - Net taxation requirement by program
- 2015 capital summary

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In addition, the following documents are included in the binder:

- 15 year (2015-2029) capital expenditure forecasts
- Capital works-in-progress listing (previously approved capital work)
- Capital reserve fund schedules of continuity

During Council deliberations beginning on January 20, 2015, City departments, agencies and boards will present their respective budgets.

Budget Process

The development of the budget is a comprehensive process involving a variety of staff across 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. Therefore, an understanding of the aspects of the budget development process can be a useful tool in evaluating the budget from an oversight level.

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 a working tool that is referenced, reviewed and updated throughout the year to reflect Council direction, changes in assumptions and other factors including economic conditions, service requirement changes, weather predictions and historical revenue and expenditure analysis.

Updated budget estimates were developed by all departments and submitted to the Corporate Management Team for review. Commissioners and financial analysts worked with the departments to review and assess detailed budget submissions for accuracy and consistency with the business environment and operational factors. This analysis incorporated 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 extent 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.

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3. Budget Overview

The recommended 2015 budget reflects a total budget of \$338M offset by other than taxation-related revenues of \$120M and PILs of \$15M leaving a net tax requirement of \$202.6M. Projected assessment growth of 0.8% contributes approximately \$1.5M and the remaining \$201.1M represents a tax rate increase of 2.5% over 2014 levels as directed by Council and reflected as follows:

Assessment growth is estimated based on detailed analysis of property development and supplementary taxation over the last year. Estimated growth is supported using specific property information; however, this amount can sometimes be over or understated in anticipating specific properties that the Municipal Property Assessment Corporation may or may not include on the final assessment roll. 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.

The recommended budget as presented includes budget estimates for each external agency where board-approved requests have been received. These requests have been included in the budget binder. Where budget requests have not been received, staff has included preliminary budget estimates for these agencies equal to the targeted tax rate increase. Should 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.

4. Operating Budget - Analysis

The 2015 recommended general municipal operating budget is summarized by revenue and expenditure type in Table 1.

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Table 1
2015 Operating Budget (Revenue and Expenditure) Summary

	2014 Budget	2015 Budget	Variance	Variance
	\$M	\$M	\$M	%
Revenues				
Taxation Revenue	196.2	202.6	6.4	3.3%
PIL Revenue	14.5	15.2	0.7	5.0%
Fees and Charges	49.6	50.1	0.5	1.1%
Provincial Grants and Subsidies	48.6	52.4	3.8	7.6%
Federal Grants and Subsidies	11.0	11.2	0.2	1.3%
Recoveries - Other Municipalities	4.0	4.1	0.1	2.7%
Transfers from Reserves and Reserve Funds	3.4	2.2	(1.2)	(34.3%)
Total	327.3	337.8	10.5	3.2%
Expenditures				
Salaries, Wages and Benefits	108.3	111.5	3.2	3.0%
Supplies, Materials, Rents, and Other	29.0	29.6	0.6	2.0%
Contracted Services	22.3	21.6	(0.7)	(3.3%)
Grants and Transfers to Others	51.8	55.8	4.0	7.8%
Internal Allocations and Tax Adjustments	1.8	1.6	(0.2)	(12.7%)
Transfers to Reserve Funds	50.1	52.5	2.4	4.8%
Transfers to Agencies and Boards - operating	59.6	60.8	1.2	1.9%
Transfers to Agencies and Boards - reserves	4.4	4.4	0.0	0.4%
Total	327.3	337.8	10.5	3.2%

2015 Budgeted Revenues

A breakdown of revenues by department and program is provided in the budget binder detail provided to Council as part of the budget package. Total revenues proposed in the 2015 budget of \$338M are increasing \$10.5M or 3.2% over the 2014 approved budget.

The following commentary references Table 1 above.

- I. Total net tax requirement of \$202.6M will be funded by assessment growth of .8% (rounded) or \$1.5M and a tax rate increase of 2.5%.
- II. 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). Estimates for annual adjustments for tax rate increases and property changes are incorporated into 2015 estimates at \$15.2M. A large proportion of this revenue (\$10.1M) relates to PIL's for the federal properties in Kingston. We continue to identify the risk of lost assessment in regards to the Kingston Penitentiary which was previously reduced to

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reflect a vacancy adjustment. Discussions with Federal representatives have confirmed that the assessment for 2015 will remain at 2014 values. Federal PIL's also include \$260K as a result of additional assessment related to new facilities. Post-Secondary student population and hospital beds funding is also included here at the same rate (\$75 per head and bed), unchanged since 1987.

- III. Fees and charges estimated at \$50.1M are budgeted at \$547K or 1.1% over the prior year budget, making up approximately 15% of total revenues. As directed in the Fees and Charges By law, user fees are adjusted annually by inflation plus 1% for capital purposes and, where feasible, specific fees may be adjusted by a different amount to reflect changes required to maintain appropriate levels of cost recovery or other service changes. The updated Fees and Charges By-law was approved by Council on December 16, 2014 and has been incorporated into these budget estimates. Included in the fees and charges revenue are recoveries for services provided to Utilities Kingston by the City such as the call centre, legal, finance, information systems and technology and facilities management.

The 2014 budget included a \$1.0M one-time increase in building permit revenues in relation to building permit fees projected from a large institutional project. This was transferred to reserve funds in 2014 and is being drawn into revenue appropriately in 2015 to assist with inspection costs during the construction. The Building Regulatory Reserve Fund established by the Building Code Act sets out clear policy on this practice and the City follows it and reports to the Province on this matter annually. These revenues in 2015 have been reduced by a further \$300K to reflect a reduced anticipated level of building activity in 2015.

- IV. Grants and subsidies from provincial, federal and other municipal governments estimated at \$67.7M combined, account for 20% of the total operating revenues budgeted for 2015. Provincial funding relates primarily to social service costs including administration and program delivery of Ontario Works, housing and childcare. This category also includes provincial funding for long term care services, provincial gas tax funding for the transit program and Waste Diversion Ontario (WDO) funding for solid waste programs.

Provincial funding is projected to increase by \$3.8M or 7.6% over 2014. Significant components of this increase relates to the Province providing additional funding of \$1.1M towards Homelessness programs, a projected year two CHPI funding of \$835K (yet to be announced by the Province) as well as an additional \$851K towards investment in affordable housing programs. It should be noted that in December 2014, this Council approved the expenditure plan for this additional provincial revenue. This is referenced in the first paragraph in section iv under the 2015 Budgeted Expenditures portion of the report. Provincial funding estimates also reflect the ongoing upload of the previous 80%/20% provincial/municipal cost share for Ontario Works allowances and employment related expenses. This upload spans a 9 year period from 2010 to 2018. In 2015, the provincial share will increase from 88.6% in 2014 to 91.4% in 2015.

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Federal government funding includes gas tax of \$7.4M (estimated increase of \$0.1M) which is used to fund roads and transit infrastructure. The balance relates to flow-through for the housing programs. The federal contribution for local housing corporations has been decreasing each year and this is expected to continue as part of the previously announced step down funding schedule. This has been offset by an 11.8% increase in the budgeted contribution for untargeted funding for rent supplement resulting in an overall nominal increase in federal funding.

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

- V. The establishment and maintenance of reserves is key to sound financial management and planning. The City may establish a reserve for a predetermined purpose and apply it for that purpose at the discretion of Council. For 2015, total transfers of \$2.2M have been budgeted to be transferred to operations from reserves and reserve funds. Included in this amount is \$685K from the Building Regulatory Reserve Fund referenced in Section III above, \$180K for brownfield program, \$115K approved by Council for 2015 related to "The Gathering Place", \$100K for the subsidized housing retrofit program, \$355K for capital related items and approximately \$750K from the Working Fund Reserve.

The Working Fund Reserve is 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. By policy, operating surpluses are transferred to the Working Fund Reserve. Annual deficits, should they arise, would be funded from this source. The balance projected in the Working Fund Reserve at the end of 2015 amounts to \$7.6M.

2015 Budgeted Expenditures

A breakdown of expenditure by department and program is provided in the budget binder detail provided to Council as part of the budget package. Total expenditures proposed in the 2015 budget of \$338M are increasing \$10.5M or 3.2% over the 2014 approved budget.

The following commentary references Table 1 above.

- I. Salaries and benefits estimated at \$111.5M or 33% of the total expenditures projected for 2015 and the proposed budget includes increases of \$3.2M (3.0%) over the 2014 budget. Base salary rates have been incorporated into 2015 budget estimates in accordance with settlements of collective and compensation agreements as well as expected increases to the employer portion of benefits. Generally, total compensation is in the range of inflation.

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The 2015 budget includes a net additional investment in incremental staffing costs to support Council approved enhanced service levels and strategic priorities primarily in transit and cultural services. Employer-paid benefits include adjustments for Life, Long Term Disability (LTD), Health and Dental benefit premiums which continue to increase at a rate greater than inflation. Staff continue to work with insurance representatives to review plan usage and implement responding cost reduction strategies in an effort to manage these costs.

Where staff time is directly attributable to capital works, these costs are allocated from the operating budget to appropriate projects within the capital budget. Total salaries and benefits allocated to capital is approximately \$4.3M, representing 3.8%.

- II. Supplies, materials, rents and other expenses as estimated at \$29.6M include costs such as utilities, gasoline and diesel fuel, fleet parts and oil, tires, salt, telecommunications and municipal taxes. The proposed budget includes a net increase of approximately \$584K or 2.0% over the 2014 budget.

Staff have diligently reviewed these budget line items, particularly those of a discretionary nature, in an attempt to absorb inflation and limit cost increases where possible and, in many cases, budgets were frozen at 2014 levels. Increases higher than inflation have been projected for utilities, where costs are projected to increase by an average of 5% for 2015, as well as transit costs, where approximately \$500K in additional fuel and other costs has been incorporated in relation to the introduction of the new express routes. Per litre prices for diesel and other fuels across the corporation have been budgeted in the 1% to 2% range over prior year actuals anticipating some reduction and reflecting that current pump prices are likely short term. To budget for significant reductions might favour the 2015 budget but have a compounding impact in future years.

- III. Contracted services estimated at \$21.6M includes insurance premiums, property assessment services, capital asset maintenance contracts and other service contracts including winter control, garbage disposal, recycling collection and processing. The proposed budget includes a net decrease of approximately \$741K or 3.3% from the 2014 budget. Winter control budgets are the primary driver for the reductions in this expenditure category. The 2014 winter control budget for contracted services reflects an additional amount of \$1.5M subsequently approved as a budget amendment by Council (funded by the working fund reserve) during the year, in response to the 2014 winter conditions. 2015 budget projections have been developed based on the original 2014 estimates plus inflationary effects to reflect a more typical winter. This has resulted in a reduction of \$1.1M in contracted services over 2014 comparative numbers. This reduction is offset by an increase in snow removal and cleaning services and technology maintenance and support agreements. In addition, estimates for 2015 insurance premiums include a projected 10% increase over 2014.
- IV. Grants and transfers to others estimated at \$55.8M primarily represent transfers for Ontario Works, Housing and Child Care. These costs increase in 2015 by

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approximately 7.8% or \$4M, primarily as a result of provincial grant revenues described in the previous 2015 Budgeted Revenues section – Part III. Contributing to increases in this area are:

- An allocation of approximately \$1M of the additional \$1.1M in CHPI funding recently announced to support the Prevention/Diversion, Housing Assistance/Emergency Shelter, Housing First/Rapid-Rehousing and Youth programs as outlined in Council Report 15-007 and approved by Council, as well as a year two allocation projected to be \$835K in CHPI funding towards implementation of the 10 year Homelessness Plan;
 - \$340K to fund additional poverty and homeless services at Ryandale Shelter and the Salvation Army's The Gathering Place, previously approved by Council;
 - Allocation of \$851K of the recently announced Investment in Affordable Housing (IAH) extension funding to the Rental Housing Component of the IAH program to encourage the construction of additional affordable housing units, as outlined in Report 15-011 and approved by Council; and
 - Increase in Ontario Works assistance by approximately 2% due to the provincially mandated increases in social assistance benefits.
- V. Internal Allocations and Tax Adjustments estimated at \$1.6M include recoveries from Utilities Kingston for fleet and equipment services.
- VI. Transfers to reserve funds estimated at \$52.5M project an increase over 2014 of \$2.4M to address long term funding strategies for asset management and equipment replacement purposes. The majority of this increase for 2015 relates to an additional \$2.3M to municipal and fire capital reserve funds as a result of the 1% incremental tax levy policy for capital investment purposes. Financial plans included in this budget show the continuation of the 1% policy for 10 years concluding in 2024.
- VII. Transfers to agencies and boards, including operating funds estimated at \$60.8M and capital reserve transfers estimated at \$4.4M, are based on a combination of actual budget requests received to date and anticipated requests in line with guidelines provided. Reflecting an overall consolidated budget increase of approximately 2.0%, the budget material includes final budget submissions as approved by respective boards for the following agencies:
- KEDCO (2% increase requested);
 - Kingston Access Services (4.55% increase requested);
 - Kingston Frontenac Public Library Board (2.28% increase requested);
 - Kingston Police Services Board (2.73% increase requested);
 - Downtown Kingston! Business Improvement Area (2.52% increase requested. This levy affects commercial businesses in this area only);
 - KFL&A Public Health (2.04% increase requested).

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A draft budget submission has been received for Cataraqui Region Conservation Authority (4.8% increase requested) but is pending final CRCA Board approval early in 2015.

As of the date of finalization of this report, budgets had not yet been received from the County of Frontenac for Land Ambulance and Fairmount Home for the Aged. Staff in consultation with the County of Frontenac has included preliminary budget estimates for these agencies equal to the targeted tax rate increase.

The transfer to the University Hospitals Kingston Foundation is also included in the amount of \$1.6M, consistent with the 2014 level of funding, representing the City's commitment to the University Hospital's campaign. The commitment was approved in 2008 and is expected to be complete by 2018.

Information regarding the legislative basis on which the City of Kingston provides funding to various agencies and local boards of the municipality is provided in the Agencies and Boards section of the budget binder. This memorandum, prepared by the City Solicitor, outlines the extent to which Council has authority to approve or amend a budget provided to it by a particular board or agency.

5. Capital Budget

The 2015 capital budget and 15-year capital plans are being presented to Council at this time. The 2015 – 2018 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.

Departments utilize asset management plans designed to determine the required levels of capital investment and reinvestment for infrastructure rehabilitation. These plans have been updated and include long term capital expenditure and financial plans based on life-cycle costing and sound asset management practices. Staff continue to refine these plans as part of the annual review.

Capital plans include project estimates for a variety of capital work spanning the scope of municipal operations. They 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 other related reviews as well as final phases of investment in previously approved capital initiatives.

The recommended capital budget includes four-year budgets (2015-2018) for public works and roads-related infrastructure. The multi-year infrastructure program implemented several years ago supports coordination and integration efforts between engineering and operations departments, and the City and Utilities Kingston. It has allowed City staff to spend less time on administration with the ability to join similar projects together thus creating a larger contract with a single tender. This approach is seen as a success by stakeholders including

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city and utility staff, as well as the construction industry which has acknowledged the benefits of a multi-year infrastructure program that allows for advance planning for their work including resource allocation, staffing, specialty training, and equipment acquisition. The 2015-2018 Public Works capital reflects the following major projects:

- John Counter Boulevard Project (Sir John A. Macdonald Blvd. to Princess Street), including the bridge over the CN rail lines. Although the project requires approval up front, the actual construction will take place over a four to five year period. The financing for the \$63M project includes a combination of pay as you go and debt issuance with funding from municipal reserve funds, Development Charges (DC), and recoveries from CN Rail.
- the widening of Highway 15 from Highway 2 to Gore Road with financing from municipal reserve funds and DC, and
- the next section of Princess Street reconstruction (Bagot to Barrie) funded from municipal reserve funds.

Capital plans also reflect additional capital investment for final phases of previously approved capital initiatives such as the development of the Wally Elmer project in the city's north end, continued remediation action for damage due to the Emerald Ash Borer infestation and continued investment in affordable housing.

The 15-year capital horizon currently incorporates a number of strategic projects including the airport expansion project, downtown transit connectivity and new replacement parking facilities. In accordance with Council's strategic direction in 2013, these financial plans are now consolidated and include all master plans and strategic planning of the City and utilities at this time.

Capital expenditures are financed through the City's capital reserve funds, either by 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. Financial parameters, previously provided for in Council's endorsement of Kingston's Strategic Plan 2011-2014 and are subject to future direction of Council, support capital funding strategies that remain within tolerable limits for long term debt.

The continuation of the 1% annual increase for capital infrastructure purposes is reflective of longer term strategies for responsible asset management practices, ensuring sustainability of the municipality's capital infrastructure and reducing current infrastructure deficits. It has been endorsed by past Councils and continues to be an important component of the comprehensive capital plans. The strategy has been reflected in the capital funding models for a further 10 years when capital investment levels are projected to be at sustainable level based on the existing capital asset portfolio.

The City's financial capacity and financing models reflect the capital and financing requirements for reinvestment plans as well as new project investment requirements as provided in the 15 year capital plans. These plans are impacted by changing priorities, which

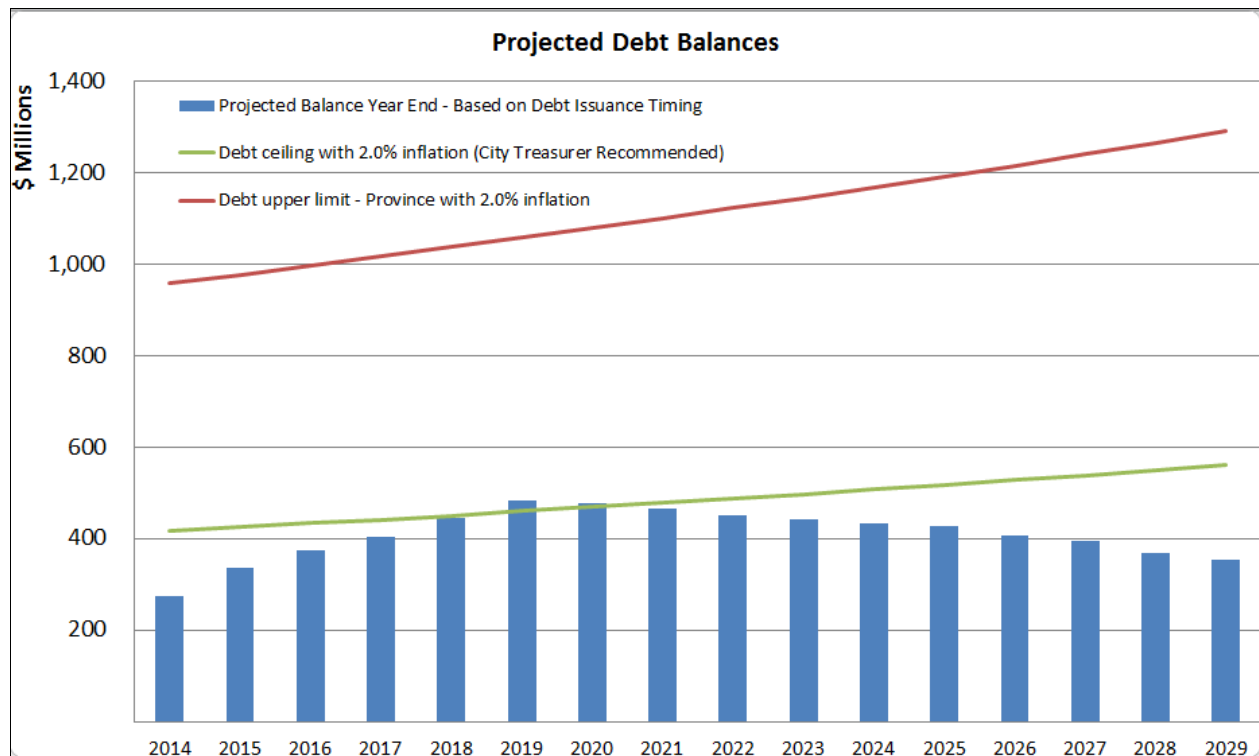
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can require staff to juggle projects and timing to address related financial capacity and project scheduling. Debt models have also been updated in the table below to reflect the recommended capital budget and 15-year capital plans. Council report #14-105 dated April 1, 2014 (Municipal Debt Limits) reflects an upset range for total debt issuance at \$958M to \$1,140M as provided by the Province, based on assumptions of amortization periods and interest rates. Debt models continue to incorporate the 1% annual incremental tax levy and user rate allocation for utilities and other user related services. City Treasurer recommended maximum debt ceilings have been updated to reflect current inflationary trends.

The vertical bars in the following table depicts the level of debt over time based on the cash flow analysis of the approved and contemplated debt financing for the capital expenditure requirements. 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 that capacity level starting at a total of \$400M beginning in 2013 and escalated at 2% in line with projected inflation. While the graph shows that the level of debt is marginally exceeding the parameters by 2019, this will be corrected as soon as 2021 and thereafter will be well below the parameter ceiling.

Table 2



A copy of the capital works in progress listing as of November 30, 2014 is included in the budget documentation for reference purposes. 2015 capital budget requests reflect the availability of these funds for future requirements and departments confirm that the work in

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progress and the work planned in this capital budget are within the resource capacity of the organization, though it may span multiple years.

6. Taxation Levy Requirement

Table 3 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>2014</u>		<u>2015</u>		<u>Increase</u>	<u>Increase</u>
	(\$M)		(\$M)		(Decrease)	(Decrease)
					(\$M)	%
Internal Services						
Community Services	32.12		32.55		0.42	1.3%
Public Works Services	30.09		30.63		0.54	1.8%
Transportation, Facilities & Emergency Services	36.80		39.21		2.41	6.6%
Corporate & Strategic Initiatives	11.54		11.73		0.18	1.6%
Finance, Technology & Administration	7.76		7.92		0.16	2.0%
	118.31	55.9%	122.04	55.7%	3.71	3.1%
Agencies and Boards						
Kingston Police Services Board	33.50		34.42		0.93	2.7%
KFP Library Board	5.90		6.03		0.13	2.3%
Kingston Access Services - operating	2.00		2.09		0.09	4.5%
*Catawaqui Region Conservation Authority	1.29		1.36		0.06	4.8%
KFL&A Public Health	3.64		3.71		0.07	2.0%
**County of Frontenac - Land Ambulance	6.17		6.33		0.15	2.5%
**County of Frontenac - Fairmount Home - operating	1.76		1.80		0.04	2.5%
County of Frontenac - Fairmount Home - debt	0.71		0.71		-	0.0%
KEDCO	2.65		2.71		0.05	2.0%
Hospital Foundation Donation	1.60		1.60		-	0.0%
	59.21	28.0%	60.75	27.7%	1.55	2.6%
Subtotal	177.53	83.9%	182.79	83.4%	5.25	3.0%
Other						
Transfer to/from Capital Reserve Funds - Boards	4.11		4.11		-	
Transfer to Capital Reserve Fund	25.39		27.72		2.33	
Taxation adj. assistance, exemptions & fiscal services	3.27		3.10		(0.17)	
Downtown Business Improvement Area (separate levy)	1.30		1.33		0.03	
	34.07	16.1%	36.26	16.6%	2.18	6.4%
Total levy requirement	211.61	100.0%	219.04	100.0%	7.44	3.5%
Taxation Levy						
Payments in Lieu of Taxes	14.53		15.24		0.73	5.0%
Downtown Business Improvement Area (separate levy)	1.26		1.29		0.03	2.4%
Taxation Growth - 2015	-		1.50		1.50	0.8%
Taxation - rate increase	195.82		201.01		5.19	2.5%
Total levy	211.61		219.04		7.44	3.5%

* preliminary budget submissions - subject to board approval
** budget submissions not received

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7. Total Property Taxation Impact

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 2014 taxation purposes, was approximately \$272,440 for a residential property which equates to a tax levy of approximately \$3,672 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 2014 municipal tax component represents 85% (\$3,119) of the total tax bill and the education tax component represents 15% (\$553) of the total tax bill. These amounts will be updated for 2015 once the final assessment roll is delivered and 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 61% and 39% respectively of the total tax bill, while for industrial properties, 66% of the tax bill relates to the municipal portion with the education portion being 34%. 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 these provincial strategies and education rates in general is unknown at this time.

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.

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 \$3,197 used for this breakdown has been calculated by adding 2.5% to the above municipal tax component for 2014. The 2015 budget impact to a homeowner with a market assessment value of approximately \$272,000 is \$78 over 2014.

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Table 4

Average Residential Tax Bill Changes 2005 - 2014				
	Council Approved Overall Tax Rate Increase	Average Municipal Tax Change Year over Year (incl. tax ratio shifts)	Average Education Tax Change Year over Year	Average Total Tax Bill Change with Education
2005	5.7%	6.2%	-1.3%	4.9%
2006	6.0%	7.0%	-0.4%	6.6%
2007	4.6%	4.6%	-0.9%	3.8%
2008	3.8%	4.1%	-0.7%	3.3%
2009	3.6%	3.9%	-0.7%	3.2%
2010	3.2%	3.1%	-0.5%	2.6%
2011	3.2%	3.1%	-0.5%	2.6%
2012	3.5%	3.3%	-0.6%	2.7%
2013	2.5%	2.8%	-0.5%	2.3%
2014	2.1%	2.2%	-0.5%	1.7%

8. Forecasts for future years

Staff has prepared departmental operating forecasts through to 2018, incorporating costs of expected operating plans, estimates for inflation and any enhanced services included as part of Kingston’s Strategic Plan 2011 – 2014 and any other Council direction to date. The future years in the model will be further updated to incorporate any additional priorities, service level changes or other direction that may be identified as a result of Council’s strategic planning and priority setting exercises planned for March 2015.

2016 through 2018 projections are included as Exhibit A Part 4 and currently suggest projected tax increases of 3.2%, 3.3% and 2.8% respectively, incorporating the assumptions that service levels remain as established, inflation is at 2%, capital levy at 1% and growth from new assessment is at three quarters of 1%. The table sets a tax rate for illustration purposes at a 2% increase, resulting in a net expenditure gap. Staff will continue to refine departmental plans and identify operational efficiencies while incorporating Council direction to find ways to further reduce these projected increases for 2016 through 2018 and in advance of budget deliberations for those years. Council direction on future year tax rate increases will be a crucial outcome of the upcoming strategic planning sessions.

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Capital expenditure estimates have been updated for a 15 year period (2015 – 2029 inclusive), and are reflected in the 15-year capital expenditure forecast. The forecasts reflect expenditure levels for existing assets and estimated costs based on asset management plans, life cycle costing and other information currently available, as well as strategic investments identified in the Development Charges and Impost Fees study and by-laws and other studies completed to date.

Included with the 15-year forecast is a projected financial plan (2015-2029) 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.

9. 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 20, 2015.

Included in the recommendations is a change to capital funding previously approved for the Point Pleasant Water Treatment Plant. Adjustments to funding sources, originally projected in previous years' budgets, are required in order to reflect funding recommendations outlined in the City's recently approved 2014 Impost Fee Background Study and By-Law as approved by Council on September 9, 2014. These changes were previously contemplated in the City's long term capital planning analysis and therefore do not affect debt capacity.

10. 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 were budgeted and then reported in annual financial statements. Therefore, this report includes a recommendation of Council to authorize the City Treasurer to report the approved budget estimates for 2015 in accordance with Public Sector Accounting Board (PSAB) reporting requirements as an attachment to the by-law.

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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 and Kingston This Week newspapers. Information pertaining to the 2015 capital and operating budgets is posted on the City website.

Accessibility Considerations:

This report is available in alternative formats upon request.

Financial Considerations:

Included in the body of this report.

Contacts:

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Desirée Kennedy, Chief Financial Officer and City Treasurer, Extension 2220
Stephen Dickey, Director of Financial Services, Extension 2370
Lana Foulds, Manager of Financial Planning, Extension 2209

Other City of Kingston Staff Consulted:

Corporate Management Team
Municipal Departments
Utilities Kingston
Agencies and Boards

Exhibits Attached:**Exhibit A:** Municipal Operating Budget

Part 1: 2015 Municipal Gross Expenditure/Revenue Summary – As Recommended

Part 2: 2015 Municipal Operating Budget Summary – As Recommended

Part 3: 2015 Municipal Gross Expenditure/Revenue Summary by Group – As Recommended

Part 4: 2015 Municipal Net Tax Revenue Budget Summary – As Recommended

Exhibit B: 2015-2018 Municipal Capital Budget Summary – As Recommended

City of Kingston
2015 Municipal Expenditure/Revenue Summary - As Recommended

Report 15-144
 Exhibit A
 Part 1

	2014 Approved Budget	2015 Recommended Budget	Variance (\$)	Variance (%)
Revenues				
Taxation Revenue	(196,202,879)	(202,607,093)	(6,404,214)	3.3%
PIL Revenue	(14,525,158)	(15,250,702)	(725,544)	5.0%
Fees, Charges & Other Revenue	(49,561,286)	(50,108,009)	(546,723)	1.1%
Provincial Subsidies	(48,648,423)	(52,363,743)	(3,715,320)	7.6%
Federal Subsidies	(11,043,777)	(11,186,535)	(142,758)	1.3%
Recoveries - Other Municipalities	(3,986,041)	(4,093,288)	(107,247)	2.7%
Transfer From Reserves & Reserve Funds	(3,407,221)	(2,238,230)	1,168,991	(34.3%)
Total Revenues	(327,374,785)	(337,847,600)	(10,472,815)	3.2%
Expenditures				
Salaries, Wages & Benefits	108,314,251	111,561,305	3,247,054	3.0%
Supplies, Materials, Rents & Other	29,072,533	29,657,160	584,627	2.0%
Contracted Services	22,303,932	21,562,531	(741,401)	(3.3%)
Grants & Transfers to Others	51,767,518	55,801,139	4,033,621	7.8%
Agencies & Boards	59,645,440	60,786,659	1,141,219	1.9%
Equipment Charges & Internal Allocations	(1,928,930)	(2,147,015)	(218,085)	11.3%
Tax Adjustments & Allowances	3,612,068	3,614,168	2,100	0.1%
Debenture Principal & Interest	82,464	74,395	(8,069)	(9.8%)
Transfers to Reserves & Reserve Funds	50,054,669	52,468,648	2,413,979	4.8%
Transfers to Reserve Funds - Boards	4,450,840	4,468,611	17,771	0.4%
Total Expenditures	327,374,785	337,847,600	10,472,815	3.2%
Net	-	-	-	-

City of Kingston
2015 Municipal Operating Budget Summary - As Recommended

	2014 Approved Budget	2015 Recommended Budget	Variance (\$)	Variance (%)
Public Works	18,702,088	19,387,010	684,922	
Engineering	4,162,333	4,073,274	(89,059)	
Solid Waste	7,226,027	7,169,083	(56,944)	
Public Works Services	30,090,448	30,629,367	538,919	1.79%
Planning, Building & Licensing	2,753,207	2,776,157	22,950	
Housing & Social Services	17,635,229	17,548,196	(87,033)	
Recreation & Leisure Services	6,351,674	6,688,155	336,481	
Long Term Care	5,232,260	5,395,703	163,443	
Commissioner's Office	148,962	140,947	(8,015)	
Community Services	32,121,332	32,549,159	427,826	1.33%
Transportation Services	11,432,045	13,289,510	1,857,465	
Facilities Mgmt & Construction Services	2,286,233	2,398,594	112,361	
Fire & Rescue	22,698,582	23,129,566	430,984	
Commissioner's Office	379,225	390,863	11,638	
Transportation, Facilities & Emergency Services	36,796,085	39,208,533	2,412,448	6.56%
Environment & Sustainable Initiatives	1,065,138	1,078,671	13,533	
Cultural Services	3,833,721	4,016,462	182,741	
Legal Services	1,348,273	1,293,776	(54,497)	
City Clerk	1,705,394	1,702,950	(2,444)	
Human Resources & Organization Development	2,892,995	2,954,609	61,614	
Comm. Office & Real Estate Developmnt	699,330	682,567	(16,763)	
Corporate and Strategic Initiatives	11,544,851	11,729,035	184,184	1.60%
Mayor, Council & CAO	1,403,781	1,432,665	28,884	
Strategic Communications	1,484,047	1,427,344	(56,703)	
Information Systems & Technology	3,036,234	3,186,642	150,408	
Financial Services	1,837,886	1,873,938	36,052	
Finance, Technology & Administration	7,761,948	7,920,589	158,641	2.04%
Operating budget before fiscal/capital levy and agencies & boards	118,314,664	122,036,683	3,722,018	3.15%
Add:				
Capital Levy, Fiscal Services & Tax Adjustments	28,661,110	30,819,674	2,158,564	
Municipal Services	146,975,774	152,856,357	5,880,582	4.00%
Agency and Board Transfers	63,752,273	65,001,435	1,249,162	
Agencies & Boards	63,752,273	65,001,435	1,249,162	1.96%
Total tax requirement	210,728,038	217,857,795	7,129,757	
Payments in lieu	(14,525,158)	(15,250,702)	(725,544)	
Property Taxation to be raised	196,202,880	202,607,093	6,404,213	3.26%
Taxation - rate increase	(196,202,880)	(201,107,093)	(4,904,213)	(2.50%)
Taxation - growth		(1,500,000)	(1,500,000)	(0.76%)
Net	-	-	-	

City of Kingston
2015 Municipal Gross Expenditure/Revenue Budget Summary
By Group - As Recommended

	2014 Approved Budget	2015 Recommended Budget	Variance (\$)
Public Works Services			
Expenditure	35,757,573	35,208,231	(549,342)
Revenue	(5,667,128)	(4,578,864)	1,088,264
Net	30,090,445	30,629,367	538,922
Community Services			
Expenditure	101,901,605	106,170,753	4,269,148
Revenue	(69,780,280)	(73,621,594)	(3,841,314)
Net	32,121,325	32,549,159	427,834
Transportation, Facilities & Emergency Services			
Expenditure	58,071,951	61,166,952	3,095,001
Revenue	(21,275,865)	(21,958,419)	(682,554)
Net	36,796,086	39,208,533	2,412,447
Corporate and Strategic Initiatives			
Expenditure	17,049,996	16,943,942	(106,054)
Revenue	(5,505,145)	(5,214,907)	290,238
Net	11,544,851	11,729,035	184,184
Finance, Technology & Administration			
Expenditure	10,959,536	11,255,466	295,930
Revenue	(3,197,587)	(3,334,877)	(137,290)
Net	7,761,949	7,920,589	158,640
Agencies & Boards			
Expenditure	64,096,280	65,255,270	1,158,990
Revenue	(344,007)	(253,835)	90,172
Net	63,752,273	65,001,435	1,249,162
Capital Levy, Fiscal Services and Taxation			
Expenditure	39,537,844	41,846,986	2,309,142
Revenue	(221,604,773)	(228,885,104)	(7,280,331)
Net	(182,066,929)	(187,038,118)	(4,971,189)
TOTAL			
Expenditure	327,374,785	337,847,600	10,472,815
Revenue	(327,374,785)	(337,847,600)	(10,472,815)
Net	-	-	-

**City of Kingston
2015 Municipal Net Tax Revenue Budget Summary - As Recommended**

	2014 Approved Budget	2015 Recommended Budget	Variance (\$)	Variance (%)	2016 Forecast	Variance (\$)	Variance (%)	2017 Forecast	Variance (\$)	Variance (%)	2018 Forecast	Variance (\$)	Variance (%)
Public Works	18,702,087	19,387,010	684,923	3.66%	20,149,823	762,813		20,934,756	784,933		21,460,095	525,339	
Engineering	4,162,332	4,073,274	(89,058)	(2.14%)	4,190,795	117,521		4,310,369	119,574		4,444,247	133,878	
Solid Waste	7,226,026	7,169,083	(56,943)	(0.79%)	7,587,176	418,093		8,015,610	428,434		8,283,343	267,733	
Public Works Services	30,090,445	30,629,367	538,922	1.79%	31,927,794	1,298,427	4.24%	33,260,735	1,332,941	4.17%	34,187,685	926,950	2.79%
Planning, Building & Licensing	2,753,207	2,776,157	22,950	0.83%	2,830,089	53,932		2,872,286	42,197		2,916,274	43,988	
Housing & Social Services	17,635,226	17,548,196	(87,030)	(0.49%)	17,520,137	(28,059)		17,493,554	(26,583)		17,698,752	205,198	
Recreation & Leisure Services	6,351,673	6,688,155	336,482	5.30%	6,875,085	186,930		7,231,060	355,975		7,441,349	210,289	
Long Term Care	5,232,258	5,395,703	163,445	3.12%	5,479,674	83,971		5,706,211	226,537		5,896,666	190,455	
Commissioner's Office	148,961	140,947	(8,014)	(5.38%)	153,274	12,327		149,042	(4,232)		153,041	3,999	
Community Services	32,121,325	32,549,159	427,834	1.33%	32,858,259	309,101	0.95%	33,452,153	593,894	1.81%	34,106,082	653,929	1.95%
Transportation Services	11,432,044	13,289,510	1,857,466	16.25%	14,480,785	1,191,275		15,137,636	656,852		15,741,905	604,269	
Facilities Mgmt & Construction Svcs	2,286,234	2,398,594	112,360	4.91%	2,587,112	188,518		2,916,303	329,191		3,120,580	204,277	
Fire & Rescue	22,698,581	23,129,566	430,985	1.90%	23,572,025	442,459		24,023,137	451,112		24,485,391	462,254	
Commissioner's Office	379,227	390,863	11,636	3.07%	407,031	16,168		440,455	33,424		424,897	(15,558)	
Transportation, Facilities & Emergency Services	36,796,086	39,208,533	2,412,447	6.56%	41,046,953	1,838,420	4.69%	42,517,531	1,470,579	3.58%	43,772,773	1,255,242	2.95%
Environment & Sustainable Initiatives	1,065,138	1,078,671	13,533	1.27%	1,098,898	20,227		1,120,532	21,634		1,141,090	20,558	
Cultural Services	3,833,721	4,016,462	182,741	4.77%	4,288,563	272,101		4,582,403	293,840		4,805,511	223,108	
Legal Services	1,348,273	1,293,776	(54,497)	(4.04%)	1,436,308	142,532		1,486,714	50,406		1,535,388	48,674	
City Clerk	1,705,394	1,702,950	(2,444)	(0.14%)	1,731,034	28,084		1,756,283	25,249		1,792,107	35,824	
Human Resources & Organization Development	2,892,995	2,954,609	61,614	2.13%	3,012,937	58,328		3,071,169	58,232		3,133,160	61,991	
Comm. Office & Real Estate Developmt	699,330	682,567	(16,763)	(2.40%)	697,085	14,518		712,115	15,030		720,509	8,394	
Corporate and Strategic Initiatives	11,544,851	11,729,035	184,184	1.60%	12,264,825	535,790	4.57%	12,729,216	464,391	3.79%	13,127,765	398,549	3.13%
Mayor, Council & CAO	1,403,781	1,432,665	28,884	2.06%	1,460,494	27,829		1,489,074	28,580		1,518,293	29,219	
Strategic Communications	1,484,047	1,427,344	(56,703)	(3.82%)	1,442,276	14,932		1,445,577	3,301		1,466,788	21,211	
Information Systems & Technology	3,036,233	3,186,642	150,409	4.95%	3,381,792	195,150		3,556,671	174,879		3,713,931	157,260	
Financial Services	1,837,888	1,873,938	36,050	1.96%	1,887,673	13,735		1,909,121	21,448		1,939,277	30,156	
Finance, Technology & Administration	7,761,949	7,920,589	158,640	2.04%	8,172,235	251,646	3.18%	8,400,443	228,208	2.79%	8,638,289	237,846	2.83%
Tax Requirement - Operating budget before Agencies & Boards, Capital Levy, Fiscal Services & Tax Adjustments	118,314,656	122,036,683	3,722,027	3.15%	126,270,066	4,233,384	3.47%	130,360,078	4,090,013	3.24%	133,832,594	3,472,516	2.66%
Agency and Board Transfers	63,752,273	65,001,435	1,249,162	1.96%	66,610,145	1,608,710	2.47%	68,676,893	2,066,748	3.10%	70,447,253	1,770,360	2.58%
Capital Levy, Fiscal Services & Tax Adjustments	28,661,110	30,819,674	2,158,564	7.53%	33,075,725	2,256,051	7.32%	35,502,315	2,426,590	7.34%	38,107,241	2,604,926	7.34%
Total tax requirement	210,728,038	217,857,795	7,129,757	3.38%	225,955,935	8,098,145	3.72%	234,539,285	8,583,350	3.80%	242,387,087	7,847,801	3.35%
Less: Payments in lieu of taxes	(14,525,158)	(15,250,702)	(725,544)		(15,434,622)	(183,920)		(15,620,386)	(185,764)		(15,808,023)	(187,637)	
Property Taxation to be raised	196,202,880	202,607,093	6,404,213	3.26%	210,521,313	7,914,225	3.91%	218,918,899	8,397,586	3.72%	226,579,064	7,660,164	3.27%
Taxation - rate increase - 2.5%	(196,202,880)	(201,107,093)	(4,904,213)	(2.50%)	(207,671,408)	(5,064,320)	(2.50%)	(214,399,833)	(5,228,424)	(2.50%)	(221,296,469)	(5,396,635)	(2.50%)
Taxation - growth	-	(1,500,000)	(1,500,000)	(0.76%)	(1,500,000)	(1,500,000)	(0.74%)	(1,500,000)	(1,500,000)	(0.72%)	(1,500,000)	(1,500,000)	(0.69%)
Net	-	-	-		1,349,905	1,349,905		3,019,066	1,669,162		3,782,595	763,529	

**CITY OF KINGSTON
2015-2018 CAPITAL BUDGET SUMMARY**

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FUNDING (2015, 2016, 2017, 2018)

	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Reserve Funds		Municipal Capital Reserve Fund		Development Charges Reserve Fund	Development Charges Reserve Fund - Debt	Impost Reserve Fund - PAYG	Impost Reserve Fund - Debt	Other	Grants	Total	
					PAYG	Debt	PAYG	Debt								
General Municipal																
Public Works Services																
Public Works	862,700	1,174,000	1,482,150	1,130,000			3,083,875		214,975				1,350,000			4,648,850
Engineering	76,615,960	15,788,655	22,919,279	11,816,250	29,206,760		16,283,978	20,000,000	31,793,040	7,713,498			19,563,062	2,579,805		127,140,143
Solid Waste	85,000	332,995	197,921	5,010,000	5,625,916											5,625,916
Community Services																
Planning, Building & Licensing	522,000				62,000		460,000		-							522,000
Housing & Social Services	3,232,000						2,290,806		191,194				750,000			3,232,000
Recreation & Leisure Services	6,018,822				1,609,538		3,599,045		810,239							6,018,822
Long-Term Care	502,000				502,000											502,000
Accessibility	150,000												150,000			150,000
Transportation, Facilities & Emergency Services																
Transportation Services	6,568,838				6,298,631				270,207							6,568,838
Facilities Management & Construction Services	4,229,500				3,774,000		455,500									4,229,500
Fire & Rescue	2,426,530				2,337,149		50,000		39,381							2,426,530
Airport	85,000						85,000									85,000
Corporate & Strategic Initiatives																
Environment & Sustainable Initiatives	958,000				958,000											958,000
Cultural Services	913,000				128,000		685,000						100,000			913,000
Real Estate & Land Development	495,000						495,000									495,000
Finance, Technology & Administration																
Information Systems & Technology	3,905,000				2,901,000		571,200							432,800		3,905,000
Subtotal	107,569,350	17,295,650	24,599,350	17,956,250	53,402,995	-	28,059,405	20,000,000	33,319,035	7,713,498	-	-	21,913,062	3,012,605	-	167,420,600
Library	1,973,000				1,921,867				9,533				41,600			1,973,000
Police	1,255,000				1,255,000											1,255,000
Kingston Access Services (KAS)	187,000				187,000											187,000
Total Police, Library & KAS	3,415,000	-	-	-	3,363,867	-	-	-	9,533	-	-	-	41,600	-	-	3,415,000
General Municipal Total	110,984,350	17,295,650	24,599,350	17,956,250	56,766,862	-	28,059,405	20,000,000	33,328,568	7,713,498	-	-	21,954,662	3,012,605	-	170,835,600

Funding Summary:	
Reserve Funds	Total
Debtentures	118,154,835
Other	27,713,498
	24,967,267

**CITY OF KINGSTON
2015 - 2018 CAPITAL BUDGET SUMMARY**

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal	Municipal	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Capital Reserve Fund - PAYG	Capital Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
Public Works Services															
Public Works															
Road Works	120,000	120,000	130,000	130,000	500,000				500,000						
Salt Management Project	105,000	95,000	215,000	100,000	515,000				515,000						
Urban Forest Mgmt Plan	54,000	24,000			78,000				78,000						
Emerald Ash Borer		900,000	900,000	900,000	2,700,000				1,350,000				1,350,000	Working Fund Reserve	
Radio System - Hands Free / Replacement	48,000	30,000	30,000		108,000				108,000						
701 Division - Staff & Oper's / Fleet Mtce Bldg's	15,000	5,000	5,000		25,000				25,000						
Plow Truck Fleet Additions (2)	194,300		202,150		396,450				278,546		117,904				
Sidewalk Plow Fleet Additions (2)	326,400				326,400				229,329		97,071				
Public Works	862,700	1,174,000	1,482,150	1,130,000	4,648,850				3,083,875		214,975		1,350,000		
Engineering															
ENGINEERING-MUNICIPAL FUNDED															
Traffic Management General	352,740	485,394	570,281	632,272	2,040,687				2,040,687						
Traffic Calming Measures	80,938	111,376	130,854	145,078	468,246				468,246						
Road Reconstruction	7,029,312	3,755,716	4,412,527	4,892,180	20,089,735	17,000,000	Federal Gas Tax Reserve Fund		89,735	3,000,000					
Road Rehabilitation	1,046,550	1,440,123	1,691,976	1,875,898	6,054,547	4,895,365	Federal Gas Tax Reserve Fund		9,182	1,150,000					
Bridges and Culverts	493,158	678,619	797,298	883,966	2,853,041	2,000,000	Federal Gas Tax Reserve Fund		53,041	800,000					
Active Transportation	617,389	849,569	998,144	1,106,645	3,571,747	2,000,000	Federal Gas Tax Reserve Fund		71,747	1,500,000					
Storm System Improvements - right-of-way	75,291	103,606	121,725	134,957	435,579				435,579						
Street Lighting	199,993	275,203	323,332	358,479	1,157,007				1,157,007						
Engineering Capital Program - Unallocated	574,097	790,013	928,171	1,029,072	3,321,353	3,000,000	Federal Gas Tax Reserve Fund		321,353						
County Roads - Amalgamation Agreement	323,892	215,928	107,964		647,784				647,784						
ENGINEERING - DEVELOPMENT CHARGES FUNDED															
JCB widening - 2 to 4 lanes + bridge over CN (Sir John A to Princess)	63,005,000				63,005,000	311,395	Provincial Funding Reserve Fund		7,827,853	13,550,000	22,650,207		2,579,805	16,085,740	
Centennial Dr. - 2 lane road - Resource Rd to 520m East of Gardiners		4,950,288			4,950,288				654,183		3,563,463			732,643	
Hwy 15 widening - 2 to 4 lanes (Hwy 2 to Gore Rd - Phase 1 - EA/Design/Land)	2,103,600				2,103,600				179,227		1,613,040			311,333	
Hwy 15 widening - 2 to 4 lanes (Hwy 2 to Gore Road - Phase 2 - Construction)			12,094,161		12,094,161				2,118,599		472,128	7,713,498		1,789,936	
CWD - new 2 lane road (Sydenham to 560m east - Phase 1 - EA/Land)		1,248,480			1,248,480						1,063,705			184,775	
City-wide Intersection/Corridor Improvements	612,000	624,240	636,725	649,459	2,522,424				107,455		2,041,650			373,319	
Transit Priority Measures	102,000	104,040	106,121	108,243	420,404				35,818		322,366			62,220	
Cycling/Bike Plan		156,060			156,060				66,482		66,482			23,097	
Engineering	76,615,960	15,788,655	22,919,279	11,816,250	127,140,143	29,206,760			16,283,978	20,000,000	31,793,040	7,713,498	2,579,805	19,563,062	
Solid Waste															
Garbage truck - rear load dual stream		222,995			222,995	222,995	Solid Waste Reserve Fund								
Multi-Residential recycling tote bags	12,000				12,000	12,000	Solid Waste Reserve Fund								
Recycling truck			197,921		197,921	197,921	Solid Waste Reserve Fund								
Scissor lift (used)	8,000				8,000	8,000	Solid Waste Reserve Fund								
2 Recycling Depots for Public Areas		10,000		10,000	20,000	20,000	Solid Waste Reserve Fund								
Radio Equipment	40,000				40,000	40,000	Solid Waste Reserve Fund								
Consultant for MRF Rebuild		100,000			100,000	100,000	Solid Waste Reserve Fund								
New Material Recovery Facility (MRF)				5,000,000	5,000,000	5,000,000	Solid Waste Reserve Fund								
Multi-Residential Green Bins - Phased in Roll-Out	25,000				25,000	25,000	Solid Waste Reserve Fund								
Solid Waste	85,000	332,995	197,921	5,010,000	5,625,916	5,625,916									
Public Works Services	77,563,660	17,295,650	24,599,350	17,956,250	137,414,909	34,832,676			19,367,854	20,000,000	32,008,014	7,713,498	2,579,805	20,913,062	

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal Capital	Municipal Capital	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Reserve Fund - PAYG	Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
Community Services															
Planning & Development															
Secondary Planning Studies	350,000								350,000						
Project Costs Re: Long Term Planning	100,000							100,000							
Planning & Development	450,000							450,000							
Building & Licensing															
Enforcement Field Hardware	10,000						10,000	Parking Reserve Fund							
Building Vehicle	30,000						30,000	BRRAG Reserve Fund							
Building Monitors	22,000						22,000	BRRAG Reserve Fund							
PS Field Hardware	10,000								10,000						
Building & Licensing	72,000						62,000		10,000						
Community & Family Services & Housing															
Electronic Scheduler	20,000								20,000						
Shannon Park Road and Servicing	762,000								762,000						
80 Daly Street Demolition	655,000								655,000						
Affordable Housing-Capital Subsidy	795,000								795,000						
Affordable Housing-Land for Resale	1,000,000								58,806		191,194		750,000	Resale of Land	
Community & Family Services & Housing	3,232,000								2,290,806		191,194		750,000		
Recreation & Leisure Services															
Parks															
Pathways & Trails	455,108								455,108						
Waterfront Development	521,211								521,211						
Existing Parks/Sites Redevelopment/Upgrade	1,848,699								1,848,699						
New Parks Development	1,032,410								222,171		810,239				
Community Facilities															
Wally Elmer/Rideau Heights Community Centre	50,300								50,300						
Portsmouth	95,806								95,806						
Programming Equipment	25,000								25,000						
Recreation Facilities															
Belle Park Golf Course	160,150								160,150						
CaraCo Home Field	20,000								20,000						
Aquatic Facilities															
Artillery Park	90,150								90,150						
SCOTT Aqua Park	57,725								57,725						
Splash Pads and Amenities	25,000								25,000						

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal	Municipal	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Capital Reserve Fund - PAYG	Capital Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
<u>Arena Facilities</u>															
INVISTA	236,050					236,050	Arenas Reserve Fund								
Centre 70	118,025					118,025	Arenas Reserve Fund								
Market Square	27,725								27,725						
Memorial Centre	320,600					320,600	Arenas Reserve Fund								
Cataraqui / Kinsmen	365,600					365,600	Arenas Reserve Fund								
<u>Marina Facilities</u>															
Confederation Basin	317,132					317,132	Marinas Reserve Fund								
Portsmouth Olympic Harbour	187,132					187,132	Marinas Reserve Fund								
Boat Ramps	65,000					65,000	Marinas Reserve Fund								
Recreation & Leisure Services	6,018,822					1,609,538			3,599,045		810,239				
Long Term Care - Rideaucrest															
Structural and Grounds - Rideaucrest	67,000					67,000	Rideaucrest Capital Reserve Fund								
Equipment and Furniture - Rideaucrest	280,000					280,000	Rideaucrest Capital Reserve Fund								
Renovations and Decorations - Rideaucrest	155,000					155,000	Rideaucrest Capital Reserve Fund								
Long Term Care - Rideaucrest	502,000					502,000									
Accessibility															
Immigration / Migration Strategy	150,000														Working Fund Reserve
Accessibility	150,000														150,000
Community Services	10,424,822					2,173,538			6,349,851		1,001,433				900,000
<u>Transportation, Facilities & Emergency Services</u>															
Transportation Services															
<u>Fleet</u>															
<i>Fleet-Municipal</i>															
Replacements - Public Works	1,106,530					1,106,530	Municipal Equipment Reserve Fund								
Replacements - Solid Waste	435,612					435,612	Municipal Equipment Reserve Fund								
Replacements - Other	569,498					569,498	Municipal Equipment Reserve Fund								
<i>Fleet-Utilities</i>															
Replacements - Treatment	316,206					316,206	Utilities Equipment Reserve Fund								
Replacements - Underground	117,481					117,481	Utilities Equipment Reserve Fund								
Replacements - Gas	143,916					143,916	Utilities Equipment Reserve Fund								
Replacements - Other	262,496					262,496	Utilities Equipment Reserve Fund								

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal	Municipal	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Capital Reserve Fund - PAYG	Capital Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
<i>Fleet-Transit</i>															
Replacement - Full Size Buses	988,000					900,000	Federal Gas Tax Reserve Fund								
Replacement - Bus Refurbishments	87,842					88,000	Transit Reserve Fund								
Replacement - Mid Size Buses	461,890					87,842	Transit Reserve Fund								
						461,890	Transit Reserve Fund								
Fleet	4,489,471					4,489,471									
<i>Transit</i>															
<i>Buildings/Grounds/Infrastructure</i>															
Bus Stops/Shelters	250,000					250,000	Transit Reserve Fund								
Buildings - Transit	660,000					660,000	Transit Reserve Fund								
5 Year Transit Plan & Organizational Review	60,000					60,000	Transit Reserve Fund								
<i>Vehicles</i>															
New Buses	1,050,000					679,793	Transit Reserve Fund				270,207				
						100,000	Federal Gas Tax Reserve Fund								
Transit	2,020,000					1,749,793					270,207				
<i>Parking</i>															
<i>Planning/Studies</i>															
Parking Strategy Development	25,000					25,000	Parking Reserve Fund								
<i>Buildings/Grounds/Infrastructure</i>															
Surface Lots	34,367					34,367	Parking Reserve Fund								
Parking	59,367					59,367									
Transportation Services	6,568,838					6,298,631					270,207				

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal Capital	Municipal Capital	Development Charges	Development Charges	Grants	Other	Notes
						- PAYG		- Debt	Reserve Fund - PAYG	Reserve Fund - Debt	Reserve Fund	Reserve Fund - Debt			
2015 Projects															
Facilities Management & Construction Services															
<i>Building/Grounds/Infrastructure</i>															
Heritage Properties															
Heritage Capital Envelope	90,000					18,000	Facility Repair Reserve Fund		72,000						
Tourist Information Office	35,000					35,000	Facility Repair Reserve Fund								
Portsmouth Town Hall (St. John's House)	65,000								65,000						
310 King St. - British Whig	100,000					100,000	Facility Repair Reserve Fund								
Non-Heritage Properties															
Non-Heritage Capital Envelope	70,000					14,000	Facility Repair Reserve Fund		56,000						
1211 John Counter Blvd	220,000					220,000	Facility Repair Reserve Fund								
362 Montreal St	450,000					450,000	Facility Repair Reserve Fund								
Harold Harvey Centre	15,000								15,000						
701 Division St. - PW Fleet Building	2,500,000					1,550,000	Environment Reserve Fund								
						950,000	Municipal Equipment Reserve Fund								
KROCK	189,500					189,500	KROCK Reserve Fund								
Asset Management															
Realty Asset Management	355,000					177,500	Facility Repair Reserve Fund		177,500						
Designated Substance Management/Soil Management	40,000					20,000	Facility Repair Reserve Fund		20,000						
Preventative and Scheduled Building Maintenance															
Arc Flash	100,000					50,000	Facility Repair Reserve Fund		50,000						
Facilities Management & Construction Services	4,229,500					3,774,000			455,500						
Fire & Rescue															
Fire & Rescue															
<i>Planning/Studies</i>															
	50,000					50,000	Fire Capital Reserve Fund								
<i>Technology/Communications</i>															
Communications Centre	10,000					10,000	Fire Capital Reserve Fund								
Mobile Radio & Communications	20,000					20,000	Fire Capital Reserve Fund								
Corporate Radio Tower Infrastructure & Equipment	400,000					400,000	Fire Capital Reserve Fund								
911 Telephone Service	20,000					20,000	Fire Capital Reserve Fund								
Fire Technology/Communications Other	316,530					316,530	Fire Capital Reserve Fund								
<i>Building/Grounds/Infrastructure</i>															
Headquarters & Stations - Capital	105,000					105,000	Fire Capital Reserve Fund								
Training Centres	200,000					160,619	Fire Capital Reserve Fund				39,381				

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal Capital	Municipal Capital	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Reserve Fund - PAYG	Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
<u>Vehicles</u>															
Support Vehicles	260,000					260,000	Fire Capital Reserve Fund								
Response Vehicles - Replacement/Refurbishment	225,000					225,000	Fire Capital Reserve Fund								
<u>Equipment</u>															
Fire Other Equipment	770,000					770,000	Fire Capital Reserve Fund								
<u>Emergency Management</u>															
Emergency Preparedness	50,000								50,000						
Fire & Rescue	2,426,530					2,337,149			50,000		39,381				
<u>Airport</u>															
<u>Planning/Studies</u>															
Capital and/or Land Use Plans Reviews	60,000								60,000						
<u>Building/Grounds/Infrastructure</u>															
Grounds/Underground/Fencing	25,000								25,000						
Airport	85,000								85,000						
Transportation, Facilities & Emergency Services	13,309,868					12,409,780			590,500		309,588				
<u>Corporate & Strategic Initiatives</u>															
<u>Environment & Sustainable Initiatives</u>															
Kingston East Landfill Closure	200,000					200,000	Environment Reserve Fund								
McAdoos Landfill Cap Repairs	300,000					300,000	Environment Reserve Fund								
Belle Park Landfill	200,000					200,000	Environment Reserve Fund								
Belle Island Stabilization	50,000					50,000	Environment Reserve Fund								
Orchard Marsh Sediment Control	100,000					100,000	Environment Reserve Fund								
EMS Software Support	28,000					28,000	Environment Reserve Fund								
Municipal Property Phase II ESA	80,000					80,000	Environment Reserve Fund								
Environment & Sustainable Initiatives	958,000					958,000									
<u>Cultural Services</u>															
<u>Programs & Policy</u>															
Cultural Strategic Plan Implementation (Envelope Funding)	50,000								50,000						
Cultural Heritage Interpretation	130,000								130,000						
Cultural Mapping (KCP)	50,000								50,000						
Public Art Program (KCP)	75,000								75,000						
Civic Collection Management	100,000								100,000						
Cultural Heritage	100,000														
First Capital Place	20,000								20,000						Working Fund Reserve
<u>Functional Capital-Culture</u>															
City Hall Exhibit Development	50,000								50,000						
MacLachlan Woodworking Museum Envelope	15,000								15,000						
MacLachlan Gallery Refurbishment	35,000								35,000						
Pump House Steam Museum Envelope	25,000								25,000						
<u>Facilities-Facilities and Construction Services</u>															
<u>Grand Theatre</u>															
Grand Theatre - Roof Top & Graffiti Prevention	100,000								100,000						
<u>JK Tett Centre Facility</u>															
JK Tett Centre - Mech/Electrical/HVAC/Envelope/Misc	35,000								35,000						
<u>Grand Theatre-Functional Capital</u>															
Grand Theatre - Audio/Video Systems & Electronic Equip	45,000							45,000	Grand Theatre Facility Reserve Fund						
Grand Theatre - Furniture, Fixtures & Equipment	58,000							58,000	Grand Theatre Facility Reserve Fund						
Grand Theatre - Contingency	25,000							25,000	Grand Theatre Facility Reserve Fund						

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds - PAYG	Description	Reserve Funds - Debt	Municipal Capital Reserve Fund - PAYG	Municipal Capital Reserve Fund - Debt	Development Charges Reserve Fund	Development Charges Reserve Fund - Debt	Grants	Other	Notes
2015 Projects															
Cultural Services	913,000					128,000			685,000					100,000	

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Capital Projects						Sources of Funding									
Description	2015 Budget	2016 Budget	2017 Budget	2018 Budget	Budget Funding	Reserve Funds	Description	Reserve Funds	Municipal	Municipal	Development	Development	Grants	Other	Notes
						- PAYG		- Debt	Capital Reserve Fund - PAYG	Capital Reserve Fund - Debt	Charges Reserve Fund	Charges Reserve Fund - Debt			
2015 Projects															
Real Estate & Land Development															
Strategic Property Land Development	175,000								175,000						
Strategic Properties & Divestitures	250,000								250,000						
Gateway Signage	70,000								70,000						
Real Estate & Land Development	495,000								495,000						
Corporate & Strategic Initiatives	2,366,000							1,086,000	1,180,000					100,000	
Finance, Technology & Administration															
Information Systems & Technology															
Technology Lifecycle & Sustainment															
City Website Sustainment	35,000					35,000	Technology Reserve Fund								
Client Services - Technology Sustainment	25,000					25,000	Technology Reserve Fund								
Core Software Services	100,000					100,000	Technology Reserve Fund								
Corporate IT/IS Projects	165,000					165,000	Technology Reserve Fund								
Data Centre Upgrades	200,000					200,000	Technology Reserve Fund								
Desktop/Laptop Computers	380,000					380,000	Technology Reserve Fund								
Enterprise Application Sustainment	150,000					150,000	Technology Reserve Fund								
GIS Digital Imagery Program	10,000								10,000						
GIS Sustainment	50,000					50,000	Technology Reserve Fund								
Networking & Telecommunications	325,000					325,000	Technology Reserve Fund								
Servers and Storage	270,000					270,000	Technology Reserve Fund								
Strategic IT/IS Projects	660,000					660,000	Technology Reserve Fund								
Enterprise Resource Management (ERM)															
Enterprise Applications	1,460,000					541,000	Utility Reserve Funds		486,200				432,800		
Additional Trim Licences	25,000								25,000						
Public Direct/eGovernment															
Client Svcs - Electronic Service Enhancements	50,000								50,000						
Information Systems & Technology	3,905,000					2,901,000			571,200				432,800		
Finance, Technology & Administration	3,905,000					2,901,000			571,200				432,800		
Total - Municipal	107,569,350					53,402,994			28,059,405	20,000,000	33,319,035		3,012,605	21,913,062	

**CITY OF KINGSTON
2015 - 2018
CAPITAL BUDGET SUMMARY**

Report #15-144
Exhibit B

Projects		Sources of Funding								
Description	2015 Budget	Reserve Funds- PAYG	Description	Reserve Funds Debt	Municipal Capital Reserve Fund - PAYG	Municipal Capital Reserve Fund - Debt	Development Charges Reserve Fund	Grants	Other	Notes
Agencies and Boards										
Library										
Branch Revitalization & Renewal	100,000	90,467	Library Capital Reserve Fund				9,533			
Facility Repairs	114,000	114,000	Library Capital Reserve Fund							
Central Branch Renovations	1,700,000	1,700,000	Library Capital Reserve Fund							
Materials for Sight Impaired	39,000								39,000	Steele RF
Shared IT	20,000	17,400	Library Capital Reserve Fund						2,600	Frontenac County
Total Library	1,973,000	1,921,867		-	-	-	9,533	-	41,600	
Police										
Refresh Servers/Desktops/Audio/Notebooks	165,000	165,000	Police Equipment Reserve Fund							
Replacement Vehicles	715,000	715,000	Police Equipment Reserve Fund							
Equipment Communications	60,000	60,000	Police Equipment Reserve Fund							
Software	100,000	100,000	Police Equipment Reserve Fund							
Expand Video/Digital Storage	50,000	50,000	Police Equipment Reserve Fund							
Building	100,000	100,000	Police Equipment Reserve Fund							
DR Site	65,000	65,000	Police Equipment Reserve Fund							
Total Police	1,255,000	1,255,000		-	-	-	-	-	-	
Kingston Access Services										
Replacement of KAS Vehicles (3 - 4 per year)	154,000	154,000	KAS Equipment Reserve Fund							
Purchase Supervisory Vehicle	33,000	33,000	KAS Equipment Reserve Fund							
Total KAS	187,000	187,000		-	-	-	-	-	-	
Total Agencies and Boards	3,415,000	3,363,867		-	-	-	9,533	-	41,600	