

Agenda

2015 City of Kingston Operating and Capital Budgets

**Tuesday, January 20, Wednesday, January 21, 2015
6:00 pm**

Thursday, January 22, 2015

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

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

That the Minutes of Committee of the Whole Meeting Number 2013-02, held Monday, November 25, 2013 and Tuesday, November 26, 2013, be confirmed. **(Distributed to all Members of Council on Friday, January 24, 2014 and redistributed on Friday, January 16, 2015).**

- 4. Delegations**
- 5. 2015 Budget Introduction**

Mr. Gerard Hunt, Chief Administrative Officer

- 6. Utilities Kingston Presentation**

Mr. Jim Keech, President and Chief Executive Officer, Utilities Kingston

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

A. Approval of the 2015 Operating and Capital Budgets for the Municipal Utilities

The Report of the President and CEO of Utilities Kingston (Report Number 15-131) is attached to the Agenda as Schedule Pages 1 to 88 and was distributed with the Budget Packages, wherein the following is recommended:

- 1. That** Council approve the 2015 Municipal Utility Operating Budgets in the amounts noted below; and

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WASTEWATER

Operating Budget	\$14,424,000
Debt Costs	\$4,204,000
Transfer to Facility Repair Fund – Debt 85 Lappans Lane	\$515,000
Transfer to Capital Reserve Fund	<u>\$9,472,000</u>
Total Revenue	\$28,615,000

WATER

Operating Budget	\$13,213,000
Debt Costs	\$817,000
Transfer to Facility Repair Fund – Debt 85 Lappans Lane	\$515,000
Transfer to Capital Reserve Fund	<u>\$10,708,000</u>
Total Revenue	\$25,253,000

GAS

Operating Budget	\$4,293,000
Commodity Purchase, Transportation & Storage	\$30,000,000
Debt Costs	\$592,000
Transfer to Facility Repair Fund – Debt 85 Lappans Lane	\$187,000
Transfer to Gas Capital Reserve Fund	\$2,203,000
Transfer to City Municipal Capital Reserve Fund	<u>\$2,000,000</u>
Total Revenue	\$39,275,000

APPLIANCE RENTAL BUSINESS

Operating Budget	\$534,000
Transfer to Capital Reserve Fund	\$677,000
Transfer to City Environmental Reserve Fund	<u>\$1,000,000</u>
Total Revenue	\$2,211,000

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And Further;

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

WASTEWATER	\$150,635,000
WATER	\$44,970,250
GAS	\$17,282,560
APPLIANCE RENTAL BUSINESS	\$2,470,000
TOTAL	\$215,357,810

And Further;

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

Wastewater Reserve Fund	\$41,995,000
Wastewater Debt	\$27,000,000
Impost Wastewater Reserve Fund	\$30,640,000
Impost Wastewater Debt	\$51,000,000
Water Reserve Fund	\$38,515,250
Impost Water Reserve Fund	\$6,455,000
Gas Reserve Fund	\$17,282,560
Appliance Rental Business Reserve fund	\$2,470,000
TOTAL	\$215,357,810

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

B. Approval of Rate Changes for 2015 – 2018 for Water and Wastewater Rates

The Report of the President and CEO of Utilities Kingston (Report Number 15-132) is attached to the Agenda as Schedule Pages 89 to 97 and was distributed with the Budget Packages, wherein the following is recommended:

That Council approve:

- 1) The proposed water and wastewater rates, effective March 1, 2015 to December 31, 2015, the proposed water and wastewater rates, effective January 1, 2016 to December 31, 2016, the proposed water and wastewater rates, effective January 1, 2017 to December 31, 2017, and the proposed water and wastewater rates, effective January 1, 2018 as detailed in the attached rate schedules.
- 2) By-Law Number 2015-XXX being a By-Law to Amend By-Law Number 2011-24 "A By-Law to Impose Water & Wastewater Rates (Utilities Kingston)" be presented for all three readings.

C. Approval of Local Distribution Rate Change for Gas

The Report of the President and CEO of Utilities Kingston (Report Number 15-133) is attached to the Agenda as Schedule Pages 98 to 104 and was distributed with the Budget Packages, wherein the following is recommended:

That Council approve:

- 1) The proposed Gas Rate changes effective March 1, 2015 as detailed in this report.
- 2) By-Law Number 2015-XXX being a By-Law to Amend By-Law Number 2010-17 "A By-Law to Impose Gas Rates" be presented for all three readings.

D. Approval of Rate Charges for 2015 for Miscellaneous Charges and the Appliance Rental Business

The Report of the President and CEO of Utilities Kingston (Report Number 15-134) is attached to the Agenda as Schedule Pages 105 to 123 and was distributed with the Budget Packages, wherein the following is recommended:

That Council approve:

- 1) The proposed Miscellaneous Charges and Appliance Rental rates adjustments as detailed in this report, effective March 1, 2015.
- 2) By-Law Number 2015-XXX being a By-Law to Amend By-Law Number 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)" to reflect the approved rates 2015 (Exhibit A) be presented for all three readings.

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

Ms. Desirée Kennedy, Chief Financial Officer and City Treasurer, will provide an overview of the 2015 operating and capital budgets.

9. Departmental Presentations (City)

a) Public Works Services – Mr. Jim Keech, President and Chief Executive Officer,
Utilities Kingston

10. Communications

11. Recess

January 21, 2015

- 1. Reconvening Roll Call**
- 2. Disclosure of Pecuniary Interest**
- 3. Delegations**
- 4. Departmental Presentations (City) Continued**
 - a) Community Services – Ms. Lanie Hurdle, Commissioner
 - b) Transportation, Facilities, and Emergency Services – Mr. Denis Leger, Commissioner
 - c) Corporate & Strategic Initiatives – Ms. Cynthia Beach, Commissioner
 - d) Finance, Technology, and Administration – Ms. Desirée Kennedy, Chief Financial Officer and City Treasurer
- 5. Presentations by the External Agencies**
 1. Cataraqui Region Conservation Authority (CRCA)
 - Steve Knechtel, General Manager/Secretary Treasurer
 2. Kingston Economic Development Corporation (KEDCO)
 - Dean Byrnes, Chairman of the Board
 - Jeff Garrah, CEO
 3. Kingston Access Services
 - Trevor Fray, Executive Director
 4. Kingston Frontenac Public Library
 - Patricia Enright, Chief Librarian and CEO
 - Christina Ridgley, Budget/HR Analyst
 5. Kingston Police Services Board
 - Andrea Risk, Board Chair
 - Gilles Larochelle, Chief of Police
 6. Downtown Kingston! BIA
 - Ed Smith, Chair
 - Doug Ritchie, Managing Director
 7. KFLA Public Health
 - Dr. Ian Gemmill, Medical Officer of Health

6. Deliberations and Approval of Municipal Operating and Capital Budgets

The Report of the Chief Financial Officer and City Treasurer (Report Number 15-144) is attached to the Agenda as Schedule Pages 124 – 158 and included in the Budget Binders wherein the following is recommended:

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

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.

7. Communications

8. Recess/Adjournment

January 22, 2015

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