



**City of Kingston
Report to Council
Report Number 15-203**

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: April 21, 2015
Subject: Fourth Quarter Operating Budget Report for 2014

Executive Summary:

This report provides Council with information on the financial results of the City of Kingston for the fiscal year 2014. The attachments, which include the year-end financial schedules ready for audit, as prepared by the Financial Services Department, report that the City has generated a surplus for 2014. The report recommends that the surplus be allocated to reserves and reserve funds in accordance with policy and to support longer-term capital funding strategies. The annual audited financial statements will be presented to the Administrative Policies Committee and Council upon completion of the external audit process later in the spring.

Recommendation:

That Council receive the 2014 fourth quarter operating budget status report.

That the surplus generated from municipal operations in the amount of \$1,278,664 be allocated as follows:

a. Police Equipment Capital Reserve Fund	\$ 202,233
b. Library Capital Reserve Fund	\$ 195,103
c. Working Fund Reserve (in accordance with policy)	\$ 881,328

That the surplus generated from the municipal utilities operations in the amount of \$2,440,208 be allocated as follows:

a. Water Capital Reserve Fund	\$ 49,086
b. Wastewater Capital Reserve Fund	\$ 308,286
c. Municipal Capital Reserve Fund	\$ 2,082,837

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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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Options/Discussion:

The financial information provided in this report is derived from the financial accounting records of the Corporation as at December 31, 2014. The report reflects 2014 actual revenue and expenditure information together with the approved operating budget. Three exhibits are attached, reported by group and summarized by department. Agency transfers and municipal utilities are summarized as well. Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures respectively. In addition, Exhibits D, E and F provide summary reports for the 2014 operations of the Grand Theatre, INVISTA Centre and Rogers K-Rock Centre respectively. Exhibit G provides a summary of the reserve fund activity with respect to building permit fees in accordance with legislative requirements for annual reporting.

During the 2015 budget deliberations, Council received 2014 budget, actual year-to-date and projected variance information as part of the budget documentation provided. At that time, departments had the opportunity to address specific questions from members of Council. Budget variances experienced in 2014 were considered when developing the 2015 budget estimates.

A. General Municipal Operations

The 2014 year end results report approximately \$3.7M in surplus from consolidated municipal operations, representing \$1.28M from general municipal operations, including \$202K from Kingston Police Services operations and 195K from Library operations, and \$2.4M in surplus from municipal utility operations. Recommendations included in this report propose transferring surpluses from Kingston Police Services and Library operations to capital reserve funds to assist in funding future capital requirements as well as other recommendations for remaining surplus allocations as detailed in Section B below.

The surplus from general municipal operations of approximately \$1.28M represents less than 0.4% of the total operating budget, and is the result of a number of factors, as outlined in this report. Highlights contributing to the surplus include additional interest revenue earned on short-term operating funds, higher than projected supplementary tax revenues and federal payments-in-lieu of taxation, increased revenues from the sale of recyclable materials and net savings in salaries and benefit costs as a result of staff vacancies and timing of hirings. Offsetting the above items are additional costs for winter control and transit operations, higher than projected insurance and external legal costs and tax related adjustments to allow for assessment appeals that are currently in process with the Municipal Property Assessment Corporation.

Exhibit A, attached to this report, reflects a summary of the 2014 net departmental surpluses or deficits. These amounts are summarized by group and department. The following information provides Council with further detail of the year-end financial results by group.

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i. Public Works Services

This group experienced a net surplus of approximately \$231K on a net budget of \$30M.

Public Works reported a net deficit of \$168K for 2014. Winter control expenditures exceeded budgets by approximately \$2.7M, including labour costs, salt and sand and equipment charges, however, these costs were offset by savings in other public works programs, as winter control demands required that staff resources be directed from other parks and roads maintenance activities. Council previously approved an allocation of \$1.5M from 2013 municipal surplus funds to 2014 to address the severe winter conditions and resulting road maintenance requirements that were experienced early in 2014. The budget as amended reflects this approval and the related actuals as part of this section. While corporate policy is to transfer excess winter control costs from the Working Fund Reserve, the net deficit \$168K in Public Works has been absorbed by other corporate savings.

Contributing to this surplus were savings in Engineering of \$261K, as a result of increased revenues and lower than anticipated service costs for municipal drains and traffic signals.

Solid Waste reported a net surplus of \$138K for 2014. Revenues from the sale of recyclable materials were \$155K over budget as well as an additional \$135K received from the Waste Diversion Ontario grant. These revenues were offset by additional costs in contracted services as a result of increased leaf and yard waste removal.

ii. Community Services

This group experienced a net surplus of approximately \$340K on a net budget of \$31.7M.

Planning, Building & Licensing reported a net surplus of \$69K. Planning and Development was very close to budget, reporting a net surplus of \$16K, due primarily to revenues that were greater than projected. Building and Licensing reported a surplus of \$53K for 2014 primarily as a result of licensing revenues which were higher than anticipated. Building permit fee revenues, totaling \$5.5M in 2014, were \$1.6M above budget as a result of large projects such as the new hospital construction on King Street. Excess building permit fees were transferred to a building permit "Stabilization Reserve Fund" in accordance with the *Building Code Act* which directs that costs related to building permit inspection and activity be fully funded over time from permit fees. The attached Exhibit G, 2014 Report on Building Fees, provides further details.

Housing and Social Services reported a net surplus of \$524K. The revenues of the Housing and Social Services Department are very much tied to expenditure levels wherein subsidization is based on expenditure levels. The surplus was a result of savings of approximately \$250K from staff vacancies and timing of hires as well as \$184K from the recovery of prior year social housing providers' net surplus funds repayable to the City. As per approved policy, an amount of \$111K was transferred to

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the Social Housing Capital Reserve Fund, representing a portion of these social housing provider surpluses. These funds will be used to support providers' future capital repair needs and reinvestment in renewable energy systems. In addition, due to the stabilization of Ontario Works case load in 2014, there was a net surplus in allowances and benefits of which the City's share was approximately \$238K. This amount was transferred to the Social Services Stabilization Fund Reserve in accordance with current policy.

Recreation and Leisure Services reported a \$72K deficit for 2014. Arena operations reported a net surplus of \$200K as a result of higher than projected ice rental revenues and savings in utility costs. Detailed information regarding the INVISTA Centre and arena facility operations for 2014 is included in the attached Exhibit E. Marina operations reported a net deficit of \$158K, due primarily to lower than budgeted revenues at Portsmouth Olympic Harbour with changes implemented to adjacent Kingston Penitentiary site limiting some access for marina operations.

Rideaucrest long term care operations reported a deficit of \$161K for 2014. The level of staff coverage required under a previous scheduling model resulted in higher costs, which were offset by higher than budgeted accommodation revenues of \$50K. Changes to the scheduling model were made later in 2014 in order to reduce these costs going forward.

iii. **Transportation, Facilities & Emergency Services**

This group experienced a net surplus of approximately \$85K on a net budget of approximately \$36.9M.

Transportation Services reported a net deficit of \$292K, related primarily to higher than anticipated transit staffing costs of approximately \$135K as well as \$300K in additional transit fleet costs, including higher fuel, vehicle parts and insurance costs. Parking and airport operations are also included in Transportation Services. Parking revenues reported approximately \$275K higher than budget for additional parking meter and permit revenues as well as lower than anticipated parking enforcement costs due to staff vacancies. In accordance with policy, net parking revenues of approximately \$600K were transferred to the Parking Reserve Fund. Airport operations reported a net surplus of approximately \$60K.

Facilities Management & Construction reported a surplus of \$183K, primarily as a result of staff vacancies and lower than anticipated utilities and asset maintenance costs. Net contributions from Rogers K-Rock Centre, included within this department, were reported to Council earlier in 2015 and are summarized on Exhibit F attached.

Fire & Rescue reported a surplus of \$192K, primarily as a result of additional false alarm fees and other revenues.

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iv. Corporate & Strategic Initiatives

This group experienced a net surplus of \$163K on a budget of \$11.4M.

Environment & Sustainable Initiatives reported a surplus of \$88K as a result of changes to the timing and implementation of source water protection and sustainability awareness programs.

Cultural Services reported a deficit of \$13K due primarily to timing of donations. Exhibit D provides further detail on the Grand Theatre operations for 2014.

Legal Services reported a \$145K deficit primarily due to higher than anticipated insurance costs and external legal costs.

The Office of the City Clerk reported a surplus of \$245K due to staff vacancies and related costs as well as savings in advertising, postage and other supplies.

Human Resources and Organization Development reported a deficit of \$45K as a result of higher than projected employee assistance program costs.

The Commissioner's Office and Real Estate & Development reported a surplus of \$34K as a result of reduced costs related to staff vacancies.

v. Finance, Technology and Administration

This group reflects a net surplus of \$335K on a budget of \$7.8M made up primarily by savings that resulted from staff vacancies and delays in hiring.

vi. Agencies and Boards

Board and agency transfers reported a net surplus of \$457K for 2014, including surpluses of Kingston Police Services and Kingston Frontenac Public Library. These are consolidated as part of the overall municipal surplus. Police Services reported a surplus of \$202K and the Library reported a surplus of \$195K.

It is recommended that the 2014 Police operating surplus in the amount of \$202K and the 2014 Library operating surplus of \$195K be allocated to the Police Equipment Capital Reserve Fund and the Library Capital Reserve Fund respectively in order to address future capital funding requirements. This report seeks authority for these transfers.

vii. Fiscal Services

The Fiscal Services budget shows a net surplus of \$839K. Contributing to the surplus is additional investment income of approximately \$300K, additional income of \$100K from commodity tax recovery efforts and additional recoveries of \$375K re-allocated from city departments for corporate support services based on actual costs and level of support.

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Fiscal Services results also include benefit rebates and other benefit cost reductions of approximately \$400K with respect to claims experienced in connection with City staff benefit plans. Benefit costs are budgeted and recognized annually based on estimated premiums for these plans. In order to manage fluctuations in claims experience, rebates and other benefit surpluses are transferred to the Payroll Benefits Stabilization Reserve in order to address future benefit cost variability as a result of claims experienced as well as projected increases in future benefit costs.

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

viii. Taxation Revenue

The taxation revenue budget reported a net deficit of \$1.2M. Supplementary tax revenues were higher than projected by approximately \$800K as a result of additional assessment growth being placed on the tax roll by the Municipal Property Assessment Corporation (MPAC) in a timelier manner. In addition, approximately \$500K of supplementary payments-in-lieu of taxation revenue in excess of budget was received from the federal government during the year, due in part to expansions at penitentiary properties. These amounts have been offset by an additional \$2.5M set aside as allowance for write-offs of taxation revenues in order to provide for a large number of appeals that are in process at MPAC. These adjustments have been taken into consideration as part of the 2015 approved budget estimates.

Taxation revenue also includes budgeted amounts transferred for the repayment of Development Charges and Impost Fees exemptions as well as amounts for the Brownfield incentive program for properties that came on the assessment roll in 2014. The administration of these amounts is in accordance with policy. These amounts, in total, were under budget by approximately \$240K in 2014. As approved by Council, the City Treasurer is given delegated authority to consider applying additional amounts to the repayment of Development Charges and Impost Fee exemptions based on any surplus resulting from assessment growth in the year. Any additional transfers will accelerate the allocation of the tax incremental financing program and ultimately recognize revenues from assessment growth in the operating fund sooner. A review of supplementary tax revenues and outstanding tax exemption balances identified approximately \$110K that was used to accelerate the repayment of additional Development Charges and Impost Fee exemptions.

B. Allocation of Municipal Surplus

As included above, the net surplus' for Police and Library have been requested to be transferred to capital reserve funds for future capital requirements. In accordance with the

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Working Fund Reserve policy, it is recommended that the remaining net municipal surplus be transferred to the Working Fund Reserve in the amount of \$881,328.

A summary of the municipal surplus allocations as recommended is provided below:

a. Police Equipment Capital Reserve Fund	\$202,233
b. Library Capital Reserve Fund	\$195,103
c. Working Fund Reserve	\$881,328

C. Municipal Operations Managed by Utilities Kingston

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

i. Water Operations

Water operations resulted in a net operating surplus of \$49K for 2014. It is recommended that the water surplus be allocated to the Water Capital Reserve Fund.

ii. Wastewater Operations

Wastewater operations resulted in a net operating surplus of \$308K for 2014, due primarily to higher than anticipated rate and miscellaneous revenues. It is recommended that the wastewater surplus be allocated to the Wastewater Capital Reserve Fund.

iii. Gas Distribution and Appliance Rental Operations

Gas distribution and appliance rental operations resulted in a total operating surplus of approximately \$2.1M for 2014. Gross revenues and expenditures for gas distribution as reported on Exhibit B and C respectively show actuals of approximately \$29M in comparison to a budget of approximately \$49M. Included in the gas distribution operations are estimates for the commodity cost of gas which are dependent on volume projections and commodity market conditions. The gas commodity charge is reported as a flow-through and therefore included in both revenues and expenditures, to reflect the actual cost of the gas that is passed directly on to the customer. Gross revenue and expenditure budgets were set at a level that reflected the possible risk of higher commodity rates and/or usage which did not materialize. The surplus for the calendar year 2014 is mainly due to the colder winters experienced in 2013-14 and 2014-15 as well as conservative budget estimates that projected a warmer than normal winter season. Surpluses in gas operations are transferred to the Municipal Capital Reserve Fund

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Audited financial statements for the year ended December 31, 2014 for the operations of 1425445 Ontario Limited (operating as Utilities Kingston) and for Kingston Hydro Corporation have been prepared by Utilities Kingston management and have been presented for approval to their respective Board of Directors.

D. Bill 124 - Ontario Building Code Act

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

The *Building Code Act* requires that building permit fees not exceed the cost of providing the service and that surplus fees be placed in a permit "Stabilization Reserve Fund" to ensure that a municipality does not suffer any negative financial impacts that would otherwise occur during slow times in the often volatile construction industry. This would also ensure that a municipality is able to retain the resources necessary to handle subsequent building booms. The 2014 Report on Building Fees, attached as Exhibit G, was made available on March 31, 2015.

Existing Policy/By Law:

By-law 2014-22, "A By-Law to Adopt the 2014 Operating Budget" and related policies.

Notice Provisions:

There are no notice requirements for this report.

Accessibility Considerations:

This report is available in an alternate format upon request by contacting Customer Service at contactus@cityofkingston.ca or 613-546-0000.

Financial Considerations:

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

Contacts:

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Other City of Kingston Staff Consulted:

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Luke Follwell, Director, Recreation and Leisure Services

Collin Wiginton, Director, Cultural Services

John Giles, Manager, Solid Waste

Del Stowe, Manager, Building Services

Exhibits Attached:

Exhibit A: 2014 Net Operating Report

Exhibit B: 2014 Gross Revenue – Operating Fund – Municipal

Exhibit C: 2014 Gross Expenditure – Operating Fund – Municipal

Exhibit D: 2014 Grand Theatre Fourth Quarter Report

Exhibit E: 2014 INVISTA Centre Fourth Quarter Report

Exhibit F: 2014 Rogers K-Rock Centre Fourth Quarter Report

Exhibit G: 2014 Report on Building Fees

CITY OF KINGSTON
Net Operating - Operating Fund - Municipal
2014-12-31

Year to Date = 100%

<u>Municipal Operations</u>	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Public Works Services				
Public Works	18,870,321	18,702,087	168,234	101%
Engineering	3,799,502	4,060,316	(260,814)	94%
Solid Waste	7,087,638	7,226,028	(138,390)	98%
Total	29,757,462	29,988,431	(230,969)	99%
Community Services				
Planning, Building & Licensing	2,130,786	2,199,748	(68,962)	97%
Housing & Social Services	17,103,057	17,627,141	(524,084)	97%
Recreation & Leisure Services	6,393,811	6,321,711	72,100	101%
Residential Long Term Care-Rideaucrest	5,392,866	5,232,255	160,611	103%
Commissioner's Office	303,167	283,011	20,156	107%
Total	31,323,687	31,663,866	(340,179)	99%
Transportation, Facilities & Emergency Services				
Transportation Services	11,782,061	11,490,340	291,721	103%
Facilities Management & Construction Services	2,165,245	2,348,512	(183,267)	92%
Fire & Rescue	22,566,684	22,758,582	(191,898)	99%
Commissioner's Office	286,990	288,619	(1,629)	99%
Total	36,800,981	36,886,053	(85,072)	100%
Corporate & Strategic Initiatives				
Environment & Sustainable Initiatives	845,396	933,138	(87,742)	91%
Cultural Services	3,847,270	3,833,721	13,549	100%
Legal Services	1,493,667	1,348,275	145,392	111%
Office of the City Clerk	1,460,429	1,705,394	(244,965)	86%
Human Resources & Organization Development	2,937,718	2,892,994	44,724	102%
Commissioner's Office & Real Estate & Land Development	665,025	699,330	(34,305)	95%
Total	11,249,505	11,412,852	(163,347)	99%
Finance, Technology and Administration				
Mayor & Council	905,570	946,352	(40,782)	96%
CAO's Office	460,418	457,429	2,989	101%
Strategic Communications	1,311,134	1,484,046	(172,912)	88%
Information Systems & Technology	3,059,744	3,036,235	23,509	101%
Financial Services	1,698,077	1,845,977	(147,900)	92%
Total	7,434,943	7,770,039	(335,096)	96%
Total All Departments	116,566,577	117,721,241	(1,154,664)	99%
Boards and Agency Transfers	63,297,701	63,754,773	(457,072)	99%
Fiscal Services	25,987,102	26,825,793	(838,691)	97%
Taxation Revenue	(207,130,044)	(208,301,807)	1,171,763	99%
Total	(1,278,664)	-	(1,278,664)	-
<u>Municipal Utilities</u>				
Water	(49,086)	-	(49,086)	-
Wastewater	(308,286)	-	(308,286)	-
Gas	(1,898,615)	-	(1,898,615)	-
Appliance Rental Business	(184,222)	-	(184,222)	-
Total Municipal Utilities	(2,440,208)	-	(2,440,208)	-
Net Operating	(3,718,872)	-	(3,718,872)	-

CITY OF KINGSTON
Gross Revenue - Operating Fund - Municipal
2014-12-31

Year to Date = 100%

<u>Municipal Operations</u>	Gross Revenue Year to Date	Annual Budget	Variance \$	Actual to Budget %
Public Works Services				
Public Works	(2,756,937)	(2,039,475)	(717,462)	135%
Engineering	(536,131)	(368,899)	(167,232)	145%
Solid Waste	(3,541,373)	(3,258,754)	(282,619)	109%
Total	(6,834,441)	(5,667,128)	(1,167,313)	121%
Community Services				
Planning, Building & Licensing	(7,219,611)	(5,451,744)	(1,767,867)	132%
Housing and Social Services	(46,766,953)	(45,066,756)	(1,700,197)	104%
Recreation & Leisure Services	(7,984,170)	(8,094,977)	110,807	99%
Residential Long Term Care-Rideaucrest	(11,216,000)	(11,076,417)	(139,583)	101%
Commissioner's Office	(53,998)	(75,900)	21,902	71%
Total	(73,240,732)	(69,765,794)	(3,474,938)	105%
Transportation, Facilities & Emergency Services				
Transportation Services	(17,458,157)	(17,180,327)	(277,830)	102%
Facilities Management & Construction Services	(4,115,412)	(4,291,279)	175,867	96%
Fire & Rescue	(436,201)	(293,214)	(142,987)	149%
Total	(22,009,770)	(21,764,820)	(244,950)	101%
Corporate & Strategic Initiatives				
Environment & Sustainable Initiatives	(263,701)	(291,516)	27,815	90%
Cultural Services	(2,025,559)	(2,384,479)	358,920	85%
Legal Services	(2,106,613)	(2,234,953)	128,340	94%
Office of the City Clerk	(517,753)	(518,698)	945	100%
Human Resources & Organization Development	(193,099)	(192,999)	(100)	100%
Commissioner's Office & Real Estate & Land Development	(2,957)	-	(2,957)	0%
Total	(5,109,681)	(5,622,645)	512,964	91%
Finance, Technology and Administration				
Mayor & Council	(19)	-	(19)	0%
CAO's Office	(121,546)	(172,285)	50,739	71%
Strategic Communications	(1,014,737)	(982,334)	(32,403)	103%
Information Systems & Technology	(1,334,286)	(1,330,591)	(3,695)	100%
Financial Services	(880,388)	(819,922)	(60,466)	107%
Total	(3,350,977)	(3,305,132)	(45,845)	101%
Total All Departments	(110,545,600)	(106,125,519)	(4,420,081)	104%
Board and Agency Transfers	(44,301,065)	(43,878,565)	(422,500)	101%
Fiscal Services	(9,681,726)	(1,151,200)	(8,530,526)	841%
Taxation Revenue	(215,314,207)	(212,737,921)	(2,576,286)	101%
Total	(379,842,598)	(363,893,205)	(15,949,393)	104%
<u>Municipal Utilities</u>				
Water	(24,205,145)	(24,491,900)	286,755	-
Wastewater	(27,536,401)	(27,268,150)	(268,251)	-
Gas	(29,102,072)	(49,125,000)	20,022,928	-
Appliance Rental Business	(2,189,674)	(2,072,700)	(116,974)	-
Total Municipal Utilities	(83,033,292)	(102,957,750)	19,924,458	-
Gross Revenue	(462,875,890)	(466,850,955)	3,975,065	-

CITY OF KINGSTON
Gross Expenditures - Operating Fund - Municipal
2014-12-31

Year to Date = 100%

<u>Municipal Operations</u>	Gross Expense Year to Date	Annual Budget	Variance \$	Actual to Budget %
Public Works Services				
Public Works	21,627,258	20,741,562	885,696	104%
Engineering	4,335,633	4,429,215	(93,582)	98%
Solid Waste	10,629,011	10,484,782	144,229	101%
Total	36,591,902	35,655,559	936,343	103%
Community Services				
Planning, Building & Licensing	9,350,397	7,651,492	1,698,905	122%
Housing & Social Services	63,870,010	62,693,897	1,176,113	102%
Recreation & Leisure Services	14,377,981	14,416,688	(38,707)	100%
Residential Long Term Care-Rideaucrest	16,608,866	16,308,672	300,194	102%
Commissioner's Office	357,164	358,911	(1,747)	100%
Total	104,564,418	101,429,660	3,134,758	103%
Transportation, Facilities & Emergency Services				
Transportation Services	29,240,218	28,670,667	569,551	102%
Facilities Management & Construction Services	6,280,658	6,639,791	(359,133)	95%
Fire & Rescue	23,002,884	23,051,796	(48,912)	100%
Commissioner's Office	286,990	288,619	(1,629)	99%
Total	58,810,750	58,650,873	159,877	100%
Corporate & Strategic Initiatives				
Environment & Sustainable Initiatives	1,109,097	1,224,654	(115,557)	91%
Cultural Services	5,872,829	6,218,200	(345,371)	94%
Legal Services	3,600,280	3,583,228	17,052	100%
Office of the City Clerk	1,978,182	2,224,092	(245,911)	89%
Human Resources & Organization Development	3,130,817	3,085,993	44,824	101%
Commissioner's Office & Real Estate & Land Development	667,983	699,330	(31,347)	96%
Total	16,359,186	17,035,497	(676,311)	96%
Finance, Technology and Administration				
Mayor & Council	905,589	946,352	(40,763)	96%
CAO's Office	581,964	629,714	(47,750)	92%
Strategic Communications	2,325,872	2,466,380	(140,508)	94%
Information Systems & Technology	4,394,030	4,366,826	27,204	101%
Financial Services	2,578,465	2,665,899	(87,434)	97%
Total	10,785,920	11,075,171	(289,251)	97%
Total All Departments	227,112,177	223,846,760	3,265,417	101%
Boards and Agency Transfers	107,598,766	107,633,338	(34,572)	100%
Fiscal Services	35,668,828	27,976,993	7,691,835	127%
Taxation Revenue	8,184,163	4,436,114	3,748,049	184%
Total	378,563,934	363,893,205	14,670,729	104%
Municipal Utilities				
Water	24,156,059	24,491,900	(335,841)	-
Wastewater	27,228,115	27,268,150	(40,035)	-
Gas	27,203,457	49,125,000	(21,921,543)	-
Appliance Rental Business	2,005,453	2,072,700	(67,247)	-
Total Municipal Utilities	80,593,084	102,957,750	(22,364,666)	-
Gross Expenditure	459,157,017	466,850,955	(7,693,938)	-

Grand Theatre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Financial Performance:

Income	Actuals to Date	2014 Budget	Variance	Total 2013
Rental Revenue	(139,409)	(138,100)	(1,309)	(138,670)
Other Revenues & Recoveries	(799,813)	(768,294)	(31,519)	(911,560)
Total Income	(939,222)	(906,394)	(32,828)	(1,050,230)
Expenditure	Actuals to Date	2014 Budget	Variance	Total 2013
Operational Expenditures	1,296,881	1,299,420	(2,539)	1,266,976
Contributions to Reserve Funds	149,867	110,411	39,456	105,607
Total Expenditures	1,446,748	1,409,831	36,917	1,372,582
Net	507,526	503,437	4,089	322,352

Grand Theatre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Operational Performance:

Key Indicators:					
	Actual Days of Use		Budgeted Days of Use		Variance
Days of Use	Rosen	Baby Grand	Rosen	Baby Grand	
Community Groups	45	84	45	26	58
Commercial	24	0	18	0	6
Grand Theatre Presents	48	22	50	23	(3)
Rehearsal / set up	37	24	26	9	26
Dark Days	30	21	40	45	(34)
Non Performance	13	28	2	0	39
Total	197	179	181	103	92
Grand Use Total	376		284		

Ticket Sales	Year to Date Tickets Sold	Ticket Sales per Budget	Actual Variance
Community Groups	15,252	19,016	3,764
Commercial	11,643	9,134	(2,509)
Grand Theatre Presents	21,819	18,687	(3,132)
Off Site Events	6,946	12,105	5,159
Baby Grand	3,049	3,602	553
Total	58,709	62,544	3,835

INVISTA & Arenas Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Financial Performance: INVISTA

Income	Actuals To Date	2014 Budget	Variance	Total 2013
Ice Rentals	(2,398,871)	(2,300,000)	(98,871)	(2,320,064)
Other Revenues and Recoveries	(332,797)	(365,827)	33,030	(299,748)
	(2,731,668)	(2,665,827)	(65,841)	(2,619,812)
Expenditure	Actuals To Date	2014 Budget	Variance	Total 2013
Operational Expenditures	2,344,958	2,296,753	48,205	2,204,537
Contributions to Reserves	1,402,780	1,402,780	-	1,361,922
	3,747,738	3,699,533	48,205	3,566,459
Net	1,016,070	1,033,706	(17,636)	946,647

Summary of Ice Revenues - All Arenas

Facility	Actual 2014	Budget 2014	% 2014	Total 2013
INVISTA Centre	(2,398,871)	(2,300,000)	104%	(2,320,064)
Cataraqui-Kinsmen	(647,795)	(600,000)	108%	(633,418)
Memorial Centre	(403,803)	(393,382)	103%	(379,934)
C70	(299,677)	(325,000)	92%	(290,922)
Wally Elmer	(2,273)	(5,000)	45%	(1,906)
Total	(3,752,419)	(3,623,382)	104%	(3,626,243)

INVISTA & Arenas Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Operational Performance: All Arenas

<u>Ice Rentals</u>	INVISTA		Cataraqui, Kinsman, Memorial Centre, Centre 70		Total All Arenas	
	Hours	%	Hours	%	Hours	%
Prime						
Total Available	8,504		6,268		14,772	
Booked	7,534	89%	5,548	89%	13,082	89%
Vacant	970	11%	720	11%	1,690	11%
Non-Prime						
Total Available	6,776		2,620		9,396	
Booked	2,771	41%	970	37%	3,741	40%
Vacant	4,005	59%	1,650	63%	5,655	60%
Distribution of Ice						
Total	10,316					
Youth	8,002	78%				
Adult	2,314	22%				

<u>Hall Rentals</u>	INVISTA	
Halls	Hours	%
Total Available	6,432	
Booked	2,397	37%
Vacant	4,035	63%
Distribution of Halls	Hours	%
Internal	171	7%
External	1,747	73%
Partner Groups	479	20%

Rogers K-Rock Centre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Financial Performance:

Income	Actuals to Date	2014 Budget	Variance	Total 2013
SMG Events	(830,003)	(1,094,524)	264,521	(1,158,787)
Kingston Frontenacs Events	(424,629)	(440,124)	15,495	(365,151)
Other Revenues and Recoveries	(1,362,819)	(1,455,865)	93,046	(1,271,437)
	(2,617,451)	(2,990,513)	373,062	(2,795,375)
Expenditure	Actuals to Date	2014 Budget	Variance	Total 2013
Operational Expenditures	2,035,108	2,015,513	19,595	2,064,832
	2,035,108	2,015,513	19,595	2,064,832
Net Income From Operations	(582,343)	(975,000)	392,657	(730,543)

(Prior to Reserve Fund Contributions & Management Fees)

Rogers K-Rock Centre Quarterly Performance Report

Period: Fourth Quarter: For the twelve months ending December 31, 2014

Key Performance Indicators:

	2014 Actual	2014 Budget	Variance	% Achieved
Revenues				
SMG Spectator Events	(785,289)	(1,035,018)	249,729	76%
SMG Non-Spectator Events	(44,714)	(59,506)	14,792	75%
SMG Events	(830,003)	(1,094,524)	264,521	76%
Frontenacs Events	(424,629)	(440,124)	15,495	96%
Total Event Income	(1,254,632)	(1,534,648)	280,016	82%
Suites/Club Seats	(757,459)	(743,145)	(14,314)	102%
Naming/Advertising	(421,954)	(508,720)	86,766	83%
Ice Rentals	(172,734)	(185,000)	12,266	93%
Other	(10,672)	(19,000)	8,328	56%
	(2,617,451)	(2,990,513)	373,062	88%
Expenses				
Operating	2,035,108	2,015,513	19,595	101%
Net Income	(582,343)	(975,000)	392,657	60%

Number of Events				
SMG Spectator Events	36	49	(13)	73%
SMG Non-Spectator Events	43	36	7	119%
SMG Events	79	85	(6)	93%
Frontenacs Events	38	42	(4)	90%
Total Number of Events	117	127	(10)	92%

Attendance				
SMG Spectator Events	90,947	128,365	(37,418)	71%
SMG Non-Spectator Events	28,576	36,621	(8,045)	78%
SMG Events	119,523	164,986	(45,463)	72%
Frontenacs Events	113,457	113,421	36	100%
Total Attendance	232,980	278,407	(45,427)	84%

Note: Spectator Events include: Concerts, Family Shows, Entertainment Events, Performing Arts and Sporting Events
 Non-Spectator Events include: Assemblies, Banquets, Consumer/Trade Shows, Conventions, Meetings, Other Events

Rogers K-Rock Centre

Quarterly Performance Report

Fourth Quarter Ending December 31, 2014

The Rogers K-Rock Centre operating agreement (2013-2017) now includes a requirement for SMG to provide a detailed qualitative performance report to the City's contract administrator on a quarterly basis.

In addition to the financial information on year-to-date results of operations and key performance indicators, the quarterly report now includes a summary of year-to-date (YTD) qualitative performance measures.

Qualitative initiatives are developed annually and reported in greater detail in the Operator Annual Plan, typically presented in the 4th Quarter of each year, prior to budget deliberations.

A. Community Involvement

Meetings, Events, Public Speaking, Outreach:	<u># of occurrences –YTD</u>
• KEDCO	9
• Downtown Kingston! BIA	12
• Chamber of Commerce	6
• Post-secondary institutions	10
• Military & business	13
• Tourism	5
• Other Community/Charity	29

Community Support:	# of contributions - YTD
• In Kind - Facility (total value - \$29,535)	27
• Cash – SMG (total value - \$9,375)	21

B. Tenant/ User Relations

Kingston Frontenacs

- Worked with Frontenacs' staff with regards to advertising sales strategies and food and beverage strategies to increase ticket sales.

C. Customer Satisfaction/ Sales & Marketing

Six general admission surveys have taken place, two at Frontenacs' games and four others at a variety of ticketed events. The results were very favourable and were provided to and reviewed with City staff. In addition, suite & club seat surveys were conducted, also yielding very favourable results.

2014 Report on Building Fees

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

(A) Fees

Revenues	\$ 5,437,559
	<u>\$ 5,437,559</u>
Less:	
1) Direct Costs - Administration and enforcement	(2,459,082)
2) Direct Costs - Other and related service costs	(441,380)
3) Indirect Costs - For support and overhead	(441,634)
4) Transfer to Permit Stabilization Reserve Fund	(2,095,463)
Net Cost for Building Inspection Enforcement 2014	<u>\$ (0)</u>

(B) Permit Stabilization Reserve Fund

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

Opening Balance January 1, 2014	\$ 3,340,960
Add:	
Interest earned on fund	84,686
Less: Funding for capital purposes	(111,903)
Transfer from operating	2,095,463
Ending Balance December 31, 2014	<u>\$ 5,409,206</u>