



**City of Kingston  
Report to Council  
Report Number 25-244**

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**To:** Mayor and Members of Council  
**From:** Desirée Kennedy, Chief Financial Officer & City Treasurer  
**Resource Staff:** Lana Foulds, Director, Financial Services  
Christa Walsh, Manager, Financial Planning  
**Date of Meeting:** November 18, 2025  
**Subject:** Operating Budget Status Report – as at September 30, 2025

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**Council Strategic Plan Alignment:**

Theme: Financial measures/budget

Goal: See above

**Executive Summary:**

This report provides a financial status update of the general operating budget as at September 30, 2025. Exhibits to the report provide detailed budget to actual information and departmental variances. Revenue and expenditure variances reflect expected timing, seasonality, and other operational factors. As of September 30, 2025, just under 75% of the net municipal operating budget has been spent.

In order to ensure that net spending remains within approved budget parameters, staff regularly monitor and review budget variance information. Between now and the end of the year, staff have been directed to critically review and limit discretionary spending to ensure a balanced budget by year-end. Further information on year-to-date results is included in the body of this report.

**Recommendation:**

This report is for information only.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

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**Desiree Kennedy, Chief  
Financial Officer & City  
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

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

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services

David Fell, President & CEO, Utilities Kingston

Jenna Morley, City Solicitor

Ian Semple, Commissioner, Transportation & Infrastructure Services

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**Options/Discussion:****Background**

The financial information provided in this report is derived from the financial accounting records of the Corporation as at September 30, 2025. Exhibits to the report reflect the approved operating budget for the 2025 fiscal year together with 2025 actual year-to-date revenue and expenditure information, reported by group and summarized by department. Board and agency transfers and municipal utilities are also summarized.

Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures respectively. A variance column is provided for reference purposes which shows the amount of revenues to be generated or expenditures to be spent over the balance of the year. The actual to budget percent column provides a comparative indicator of the proportion of the annualized budget that has been spent or received to date.

Exhibit A shows a net operating position of just under 75% of the total annual budget at September 30, 2025. Revenues and expenditures to the end of September reflect seasonal and other budget variances normally experienced year to year; however, other notable revenue and expenditure variances are summarized below.

- Fuel costs continue to trend lower than anticipated from lower-than-expected prices due in part to the removal of the federal carbon tax on April 1, 2025. Transit fuel usage is higher than the year-to-date average which is due to the cyclical nature of operations. Overall, a fuel surplus of approximately \$331K is reported in Transit and \$451K in Public Works.
- Transportation revenues include higher than budgeted automated speed enforcement revenues of \$154K. While the program was discontinued in November at the direction of the province, higher revenues are expected to keep the overall results of this program within budget by year-end.
- Public Works is reporting a net deficit of \$1.5M due primarily to winter operations, which is trending at 87% of the annual budget. Historically, 60% of winter control costs are incurred year-to-date, however this past winter saw a higher-than-average number of weather events compared to previous years. Seasonal impacts over the remainder of the year are expected to partially offset the deficit position and staff will continue to monitor costs and leverage savings opportunities in other public works programs. In accordance with policy, any budget deficits resulting from winter control activities can be funded from the Working Fund Reserve.
- Solid Waste is reporting a deficit at September 30<sup>th</sup> of approximately \$1.2M. A portion of the deficit (approximately \$400K) reflects timing differences resulting from the transfer of recycling services to the producers on July 1, 2025. In addition, garbage bag tag revenues are reported lower than budget by \$230K. Staffing costs are approximately \$530K higher than expected due to budget pressures in backfilling employee absences

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as well as unanticipated costs with the transition to the automated collection system. Solid Waste has made changes to collection routes during the year which will result in operational efficiencies and reduced staffing costs going forward.

- Planning Services is projecting a net surplus of \$233K primarily due to staffing vacancies.
- Licensing & Enforcement is reporting a net surplus of \$518K at September 30<sup>th</sup>, due to the timing of licence renewals (\$280K) and staffing vacancies. Results also include the Parking division which reported a net \$247K surplus year-to-date, which was transferred to the Parking Reserve Fund in accordance with policy.
- Housing & Social Services is reporting a surplus of \$277K related primarily to a housing surplus of \$172K year-to-date; however, expenditures are expected to increase in the winter months to fund warming centres and other supports.
- Recreation & Leisure Services is reporting a \$450K deficit year-to-date due primarily to seasonal revenue patterns and the higher level of contracted services during the summer months.
- Facilities Management & Construction Services is reporting a surplus of \$726K year-to-date as a result of lower-than-expected utility costs of \$489K as well as savings from staff vacancies of \$193K.
- Legislative and Legal Services are reporting a \$147K surplus as a result of staff vacancies.
- Fiscal Services is reporting a year-to-date surplus related to additional investment income exceeding expectations by approximately \$475K.

The exhibits also include revenue and expenditure variances for municipal utility operations, as managed by Utilities Kingston. The operations of municipal utilities are funded entirely by rate revenues based on established charges approved by Council. Revenues and expenditures to the end of September reflect budget variances as normally experienced year to year. Water and wastewater operations are reporting a larger surplus due to increased consumption and cost savings; however, increased chemical costs for the remaining months of the year are expected to reduce the surplus due to the timing of deliveries.

Departments, in conjunction with Financial Services, will continue to closely monitor budgets on a regular basis. In addition, to ensure that we close out the 2025 fiscal year in a surplus position, the City Treasurer has requested that any discretionary spending between now and the end of the year be curtailed and that staff critically review the need for expenditures prior to spending.

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**Existing Policy/By-Law**

The 2025 operating budget was proposed and adopted under the provisions of the Strong Mayor Powers.

**Notice Provisions**

None

**Financial Considerations**

Comments are contained within the Options/Discussion section of this report with reference to the exhibits attached.

**Contacts:**

Desiree Kennedy, Chief Financial Officer and City Treasurer, 613-546-4291 extension 2220

Lana Foulds, Director, Financial Services, 613-546-4291 extension 2209

Christa Walsh, Manager, Financial Planning

**Other City of Kingston Staff Consulted:**

Applicable City Departments

Laura Deak, Manager of Finance, Utilities Kingston

Randy Murphy, Chief Financial Officer, Utilities Kingston

**Exhibits Attached:**

Exhibit A - Net Operating as at September 30, 2025

Exhibit B - Gross Revenue as at September 30, 2025

Exhibit C - Gross Expenditures as at September 30, 2025

## City of Kingston

### Net Operating as at September 30, 2025

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
<b>Transportation &amp; Infrastructure Services</b>				
Transit Services	14,698,899	19,014,744	(4,315,845)	77.30%
Transportation Services	2,028,959	3,395,627	(1,366,668)	59.75%
Engineering Services	384,353	435,149	(50,796)	88.33%
Major Projects	-	-	-	0.00%
Public Works Services	22,095,513	27,439,303	(5,343,790)	80.53%
Solid Waste Services	8,206,468	9,301,954	(1,095,486)	88.22%
Commissioner's Office	269,999	395,275	(125,276)	68.31%
Total Transportation & Infrastructure Services	<b>47,684,191</b>	<b>59,982,052</b>	<b>(12,297,861)</b>	<b>79.50%</b>
<b>Growth &amp; Development Services</b>				
Planning Services	815,556	1,398,560	(583,004)	58.31%
Building Services	-	-	-	-
Licensing & Enforcement	489,280	1,344,413	(855,133)	36.39%
Business, Real Estate & Environment	611,993	911,024	(299,031)	67.18%
Climate Leadership Division	540,620	830,599	(289,979)	65.09%
Commissioner's Office	299,922	390,660	(90,738)	76.77%
Total Growth & Development Services	<b>2,757,371</b>	<b>4,875,256</b>	<b>(2,117,885)</b>	<b>56.56%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Community Services</b>				
Heritage Services	1,606,306	2,216,675	(610,369)	72.46%
Housing & Social Services	16,365,825	22,190,220	(5,824,395)	73.75%
Recreation & Leisure Services	7,051,958	8,801,525	(1,749,567)	80.12%
Arts & Culture Services	2,380,273	3,399,328	(1,019,055)	70.02%
Residential Long Term Care	4,920,417	6,852,679	(1,932,262)	71.80%
Community Development & Wellness	983,654	1,236,903	(253,249)	79.53%
Commissioner's Office	214,916	282,133	(67,217)	76.18%
Total Community Services	<b>33,523,349</b>	<b>44,979,463</b>	<b>(11,456,114)</b>	<b>74.53%</b>
<b>Corporate &amp; Emergency Services</b>				
Facilities Management & Construction Services	2,415,408	4,188,789	(1,773,381)	57.66%
Communications & Customer Experience	2,245,535	3,009,848	(764,313)	74.61%
Information Systems & Technology	3,949,438	5,379,153	(1,429,715)	73.42%
Human Resources & Organization Development Services	2,980,536	4,142,042	(1,161,506)	71.96%
Corporate Asset Management & Fleet	157,298	210,473	(53,175)	74.74%
Fire & Rescue	24,008,089	31,665,369	(7,657,280)	75.82%
Commissioner's Office	395,295	520,597	(125,302)	75.93%
Total Corporate & Emergency Services	<b>36,151,599</b>	<b>49,116,271</b>	<b>(12,964,672)</b>	<b>73.60%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Finance &amp; Administration</b>				
Airport	261,113	295,268	(34,155)	88.43%
Mayor & Council	1,258,136	1,588,999	(330,863)	79.18%
Office of the CAO	252,383	454,929	(202,546)	55.48%
Legal Services	1,263,346	1,880,998	(617,652)	67.16%
Office of the City Clerk	1,608,792	2,123,380	(514,588)	75.77%
Strategy Innovation & Partnerships	753,817	1,074,041	(320,224)	70.19%
Financial Services	1,662,044	2,324,647	(662,603)	71.50%
Total Finance & Administration	<b>7,059,631</b>	<b>9,742,262</b>	<b>(2,682,631)</b>	<b>72.46%</b>
<b>Agency and Board Transfers &amp; Fiscal Services</b>				
Agency Transfers	61,917,917	81,465,986	(19,548,069)	76.00%
Fiscal Services & Capital Levy	40,194,115	55,680,482	(15,486,367)	72.19%
Total Agency and Board Transfers & Fiscal Services	<b>102,112,032</b>	<b>137,146,468</b>	<b>(35,034,436)</b>	<b>74.45%</b>
<b>Municipal Total</b>	<b>229,288,173</b>	<b>305,841,772</b>	<b>(76,553,599)</b>	<b>74.97%</b>
<b>Taxation Revenue</b>	<b>(305,690,711)</b>	<b>(305,841,772)</b>	<b>151,061</b>	<b>99.95%</b>
<b>Total Net Operating - Municipal Operations</b>	<b>(76,402,538)</b>	<b>-</b>	<b>(76,402,538)</b>	
Water	(2,731,772)	-	(2,731,772)	-
Wastewater	(3,339,158)	-	(3,339,158)	-
Gas	(294,292)	-	(294,292)	-
Appliance Rental	(101,264)	-	(101,264)	-
<b>Municipal Utilities</b>	<b>(6,466,486)</b>	<b>-</b>	<b>(6,466,486)</b>	
<b>Total Net Operating</b>	<b>(82,869,024)</b>	<b>-</b>	<b>(82,869,024)</b>	

**City of Kingston**

**Gross Revenue as at September 30, 2025**

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Transportation &amp; Infrastructure Services</b>				
Transit Services	(12,676,927)	(16,776,151)	4,099,224	75.57%
Transportation Services	(868,820)	(1,011,269)	142,449	85.91%
Engineering Services	(24,368)	(26,523)	2,155	91.87%
Major Projects	(177,166)	(232,944)	55,778	76.06%
Public Works Services	(1,747,812)	(1,985,600)	237,788	88.02%
Solid Waste Services	(3,781,494)	(4,277,491)	495,997	88.40%
Commissioner's Office	-	-	-	-
Total Transportation & Infrastructure Services	<b>(19,276,587)</b>	<b>(24,309,978)</b>	<b>5,033,391</b>	<b>79.29%</b>
<b>Growth &amp; Development Services</b>				
Planning Services	(1,181,750)	(1,679,184)	497,434	70.38%
Building Services	(3,078,873)	(4,083,204)	1,004,331	75.40%
Licensing & Enforcement	(10,121,173)	(12,931,415)	2,810,242	78.27%
Business, Real Estate & Environment	(584,715)	(313,147)	(271,568)	186.72%
Climate Leadership Division	(268,593)	(250,000)	(18,593)	107.44%
Commissioner's Office	-	-	-	-
Total Growth & Development Services	<b>(15,235,104)</b>	<b>(19,256,950)</b>	<b>4,021,846</b>	<b>79.11%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Community Services</b>				
Heritage Services	(163,065)	(210,253)	47,188	77.56%
Housing & Social Services	(57,331,523)	(82,421,507)	25,089,984	69.56%
Recreation & Leisure Services	(8,793,861)	(12,017,743)	3,223,882	73.17%
Arts & Culture Services	(1,989,104)	(2,690,656)	701,552	73.93%
Residential Long Term Care	(14,953,283)	(19,423,135)	4,469,852	76.99%
Community Development & Wellness	(252,006)	(400,860)	148,854	62.87%
Commissioner's Office	-	-	-	-
Total Community Services	<b>(83,482,842)</b>	<b>(117,164,154)</b>	<b>33,681,312</b>	<b>71.25%</b>
<b>Corporate &amp; Emergency Services</b>				
Facilities Management & Construction Services	(3,735,270)	(5,394,149)	1,658,879	69.25%
Communications & Customer Experience	(161,383)	(210,381)	48,998	76.71%
Information Systems & Technology	(926,917)	(1,274,992)	348,075	72.70%
Human Resources & Organization Development Service	(226,977)	(303,222)	76,245	74.86%
Corporate Asset Management & Fleet	(173,144)	(235,000)	61,856	73.68%
Fire & Rescue	(1,076,663)	(1,373,174)	296,511	78.41%
Commissioner's Office		(50,000)	50,000	0.00%
Total Corporate & Emergency Services	<b>(6,300,354)</b>	<b>(8,840,918)</b>	<b>2,540,564</b>	<b>71.26%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Finance &amp; Administration</b>				
Airport	(869,805)	(1,603,888)	734,083	54.23%
Mayor & Council	-	-	-	-
Office of the CAO	(420,894)	(248,414)	(172,480)	169.43%
Legal Services	(1,776,021)	(1,996,554)	220,533	88.95%
Office of the City Clerk	(119,433)	(159,050)	39,617	75.09%
Strategy Innovation & Partnerships	(329,189)	(380,000)	50,811	86.63%
Financial Services	(1,540,915)	(1,703,616)	162,701	90.45%
Total Finance & Administration	<b>(5,056,257)</b>	<b>(6,091,522)</b>	<b>1,035,265</b>	<b>83.00%</b>
<b>Agency and Board Transfers &amp; Fiscal Services</b>				
Agency Transfers	(2,950,188)	(1,001,539)	(1,948,649)	294.57%
Fiscal Services & Capital Levy	(15,692,680)	(20,880,196)	5,187,516	75.16%
Total Agency and Board Transfers & Fiscal Services	<b>(18,642,868)</b>	<b>(21,881,735)</b>	<b>3,238,867</b>	<b>85.20%</b>
<b>Municipal Total</b>	<b>(147,994,012)</b>	<b>(197,545,257)</b>	<b>49,551,245</b>	<b>74.92%</b>
<b>Taxation Revenue</b>	<b>(310,455,585)</b>	<b>(310,410,594)</b>	<b>(44,991)</b>	<b>100.01%</b>
<b>Total</b>	<b>(458,449,597)</b>	<b>(507,955,851)</b>	<b>49,506,254</b>	<b>90.25%</b>
Water	(29,202,477)	(36,870,400)	7,667,923	79.20%
Wastewater	(33,794,689)	(42,914,048)	9,119,359	78.75%
Gas	(19,665,777)	(37,975,500)	18,309,723	51.79%
Appliance Rental	(3,077,046)	(3,989,000)	911,954	77.14%
<b>Municipal Utilities</b>	<b>(85,739,989)</b>	<b>(121,748,948)</b>	<b>36,008,959</b>	<b>70.42%</b>
<b>Total Gross Revenue</b>	<b>(544,189,586)</b>	<b>(629,704,799)</b>	<b>85,515,213</b>	<b>86.42%</b>

**City of Kingston**

**Gross Expenditure as at September 30, 2025**

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Transportation &amp; Infrastructure Services</b>				
Transit Services	27,375,826	35,790,895	(8,415,069)	76.49%
Transportation Services	2,897,779	4,406,896	(1,509,117)	65.76%
Engineering Services	408,721	461,672	(52,951)	88.53%
Major Projects	177,166	232,944	(55,778)	76.06%
Public Works Services	23,843,325	29,424,903	(5,581,578)	81.03%
Solid Waste Services	11,987,962	13,579,445	(1,591,483)	88.28%
Commissioner's Office	269,999	395,275	(125,276)	68.31%
Total Transportation & Infrastructure Services	<b>66,960,778</b>	<b>84,292,030</b>	<b>(17,331,252)</b>	<b>79.44%</b>
<b>Growth &amp; Development Services</b>				
Planning Services	1,997,306	3,077,745	(1,080,439)	64.90%
Building Services	3,078,873	4,083,204	(1,004,331)	75.40%
Licensing & Enforcement	10,610,453	14,275,829	(3,665,376)	74.32%
Business, Real Estate & Environment	1,196,708	1,224,171	(27,463)	97.76%
Climate Leadership Division	809,213	1,080,599	(271,386)	74.89%
Commissioner's Office	299,922	390,660	(90,738)	76.77%
Total Growth & Development Services	<b>17,992,475</b>	<b>24,132,208</b>	<b>(6,139,733)</b>	<b>74.56%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Community Services</b>				
Heritage Services	1,769,371	2,426,928	(657,557)	72.91%
Housing & Social Services	73,697,348	104,611,727	(30,914,379)	70.45%
Recreation & Leisure Services	15,845,819	20,819,269	(4,973,450)	76.11%
Arts & Culture Services	4,369,377	6,089,984	(1,720,607)	71.75%
Residential Long Term Care	19,873,700	26,275,814	(6,402,114)	75.63%
Community Development & Wellness	1,235,660	1,637,763	(402,103)	75.45%
Commissioner's Office	214,916	282,133	(67,217)	76.18%
Total Community Services	<b>117,006,191</b>	<b>162,143,618</b>	<b>(45,137,427)</b>	<b>72.16%</b>
<b>Corporate &amp; Emergency Services</b>				
Facilities Management & Construction Services	6,150,678	9,582,938	(3,432,260)	64.18%
Communications & Customer Experience	2,406,918	3,220,229	(813,311)	74.74%
Information Systems & Technology	4,876,355	6,654,146	(1,777,791)	73.28%
Human Resources & Organization Development Services	3,207,513	4,445,264	(1,237,751)	72.16%
Corporate Asset Management & Fleet	330,442	445,473	(115,031)	74.18%
Fire & Rescue	25,084,752	33,038,543	(7,953,791)	75.93%
Commissioner's Office	395,295	570,597	(175,302)	69.28%
Total Corporate & Emergency Services	<b>42,451,953</b>	<b>57,957,190</b>	<b>(15,505,237)</b>	<b>73.25%</b>

<b>Department</b>	<b>Actuals Year to Date</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Actual to Budget %</b>
<b>Finance &amp; Administration</b>				
Airport	1,130,918	1,899,156	(768,238)	59.55%
Mayor & Council	1,258,136	1,588,999	(330,863)	79.18%
Office of the CAO	673,277	703,343	(30,066)	95.73%
Legal Services	3,039,367	3,877,552	(838,185)	78.38%
Office of the City Clerk	1,728,225	2,282,430	(554,205)	75.72%
Strategy Innovation & Partnerships	1,083,006	1,454,041	(371,035)	74.48%
Financial Services	3,202,959	4,028,263	(825,304)	79.51%
Total Finance & Administration	<b>12,115,888</b>	<b>15,833,784</b>	<b>(3,717,896)</b>	<b>76.52%</b>
<b>Agency and Board Transfers &amp; Fiscal Services</b>				
Agency Transfers	64,868,105	82,467,524	(17,599,419)	78.66%
Fiscal Services & Capital Levy	55,886,795	76,560,678	(20,673,883)	73.00%
Total Agency and Board Transfers & Fiscal Services	<b>120,754,900</b>	<b>159,028,202</b>	<b>(38,273,302)</b>	<b>75.93%</b>
<b>Municipal Total</b>				
	<b>377,282,185</b>	<b>503,387,032</b>	<b>(126,104,847)</b>	<b>74.95%</b>
<b>Taxation Revenue</b>				
	<b>4,764,874</b>	<b>4,568,821</b>	<b>196,053</b>	<b>104.29%</b>
<b>Total</b>				
	<b>382,047,059</b>	<b>507,955,853</b>	<b>(125,908,794)</b>	<b>75.21%</b>
Water	26,470,705	36,870,400	(10,399,695)	71.79%
Wastewater	30,455,531	42,914,048	(12,458,517)	70.97%
Gas	19,371,485	37,975,500	(18,604,015)	51.01%
Appliance Rental	2,975,782	3,989,000	(1,013,218)	74.60%
<b>Municipal Utilities</b>				
	<b>79,273,503</b>	<b>121,748,948</b>	<b>(42,475,445)</b>	<b>65.11%</b>
<b>Total Gross Expenditures</b>				
	<b>461,320,562</b>	<b>629,704,801</b>	<b>(168,384,239)</b>	<b>73.26%</b>