



**City of Kingston
Report to Council
Report Number 24-104**

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: July 9, 2024
Subject: Operating Budget Status Update – Fourth Quarter 2023

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

This report provides Council with information on the financial results of operations for the fiscal year 2023. The attachments, which include the year-end financial schedules as prepared by the Financial Services Department for audit purposes, report that the City has generated a general municipal operating surplus of \$4.2M for 2023 as well as a net surplus generated from municipal utilities operations of just under \$1.5M. The report recommends that surpluses be allocated to reserves and reserve funds in accordance with policy, including transfers to support longer-term capital funding strategies, including capital funding necessary to initiate work on design for Midland Avenue and installation of lights and other safety measures within some City parks. Exhibits A through C to this report provide detailed operating budget and actual information and resulting variances for the year ended December 31, 2023.

The 2023 annual audited financial statements will be presented to the Administrative Policies Committee in July upon completion of the external audit process.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

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

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**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 Services

David Fell, President & CEO, Utilities Kingston

Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives None

Brad Joyce, Commissioner, Infrastructure, Transportation
& Emergency 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 December 31, 2023. The report reflects 2023 actual revenue and expenditure information together with the approved operating budget. Exhibits A to C 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. Additionally, Exhibits D, E and F provide information on building permit fees, height and density bonusing provisions and cash-in-lieu of parkland fees respectively, in accordance with legislative requirements for annual reporting.

The discussion below provides further detail on the general municipal operating revenue and expenditure results to December 31, 2023.

i. Operating Revenue and Expenditure Results

This report reflects 2023 year-end revenue and expenditure information together with the approved operating budget.

Exhibit A provides a breakdown of the total 2023 general municipal operating surplus of \$4.2M, as well as a surplus of just under \$1.5M from municipal utility operations. The surplus from general municipal operations of \$4.2M represents 1% of the total municipal operating budget of \$433.7M.

Budgets were managed corporately throughout the year to ensure a balanced budget by year-end. Contributing to the surplus from general municipal operations was additional investment income earned on bank balances and short-term investments due to higher interest rates and unexpected provincial funds that were received through the Housing Prevention Program (HPP). These and other cost savings helped to offset budgetary pressures associated with absentee costs related to Fire, lower market prices for recyclable materials and additional costs related to increased collection volumes in Solid Waste, and reduced revenues due to delays in the resumption of air services. A number of departments also noted savings from staff vacancies and timing of hires, as a result of ongoing labour shortages and recruitment challenges, representing a net corporate total of approximately \$1.2M.

The following information provides further detail of budget variances by group, noting specific report recommendations for surpluses to be allocated to reserves and reserve funds in accordance with policy. It is recommended that \$650K of the remaining surplus be allocated to the Municipal Capital Reserve Fund to support two time-sensitive projects.

- Midland Avenue design (\$500,000) – City staff have identified the need to initiate design to service lands along Midland Avenue to Clogg's Road Business Park in order to support business growth. This project is considered time sensitive to ensure that servicing is

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available for businesses currently negotiating with the City. These funds will enable the City to initiate service and road design.

- Lighting in City parks (\$150,000) – There have been an increasing number of incidents and assaults in City parks. Staff are looking to implement additional lighting and other security measures in parks over the coming weeks to improve public safety.

It is recommended that the remaining surplus of \$802,272 be transferred to the Working Fund Reserve in accordance with policy. After recommended transfers, the Working Fund Reserve balance will be approximately \$9.0M.

ii. Infrastructure, Transportation and Emergency Services

This group experienced a net deficit of approximately \$2.1M on a net budget of \$84.2M.

Transit Services - Transit reported a net surplus of approximately \$38K. By the end of 2023, transit ridership reached 90% of pre-pandemic levels. Higher than budgeted revenues of \$500K in the Queen's Busit and Transpass programs, an additional \$1.6M in salary savings due to staffing shortages and savings due to lower than budgeted fuel costs allowed for the deferral of approximately \$2.4M of Provincial Gas Tax funding. The total balance of deferred Provincial Gas Tax funds of \$8.4M will be available to support future transit operations.

Transportation Services - The Transportation Services Department reported a net surplus of \$460K due primarily to higher than budgeted encroachment and cut permit revenues.

Public Works Services - Public Works ended the year close to budget. While winter control operations experienced cost savings of \$1.0M due to a winter season that had less than the average number of winter events, some resources were reallocated to parks and road maintenance activities. Savings in internal equipment allocations of \$500K, related primarily to lower than budgeted fuel costs, which was offset by a decrease in revenues of \$300K due to the discontinuation of powerline clearing services provided to Utilities Kingston.

Solid Waste Services - Solid Waste reported a deficit of \$1.5M. Sale of recyclable materials were \$660K lower than budgeted due to the price fluctuation in the market. The quantity sold was consistent with prior years, but a lack of demand drove the price below original projections.

Additional costs related to increased volumes in both garbage and recycling included contracted service costs for collections and processing of \$500K, fleet-related costs of \$250K and staff overtime of \$200K.

Fire & Rescue - Fire & Rescue reported a net deficit of \$1.0M due to an increase in responses as well as staffing costs related to WSIB, sick-time and backfill costs required in order to maintain the necessary minimum staff levels. Higher than anticipated fire fee revenues of \$107K helped to offset the above cost pressures.

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iii. Growth & Development Services

This group experienced a net surplus of approximately \$323K on a net budget of \$4.5M.

Building Services - A net surplus of \$900K was transferred to the Building Permit Stabilization Reserve Fund as a result of building permit revenues greater than budget of \$612K and salary savings of \$273K due to staff vacancies.

The [Building Code Act](#) requires net costs related to building permit inspections and activities be fully funded from permit fees. Where permit revenues of this service are less than costs each year, money is transferred from the Building Permit Stabilization Reserve Fund in accordance with the legislation. Exhibit D to this report provides further details.

Licensing & Enforcement - Licensing & Enforcement are reporting a \$273K net surplus, due primarily to additional licensing revenues.

Parking operations, included within Licensing & Enforcement, reported an overall surplus of \$590K, which was transferred to the Parking Reserve Funds, in accordance with policy. The surplus included \$395K of higher than expected parking revenues. Parking revenues continue to recover to pre-pandemic levels.

Climate Leadership Division - Climate Leadership Division has a net surplus of \$44K. A Green Community Improvement Plan (CIP) Program taxation levy of \$400K was collected in 2023, along with an approved Working Fund contribution of \$229K, to support the multi-year program. Due to a slow start to the program, the Working Fund Reserve monies were not required and \$224K of the 2023 taxation levy was deferred and will be available for future Green CIP program use.

iv. Community Services

Heritage Services/Commissioner's Office - The surplus of \$235K in Heritage Services is offset by a \$234K deficit in the Commissioner Office due to a mid-year reorganization.

Long Term Care - Rideaucrest operations reported a net surplus of \$643K due to higher than budgeted provincial funding including \$355K for increased nursing care (RN, RPN, PSW support) and COVID19 wage enhancement as well as cost savings as a result of staff vacancies primarily in nursing support.

Housing and Social Services - The Housing and Social Services Department reported a net surplus of \$3.1M.

Housing Services reported a total surplus at year end of \$2.5M. \$1.7M of the surplus can be attributed to Council's approved 0.7% levy increase in 2023 to support affordable housing. Shortly after the budget was approved, additional provincial funds were received through the Housing Prevention Program (HPP). Due to the late timing of the increased HPP funding allocation for 2023, use of these funds was prioritized in order to maximize use of the provincial

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funding. The surplus also includes \$464K of unspent rent supplement program funds due primarily to prior year housing provider surplus recoveries. It is recommended that \$1.7M be transferred to the Homelessness & Housing Reserve to ensure an adequate balance is maintained in the reserve for future affordable housing and homelessness initiatives.

Ontario Works reported a net surplus of \$477K due primarily to savings from staff vacancies. Staff are recommending that \$477K be allocated to the Human Services Reserve to support future community development and other human service initiatives.

It is important to note that a significant portion of housing and social services expenditures are offset by subsidies from other levels of government. As a result, program revenues are often proportionate to the level of expenditures incurred for Ontario Works, housing, and childcare programs.

Recreation & Leisure - Recreation & Leisure Services reported a deficit of \$745K due to lower than anticipated ice rental revenues of \$377K as well as additional building maintenance costs. A change in the service delivery model in 2023 for Slush Puppie Place moved facility management related activities and arena operations to a City staff responsibility. Costs in both Facilities and Recreation for staffing, maintenance and operations were offset by the new revenue model based on the new contract in place October 2023.

v. Corporate Services

This group experienced a net surplus of approximately \$471K on a net budget of \$15.7M.

Facilities Management - Facilities Management reported a \$114K surplus due primarily to utility savings of \$440K as a result of retrofit initiatives and wage savings of \$190K due to staff vacancies. These savings were offset by increased contracted service and supplies expenditures of \$560K due primarily to inflationary impacts as well as security services and maintenance supply costs required at Belle Park.

Human Resources and Organization Development - A surplus of \$305K was reported due primarily to discretionary cost savings in a number of areas including corporate education and external labour relations support.

vi. Finance and Administration

This group experienced a net deficit of approximately \$1.0M on a net budget of \$9.3M.

Airport operations - Airport Services reported a net deficit of \$680K reflecting the delays in resumption of services following the pandemic. Revenue losses included passenger facility fees (\$675K), landing fees (\$109K), terminal revenue (\$142K) and parking revenues (\$102K). Revenue losses were offset by direct cost savings of \$350K in supplies, contracted services, and wages.

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Legal Services - A net deficit of \$478K was reported by Legal Services. Expenses were higher than anticipated due primarily to additional external legal fees including costs for the Belle Park encampment and Davis Tannery.

Strategy, Innovation & Partnerships - Slightly under budget overall; however, higher than budgeted revenues and expenses within Strategy Innovation & Partnerships reflect a flow thru of grant revenues supporting economic development initiatives.

vii. Agencies and Boards

Year end financial results reflect approved transfers to the agencies and boards. City staff worked with agencies throughout the year to monitor the operational impacts of the pandemic. Kingston Police and Kingston, Frontenac Public Library Board year-end financial results are included within the City's overall financial results. The following provides further detail on these agencies and boards:

- Kingston Police reported a net deficit of \$263K, due primarily to \$581K of unbudgeted costs incurred to police post-secondary student mass gatherings in the university district, including the costs to bring reinforcements in from other police agencies. These costs have been incorporated into the 2024 operating budget.
- Kingston, Frontenac Public Library Board reported a surplus of \$599K, due primarily to savings as a result of staff vacancies and turnover. Staff are recommending that this surplus be transferred to the Municipal Capital Reserve Fund, to address future capital requirements related to library facilities.

viii. Fiscal Services

As reported on Exhibit A, Fiscal Services, which includes the transfer of the capital levy to the Municipal Capital and Fire Reserve Funds, reports a net surplus of \$2.9M. The surplus relates primarily to additional investment income generated from bank balances and short-term investments due to the continuation of higher interest rates.

As shown in Exhibits B and C, higher than budgeted revenues and expenses are offset within Fiscal Services, which is used as a flow through mechanism to record land sales and Municipal Accommodation Tax transactions where respective revenues are flowed through to applicable reserves or reserve funds. Additional information on the Municipal Accommodation Tax is provided below.

The budgeted federal gas tax allocation of \$8.2M is also recorded in Fiscal Services and transferred to the capital reserve fund.

viii. Taxation Revenues

The taxation revenue budget reported a net surplus of \$361K, made up of the following variances:

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Taxation revenue includes budgeted amounts transferred for the repayment of Development Charges and Impost Fee exemptions as well as amounts for properties in the Brownfield incentive programs, based on incremental tax revenues from the respective properties. These programs reported a \$1.3M surplus as a result of the delay in some projects. It is expected that these projects will commence in 2024. Payment-in-lieu of tax revenues and penalty and interest revenues were also higher than anticipated by \$552K and \$463K respectively.

The majority of the taxation surplus has been utilized to increase the allowance for future property taxes adjustments to cover the anticipated tax assessment reductions for a number of large outstanding appeals that have hearings scheduled at the Assessment Review Board in 2024. The allowance is used to manage tax revenue fluctuations resulting from subsequent appeals and other tax adjustments.

Municipal Operations Managed by Utilities Kingston

The operations of 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, annual surplus/deficits result, often impacted by weather, as well as operational decisions made by Utilities Kingston management.

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.

Water Operations

Water operations resulted in a net operating surplus of \$325K for 2023. The water utility experienced an increase in consumption. Operating expenses for the water utility were slightly higher than budgeted as the organization manages economic inflationary pressures. Spending was higher than expected in the main break repair and the service leak repair programs. It is recommended that the water surplus be allocated to the Water Capital Reserve Fund.

Wastewater Operations

Wastewater operations resulted in a net operating surplus of \$850K for 2023. As with the water utility, the wastewater utility also experienced an increase in volume treated. Operating expenses for the wastewater utility were lower than budgeted due to reduced spending distribution and conservation programs. It is recommended that the wastewater surplus be allocated to the Wastewater Capital Reserve Fund.

Gas Distribution and Appliance Rental Operations

Gas distribution operations resulted in a total operating surplus of \$192K and appliance rental operations reported a total operating surplus of approximately \$126K for 2023. The gas utility experienced a decrease in consumption in 2023. Operating expenses for the gas utility were also lower than budgeted. It is recommended that the surplus from gas operations be

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transferred to the Municipal Capital Reserve Fund and the surplus from the appliance rental operations be transferred to the Appliance Rental Reserve Fund.

Gross revenues and expenditures for gas distribution, as reported on Exhibits B and C, show actual revenues of approximately \$28.0M in comparison to a budget of approximately \$36.6M and expenditures of \$27.9M in comparison to a budget of \$36.6M. 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 are normally set at a level that reflects any possible risk of higher commodity rates and/or usage.

Audited financial statements for the year ended December 31, 2023, for the operations of 1425445 Ontario Limited (operating as Utilities Kingston) and for Kingston Hydro Corporation have been prepared by Utilities Kingston management and were presented to and approved by their respective Board of Directors.

ix. Section 7(4) of the Ontario Building Code Act

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 a downturn in construction activity. This would also ensure that a municipality can retain the resources necessary to manage subsequent building booms.

Section 7(4) of the [Building Code Act](#) requires that the municipality publish an annual report on building fees. The 2023 Report on Building Fees is attached as Exhibit D.

x. Sections 37 and 42 of the Planning Act

Section 37(7) of the [Planning Act](#) requires that the municipality publish an annual financial statement relating to the special account for height and density bonusing provisions. This statement must include the opening and closing balances and funds received and spent as part of Section 37 height and density agreements with respect to development projects. The 2023 financial statement for height and density bonusing provisions is attached as Exhibit E.

The former height and density bonusing provisions of the *Planning Act* were replaced in 2023 by community benefits charge provisions. There were no community benefit charges collected in 2023. Future reports will provide information as prescribed by the *Planning Act* with respect to community benefit charges.

Section 42(17) of the *Planning Act* requires that the municipality publish an annual financial statement relating to the special account for cash-in-lieu of parkland fees. This statement must include the opening and closing balances of the Cash-In-Lieu of Parkland Reserve Fund as well

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as any amounts received and spent from these funds. The 2023 financial statement detailing the Cash in Lieu of Parkland Reserve Fund is attached as Exhibit F.

xi. Annual Update on Municipal Accommodation Tax (MAT)

The Municipal Accommodation Tax (MAT) is a mandatory rate on accommodations to be paid by visitors staying in Kingston hotels, motels, and bed & breakfasts for 30 days or less. In 2018, Council endorsed the implementation of a 4% MAT with an effective date of August 1, 2018. In January 2021, Council amended the Municipal Accommodation Tax By-Law to include short-term rentals effective June 1, 2021. Council approved the increase from 4% to 5% effective January 1, 2024 through [Report Number 23-258](#).

In accordance with the tri-party agreement between the City of Kingston, Kingston Accommodation Partners (KAP) and Tourism Kingston (TK), KAP collects the MAT on behalf of the City on all accommodations except short-term rentals which are collected by City staff. The funds collected are to be redistributed between marketing/promotion (65%) and a Development Fund (35%).

Sixty-five percent of revenues collected from the MAT are used to support tourism marketing/promotion and administration. These annual funds are to be spent on marketing initiatives as per TK's annual plan, approved by Council, and guided by the Integrated Destination Strategy, a joint effort between the City, TK and KAP. From the 65% allocation, the City is obligated by provincial regulation to allocate \$1.8M of the MAT revenues, escalated annually to KAP, to compensate for the annual funds collected by KAP under the previous voluntary destination marketing fee, before being replaced by the MAT.

Thirty-five percent of revenues collected from the MAT are transferred to a Development Fund, held by the City, which is utilized to finance product development, major events attraction, and strategic initiatives to advance the implementation of the Integrated Destination Strategy, which was approved by Council in 2019 and updated in 2022. Use of the Development Fund is authorized through a committee which includes representation from KAP, TK and the City.

The following table outlines the MAT funds collected and allocations for the 2022 and 2023 fiscal years.

Allocation	2023 (\$)	2022 (\$)
Total MAT collected by KAP	3,502,500	2,952,000
Total MAT collected by City (short term rentals)	106,900	80,000
Total MAT collected	3,609,400	3,032,000
65% transferred to TK and KAP to support tourism marketing/promotion and administration	2,346,100	1,970,800

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Allocation	2023 (\$)	2022 (\$)
35% transferred to the Development Fund Reserve	1,263,300	1,061,200

MAT Development Fund Update

The table below outlines the MAT revenues transferred to the Development Fund in 2023 as well as the approved use of these funds in 2023 by the Development Fund Committee.

The Committee utilized just under \$500K from the Development Fund in 2023 to partner with the airport in attracting new airline carriers, to support Film Office incentives, and to promote Integrated Destination Strategy - Special Projects.

As detailed in the table below, at the end of 2023, the MAT Development Fund has a balance of \$3.6M and \$2.7M of funds committed for future investment. In 2024, Council directed staff to work with the Municipal Accommodation Tax Development Fund Committee to secure a potential future contribution to a competitive 25m/10 lanes aquatic facility. Any contribution commitment will be included in future reporting.

Development Fund Balance – Dec 31, 2022	2,733,623
35% transferred to the Development Fund Reserve (above)	1,263,300
Kingston Penitentiary Ticket Surcharge	94,446
Prior year adjustments	8,698
Subtotal	4,100,067
Drawdowns:	
Film incentives	(187,976)
Airline carrier support	(19,306)
Integrated Destination Strategy - Special Projects	(290,000)
Development Fund Balance - Dec 31, 2023	3,602,785

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Development Fund commitments:	
Solar Eclipse programming	20,000
St. Patrick’s Day programming	25,000
Conference Centre RFP Process & Operations	700,000
Airline carrier support	33,194
Confederation Basin Promenade (over three years)	1,500,000
Film incentives	118,524
TK Film & Media initiatives	350,000

Existing Policy/By-Law

By-Law Number 2023-68, “A By-Law to Adopt the 2023 General Municipal Operating Budget” and related policies.

Notice Provisions

None

Financial Considerations

Included in the body of the report.

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Other City of Kingston Staff Consulted:

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Jeff Walker, Manager, Taxation & Revenue

Lisa Capener-Hunt, Director, Building Services

Sukriti Agarwal, Manager, Policy Planning

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Exhibits Attached:

Exhibit A - Net Operating as at December 31, 2023

Exhibit B - Gross Revenue as at December 31, 2023

Exhibit C - Gross Expenditures as at December 31, 2023

Exhibit D - 2023 Report on Building Fees

Exhibit E - 2023 Financial Statement - Height and Density Bonus Provisions

Exhibit F - 2023 Financial Statement - Cash-In-Lieu of Parkland Fees

City of Kingston
Net Operating as at December 31, 2023

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Transit Services	18,324,221	18,362,085	(37,864)	100%
Transportation Services	2,446,384	2,906,244	(459,860)	84%
Engineering Services	625,172	626,272	(1,100)	100%
Public Works Services	25,687,420	25,666,955	20,465	100%
Solid Waste Services	10,881,185	9,334,600	1,546,585	117%
Fire & Rescue	28,378,406	27,362,615	1,015,791	104%
Commissioner's Office	35,302	-	35,302	-
Infrastructure, Transportation & Emergency Services	86,378,090	84,258,771	2,119,319	103%
Planning Services	1,360,470	1,393,560	(33,090)	98%
Licensing & Enforcement	999,937	1,273,408	(273,471)	79%
Business, Real Estate & Environment	959,415	922,680	36,735	104%
Climate Leadership Division	687,479	732,070	(44,591)	94%
Commissioner's Office	158,979	167,596	(8,617)	95%
Growth & Development Services	4,166,280	4,489,314	(323,034)	93%
Heritage Services	1,946,861	2,182,481	(235,620)	89%
Residential Long Term Care	5,908,152	6,550,963	(642,811)	90%
Housing & Social Services	18,520,064	21,602,460	(3,082,396)	86%
Recreation & Leisure Services	9,573,692	8,828,362	745,330	108%
Arts & Culture Services	2,726,371	2,640,252	86,119	103%
Commissioner's Office	349,233	114,938	234,295	304%
Community Services	39,024,373	41,919,456	(2,895,083)	93%

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Facilities Management & Construction Services	4,254,160	4,368,798	(114,638)	97%
Communications & Customer Experience	2,619,955	2,627,625	(7,670)	100%
Information Systems & Technology	4,581,039	4,586,451	(5,412)	100%
Human Resources & Organization Development Services	3,367,751	3,673,257	(305,506)	92%
Commissioner's Office	388,358	426,102	(37,744)	91%
Corporate Services	15,211,263	15,682,233	(470,970)	97%
Airport	1,009,775	329,629	680,146	306%
Mayor & Council	1,487,376	1,461,606	25,770	102%
Office of the CAO & Strategic Projects	866,204	930,830	(64,626)	93%
Legal Services	2,064,447	1,586,179	478,268	130%
Office of the City Clerk	1,990,409	2,034,781	(44,372)	98%
Strategy Innovation & Partnerships	882,559	900,040	(17,481)	98%
Financial Services	2,093,136	2,109,580	(16,444)	99%
Finance & Administration	10,393,906	9,352,645	1,041,261	111%
Agency Transfers	69,973,329	70,375,076	(401,747)	99%
Fiscal Services & Capital Levy	47,266,302	50,203,059	(2,936,757)	94%
Agency and Board Transfers & Fiscal Services	117,239,631	120,578,135	(3,338,504)	97%
Sub-Total	272,413,543	276,280,554	(3,867,011)	99%
Taxation Revenue	(276,642,078)	(276,280,552)	(361,526)	100%
Total Net Operating - Municipal Operations	(4,228,537)	-	(4,228,537)	-

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Water	(325,577)	-	(325,577)	-
Wastewater	(850,366)	-	(850,366)	-
Gas	(192,251)	-	(192,251)	-
Appliance Rental	(126,380)	-	(126,380)	-
Total Net Operating - Municipal Utilities	(1,494,574)	-	(1,494,574)	-
Total Net Operating	(5,723,111)	-	(5,723,111)	-

City of Kingston

Gross Revenue as at December 31, 2023

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Transit Services	(12,921,032)	(14,915,009)	1,993,977	87%
Transportation Services	(1,214,570)	(1,325,235)	110,665	92%
Engineering Services	(39,853)	(25,000)	(14,853)	159%
Public Works Services	(770,198)	(1,079,925)	309,727	71%
Solid Waste Services	(4,898,300)	(5,585,543)	687,243	88%
Fire & Rescue	(1,183,743)	(1,034,977)	(148,766)	114%
Major Projects	(71,029)	(159,785)	88,756	44%
Infrastructure, Transportation & Emergency Services	(21,098,725)	(24,125,474)	3,026,749	87%
Planning Services	(1,405,505)	(1,465,754)	60,249	96%
Building Services	(4,108,017)	(3,468,000)	(640,017)	118%
Licensing & Enforcement	(11,330,890)	(10,569,927)	(760,963)	107%
Business, Real Estate & Environment	(185,817)	(245,092)	59,275	76%
Climate Leadership Division	(1,088)	(229,401)	228,313	0%
Growth & Development Services	(17,031,317)	(15,978,174)	(1,053,143)	107%
Heritage Services	(232,918)	(258,453)	25,535	90%
Residential Long Term Care	(16,838,089)	(15,990,368)	(847,721)	105%
Housing & Social Services	(67,961,189)	(59,792,624)	(8,168,565)	114%
Recreation & Leisure Services	(9,365,776)	(9,065,594)	(300,182)	103%
Arts & Culture Services	(2,396,147)	(2,017,685)	(378,462)	119%
Community Services	(96,794,119)	(87,124,724)	(9,669,395)	111%

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Facilities Management & Construction Services	(3,549,321)	(3,644,414)	95,093	97%
Communications & Customer Experience	(1,119,488)	(1,270,689)	151,201	88%
Information Systems & Technology	(1,191,807)	(1,224,333)	32,526	97%
Human Resources & Organization Development Services	(235,651)	(235,651)	-	100%
Corporate Asset Management & Fleet	(288,097)	(154,250)	(133,847)	187%
Corporate Services	(6,384,364)	(6,529,337)	144,973	98%
Airport	(640,305)	(1,672,228)	1,031,923	38%
Mayor & Council	(1,495)	-	(1,495)	0%
Office of the CAO & Strategic Projects	(917,939)	(705,262)	(212,677)	130%
Legal Services	(1,994,619)	(2,077,004)	82,385	96%
Office of the City Clerk	(135,296)	(132,970)	(2,326)	102%
Strategy Innovation & Partnerships	(2,172,681)	(1,803,478)	(369,203)	120%
Financial Services	(1,641,046)	(1,749,313)	108,267	94%
Finance & Administration	(7,503,381)	(8,140,255)	636,874	92%
Agency Transfers	(1,948,609)	(1,072,867)	(875,742)	182%
Fiscal Services & Capital Levy	(20,017,303)	(10,572,869)	(9,444,434)	189%
Agency and Board Transfers & Fiscal Services	(21,965,912)	(11,645,736)	(10,320,176)	189%
Sub-Total	(170,777,818)	(153,543,700)	(19,764,610)	111%
Taxation Revenue	(280,780,772)	(280,146,233)	(634,539)	100%
Total Gross Revenue - Municipal Operations	(451,558,590)	(433,689,933)	(20,399,149)	104%

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Water	(35,329,825)	(34,909,375)	(420,450)	101%
Wastewater	(41,123,181)	(40,426,375)	(696,806)	102%
Gas	(28,056,636)	(36,587,364)	8,530,728	77%
Appliance Rental	(3,630,959)	(3,536,000)	(94,959)	103%
Total Gross Revenue - Municipal Utilities	(108,140,601)	(115,459,114)	7,318,513	94%
Total Gross Revenue	(559,699,191)	(548,413,387)	(14,151,240)	102%

City of Kingston

Gross Expenditures as at December 31, 2023

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Transit Services	31,245,253	33,277,094	(2,031,841)	94%
Transportation Services	3,660,954	4,231,479	(570,525)	87%
Engineering Services	665,025	651,272	13,753	102%
Public Works Services	26,457,618	26,746,880	(289,262)	99%
Solid Waste Services	15,779,485	14,920,143	859,342	106%
Fire & Rescue	29,562,149	28,397,592	1,164,557	104%
Major Projects	71,029	159,785	(88,756)	44%
Commissioner's Office	35,302	-	35,302	-
Infrastructure, Transportation & Emergency Services	107,476,815	108,384,245	(907,430)	99%
Planning Services	2,765,975	2,859,314	(93,339)	97%
Building Services	4,108,017	3,468,000	640,017	118%
Licensing & Enforcement	12,330,827	11,843,335	487,492	104%
Business, Real Estate & Environment	1,145,232	1,167,772	(22,540)	98%
Climate Leadership Division	688,567	961,471	(272,904)	72%
Commissioner's Office	158,979	167,596	(8,617)	95%
Growth & Development Services	21,197,597	20,467,488	730,109	104%

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Heritage Services	2,179,779	2,440,934	(261,155)	89%
Residential Long Term Care	22,746,241	22,541,331	204,910	101%
Housing & Social Services	86,481,253	81,395,084	5,086,169	106%
Recreation & Leisure Services	18,939,468	17,893,956	1,045,512	106%
Arts & Culture Services	5,122,518	4,657,937	464,581	110%
Commissioner's Office	349,233	114,938	234,295	304%
Community Services	135,818,492	129,044,180	6,774,312	105%
Facilities Management & Construction Services	7,803,481	8,013,212	(209,731)	97%
Communications & Customer Experience	3,739,443	3,898,314	(158,871)	96%
Information Systems & Technology	5,772,846	5,810,784	(37,938)	99%
Human Resources & Organization Development Services	3,603,402	3,908,908	(305,506)	92%
Corporate Asset Management & Fleet	288,097	154,248	133,849	187%
Commissioner's Office	388,358	426,102	(37,744)	91%
Corporate Services	21,595,627	22,211,568	(615,941)	97%
Airport	1,650,080	2,001,857	(351,777)	82%
Mayor & Council	1,488,871	1,461,606	27,265	102%
Office of the CAO & Strategic Projects	1,784,143	1,636,092	148,051	109%
Legal Services	4,059,066	3,663,183	395,883	111%
Office of the City Clerk	2,125,705	2,167,751	(42,046)	98%
Strategy Innovation & Partnerships	3,055,240	2,703,518	351,722	113%
Financial Services	3,734,182	3,858,893	(124,711)	97%
Finance & Administration	17,897,287	17,492,900	404,387	102%

Department	Actuals Year to Date	Annual Budget	Variance \$	Actual to Budget %
Agency Transfers	71,921,938	71,447,943	473,995	101%
Fiscal Services & Capital Levy	67,283,605	60,775,928	6,507,677	111%
Agency and Board Transfers & Fiscal Services	139,205,543	132,223,871	6,981,672	105%
Sub-Total	443,191,361	429,824,252	13,367,109	103%
Taxation Revenue	4,138,694	3,865,681	273,013	107%
Total Gross Expenditures - Municipal Operations	447,330,055	433,689,933	13,640,122	103%
Water	35,004,248	34,909,375	94,873	100%
Wastewater	40,272,815	40,426,375	(153,560)	100%
Gas	27,864,385	36,587,364	(8,722,979)	76%
Appliance Rental	3,504,579	3,536,000	(31,421)	99%
Total Gross Expenditures - Municipal Utilities	106,646,027	115,459,114	(8,813,087)	92%
Total Gross Expenditures	553,976,082	549,149,047	4,827,035	101%

2023 Report on Building Fees

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

Financial Statement as of December 31, 2023

Revenues and Expenditures

Revenues	<u>\$ 4,079,728</u>
Expenditures:	
1. Direct costs - administration & enforcement	(2,445,766)
2. Direct costs - other related service costs	(487,756)
3. Indirect costs - for support & overhead	(408,776)
4. Transfer to Permit Stabilization Reserve Fund	<u>(737,430)</u>
	<u><u>\$ (4,079,728)</u></u>

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, 2023	\$ 6,682,369
Add:	
Interest earned on fund	281,838
Transfer from operating	737,430
Less:	
Funding for capital purposes	<u>\$ (164,805)</u>
Ending balance, December 31, 2023	<u><u>\$ 7,536,832</u></u>

Special Account for Height and Density Bonusing Provisions

In accordance with the *Planning Act* - Section 37

Financial Statement as of December 31, 2023

Opening Balance January 1, 2023	\$ 570,035
Add Contributions:	0
Less Expenditures:	
Wright Crescent Park	<u>50,000</u>
Ending Balance December 31, 2023	<u>\$ 520,035</u>

Special Account for Cash in Lieu of Parkland

In accordance with the *Planning Act* - Section 42

Financial Statement as of December 31, 2023

Cash-In-Lieu of Parkland Reserve Fund:

Opening Balance January 1, 2023	\$ 1,301,598
Add:	
Interest earned on fund	94,121
Contribution from developers	<u>987,236</u>
Ending Balance December 31, 2023	<u><u>\$ 2,382,955</u></u>