



**City of Kingston
Report to Council
Report Number 25-001**

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: December 3, 2024
Subject: Operating Budget Status Report – October 31, 2024

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 October 31, 2024. Exhibits to the report provide detailed budget and actual information and variances by department and an overall net operating position of just under 82.0% of the annual budget at October 31, 2024. Revenue and expenditure variances reflect expected timing, seasonality, and other operational factors. Further information on year-to-date results is included in the body of this report.

In order to ensure that net spending remains within approved budget parameters, staff regularly monitor and review budget variance information. This allows for unanticipated variances to be identified on a timely basis and any necessary corrective action to be taken in response to changing circumstances and conditions. October results continue to support a balanced budget by year-end.

Recommendation:

This report is for information only.

December 3, 2024

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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
p.p.

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 Not required

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 October 31, 2024. Exhibits to the report reflect the approved operating budget for the 2024 fiscal year together with 2024 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 81.7% of the total annual budget at October 31, 2024. Revenues and expenditures to the end of October reflect seasonal and other budget variances normally experienced year to year; however, other notable revenue and expenditure variances at October 31st are summarized below.

- Fuel costs continue to trend lower than anticipated due primarily to lower than projected prices, resulting in a current surplus impacting Transit operations (\$652K) and Public Works (\$465K).
- The transit year-to-date surplus of approximately \$1.2M includes lower fuel costs as noted above as well as \$900K in staffing cost savings from recruitment challenges experienced early in the year.
- Fire & Rescue is reporting a \$984K deficit at October 31st due to higher than anticipated staffing costs related to WSIB, sick-time and backfill costs required in order to maintain the necessary minimum staff levels.
- Licensing & Enforcement is reporting a \$322K surplus year-to-date due primarily to higher than budgeted revenues from additional raffle and bingo license revenue (\$145K) and the timing of other license collections.
- A net parking surplus of \$482K to-date, included in the Licensing & Enforcement department, is due primarily to meter revenues (streets and lots) being higher than anticipated. The net parking surplus is transferred to the Parking Reserve Fund in accordance with policy.
- A net deficit year-to-date is being reported for Recreation and Leisure of \$641K related primarily to additional staffing costs. This will be partially offset by year end adjustments to recognize salary costs that will be allocated to capital projects.

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- Rideaucrest is reporting year-to-date surplus of \$1.5M with \$815K attributed to vacancies resulting from recruitment challenges and the timing of hires, related mostly to nursing support. The remaining surplus relates primarily to the receipt of additional Provincial funding.
- The expenditure surplus of \$263K reported by the Community Development and Wellbeing Department reflects a delayed implementation of this new department and the corresponding delays in recruiting for budgeted positions.
- Utility cost savings of \$467K year-to-date is the main contributor to the surplus in Facilities Management and Construction Services.
- Airport revenues are approximately \$369K less than the projected at the end of October due to the delays in the resumption of scheduled passenger service. These revenue losses are slightly offset by reductions in lower direct cost spending.
- Legal Services is reporting a deficit of \$280K at the end of October. Costs for an external contract are offsetting the vacant City Solicitor position. External legal costs have also been incurred with respect to the Davis Tannery development.
- Investment and interest income is \$1.5M higher than budget due to higher than anticipated interest rates and liquidity levels.

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 October reflect budget variances as normally experienced year to year. Wastewater operations is reporting a larger surplus due to cost savings; however, increased chemical costs for the remaining two months of year are expected to offset the surplus due to the timing of deliveries.

Existing Policy/By-Law

The 2024 budget was proposed 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.

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Contacts:

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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 October 31, 2024

Exhibit B - Gross Revenue as at October 31, 2024

Exhibit C - Gross Expenditures as at October 31, 2024

City of Kingston

Net Operating as at October 31, 2024

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Transit Services	14,360,645	18,728,494	(4,367,849)	76.7%
Transportation Services	2,291,953	3,070,429	(778,476)	74.6%
Engineering Services	325,823	548,472	(222,649)	59.4%
Public Works Services	22,143,750	26,848,255	(4,704,505)	82.5%
Solid Waste Services	8,078,952	9,823,547	(1,744,595)	82.2%
Fire & Rescue	25,739,101	29,706,780	(3,967,679)	86.6%
Commissioner's Office	319,910	376,657	(56,747)	84.9%
Infrastructure, Transportation & Emergency Services	73,260,134	89,102,634	(15,842,500)	82.2%
Planning Services	994,426	1,345,216	(350,790)	73.9%
Building Services	0	0	0	-
Licensing & Enforcement	762,116	1,300,664	(538,548)	58.6%
Business, Real Estate & Environment	729,174	941,376	(212,202)	77.5%
Climate Leadership Division	676,266	816,589	(140,323)	82.8%
Commissioner's Office	320,511	376,307	(55,796)	85.2%
Growth & Development Services	3,482,493	4,780,152	(1,297,659)	72.9%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Heritage Services	1,431,807	2,281,272	(849,465)	62.8%
Housing & Social Services	18,289,151	21,802,376	(3,513,225)	83.9%
Recreation & Leisure Services	7,379,136	8,085,305	(706,169)	91.3%
Arts & Culture Services	2,717,204	3,382,730	(665,526)	80.3%
Residential Long Term Care	4,109,297	6,707,308	(2,598,011)	61.3%
Community Development & Wellbeing	599,432	1,034,740	(435,308)	57.9%
Commissioner's Office	246,947	284,471	(37,524)	86.8%
Community Services	34,772,974	43,578,202	(8,805,228)	79.8%
Facilities Management & Construction Services	2,566,516	3,750,515	(1,183,999)	68.4%
Communications & Customer Experience	2,327,935	2,880,952	(553,017)	80.8%
Information Systems & Technology	4,104,144	5,043,575	(939,431)	81.4%
Human Resources & Organization Development Services	3,137,640	3,944,621	(806,981)	79.5%
Corporate Asset Management & Fleet	0	-	-	-
Major Projects	0	-	-	-
Commissioner's Office	425,998	500,048	(74,050)	85.2%
Corporate Services	12,562,233	16,119,711	(3,557,478)	77.9%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Airport	435,563	329,629	105,934	132.1%
Mayor & Council	1,399,143	1,550,663	(151,520)	90.2%
Office of the CAO & Strategic Projects	411,954	699,529	(287,575)	58.9%
Legal Services	1,792,885	1,815,668	(22,783)	98.7%
Office of the City Clerk	1,629,303	2,078,966	(449,663)	78.4%
Strategy Innovation & Partnerships	1,054,005	970,468	83,537	108.6%
Financial Services	1,798,060	2,267,178	(469,118)	79.3%
Finance & Administration	8,520,913	9,712,101	(1,191,188)	87.7%
Agency Transfers	61,985,756	74,041,698	(12,055,942)	83.7%
Fiscal Services & Capital Levy	40,565,818	50,621,185	(10,055,367)	80.1%
Agency and Board Transfers & Fiscal Services	102,551,574	124,662,883	(22,111,309)	82.3%
Municipal Total	235,150,321	287,955,683	(52,805,362)	81.7%
Taxation Revenue	(290,004,708)	(287,955,683)	(2,049,025)	100.7%
Total Net Operating - Municipal Operations	(54,854,387)	-	(54,854,387)	-
Water	(246,954)	-	(246,954)	-
Wastewater	(1,195,201)	-	(1,195,201)	-
Gas	(157,558)	-	(157,558)	-
Appliance Rental	(258,499)	-	(258,499)	-
Total Net Operating - Municipal Utilities	(1,858,212)	-	(1,858,212)	-
Total Net Operating	(56,712,599)	-	(56,712,599)	-

City of Kingston

Gross Revenues as at October 31, 2024

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Transit Services	(13,127,489)	(15,822,189)	2,694,700	83.0%
Transportation Services	(499,410)	(946,608)	447,198	52.8%
Engineering Services	(44,389)	(25,750)	(18,639)	172.4%
Public Works Services	(1,276,687)	(1,521,131)	244,444	83.9%
Solid Waste Services	(5,149,614)	(5,982,363)	832,749	86.1%
Fire & Rescue	(860,499)	(905,477)	44,978	95.0%
Commissioner's Office	0	0	-	-
Infrastructure, Transportation & Emergency Services	(20,958,088)	(25,203,518)	4,245,430	83.2%
Planning Services	(1,205,224)	(1,506,149)	300,925	80.0%
Building Services	(3,002,268)	(3,843,661)	841,393	78.1%
Licensing & Enforcement	(9,960,262)	(10,937,933)	977,671	91.1%
Business, Real Estate & Environment	(160,091)	(238,590)	78,499	67.1%
Climate Leadership Division	0	0	-	-
Commissioner's Office	0	0	-	-
Growth & Development Services	(14,327,845)	(16,526,333)	2,198,488	86.7%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Heritage Services	(130,353)	(233,953)	103,600	55.7%
Housing & Social Services	(57,967,390)	(76,800,032)	18,832,642	75.5%
Recreation & Leisure Services	(9,469,354)	(11,255,228)	1,785,874	84.1%
Arts & Culture Services	(1,890,162)	(2,281,865)	391,703	82.8%
Residential Long Term Care	(15,604,714)	(17,773,085)	2,168,371	87.8%
Community Development & Wellbeing	(62,500)	(95,000)	32,500	65.8%
Commissioner's Office	0	0	-	-
Community Services	(85,124,473)	(108,439,163)	23,314,690	78.5%
Facilities Management & Construction Services	(3,705,171)	(4,636,967)	931,796	79.9%
Communications & Customer Experience	(185,273)	(279,633)	94,360	66.3%
Information Systems & Technology	(1,013,738)	(1,249,993)	236,255	81.1%
Human Resources & Organization Development Services	(248,054)	(297,864)	49,810	83.3%
Corporate Asset Management & Fleet	(224,930)	(250,000)	25,070	90.0%
Major Projects	(211,727)	(226,181)	14,454	93.6%
Commissioner's Office	0	0	-	-
Corporate Services	(5,588,893)	(6,940,638)	1,351,745	80.5%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Airport	(900,342)	(1,522,986)	622,644	59.1%
Mayor & Council	0	0	-	-
Office of the CAO & Strategic Projects	(505,135)	(247,870)	(257,265)	203.8%
Legal Services	(1,446,759)	(1,943,868)	497,109	74.4%
Office of the City Clerk	(110,259)	(144,155)	33,896	76.5%
Strategy Innovation & Partnerships	(857,508)	(612,679)	(244,829)	140.0%
Financial Services	(1,365,324)	(1,673,406)	308,082	81.6%
Finance & Administration	(5,185,327)	(6,144,964)	959,637	84.4%
Agency Transfers	(1,224,343)	(742,721)	(481,622)	164.8%
Fiscal Services & Capital Levy	(20,381,098)	(22,420,483)	2,039,385	90.9%
Agency and Board Transfers & Fiscal Services	(21,605,441)	(23,163,204)	1,557,763	93.3%
Municipal Total	(152,790,067)	(186,417,820)	33,627,753	82.0%
Taxation Revenue	(292,750,914)	(291,103,893)	-	100.6%
Total	(445,540,981)	(477,521,713)	31,980,732	93.3%
Water	(29,853,565)	(36,379,188)	6,525,623	82.1%
Wastewater	(34,898,516)	(42,122,648)	7,224,132	82.8%
Gas	(21,455,682)	(37,371,118)	15,915,436	57.4%
Appliance Rental	(3,239,172)	(3,709,000)	469,828	87.3%
Municipal Utilities	(89,446,935)	(119,581,954)	30,135,019	74.8%
Total Gross Revenue	(534,987,916)	(597,103,667)	62,115,751	89.6%

City of Kingston

Gross Expenditures as at October 31, 2024

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Transit Services	27,488,134	34,550,683	(7,062,549)	79.6%
Transportation Services	2,791,363	4,017,037	(1,225,674)	69.5%
Engineering Services	370,212	574,222	(204,010)	64.5%
Public Works Services	23,420,437	28,369,386	(4,948,949)	82.6%
Solid Waste Services	13,228,566	15,805,910	(2,577,344)	83.7%
Fire & Rescue	26,599,600	30,612,256	(4,012,656)	86.9%
Commissioner's Office	319,910	376,657	(56,747)	84.9%
Infrastructure, Transportation & Emergency Services	94,218,222	114,306,151	(20,087,929)	82.4%
Planning Services	2,199,650	2,851,366	(651,716)	77.1%
Building Services	3,002,268	3,843,661	(841,393)	78.1%
Licensing & Enforcement	10,722,378	12,238,597	(1,516,219)	87.6%
Business, Real Estate & Environment	889,265	1,179,966	(290,701)	75.4%
Climate Leadership Division	676,266	816,589	(140,323)	82.8%
Commissioner's Office	320,511	376,307	(55,796)	85.2%
Growth & Development Services	17,810,338	21,306,486	(3,496,148)	83.6%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Heritage Services	1,562,160	2,515,225	(953,065)	62.1%
Housing & Social Services	76,256,541	98,602,408	(22,345,867)	77.3%
Recreation & Leisure Services	16,848,490	19,340,533	(2,492,043)	87.1%
Arts & Culture Services	4,607,366	5,664,595	(1,057,229)	81.3%
Residential Long Term Care	19,714,011	24,480,392	(4,766,381)	80.5%
Community Development & Wellbeing	661,932	1,129,740	(467,808)	58.6%
Commissioner's Office	246,947	284,471	(37,524)	86.8%
Community Services	119,897,447	152,017,364	(32,119,917)	78.9%
Facilities Management & Construction Services	6,271,687	8,387,481	(2,115,794)	74.8%
Communications & Customer Experience	2,513,208	3,160,584	(647,376)	79.5%
Information Systems & Technology	5,117,882	6,293,567	(1,175,685)	81.3%
Human Resources & Organization Development Services	3,385,694	4,242,486	(856,792)	79.8%
Corporate Asset Management & Fleet	224,930	250,000	(25,070)	90.0%
Major Projects	211,727	226,181	(14,454)	93.6%
Commissioner's Office	425,998	500,048	(74,050)	85.2%
Corporate Services	18,151,126	23,060,347	(4,909,221)	78.71%

Department	Actuals Year to Date	Annual Budget	Variance \$	YTD=83% Actual to Budget %
Airport	1,335,905	1,852,616	(516,711)	72.1%
Mayor & Council	1,399,143	1,550,663	(151,520)	90.2%
Office of the CAO & Strategic Projects	917,089	947,399	(30,310)	96.8%
Legal Services	3,239,644	3,759,536	(519,892)	86.2%
Office of the City Clerk	1,739,562	2,223,121	(483,559)	78.2%
Strategy Innovation & Partnerships	1,911,513	1,583,147	328,366	120.7%
Financial Services	3,163,384	3,940,584	(777,200)	80.3%
Finance & Administration	13,706,240	15,857,066	(2,150,826)	86.4%
Agency Transfers	63,210,099	74,784,419	(11,574,320)	84.5%
Fiscal Services & Capital Levy	60,946,916	73,041,668	(12,094,752)	83.4%
Agency and Board Transfers & Fiscal Services	124,157,015	147,826,087	(23,669,072)	84.0%
Municipal Total	387,940,388	474,373,501	(86,433,113)	81.8%
Taxation Revenue	2,746,206	3,148,210	(402,004)	87.2%
Total	390,686,594	477,521,711	(86,835,117)	81.8%
Water	29,606,611	36,379,188	(6,772,577)	81.4%
Wastewater	33,703,315	42,122,648	(8,419,333)	80.0%
Gas	21,298,124	37,371,118	(16,072,994)	57.0%
Appliance Rental	2,980,673	3,709,000	(728,327)	80.4%
Municipal Utilities	87,588,723	119,581,954	(31,993,231)	73.2%
Total Gross Expenditures	478,275,317	597,103,665	(118,828,348)	80.1%