



**City of Kingston
Report to Committee of the Whole
Report Number 17-300**

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: November 28, 2017
Subject: 2018 Draft Operating and Capital Budgets (excluding Utilities)

Executive Summary:

Approval by Council of annual municipal operating and capital budgets and passing of associated by-laws is required under the Municipal Act (2001). Included as part of the recommended budget submissions presented to Council are 2018 operating and capital budgets. In addition, budget material also includes operating budget projections for 2019 through 2021 as well as 15-year capital expenditures plans and funding models.

Council priorities for the four year term have been set through a strategic planning process completed in 2015 and confirmed/updated through subsequent direction. Council direction includes a tax rate parameter of no more than 2.5%. This guidance provides direction to the Corporation and the external agencies for the development of budgets that will put focus to the priorities and support the financial parameters as required. Exhibit C to this report provides a snapshot of the linkage of budget and work for the 2018 year to Council's priorities. As part of the monitoring of progress towards established priorities, staff presented a mid-term report to Council on December 6, 2016 that reflected progress on priorities to date.

Once the budgets are established and the assessment roll is delivered by the Municipal Property Assessment Corporation (MPAC) and reviewed by finance staff, the final taxation levy calculations will be prepared and a by-law will be presented to Council for approval.

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Operating Budget

The operating budget achieves Council's directed tax rate increase of 2.5%, inclusive of the 1% increase for infrastructure investment (capital). The operating budget is being presented to Council in order to establish operating revenue and expenditure estimates for the fiscal year. This increase incorporates inflationary impacts (projected at 2%), strategic initiatives set by Council and capital investment, without compromising service levels. It also reflects taxation revenue from assessment growth of approximately 1% or \$2.1M.

The 2018 gross operating expenditures budget of \$378M (excluding Utilities) is offset by non-tax revenues of \$138M requiring \$240M to be raised by taxation and payments in lieu of taxes (PILs) from other levels of government. Of that amount, approximately 54% (\$131M) of the net tax requirement is for provision of services managed by the City corporation (internal), 29% (\$70M) is for services provided through external agencies and boards and 17% (\$39M) is for fiscal purposes, primarily the incremental 1% capital levy. Exhibit A, Parts 1 to 3 attached to this report reflects the summary operating budget information.

Forecasts for 2019, 2020 and 2021 operating budgets incorporate costs of expected operating plans, estimates for inflation and any enhanced services in support of Council's strategic priorities and direction to date. The forecasts currently suggest projected tax increases at 3.3%, 3.0% and 2.9% respectively, incorporating growth pressures, priorities approved by Council and operating costs from transit service enhancements. Exhibit A Part 4 reflects forecast information and sets the tax rate at 2.5% (assuming a 2.5% target is maintained for tax rate increases) thereby reflecting a resulting budget gap between total revenue and total expenditures. Staff will continue to refine departmental plans, prioritize initiatives, identify operational efficiencies and new revenue sources and consider opportunities for service integration in order to address the budget gaps created by projected tax increases greater than the targeted 2.5%. Strategies will also need to consider options such as further extending the phase-in of the new transit service enhancements and/or reducing or eliminating levels of service in other service areas in order to address budget pressures in the future years. The projected tax increases for 2019, 2020 and 2021 are cumulative such that savings and other solutions identified in one year will be need to be sustainable in order to reduce subsequent years' gaps.

The Kingston Transit Business Plan (2017 – 2021), presented to Council on September 27, 2016, identified a number of enhanced service level and fare strategy recommendations. Consistent with last year, the four year operating plan and fifteen year capital plans, as presented, incorporate Phases 2 through 4 of the Transit Business Plan, as presented in Council Report 16-304, except for the reduction of 2,200 service hours previously included in the proposed service enhancements for Phase 4 (annualized to 6,500 hours beginning in 2021). Budget gaps currently projected for 2019, 2020 and 2021 reflect the incremental costs of these service enhancements. The 2018 budget is prepared consistent with this strategy. Phase 5 of the transit implementation plan will be examined as part of the 2019-2021 plans including the opportunity to capitalize on related grants and funding as may be introduced as part of federal and provincial funding initiatives expected in 2019/2020.

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Included in the three year forecasts is an annual amount for assessment growth of \$2.0M for 2019, 2020 and 2021 based on expected construction completion including the resolution of a number of construction projects still in various stages of the appeal process at the Ontario Municipal Board (OMB). Delayed OMB decisions or an increase in OMB appeals could have an impact on the anticipated growth revenues and therefore increase the financial gap in future operational budgets.

Capital Budget

A 2018 capital budget in the amount of \$58M for City services is being presented to establish the 2018 capital budget estimates and to confirm related funding. The capital budget includes capital expenditure estimates and related financing for the 2018 year for all departments excluding Public Works, Solid Waste and Engineering. These departments received Council approval for multi-year capital budgets for the period of 2015-2018 as part of the 2015 budget submissions.

Details of the 2018 capital budget requirements are presented in Exhibit B. In addition to routine asset management/life cycle investment of approximately \$30M, the 2018 recommended capital budget includes an additional \$28M investment in strategic projects including the Kingston East Community Centre, the Kingston East Library Expansion, the five-year Affordable Housing Program, investment in new transit buses and the planning/design and preparatory site work for a new fleet maintenance garage.

The 2018 recommended capital budget of \$58M is being funded primarily by capital reserve funds (pay-as-you-go) and government grants. The balance of the funding comes from the issuance of \$7M of debt. A 15-year projected capital plan and related funding models are also included as part of the supporting information to assist Council with the long term vision of capital work.

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Recommendation:

That Council approve the 2018 General Municipal (tax-supported) Operating Budget in the amount of \$378,197,504; and

That any variance between final assessment growth and the growth estimates included in the 2018 general municipal operating budget be transferred to/funded from the Working Fund Reserve, to offset unanticipated variances in assessment growth in future years as a stabilization measure; and

That Council approve the 2018 Municipal Capital Budget, as follows:

Proposed capital expenditures	<u>\$58,354,576</u>
Financing:	
General Municipal Reserve Funds (PAYG)	\$42,631,871
Issuance of long term debt	7,000,000
Government grants	4,498,705
Contributions from others	<u>4,224,000</u>
Total financing	<u>\$58,354,576</u>

and

That Council receive the following provided as part of the budget documentation:

- a) 15 year capital expenditure forecast
- b) Capital Works in Progress listing as at September 30, 2017
- c) Municipal Reserve Fund Schedules of Continuity; and

That the City Treasurer be authorized to report the approved budget estimates for 2018 in accordance with Public Sector Accounting Board (PSAB) reporting requirements as an attachment to the by-law; and

That the necessary by-laws be established to formally adopt these estimates; and be given all three readings at the December 19, 2017 meeting of Council.

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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:

- Lanie Hurdle, Commissioner, Community Services and Deputy CAO ✓
- Denis Leger, Commissioner, Corporate & Emergency Services ✓
- Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services ✓

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Options/Discussion:**1. Budget Overview**

The adoption of an annual budget is a requirement under the *Municipal Act, 2001* and forms the basis for financial control and activity for the current fiscal year. Included as part of the recommended budget submissions are operating budgets and capital budgets for the 2018 fiscal year.

Operating budgets reflect fiscal year estimates for revenues and expenditures associated with the operations of City services. The operating budget provides approval for spending for the current fiscal year. Capital budgets reflect project estimates for capital expenditures and, once approved, the budget remains the approval for spending until completion of the project, sometimes over a number of years. In addition to the submission of 2018 operating and capital budgets to Council for approval, budget material also includes operating budget projections for 2019 through 2021 as well as 15-year capital expenditure plans and funding models and capital works in progress.

Council has set the vision of A Smart and Livable 21st Century City as the guiding theme for the establishment of six priorities:

- Create a smart economy
- Invest in infrastructure
- Plan a livable city
- Green the city
- Advance a vibrant waterfront
- Foster open government

These priorities provide a vision for the City and for the community which is essential to focusing energy and resources.

Recommended budgets reflect Council-endorsed strategic priorities as well as the June 16, 2015 Report Number [15-245](#), 2015-2018 Council Strategic Priorities – Implementation Plan and subsequent direction of Council. In executing on priorities, consultation with the community occurs throughout the term of Council. The budget is then developed to reflect the ongoing work on these priorities. Attached to this report, Exhibit C lists the priorities and indicates the year(s) in which funds have been budgeted for work to address these priorities.

The principles established by Council including the parameter of tax rate increases of 2.5% for each year of the Council term have also guided the budget process. This budget reflects the requested 2.5% tax rate increase, maintains services at existing levels and incorporates increased service levels with respect to Phase 2 of the Transit Business Plan implementation as well as the opening of the Rideau Heights Community Centre.

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The exhibits to this report provide further detail on the municipal operating budget by revenue and expenditure type, the net tax requirements by department, total expenditures, revenues and net tax requirements by group and detail on the 2018 capital budget requests. These exhibits provide the support for the recommendations as laid out in this report.

Additional supporting documentation accompanying this report is provided in an electronic document as well as hard copy binder format. The budget data is summarized in a variety of ways enabling Council to review and assess the submissions comparatively. The binder is sorted by group and is presented in accordance with the City's organizational structure, reflecting responsibilities by department and program. 2016 actuals and 2017 forecasted actuals have been included in the comparative data by group section to provide additional trend analysis. Within each group tab, the budget submission detail is summarized as follows:

- Comparative data by Group
 - 2016 actual, 2017 forecasted actual, 2017 approved budget, 2018 recommended budget, variance (\$), 2019, 2020 and 2021 forecasts
 - By department
 - By account type (revenues and expenditures)
 - Net taxation requirement by department
- 2018 Operating and Capital Budget Summary document to provide further context to the budget projection
- Comparative data by Department
 - 2017 approved budget, 2018 recommended budget, variance (\$), 2019, 2020 and 2021 forecasts
 - By account type (revenues and expenditures)
 - By program
 - Net taxation requirement by program
- 2018 Capital Summary

In addition, the following documents are included:

- 15 year (2018-2021) capital expenditure forecasts
- Capital Works-In-Progress listing at September 30, 2017 (previously approved capital work)
- Capital Reserve Fund schedules of continuity

During Council deliberations beginning on November 28, 2017, City departments, along with supported agencies and boards will present their respective budgets.

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Budget Summary

The recommended 2018 operating budget, as summarized in Exhibit A, reflects a total budget of \$378.2M offset by other than taxation-related revenues of \$137.7M and payments in lieu of taxation (PILs) of \$16.3M leaving a net property tax requirement of \$224.2M. Projected net assessment growth of 1% contributes \$2.1M, supplementary taxes contribute \$1.8M and the remaining \$220.3M represents a tax rate increase of 2.5% over 2017 levels.

Assessment growth is estimated based on a detailed analysis of properties in various stages of development. Estimated growth and supplementary tax projections are supported using specific property information originating from building permit information. Staff has been working diligently with MPAC to maximize the assessment being added to the final assessment roll for 2018 taxation purposes. A \$2.1M growth projection and a \$1.8M supplementary tax projection are also illustrative of the efforts made over the past three years in support of Council's priority to *create a smart economy* and to increase assessment growth in order to limit tax rate increases.

Given that growth and supplementary tax projections can sometimes be over or understated in anticipating specific properties that the Municipal Property Assessment Corporation (MPAC) may or may not include on the final assessment roll, estimates for tax write offs have also increased in 2018, by approximately \$400K, in order to properly allow for property assessments at risk.

A number of projects anticipated for construction remain in various stages of an appeal process at the Ontario Municipal Board (OMB) delaying the realization of new assessment and making growth projections somewhat difficult to estimate. As a result, staff recommends that any variance between the final assessment growth and the growth estimates included in the general municipal operating budget be transferred to/funded from the Working Fund Reserve in order to stabilize this estimate and to mitigate fluctuations in future years.

Agencies and boards make up approximately one-third of the overall municipal operating budget net tax requirement. The City Treasurer provided written guidance to agencies and boards in August 2017 to outline expectations for alignment with the overall tax rate targets for the current term of Council. The recommended budgets include budget estimates as submitted for each external agency. These requests have been included in the budget binder. Should final budget submissions, when received, be greater than the established budget ceiling in this draft, staff will report to Council on the options for funding including the potential to reopen the budget.

The 2018 capital budget, 15-year capital plans and funding models are also being presented to Council at this time. The recommended 2018 capital budget, as summarized in Exhibit B, reflects a total budget of \$58.4M with funding from municipal reserve funds of \$42.6M, issuance of long term debt of \$7M and other contributions, including grants, of \$8.8M.

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2. Operating Budget - Analysis

The 2017 recommended general municipal operating budget is summarized by revenue and expenditure type in Table 1 below:

Table 1**2018 Operating Budget (Revenue and Expenditure) Summary**

	2017 Budget \$M	2018 Budget \$M	Variance \$M	Variance %
Revenues				
Taxation Revenue	216.1	224.2	8.1	3.8%
PIL Revenue	15.8	16.3	0.5	3.3%
Fees and Charges	51.4	54.1	2.7	5.3%
Provincial Grants and Subsidies	59.3	66.4	7.1	11.9%
Federal Grants and Subsidies	11.2	10.9	(0.3)	(2.9%)
Recoveries - Other Municipalities	3.0	2.9	(0.1)	(3.7%)
Transfers from Reserves and Reserve Funds	3.7	3.4	(0.3)	(8.5%)
Total	360.5	378.2	17.7	4.9%
Expenditures				
Salaries, Wages and Benefits	118.4	122.9	4.5	3.7%
Supplies, Materials, Rents, and Other	31.6	33.1	1.5	4.8%
Contracted Services	21.2	20.7	(0.5)	(2.5)%
Grants and Transfers to Others	59.2	65.2	6.0	10.1%
Internal Allocations and Tax Adjustments	2.1	2.7	0.6	27.4%
Transfers to Reserve Funds	59.6	62.8	3.2	5.4%
Transfers to Agencies and Boards - operating	63.4	65.6	2.2	3.6%
Transfers to Agencies and Boards – reserve funds	5.0	5.2	0.2	4.2%
Total	360.5	378.2	17.7	4.9%

2018 Budgeted Revenues

2018 budgeted revenues are increasing by a total of \$17.7M from \$360.5M to \$378.2M representing a 4.9% increase over the 2017 budget estimates.

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- Taxation revenues

Tax revenues are increasing by a total of \$8.1M, representing \$2.1M in new assessment growth, an increase in supplementary taxes of \$0.6M and additional tax revenues of \$5.4M, representing a targeted tax rate increase of 2.5%, including 1% for capital purposes.

The table below illustrates that taxation revenues are made up of:

	2017 Budget	2018 Budget	Variance	Increase
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(\$M)</u>	<u>%</u>
Taxation Revenue	\$ 214.9	\$ 220.3	\$ 5.4	2.5%
Assessment Growth		2.1	2.1	1.0%
Supplementary Taxation	<u>1.2</u>	<u>1.8</u>	<u>0.6</u>	<u>0.3%</u>
	\$ 216.1	\$ 224.2	\$ 8.1	3.8%

Details on non-tax revenue impacts in the budget are as follows:

- Payments in lieu (PIL) revenue

A separate component of taxation revenues comes from properties owned by other levels of government in the form of payments in lieu of taxation (PIL), a large proportion of which (\$10.5M) relates to PILs for the federal properties in Kingston. The increase of approximately \$400K in this category is as a result of annual adjustments for inflation as well as new assessment added to the roll for both the Joyceville and Collins Bay institutions. Post-secondary student population and hospital beds funding is also included in this category at a rate of \$75 per head and bed, unchanged since 1987.

- Fees and charges revenue

Fees and charges, estimated at \$54.1M represent approximately 14% of total revenues, are increasing approximately 5.3% over the 2017 budget. As per the Fees and Charges By law, user fees are adjusted annually by inflation plus 1% for capital purposes; however, where feasible, specific fees may be adjusted by a different amount to reflect changes required to maintain appropriate levels of cost recovery or to encourage other service changes.

Specific revenue types detailed below provide further information on year-to-year budget changes to the fees and charges category.

- Transit revenues are increasing 5% or \$350K over the prior year budget estimates. This increase relates primarily to the increased adoption of the

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Employer Transpass program by organizations across the City and increased revenues generated from the Queen's University Busit and St. Lawrence College programs.

- Parking revenue budgets are up \$900K. This increase includes \$360K additional revenues associated with operating the newly acquired Ontario/Brock lot. The remainder is represented primarily by rate increases in the institutional areas that were implemented in June 2017 and annualized in 2018. In addition, parking fine rates will increase by 19% representing an increase in projected fine revenues of \$360K over 2017 budgeted amounts. All rate and fine increases were approved in the 2016 Rate Review.
 - Revenue from the sale of recycling materials of approximately \$1.6M increased by 15% or approximately \$200K over 2017 budget amounts reflecting anticipated market prices for cardboard and plastic.
 - Building permits have increased by 600K over 2017 levels, reflecting expected increase in construction activity in 2018.
 - Ice rental revenues for City arenas are projected to be approximately \$100K higher than 2017 budgeted amounts, returning to normal levels after an extensive maintenance program for the INVISTA Centre in 2017.
 - Benefit reimbursement revenues of \$185K are no longer received directly; these amounts are now included as part of the Ontario Works provincial subsidy.
 - Reduction in road cut permit revenues of \$185K as Utilities Kingston is now contracting this work directly rather than through Public Works.
- Federal, provincial, municipal grants and subsidies

Budgets for grants and subsidies is estimated at \$80.2M combined, amounting to 21% of the total operating revenues budgeted for 2018 and increasing by \$6.7M over 2017 budget estimates.

The provincial funding category, increasing by \$7.1M over 2017 budgets, includes funding for Ontario Works, housing and childcare as well as funding for long term care, provincial gas tax funding (transit) and Waste Diversion Ontario (WDO) funding (solid waste).

A major reason for the overall increase for 2018 relates to provincial subsidies increasing \$6M for childcare services including childcare expansion planning, OEYCFC (Ontario Early Years Child and Family Centres) and ELCC (Early Learning and Childcare) programs. This new funding will support the continued implementation of provincial programs initiated in the current year. The funding reflects provincial objectives of integrating and transforming child and family programs, increasing access to licensed childcare and increased quality, affordability, flexibility and inclusivity.

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Overall provincial funding budgets for Ontario Works allowances and benefits increased by \$1.3M for 2018. The ongoing upload of the previous 80%/20% provincial/municipal cost share for Ontario Works allowances and employment related expenses continues for 2018 adding approximately \$900K to provincial funding revenues. 2018 represents the last year of a nine-year upload period. The provincial share will increase from 97.2% in 2017 to 100% in 2018. This increase in provincial funding also includes \$400K to support an estimated 2% increase in OW recipient benefits. Provincial revenues to support administrative and employment assistance programs will remain stable.

Other projections contributing to the provincial funding changes include:

- Rideaucrest provincial funding is projecting a total increase of \$265K, including \$200K for increased funding for nursing and personal care, reflecting inflationary adjustments as well as estimated funding changes for the CMI (case mix index).
- \$139K of increased provincial gas tax funding.
- \$390K reduction due to the completion of the Provincial Survivors of Domestic Violence Portable Housing Benefit (SDV-PHB) pilot program and the Social Infrastructure Fund (SIF) Home Ownership program.
- \$250K reduction in budgeted grant revenues related to the completion of the Healthy Kids program.

Overall federal government funding is decreasing \$325K over 2017 levels. The federal contribution for local housing corporations continues to decrease each year and this is expected to continue as part of the previously announced step down funding schedule, resulting in a \$162K reduction for 2017. In addition, funding towards rent supplement programs have decreased by \$334K. Staff continues to review strategies to manage this step down in funding over the longer term.

Partially offsetting federal government funding decreases are an announced increase of \$249K in federal gas tax revenues for 2018, which will be used to fund roads and transit infrastructure. This is budgeted in the operating fund and immediately transferred to the capital reserve funds and as such, there is zero net impact to the operating budget.

Recoveries from other municipalities reflect costs recovered for solid waste, transit and social services programs that are provided to neighbouring municipalities on a cost recovery basis. This category projects reduced recoveries for solid waste and social services programs in 2018.

- Transfers from Reserves and Reserve Funds

For 2018, total transfers of \$3.4M have been budgeted to be transferred to operations from reserves and reserve funds. The establishment and maintenance of reserves is

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key to sound financial management and planning, helping to manage revenue and expenditure fluctuations in the operating budget.

Approximately \$1.8M is projected to be drawn from the Working Fund Reserve in 2018, an operating reserve that is established to address contingent matters, unusual fluctuations in programs and one-time expenditures. The recommendations in this report are predicated on the use of the Working Fund Reserve to assist the operating budget funding only in circumstances where the funding offsets non-recurring expenditures or transitional requirements including contracted services and term positions related to specific initiatives. By policy, operating surpluses are transferred to the Working Fund Reserve. Annual deficits, should they arise, would be funded from this source. There is a projected balance remaining in the Working Fund Reserve at the end of 2018 of \$6.4M.

Other transfers to operations projected in 2018 for approved purposes include \$300K from the election reserve to use towards funding the 2018 municipal election, \$247K for Housing and Social Services initiatives, \$168K for Brownfield related costs and approximately \$850K from other reserve funds to fund specific operational costs, including \$210K from Development Charges for library book-related purposes and firefighter equipment.

2017 Budgeted Expenditures

Total expenditures proposed in the 2018 budget of \$378.2M are increasing by \$17.7M or 4.9% over the 2017 approved budget. Highlights within expenditure categories are provided below.

- **Salaries, Wages and Benefits**

Compensation costs, estimated at \$122.9M, have increased \$4.5M (3.7%) over the 2017 budget. Base salary rates have been incorporated into 2018 budget estimates in accordance with expected settlements of collective and compensation agreements as well as expected increases to the employer portion of benefits. Overall base compensation including benefit cost is in the range of 2.0%.

The remaining variance includes provision for benefit cost increases of approximately 5% to reflect the estimates for employer-paid benefits (Health, Dental, Life and Disability premiums) that historically have increased at a rate greater than inflation. For 2018, these benefit increases have been partially offset by stable OMERS pension rates which remain constant for 2018. Staff continues to work with insurance carrier representatives to review plan usage in an effort to identify ongoing employee wellness and cost reduction strategies.

In addition, wage costs of approximately \$550K are included in the 2018 estimates, representing net new hires for enhanced transit services and other growth related demands. For the most part, new positions have been offset by savings from other

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position reductions as a result of reallocation of work processes and other continuous improvement measures.

This expenditure category also includes \$800K as a placeholder in the 2018 budget and future year projections to address additional salary and benefit costs anticipated as a result of Bill 148. On June 1, 2017, the Ontario government introduced Bill 148, the *Fair Workplace, Better Jobs Act, 2017* which introduces a range of changes to the *Employment Standards Act, 2000* and the *Labour Relations Act, 1995*. The Bill recently received second reading and was referred to the Standing Committee on Finance and Economic Affairs for further debate.

There are still many unknowns as to the specific details of its application; however, some of the proposed changes as a result of Bill 148 have the potential for additional wage and benefit costs. In addition to the proposed increases to minimum wage, the legislation proposes to increase entitlements to personal emergency leave for part time employees, change the calculation for compensating part-time staff for statutory holidays and make changes to minimum on-call pay and equal pay for equal work provisions.

The legislative changes may also result in cost implications with respect to non-staffing costs, i.e. materials, supplies, contracted services and capital contracts, that would flow through from suppliers incurring incremental costs as a result of the proposed Bill 148 changes. This annual cost estimate has been phased in over two years with \$400K funded from the working fund reserve in 2018.

Where staff time is directly attributable to capital works, these costs are allocated from the operating budget to appropriate projects within the capital budget in accordance with public sector accounting principles. Approximately \$6.3M of salary and benefit costs is projected to be allocated to capital in 2018, representing approximately 5% of total salaries and benefits, which is considered reasonable based on the proportionate level of staff effort spent on capital versus operating activities. These amounts are charged to capital projects primarily within capital intensive areas such as Engineering, Facilities, Recreation (Facilities and Parks) and Information Systems and Technology.

- Supplies, Materials, Rents and Other

These expenses are estimated at \$33.1M, an increase of \$1.5M or 4.8% from 2017 and include costs such as utilities, gasoline and diesel fuel, fleet parts and oil, tires, salt, telecommunications and municipal taxes.

Specific costs detailed below provide further information on year-to-year budget changes to this expenditure category.

- Utility costs - electricity, natural gas and water and sewer services - are projected to increase by 5.0% or approximately \$300K in 2018. In addition to a

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projected average increase of 3%, additional utility costs are included in 2018 for the new Rideau Heights facility as well as increased street lighting costs due to anticipated changes in commodity rates.

- Fleet maintenance costs have increased approximately \$190K, due primarily to transit service improvements as per the transit business plan.
- \$400K of equipment and other supplies have been budgeted in preparation for the 2018 municipal election.

Gasoline and diesel fuels are projected at \$5.2M in 2018, 5.2% higher than 2017. The majority of this increase relates to an average 4.6% increase in the price of diesel for transit based on a planned mix of diesel and bio diesel fuels similar to last year. 2017 average cost per litre to date remains lower than budgeted resulting in a projected year end surplus for fuel costs of approximately \$350K. This budget variance has been incorporated into 2018 budgets to provide for ongoing volatility and potential increases in fuel prices as well as the budget capacity to incorporate increased bio diesel mix for transit buses. Additional volumes for the annualization of the 2017 transit service enhancements as well as the 2018 transit expansion plan are also contributing to the projected fuel increases.

Future price estimates have been budgeted in the 3% range. Staff continues to monitor fuel prices and related forecasts; however, to budget for further reductions over the next 18 to 24 months could create a compounding impact in future years. In addition, price adjustments related to senior government cap and trade programs are expected to continue to affect fuel prices over the longer term.

- Contracted Services

This category, as defined for financial reporting purposes, includes a broad scope of purchased services including insurance premiums, property assessment services, asset maintenance and support contracts and other service contracts including winter control, garbage disposal, recycling collection and processing.

These costs are estimated at \$20.7M, or \$500K below 2017 level. Many of these estimates have been frozen or reduced from 2017 levels in an effort to absorb inflation and find savings.

- Grants and Transfers to Others

These transfers are estimated at \$65.2M, increasing approximately \$6M from 2017 levels. This expenditure category represents primarily transfers for Ontario Works, housing and child care programs. The major change in this budget line relates to the additional flow through of funds for new child care/early years programs of \$6M, corresponding to the additional grant monies received as described in the provincial grant discussion above. Other items of note include an increase in Ontario Works

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assistance of \$400K to reflect an estimated 2% increase in recipient benefits and a decrease in housing transfers of \$370K reflecting a reduction in benchmarked operating costs for housing providers.

- Transfers to Reserve Funds

These transfers are made primarily to address long term funding strategies for asset management and equipment replacement purposes. Estimated at \$62.8M, the increase over 2017 of \$3.2M relates to additional investments required to support future capital funding requirements including \$2.5M capital investment related to the 1% incremental tax levy policy as well as \$1.0M specific to parking capital investment. Financial plans included in this budget reflect the continuation of the 1% policy until 2024.

Other changes from the prior year include the transfer of an additional federal gas tax allocation to reserve funds of 249K, and a transfer of \$200K to the Building Regulatory Reserve Fund to the extent that building permit revenues are expected to exceed costs for 2018. Transfers to the transit reserve fund have decreased by \$488K to \$3.6M in accordance with the Transit Business Plan funding models.

Annual transfers to reserve funds of \$5.2M, specific to agencies and boards, address capital asset requirements for those agencies that the City maintains and manages capital reserve funds: Kingston Police Services, Kingston Frontenac Public Library and Kingston Access Services.

- Transfers to Agencies and Boards

Transfers to Agencies and Boards, including transfers to reserve funds for capital purposes, are projected at \$70.8M, an overall consolidated budget increase of approximately 3.5%. The budget recommendations include final budget submissions as approved by respective boards for the following agencies:

- Kingston Access Services (0.6% increase requested)
- Kingston Frontenac Public Library Board (2.7% increase requested)
- Kingston Police Services Board (3.57% increase requested)
- Downtown Kingston! Business Improvement Area - separate levy
- KFL&A Public Health (1.5% increase requested)
- Kingston Economic Development Corporation (1.5% increase requested)
- Tourism Kingston (12.5% increase requested)

Also incorporated into the budget estimates is a draft budget as submitted by the Cataraqui Region Conservation Authority with a requested 4.16% increase. As of the date of finalization of this report, this budget remains subject to approval by their board.

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The following County-related agency budgets have not been received and have been developed based on discussions with respective agencies pending formal submissions:

- County of Frontenac - Land Ambulance (3.5% increase requested)
- County of Frontenac - Fairmount Home for the Aged (19.3% increase requested)

Should final approved budget submissions, when received, be greater than the established budget ceiling in this draft, staff will report to Council on the options for funding including the potential to reopen the budget. Future year projections for agencies have been included based on submissions received or in the range of inflation, based on consultation with these entities.

An annual transfer to the University Hospitals Kingston Foundation in the amount of \$1.05M is also included in this cost category. In 2016 Council approved a \$1.3M annual commitment to be flowed to the University Hospital's campaign beginning in 2017 for 5 years. However, the total obligation with respect to the development related charges rebate component of the previous campaign commitment was less than originally anticipated leaving a balance of approximately \$1.2M of funding remaining that will be used to fund the new commitment over the next 5 years. As a result, the total commitment of \$6.5M over 5 years can be achieved with a reduced annual levy of \$1.05M.

On October 4, 2016, Council directed that a Temporary Working Group be formed to review the performance of the Kingston Economic Development Corporation, based on the metrics described in Appendix B to the Service Agreement, prior to the 2018 budget deliberations. The Working Group has completed its review and a report of their findings is included on the November 28, 2017 Committee of the Whole agenda.

3. Capital Plans

Capital plans include project estimates for a variety of capital work spanning the scope of municipal operations. They reflect routine asset management costs incurred annually to maintain and rehabilitate existing assets, growth related capital costs as determined by the Development Charges and Impost Fees Background Study and other capital priorities as identified by Council priorities (Strategic Plan 2015-2018).

Capital plans and 15 year funding models have been updated as part of the annual budget review. The timing of some projects has been adjusted to reflect approved commitments and Council priorities. Project timing has also been adjusted in order to manage within financial parameters that have been approved as part of the City's long range planning as well as resource capacity considerations.

The 2018 capital budget and 15-year capital plans are being presented to Council at this time. The 2018 capital budget summary is provided separately as Exhibit B. It is intended to give Council a complete summary of the capital expenditure detail and related financing

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being recommended to Council for approval. The recommended 2018 capital budget does not include any requests for Public Works, Engineering or Solid Waste. Council approved four-year budgets (2015-2018) for public works and roads-related infrastructure in January of 2015 in order to support coordination and integration efforts between the City and Utilities Kingston and to realize the benefits of advance planning, resource allocation and combined procurement contracts.

In addition to asset management/life cycle investment of approximately \$30M to rehabilitate/replace existing assets, the 2018 recommended capital budget of \$58M includes investment in the following major projects:

- Kingston East Community Centre - \$10.5M
- Purchase additional buses required in 2019 for Phase 3 of the Transit Business Plan - \$3.7M.
- Investment in affordable and social housing:
 - \$2M of the recommended \$8M funding over 5 years that began in 2017, as approved by Council on November 1, 2016 (Council Report Number 16-308)
 - \$3.8M of provincial program expenditures funded by provincial funds under the Social Housing Improvement Program, Social Infrastructure Fund and Investment in Affordable Housing Program
- Parks – includes an additional \$300K in support of the Waterfront Master Plan endorsed by Council
- Kingston East library expansion - \$4.6M
- Development of an electric vehicle strategy as endorsed by Council - \$800K
- Planning/design of a new fleet maintenance garage and preparatory site work including the installation of a geothermal system for campus multi-building heating and cooling - \$900K
- Investment in enterprise applications, including phase 2 of the Customer Relationship Management System as well as funding for the Smart City Master Plan - \$1.4M

The 15-year capital horizon currently incorporates a number of strategic projects detailed below. Some of these projects are already in a pre-planning phase for implementation in the next two or three years – others are placeholders requiring further review as to priority, cost, timing and funding strategies.

- Investment in affordable housing (2019 – 2021)
- Waterfront Master Plan (recommended over a 30 year horizon)
 - Including major park projects like Richardson Beach, Douglas Fluhrer Park, Macdonald Memorial Park and Confederation Park
- Fire Training Centre / Maintenance Facility (2019)

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- Fleet maintenance garage (2019)
- Transit – new bus purchase (2019) in support of Transit Business Plan Phase 4
- Transit facilities expansion (2021, 2027)
- New parking supply (land and facilities) (2019, 2020, 2024, 2025, 2029)
- Fire stations rehabilitation/relocation (2020, 2025, 2029)

4. Capital Funding

Capital expenditures are financed primarily through the City's capital reserve funds, using a pay-as-you-go method whereby funds are withdrawn from the reserve funds to pay for the capital costs or through the issuance of debt whereby funds are borrowed to pay for the capital costs and the capital reserve funds are utilized to pay debt principal and interest charges. The continuation of the 1% annual increase for capital infrastructure purposes, as endorsed by Council, is projected in the capital funding models for a further seven years at which point capital investment levels are projected to be at a sustainable level based on the existing capital asset portfolio. In 2018, the capital levy will contribute approximately \$35M to the capital reserve funds.

The City's financial capacity and financing models reflect the capital and financing requirements for capital asset reinvestment strategies as well as new capital asset investments as provided for in the 15 year capital plans. These plans are impacted by changing priorities, which can require staff to reprioritize projects and scheduling in order to address related financial and resource capacity. Sufficient capacity and liquidity exists to allow for fluctuations.

In updating the 15-year capital plans, detailed efforts were made to carefully review financial and resource capacity and prioritize projects accordingly. Where it was identified that new Council priorities would require additional capital investment or a change in timing, this could mean cancelling or delaying other capital projects, either planned or previously approved, in order to redirect investment. Careful consideration was also given to existing works-in-progress balances and the capacity required to complete those projects.

Debt models have been updated in the table below to reflect the recommended capital budget and 15-year capital plans. Council Report 17-084 dated April 4, 2017 (2017 Municipal Debt Limits) reflects an upset range for total debt issuance at \$1B to \$1.2B as provided by the Province, based on assumptions of amortization periods and interest rates. Reserve fund and debt models continue to incorporate the 1% annual incremental tax levy and user rate allocation for utilities and other user related services. The City Treasurer recommended maximum debt ceilings have been updated to reflect current inflationary trends.

The vertical bars in the following table depict the level of debt over time based on the cash flow analysis of the approved and future planned debt financing for the capital expenditure

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requirements over the 15 year projection period. The graph includes a line that reflects the provincial ceiling indexed at the rate of 2% to which the City could borrow and be within its debt capacity level. However, Council has endorsed the City Treasurer's recommendation to remain substantially below the provincial ceiling using a maximum capacity level in 2018 of \$450M, escalated at 2% for future years in line with projected inflation.

The graph shows that the level of debt is marginally exceeding the desired levels between 2020 and 2022; however, it is projected to correct itself as soon as 2023 and thereafter will be well below the parameter ceiling. Conservative assumptions have been used in projecting future debt and it is likely that the actual timing of projects will provide further opportunity to defer the timing of debt issuance in order to remain well below accepted levels.

Standard and Poor's recently reviewed our budget documents, including our capital funding and debt models, as part of their credit rating process. They confirmed the AA rating with stable outlook and noted prudent debt and related policies that keep debt accumulation manageable and after-capital deficits controlled.

As a result of careful prioritization and project timing, the 2018 recommended capital budget of \$58M is being funded primarily by capital reserve funds (pay-as-you-go) and government grants, with only \$7M of debt required to be issued. This funding strategy also supports efforts to remain below self-imposed debt thresholds by incorporating new debt funding that is significantly lower than the average annual debt principal repayment.

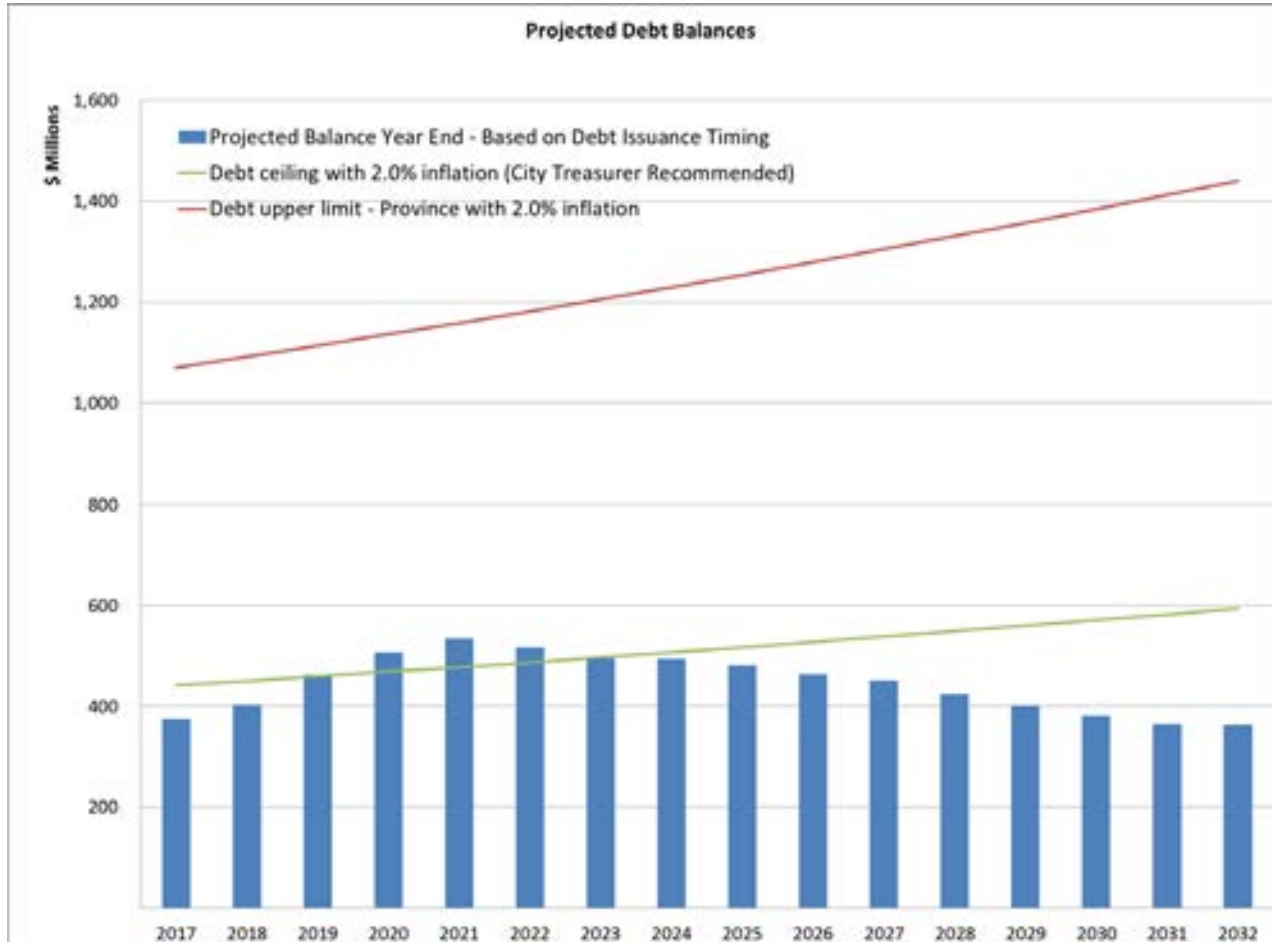
Included with the 15-year capital forecast is a projected financial plan (2018-2032) reflecting financing that corresponds to the expenditure levels. Also included in the plan documents are schedules of continuity for reserve funds that reflect the source of capital pay-as-you-go or debt financing.

A copy of the capital works in progress listing as of September 30, 2017 is included in the budget documentation for reference purposes. These works in progress include all previously approved projects that are not yet complete and closed. The 2018 capital budget requests reflect the availability of these funds for future requirements and departments confirm that the work in progress and the work planned in this capital budget are within the resource capacity of the organization, though it may span multiple years.

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**Table 2
Projected Debt Balances**



5. Taxation Levy Requirement and Tax Impact

Table 3 on the next page reflects a breakdown of the year over year change by departments and agencies and boards of the net taxation requirement to fund the recommended budget.

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Table 3
Taxation Levy Requirement

	<u>2017</u>		<u>2018</u>		<u>Increase</u>	<u>Increase</u>
	(\$M)		(\$M)		(Decrease)	(Decrease)
					(\$M)	%
Internal Services						
Transportation & Infrastructure Services	47.69		48.95		1.26	2.6%
Community Services	38.67		39.20		0.52	1.4%
Corporate & Emergency Services	34.83		35.61		0.79	2.3%
Finance, Technology & Administration	7.04		7.30		0.26	3.6%
	128.24	55.0%	131.06	54.2%	2.82	2.2%
Agencies and Boards						
Kingston Police Services Board	36.04		37.32		1.29	3.6%
KFP Library Board	6.19		6.36		0.17	2.7%
Kingston Access Services - operating	2.58		2.60		0.02	0.6%
*Cataraqui Region Conservation Authority	1.44		1.50		0.06	4.2%
KFL&A Public Health	3.86		3.92		0.06	1.5%
*County of Frontenac - Land Ambulance	6.79		7.03		0.24	3.5%
*County of Frontenac - Fairmount Home - operating	1.76		2.10		0.34	19.3%
County of Frontenac - Fairmount Home - debt	0.71		0.71		-	0.0%
Kingston Economic Development	1.42		1.44		0.02	1.5%
Tourism Kingston	1.20		1.35		0.15	12.5%
Hospital Foundation	1.05		1.05		-	0.0%
	63.04	27.0%	65.38	27.0%	2.33	3.7%
Subtotal	191.28	82.0%	196.44	81.2%	5.16	2.7%
Other						
Transfer to/from Capital Reserve Funds - Boards	4.79		5.00		0.21	
Transfer to Capital Reserve Fund	32.42		34.93		2.51	
Taxation adj. assistance, exemptions & fiscal services	3.28		4.06		0.78	
Downtown Business Improvement Area (separate levy)	1.46		1.53		0.07	
	41.95	18.0%	45.51	18.8%	3.57	8.5%
Total levy requirement	233.23	100.0%	241.96	100.0%	8.73	3.7%
Taxation Levy						
Payments in Lieu of Taxes	15.78		16.29		0.52	3.3%
Downtown Business Improvement Area (separate levy)	1.42		1.49		0.07	4.7%
Taxation Growth - 2018	-		2.10		2.10	1.0%
Taxation - supplementary taxes	1.15		1.80		0.66	0.3%
Taxation - rate increase	214.89		220.27		5.39	2.5%
Total levy	233.23		241.95		8.72	3.7%
* preliminary budget submissions - subject to board approval						

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The residential property tax bill is made up of two main components: municipal taxes and education taxes. The total property tax levy is calculated by applying the municipal tax rate and the education tax rate to the phase-in assessment value of the property. The average assessment for the City of Kingston, for 2017 taxation purposes, was approximately \$300,950 for a residential property which equates to a tax levy of approximately \$3,925 including both municipal and education components. Taxes on properties with assessments above or below this average value would be adjusted proportionately.

The municipal tax component is based on Council's adoption of the annual budget as presented herein. The education tax rate is set by the Province of Ontario and is billed and collected by the municipality as part of the total property tax bill. Based on an average assessed value of a residential property, the 2017 municipal tax component represents 86% (\$3,386) of the total tax bill and the education tax component represents 14% (\$539) of the total tax bill. These amounts will be updated for 2018 once the final assessment roll is delivered and the Province sets the education tax rates.

Similarly for commercial/industrial properties, the municipal tax and education tax components on the average assessed value of a commercial property represents 61% and 39% respectively of the total tax bill, while for industrial properties, 68% of the tax bill relates to the municipal portion with the education portion being 32%. Therefore, a proportional adjustment on the overall property tax bill for a commercial/industrial property will result depending on the education tax rate set by the Province of Ontario.

Because the property tax bill includes both the municipal and education components, the total tax rate increase to the taxpayer may ultimately be lower than the municipal tax rate increase of 2.5% should the education tax rate remain constant or increase by less than a 2.5% increase. Decreased education rates due to the increase in assessment have provided municipalities with some "property tax room", reducing the impact of municipal tax rate increases. The future of these provincial strategies and education rates in general continues to be unknown at this time.

A breakdown of the average residential municipal tax component by municipal service is provided in the Corporate Overview section of the budget binder. The estimated average tax bill of \$3,471 used for this breakdown has been calculated by adding 2.5% to the above municipal tax component for 2017. The 2018 budget impact to a homeowner with an average market assessment value of approximately \$300,950 is \$85 over 2017.

Table 4 below outlines changes to the average residential tax bill for the past ten years reflecting increases before and after the effects of changes to the education tax rate. The first column reflects approved tax rate increases from budget. The average municipal tax change reflected in the second column incorporates the effects of assessment shifts between property classes as well as tax policy set by Council whereby tax ratios are established each year which shift relative tax burden between the property classes. The average tax increase will vary from property to property based on property specific reassessment changes.

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Table 4
Average Residential Tax Bill Changes
2008 – 2017

Year	Council Approved Overall Budget Increase	Average Municipal Tax Change Year over Year (including tax ratio shifts)	Average Education Tax Change Year over Year	Average Total Tax Bill Change with Education
2008	3.8%	4.1%	-0.7%	3.3%
2009	3.6%	3.9%	-0.7%	3.2%
2010	3.2%	3.1%	-0.5%	2.6%
2011	3.2%	3.1%	-0.5%	2.6%
2012	3.5%	3.3%	-0.6%	2.7%
2013	2.5%	2.8%	-0.5%	2.3%
2014	2.1%	2.2%	-0.5%	1.7%
2015	2.5%	2.5%	-0.4%	2.1%
2016	2.5%	2.6%	-0.4%	2.2%
2017	2.5%	3.2%	-0.7%	2.5%

6. Operating forecasts for future years

Staff has prepared departmental operating forecasts through to 2021, incorporating costs of expected operating plans, estimates for inflation and any enhanced services in support of Council's strategic priorities and any other Council direction to date. The projections for 2019 through 2021 are included as Exhibit A Part 4 and currently project tax increases of 3.3%, 3.0% and 2.9% respectively, incorporating the priorities approved by Council, growth pressures and the incremental operating costs from the enhanced transit service.

Assumptions included in these projections are inflation at 2%, an incremental capital levy at 1% and growth from new assessment projected at 0.9% annually. The table in Exhibit A Part 4 sets a tax rate for illustration purposes at a 2.5% increase, resulting in a net expenditure gap.

In addition to the enhanced transit service, the following pressures are contributing to the budget gaps identified in 2019 through to 2021:

- Additions to Public Works and Solid Waste staff complement to accommodate City growth
- Operating costs for the East End Community Centre projected to begin in 2020
- Step down of Federal funding for housing programs

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The projected tax increases for 2019, 2020 and 2021 are cumulative such that sustainable savings and other solutions identified in one year will reduce subsequent years' gaps where the solutions are "permanent". Based on current projections, strategies will be required in the next three years to close the gap and maintain the targeted 2.5% tax increases.

Staff will continue to refine departmental plans, prioritize initiatives, identify operational efficiencies and new revenue sources and consider opportunities for service integration, while incorporating Council direction to find ways to further reduce these projected increases for 2019 through 2021 and in advance of budget deliberations for those years, keeping the target of 2.5% as the objective. Options may also include further extending the phase-in of the new transit enhancements and/or reducing or eliminating levels of service in other service areas.

7. Municipal Utilities Operating and Capital Budgets

The municipal utilities operating budgets for water, sewer, gas and appliance rental services have been distributed separately and will be presented by Utilities Kingston at the Committee of the Whole meeting on November 28, 2017.

8. Public Sector Accounting Board (PSAB) Reporting Requirements

The adoption of the full accrual basis of accounting by municipalities in 2009 required a change from the reporting of expenditures to the reporting of expenses. Expenditures represent outlays of assets, such as cash, to purchase goods and services; however, under the full accrual basis of accounting, expenses are charged as the goods and services are actually utilized or consumed. As a result, since that time, amounts reported for expenses include, for example, amortization of tangible capital assets.

Section 290 of the *Municipal Act, 2001* requires municipalities to prepare balanced budgets which include all of the expenditures and revenues for the taxation year. *Ontario Regulation 284/09, Budget Matters – Expenses*, allows municipalities to exclude from their budgets estimated amounts for non-cash expenses. The reporting changes resulted in a difference in the way expenses were budgeted and then reported in annual financial statements. Therefore, this report includes a recommendation for Council to authorize the City Treasurer to report the approved budget estimates for 2018 in accordance with Public Sector Accounting Board (PSAB) reporting requirements as an attachment to the by-law.

Existing Policy/By-Law:

Municipal Act, 2001, s. 290(1)

The estimate of revenues and expenditures contained in the City's budgets are approved by by-law.

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Notice Provisions:

Pursuant to the City of Kingston's Public Notice Policy, an advertisement was placed in the Kingston Whig Standard newspaper. Information pertaining to the 2018 capital and operating budgets is also posted on the City website.

Accessibility Considerations:

Exhibits to this report are available in alternative formats upon request.

Financial Considerations:

Financial considerations are included in the body of this report.

Contacts:

Desirée Kennedy, Chief Financial Officer and City Treasurer, Extension 2220

Gerard Hunt, Chief Administrative Officer, Extension 2205

Other City of Kingston Staff Consulted:

Corporate Management Team

Municipal Departments

Utilities Kingston

Agencies and Boards

Exhibits Attached:

Exhibit A: Municipal Operating Budget

Part 1: 2018 Municipal Gross Expenditure/Revenue Summary – As Recommended

Part 2: 2018 Municipal Operating Budget Summary – As Recommended

Part 3: 2018 Municipal Gross Expenditure/Revenue Summary by Group – As Recommended

Part 4: 2018 Municipal Net Tax Revenue Budget Summary – As Recommended

Exhibit B: 2018 Municipal Capital Budget Summary – As Recommended

Exhibit C: Council Priorities in 2018 Budget and Forecasts

City of Kingston
2018 Municipal Expenditure/Revenue Summary - As Recommended

Report 17-300
Exhibit A
Part 1

	2017 Approved Budget	2018 Recommended Budget	Variance (\$)	Variance (%)
Revenues				
Taxation Revenue	(216,058,006)	(224,198,120)	(8,140,114)	3.8%
PIL Revenue	(15,775,440)	(16,292,454)	(517,014)	3.3%
Fees, Charges & Other Revenue	(51,435,582)	(54,149,590)	(2,714,008)	5.3%
Provincial Subsidies	(59,337,462)	(66,410,506)	(7,073,044)	11.9%
Federal Subsidies	(11,220,590)	(10,895,183)	325,407	(2.9%)
Recoveries - Other Municipalities	(2,980,638)	(2,870,383)	110,255	(3.7%)
Transfer from Reserves and Reserve Funds	(3,696,572)	(3,381,268)	315,304	(8.5%)
Total Revenues	(360,504,290)	(378,197,504)	(17,693,214)	4.9%
Expenditures				
Salaries, Wages & Benefits	118,489,840	122,922,285	4,432,445	3.7%
Supplies, Materials, Rents & Other	31,555,871	33,076,025	1,520,154	4.8%
Contracted Services	21,177,187	20,646,120	(531,067)	(2.5%)
Grants & Transfers to Others	59,233,537	65,204,586	5,971,049	10.1%
Agencies & Boards Expenditures	63,329,765	65,667,845	2,338,080	3.7%
Equipment Charges & Internal Allocations	(2,768,140)	(2,698,715)	69,425	(2.5%)
Tax Adjustments & Allowances	4,073,724	4,538,445	464,721	11.4%
Debenture Principal & Interest	785,126	784,011	(1,115)	(0.1%)
Transfers to Reserves & Reserve Funds	59,591,922	62,807,992	3,216,070	5.4%
Transfers to Reserve Funds - Boards	5,035,458	5,248,910	213,452	4.2%
Total Expenditures	360,504,290	378,197,504	17,693,214	4.9%
Net	-	-	-	

**City of Kingston
2018 Municipal Operating Budget Summary - As Recommended**

Report 17-300

Exhibit A

Part 2

	2017 Approved Budget	2018 Recommended Budget	Variance (\$)	Variance (%)
Public Works	21,127,465	21,799,844	672,379	
Transportation Services	15,706,969	16,174,720	467,751	
Engineering	3,288,851	3,412,488	123,637	
Solid Waste	7,571,619	7,565,678	(5,941)	
Commissioner's Office	-	-	-	
Transportation & Infrastructure Services	47,694,904	48,952,730	1,257,826	2.64%
Real Estate & Environment Initiatives	1,062,765	1,054,754	(8,011)	
Planning, Building & Licensing	2,799,872	2,902,942	103,070	
Cultural Services	4,310,087	4,373,876	63,789	
Housing & Social Services	17,525,238	17,087,184	(438,054)	
Recreation & Leisure Services	7,070,738	7,669,494	598,756	
Long Term Care	5,475,871	5,662,898	187,027	
Commissioner's Office	429,247	445,812	16,565	
Community Services	38,673,818	39,196,960	523,142	1.35%
Human Resources & Organization Development	2,993,006	3,072,311	79,305	
Communications & Customer Experience	1,547,855	1,520,924	(26,930)	
Facilities Management and Construction	2,957,371	3,028,241	70,870	
Legal Services	1,222,888	1,287,801	64,913	
City Clerk	1,776,595	1,714,993	(61,602)	
Fire & Rescue	24,094,092	24,676,998	582,905	
Airport	(70,649)	-	70,649	
Commissioners Office	306,780	313,281	6,501	
Corporate and Emergency Services	34,827,938	35,614,549	786,611	2.26%
Mayor, Council & CAO	1,700,053	1,732,124	32,071	
Chief Financial Officer	249,127	255,791	6,664	
Information Systems & Technology	3,469,173	3,647,460	178,287	
Financial Services	1,624,530	1,664,044	39,514	
Finance, Technology & Administration	7,042,883	7,299,419	256,536	3.64%
Operating budget before fiscal/capital levy and agencies & boards	128,239,543	131,063,658	2,824,115	2.20%
Add:				
Capital Levy, Fiscal Services & Tax Adjustments	35,704,315	38,989,887	3,285,572	
Municipal Services	163,943,858	170,053,545	6,109,687	3.73%
Agency and Board Transfers	67,856,276	70,402,629	2,546,353	
Agencies & Boards	67,856,276	70,402,629	2,546,353	3.75%
Total tax requirement	231,800,134	240,456,174	8,656,041	
Payments in lieu	(15,775,440)	(16,292,454)	(517,014)	
Property Taxation to be raised	216,024,694	224,163,720	8,139,026	3.77%
Taxation - rate increase	(214,879,694)	(220,263,720)	(5,384,026)	(2.5%)
Taxation - supplementary	(1,145,000)	(1,800,000)	(655,000)	(0.3%)
Taxation - growth	-	(2,100,000)	(2,100,000)	(1.0%)
Net	-	-	-	

City of Kingston
2018 Municipal Gross Expenditure/Revenue Budget Summary
By Group - As Recommended

	2017 Approved Budget	2018 Recommended Budget	Variance (\$)
Transportation & Infrastructure Services			
Expenditure	70,664,653	73,594,646	2,929,993
Revenue	(22,969,749)	(24,641,916)	(1,672,167)
Net	47,694,904	48,952,730	1,257,826
Community Services			
Expenditure	120,963,281	127,615,111	6,651,830
Revenue	(82,289,463)	(88,418,151)	(6,128,688)
Net	38,673,818	39,196,960	523,142
Corporate and Emergency Services			
Expenditure	43,704,890	44,982,806	1,277,916
Revenue	(8,876,952)	(9,368,257)	(491,305)
Net	34,827,938	35,614,549	786,611
Finance, Technology & Administration			
Expenditure	10,019,845	10,416,135	396,290
Revenue	(2,976,962)	(3,116,716)	(139,754)
Net	7,042,883	7,299,419	256,536
Agencies & Boards			
Expenditure	68,365,223	70,916,755	2,551,532
Revenue	(508,947)	(514,126)	(5,179)
Net	67,856,276	70,402,629	2,546,353
Capital Levy, Fiscal Services and Taxation			
Expenditure	46,786,398	50,672,050	3,885,653
Revenue	(242,882,217)	(252,138,338)	(9,256,121)
Net	(196,095,819)	(201,466,287)	(5,370,467)
TOTAL			
Expenditure	360,504,290	378,197,504	17,693,214
Revenue	(360,504,290)	(378,197,504)	(17,693,214)
Net	-	-	-

City of Kingston
2018 Municipal Net Tax Revenue Budget Summary - As Recommended

	2017 Approved Budget	2018 Recommended Budget	Variance (\$)	Variance (%)	2019 Forecast	Variance (\$)	Variance (%)	2020 Forecast	Variance (\$)	Variance (%)	2021 Forecast	Variance (\$)	Variance (%)
Public Works	21,127,465	21,799,844	672,379	3.18%	22,367,220	567,376	2.60%	22,949,099	581,878	2.60%	23,492,861	543,762	2.37%
Transportation Services	15,706,969	16,174,720	467,751	2.98%	17,348,197	1,173,477	7.26%	18,048,320	700,123	4.04%	19,091,123	1,042,803	5.78%
Engineering	3,288,851	3,412,488	123,637	3.76%	3,612,994	200,506	5.88%	3,718,205	105,211	2.91%	3,849,301	131,095	3.53%
Solid Waste	7,571,619	7,565,678	(5,941)	-0.08%	7,711,598	145,920	1.93%	8,144,367	432,769	5.61%	8,368,535	224,168	2.75%
Transportation and Infrastructure Services	47,694,904	48,952,729	1,257,826	2.64%	51,040,009	2,087,279	4.26%	52,859,991	1,819,982	3.57%	54,801,820	1,941,828	3.67%
Real Estate & Environmental Initiatives	1,062,765	1,054,754	(8,011)	-0.75%	1,068,746	13,992	1.33%	1,081,867	13,120	1.23%	1,086,280	4,414	0.41%
Planning, Building & Licensing	2,799,872	2,902,942	103,070	3.68%	2,932,729	29,787	1.03%	2,977,687	44,958	1.53%	3,060,469	82,801	2.78%
Cultural Services	4,310,087	4,373,876	63,789	1.48%	4,520,060	146,184	3.34%	4,665,221	145,161	3.21%	4,748,616	83,395	1.79%
Housing & Social Services	17,525,238	17,087,184	(438,054)	-2.50%	17,748,869	661,685	3.87%	18,327,531	578,662	3.26%	18,868,065	540,534	2.95%
Recreation & Leisure Services	7,070,738	7,669,494	598,756	8.47%	7,927,109	257,615	3.36%	8,391,413	464,304	5.86%	8,602,950	211,537	2.52%
Long Term Care	5,475,871	5,662,898	187,027	3.42%	6,005,403	342,505	6.05%	6,237,124	231,721	3.86%	6,519,811	282,687	4.53%
Commissioners Office	429,247	445,812	16,565	3.86%	451,897	6,085	1.37%	458,125	6,227	1.38%	465,696	7,572	1.65%
Community Services	38,673,818	39,196,960	523,142	1.35%	40,654,813	1,457,854	3.72%	42,138,968	1,484,154	3.65%	43,351,907	1,212,940	2.88%
Human Resources & Organization Development	2,993,006	3,072,311	79,305	2.65%	3,164,316	92,006	2.99%	3,240,806	76,490	2.42%	3,323,971	83,164	2.57%
Communications & Customer Experience	1,547,855	1,520,924	(26,930)	-1.74%	1,582,719	61,795	4.06%	1,688,066	105,348	6.66%	2,002,758	314,691	18.64%
Facilities Management & Construction	2,957,371	3,028,241	70,870	2.40%	3,177,421	149,180	4.93%	3,285,263	107,842	3.39%	3,412,125	126,862	3.86%
Legal Services	1,222,888	1,287,801	64,913	5.31%	1,319,089	31,287	2.43%	1,397,746	78,658	5.96%	1,434,425	36,678	2.62%
City Clerk	1,776,595	1,714,593	(61,603)	-3.47%	1,735,537	20,545	1.20%	1,759,456	23,919	1.38%	1,788,425	28,968	1.65%
Airport	(70,649)	-	70,649	-	-	-	-	-	-	-	-	-	-
Fire & Rescue	24,094,092	24,676,998	582,905	2.42%	25,031,597	354,599	1.44%	25,406,300	374,703	1.50%	25,764,943	358,643	1.41%
Commissioners Office	306,780	313,281	6,501	2.12%	321,802	8,521	2.72%	330,566	8,764	2.72%	339,580	9,014	2.73%
Corporate & Emergency Services	34,827,938	35,614,549	786,611	2.26%	36,332,481	717,932	2.02%	37,108,204	775,723	2.14%	38,066,227	958,021	2.58%
Mayor, Council & CAO	1,700,053	1,732,124	32,071	1.89%	1,762,318	30,194	1.74%	1,793,173	30,854	1.75%	1,828,591	35,418	1.98%
Chief Financial Officer	249,127	255,791	6,664	2.67%	262,259	6,469	2.53%	268,623	6,363	2.43%	275,650	7,027	2.62%
Information Systems & Technology	3,469,173	3,647,460	178,287	5.14%	3,853,495	206,034	5.65%	4,035,032	181,537	4.71%	4,186,619	151,588	3.76%
Financial Services	1,624,530	1,664,044	39,514	2.43%	1,706,035	41,991	2.52%	1,747,807	41,772	2.45%	1,792,073	44,266	2.53%
Finance, Technology & Administration	7,042,883	7,299,419	256,536	3.64%	7,584,107	284,688	3.90%	7,844,635	260,526	3.44%	8,082,933	238,299	3.04%
Tax Requirement - Operating budget before Agencies & Boards, Capital Levy, Fiscal Services & Tax Adjustments	128,239,543	131,063,658	2,824,115	2.20%	135,611,411	4,547,753	3.47%	139,951,796	4,340,385	3.20%	144,302,887	4,351,091	3.11%
Agency and Board Transfers	67,856,276	70,402,629	2,546,353	3.75%	72,171,102	1,768,473	2.51%	73,955,524	1,784,422	2.47%	75,746,119	1,790,595	2.42%
Capital Levy, Fiscal Services & Tax Adjustments	35,704,315	38,989,887	3,285,572	9.20%	41,824,324	2,834,437	7.27%	44,806,070	2,981,746	7.13%	47,852,142	3,046,072	6.80%
Total Tax Requirement	231,800,134	240,456,174	8,656,040	3.73%	249,606,837	9,150,663	3.81%	258,713,390	9,106,553	3.65%	267,901,148	9,187,758	3.55%
Less: Payments in Lieu of Taxes	(15,775,440)	(16,292,454)	(517,014)	-3.28%	(16,481,543)	(189,089)	-1.16%	(16,673,735)	(192,192)	-1.17%	(16,869,094)	(195,359)	-1.17%
Property Taxation to be raised	216,024,694	224,163,720	8,139,026	3.77%	233,125,294	8,961,574	4.00%	242,039,655	8,914,361	3.82%	251,032,054	8,992,399	3.72%
Taxation - rate increase - 2.5%	(214,879,694)	(220,263,720)	(5,384,026)	-2.50%	(227,921,630)	(5,557,910)	-2.50%	(235,668,488)	(5,746,858)	-2.50%	(243,609,017)	(5,940,529)	-2.50%
Taxation - supplementary	(1,145,000)	(1,800,000)	(655,000)	-0.30%	(1,545,000)	(255,000)	0.00%	(1,583,625)	(38,625)	0.00%	(1,623,216)	(39,591)	0.00%
Taxation - growth	(2,100,000)	(2,100,000)	(2,100,000)	-1.00%	(2,000,000)	(2,000,000)	0.90%	(2,000,000)	(2,000,000)	0.90%	(2,000,000)	(2,000,000)	0.90%
Net	-	-	-	-	1,658,664	1,658,664	-	2,787,542	1,128,878	-	3,799,821	1,012,279	-

**CITY OF KINGSTON
2018**

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CAPITAL BUDGET SUMMARY

FUNDING (2018)									
Budget 2018	Reserve Funds		Municipal Capital Reserve Fund		D.C. Reserve Fund	D.C. Reserve Fund - Debt	Other	Grants	Total
	PAYG	Debt	PAYG	Debt					
General Municipal	8,112,391	-	-	-	950,061	-	-	-	9,062,452
Transportation & Infrastructure Services									
Transportation Services	162,000		689,000		-				851,000
Community Services									
Planning, Building & Licensing	1,314,264		5,736		5,736			3,778,705	5,848,705
Housing & Social Services	1,578,950		6,000,000		1,473,772			3,125,000	17,819,660
Recreation & Leisure Services	1,050,000								1,050,000
Long-Term Care	-		1,014,500						1,014,500
Cultural Services	2,596,000		175,000						2,771,000
Real Estate & Environment Initiatives									
Corporate & Emergency Services									
Facilities Management & Construction	2,594,474		998,250		254,276				3,847,000
Services	2,505,000		15,000		-		15,000		2,535,000
Fire & Rescue			1,739,000					720,000	2,459,000
Airport									
Finance, Technology & Administration									
Information Systems & Technology	3,167,259		1,131,800				313,200		4,612,259
Subtotal	21,766,074	-	12,718,752	6,000,000	2,683,845	-	4,203,200	4,498,705	51,870,576
Library									
Library	249,200		1,350,036	1,000,000	2,249,964		20,800		4,870,000
Police	1,579,000								1,579,000
Kingston Access Services (KAS)	35,000								35,000
Total Police, Library & KAS	1,863,200	-	1,350,036	1,000,000	2,249,964	-	20,800	-	6,484,000
General Municipal Total	23,629,274	-	14,068,788	7,000,000	4,933,809	-	4,224,000	4,498,705	58,354,576
Grand Total	23,629,274	-	14,068,788	7,000,000	4,933,809	-	4,224,000	4,498,705	58,354,576

Funding Summary:	Total
Reserve Funds	42,631,871
Debtentures	7,000,000
Grants	4,498,705
Other	4,224,000

**CITY OF KINGSTON
2018 CAPITAL BUDGET SUMMARY**

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Capital Projects		Sources of Funding								
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	Notes	
2017 Projects		2017 Budget								
<u>Transportation & Infrastructure Services</u>										
Transportation Services										
<u>Fleet</u>										
<i>Fleet-Municipal</i>										
	FLT - Replacements - Public Works	397,360	Municipal Equipment	397,360						
	FLT - Replacements - Solid Waste	901,532	Municipal Equipment	901,532						
	FLT - Replacements - City Other	418,070	Municipal Equipment	418,070						
<i>Fleet-Utilities</i>										
	FLT - Replacements - Treatment	69,268	Utilities Equipment	69,268						
	FLT - Replacements - Underground	391,285	Utilities Equipment	391,285						
	FLT - Replacements - Gas	222,825	Utilities Equipment	222,825						
	FLT - Replacements - Other	71,288	Utilities Equipment	71,288						
<i>Fleet-Transit</i>										
	FLT - Bus Refurbishments	183,740	Transit	183,740						
Fleet		2,655,369		2,655,369						
<u>Transit</u>										
	Transit Telecommunications	675,000	Transit	675,000						
	TRN - Bus Stops/Shelters	200,000	Transit	200,000						
	TRN - Buildings-Transit	100,000	Transit	100,000						
	TRN - New Buses - Large (40' - Diesel)	3,691,852	Transit	343,071				950,061		
	TRN - Equipment	129,731	Transit	129,731						
Transit		4,796,583		3,846,522				950,061		

**CITY OF KINGSTON
2018 CAPITAL BUDGET SUMMARY**

Capital Projects		Sources of Funding							Notes
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	
<u>Parking</u>		2017 Budget							
Parking Planning Studies	20,000		Parking						
Parking Technology/Communications	150,000		Parking						
PRK - Robert Bruce	200,000		Parking						
PRK - Surface Lots	250,000		Parking						
PRK - Pay & Display/Meters	850,000		Parking						
PRK - Parking Enforcement	90,500		Parking						
PRK - Parking Other Equipment	50,000		Parking						
Parking	1,610,500								
Transportation Services	9,062,452								950,061
Transportation & Infrastructure Services	9,062,452								950,061
<u>Community Services</u>									
Planning, Building & Licensing									
Portsmouth Village Heritage Conservation District	150,000					150,000			
PBL - Development Review/Land Management	184,000					92,000	BRRAG		
PBL - Project Costs/Long Term Plan Furnishings	150,000					150,000			
Purdy's Mills Secondary Plan	20,000					20,000			
FME Licensing for GIS	150,000					150,000			
GIS Master Plan Implementation	12,000					12,000			
Customer Service Improvements (Front Counter)	75,000					75,000			
Accela Licensing and Code Enforcement	30,000					30,000	BRRAG		
	80,000					40,000	BRRAG		
Planning, Building & Licensing	851,000					162,000			689,000

**CITY OF KINGSTON
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Capital Projects		Sources of Funding							Notes
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	
2017 Budget	Description								
Housing & Social Services									
10,000	SOC - Furnishings - 362 Montreal			10,000					
1,000,000	HSG - Affordable Housing Capital Subsidy			1,000,000					
1,000,000	HSG - Affordable Housing, Land for Resale			250,000					Land For
60,000	Housing & Homelessness Plan			54,264		5,736			Resale
1,345,805	HSG - Social Infrastructure Fund (SIF)						1,345,805		Provincial
2,432,900	HSG - Investment in Affordable Housing (IAH)						2,432,900		Funding Provincial Funding
5,848,705	Community & Family Services & Housing			1,314,264		5,736	3,778,705		750,000
Recreation & Leisure Services									
266,255	REC - Pathways & Trails			266,255					
303,795	REC - Waterfront Master Plan			303,795					
3,634,020	REC - Existing Parks-Sites Redevelopment			2,949,020					500,000 PBCF
115,023	REC - New Parks Development			58,751		56,272			
	REC - Public Works Sportfield								
330,000	Requirements			330,000					
427,642	Community Facilities			427,642					
10,500,000	East Kingston Community Centre, 15 Grenadier Drive			457,500	6,000,000	1,417,500		2,625,000	PPB
200,000	REC - KROCK - Facilities (0054)			206,459					
206,459	Recreation Facilities			528,783					
528,783	Aquatic Facilities								
898,376	Arena Facilities								
43,160	REC - Market Square			43,160					
295,574	Marina Facilities			295,574					
70,575	REC - Portsmouth Olympic Harbour			70,575					
17,819,660	Recreation & Leisure Services			5,641,938	6,000,000	1,473,772		3,125,000	
1,578,950									

**CITY OF KINGSTON
2018 CAPITAL BUDGET SUMMARY**

Capital Projects		Sources of Funding							Notes
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	
Long Term Care - Rideaucrest									
	Rideaucrest Home (0061) - Facility	1,050,000	Rideaucrest Capital						
	Long Term Care - Rideaucrest	1,050,000							
Cultural Services									
	Programs & Policy-Culture	572,500		572,500					
	CUL - Culture Functional Capital	247,000		247,000					
	CUL - Grand Theatre Functional Capital	195,000		195,000					
	Cultural Services	1,014,500		1,014,500					
Real Estate & Environment Initiatives									
	REE - Strategic Property Land Development	175,000		175,000					
	REE - Employment Land Acquisition	250,000	Industrial Land						
	REE - Employment Land Servicing	1,450,000	Industrial Land						
	REE - PCP - Trade Winds Project (GHG Inv)	20,000	Environment						
	Municipal Property Environmental Remediation	80,000	Environment						
	EV Strategy	796,000	Environment						
	Real Estate & Environment Initiatives	2,771,000		175,000					
	Community Services	29,354,865		8,834,702	6,000,000	1,479,508	3,778,705	3,875,000	
Corporate & Emergency Services									
Facilities Management & Construction Services									
	Heritage Properties	1,611,000	Facility Repair	217,500					
	Non-Heritage Properties	635,000	Facility Repair	237,500					
	New Fleet Maintenance Garage	900,000	Municipal Equipment				254,276		
	Asset Management	701,000	Facility Repair	543,250					
	Facilities Management & Construction Services	3,847,000		998,250				254,276	

**CITY OF KINGSTON
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Capital Projects		Sources of Funding							Notes
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other	
Fire & Rescue		2017 Budget							
FRE - Communications Centre	20,000	20,000	Fire Capital						
FRE - Mobile Radio & Communications	120,000	120,000	Fire Capital Transit Capital Police Equipment Fire Capital	15,000				15,000	UK recovery
FRE - Fire Technology Communications	120,000	120,000							
FRE - Response Vehicles- Replace/Refurbish	2,000,000	2,000,000	Fire Capital						
FRE - Other Equipment	275,000	275,000	Fire Capital						
Fire & Rescue	2,535,000	2,505,000		15,000				15,000	
Airport									
Planning/Studies	50,000	50,000							
Technology/Communications	1,500,000	1,500,000							
Grounds/Underground/Fencing	109,000	109,000							
Restoration Program	800,000	800,000					720,000		ACAP
Airport	2,459,000	1,739,000					720,000		
Corporate & Emergency Services	8,841,000	5,099,474		2,752,250			254,276	720,000	15,000
Finance, Technology & Administration									
Information Systems & Technology									
Technology Lifecycle & Sustainment									
IST - Core Software Services	486,800	486,800	Technology						
IST - Desktop/Laptop Computers	410,000	410,000	Technology						
IST - Enterprise Application Sustainment	439,500	439,500	Technology						
IST - Meeting Room Technology	40,000	40,000						40,000	

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2018 CAPITAL BUDGET SUMMARY**

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Capital Projects		Sources of Funding								Notes
		Reserve Funds	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	D.C. Reserve Fund	Grants	Other		
	2017 Budget									
IST - Servers and Storage	525,000									
Public Facing (Land Management, CRM)	558,700									
Cyber Security	95,000									
Information Management Sustainment	652,259									
<u>Enterprise Resource Management (ERM)</u>										
IST - Enterprise Applications - FMS	150,000			120,000					30,000	UK RF
IST - Enterprise Applications - HR	50,000			40,000					10,000	UK RF
IST - Enterprise Content Management (ECM)	205,000			164,000					41,000	UK RF
Spatial Data	100,000			100,000						
<u>Public Facing</u>										
Customer relationship mgmt (phases)	750,000			517,800					232,200	UK RF
Smart City Master Plan	100,000			100,000						
Citizen identity and access mgmt	50,000			50,000						
Information Systems & Technology	4,612,259			1,131,800					313,200	
Finance, Technology & Administration	4,612,259			1,131,800					313,200	
Total - Municipal	51,870,576			12,718,752		6,000,000		2,683,845	4,498,705	4,203,200

**CITY OF KINGSTON
2018
CAPITAL BUDGET SUMMARY**

Projects	2017 Budget	Sources of Funding						Notes
		Reserve Funds PAYG	Reserve Funds Description	Municipal Capital Reserve Fund PAYG	Municipal Capital Reserve Fund Debt	Development Charges Reserve Fund	Other	
Agencies and Boards								
Library								
LIB - Branch Revitalization & Renewal (Shared) Facility Repairs	25,000 110,000	21,750 110,000	Library Capital Library Capital				3,250	Frontenac County
LIB - Shared IT Kingston East Library Expansion	135,000 4,600,000	117,450	Library Capital	1,350,036	1,000,000	2,249,964	17,550	Frontenac County
Total Library	4,870,000	249,200		1,350,036	1,000,000	2,249,964	20,800	
Police								
POL - Replacement Vehicles POL - IT Projects POL - Critical Incident Management Equipment POL - Building	559,000 900,000 20,000 100,000	559,000 900,000 20,000 100,000	Police Equipment Police Equipment Police Equipment Facility Repair					
Total Police	1,579,000	1,579,000						
Kingston Access Services								
KAS - Computer Upgrade Replacement of Server	15,000 20,000	15,000 20,000	KAS Equipment KAS Equipment					PTIF Grant
Total KAS	35,000	35,000						
Total Agencies and Boards	6,484,000	1,863,200		1,350,036	1,000,000	2,249,964	20,800	

COUNCIL PRIORITIES REFLECTED IN 2018 BUDGET

Create a smart economy	2016	2017	2018	2019
Promote Kingston as a leader in innovation and incubation	✓	✓	✓	
Foster an open-for-business culture	✓	✓	✓	
Encourage artistic and cultural business opportunities	✓	✓	✓	
Prepare and implement a city-wide tourism strategy			✓	
Develop a youth employment strategy	✓	completed in 2016		
Increase assessment growth to limit tax rate increases	✓	✓	✓	
Facilitate the creation of a post-secondary downtown campus			✓	
Progressively sponsor city-wide broadband wi-fi infrastructure	✓	✓	✓	
Promote fibre access to strengthen Kingston's competitive advantage	✓	✓	✓	
Develop an immigration strategy	✓	✓	completed in 2017	
Pursue political strategies for a high-speed rail stop		✓		

Invest in infrastructure	2016	2017	2018	2019
Make the Third Crossing shovel-ready to commence construction	✓	✓	pending federal funding	
Expand the airport		✓	✓	
Create affordable, sustainable and mixed housing	✓	✓	✓	
Advance an integrated multi-modal and active transportation system	✓	✓	✓	
Maintain and improve roadways and sidewalks	✓	✓	✓	
Complete John Counter Boulevard	✓	✓	✓	
Continue to support the current infrastructure plan and recommend continued support to future councils	✓	✓	✓	
Explore potential alternative transportation solutions in place of the Wellington Street extension		✓	✓	

Plan a livable city	2016	2017	2018	2019
Revitalize brownfields properties	✓	✓	✓	
Expand and improve public transit	✓	✓	✓	
Protect heritage	✓	✓	✓	
Respond proactively to homelessness and food security needs in the city	✓	✓	✓	
Foster intensification in the city core	✓	✓	✓	
Revitalize north-end including mixed residential and commercial investment along Montreal Street	✓	✓	✓	
Facilitate implementation of the cultural plan through artist engagement	✓	✓	✓	
Pursue the implementation of the Sustainable Kingston Plan and introduce sustainability practices in the delivery of services	✓	✓	✓	
Inform future community planning, initiatives and services by considering cultural, social and neighbourhood demographics	✓	✓	✓	

COUNCIL PRIORITIES REFLECTED IN 2018 BUDGET

Green the city	2016	2017	2018	2019
Expand the trail system: a) Complete the K&P trail by 150 th anniversary (2017)		✓	completed in 2017	
b) Improve, create and connect trails, pathways and green spaces	✓	✓	✓	
Intensify urban forest a) Double the tree canopy by 2025	✓	✓	✓	
Strengthen property standards and parking enforcement methods to beautify neighbourhoods	✓	✓	✓	
Enhance waste management and recycling opportunities to promote a litter-free city	✓	✓	✓	
Develop policies to prevent urban sprawl and protect agricultural lands	✓	✓	Official Plan updated in 2017	

Advance a vibrant waterfront	2016	2017	2018	2019
Revitalize the inner harbour and rejuvenate waterfront brownfields	✓	✓	✓	
Facilitate the redevelopment of the Kingston Penitentiary property		✓	✓	
Develop a visionary waterfront master plan	✓	completed in 2016		
Explore the potential for waterfront tourism opportunities including the feasibility of creating a dock for cruise ships		✓	✓	

Foster open government	2016	2017	2018	2019
Enhance transparency and encourage citizen engagement by: a) Committing to processes that enable open government	✓	✓	✓	
b) Developing systems to support open data	✓	✓	✓	
c) Strengthening the City's presenting, recording and reporting processes at public meetings	✓	✓	✓	
d) Enhancing technology supports for committee meetings	✓	✓	✓	
e) Improving public feed-in and feedback systems and processes	✓	✓	completed in 2017 – Public engagement framework	
f) Introduce participatory opportunities in civic affairs	✓	✓		
g) Build on a culture of excellence in customer service	✓	✓	✓	