



**City of Kingston
Information Report to Council
Report Number 19-216**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer and City Treasurer
Resource Staff: Lana Foulds, Director of Financial Services
Date of Meeting: August 13, 2019
Subject: Second Quarter Operating Budget Status Report for 2019

Executive Summary:

This information report provides a financial status update of the general operating budget as at June 30, 2019. Exhibits to the report provide detailed budget and actual information and resulting variances as at the end of the second fiscal quarter. Revenues and expenditures are tracking normally with reported variances resulting from seasonality and other operational factors.

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. Further information on year-to-date results is included in the body of this report.


Recommendation:

This report is for information purposes only.

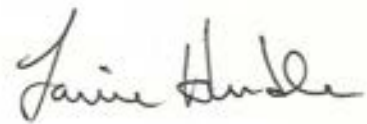
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Authorizing Signatures:



**Desirée Kennedy, Chief Financial
Officer and City Treasurer**



**Lanie Hurdle, Interim Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Deanne Roberge, Acting Commissioner, Corporate Services



Peter Huigenbos, Acting Commissioner, Community Services



Jim Keech, President & CEO, Utilities Kingston



Sheila Kidd, Commissioner, Transportation & Public Works

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Options/Discussion:

The financial information provided in this report is derived from the financial accounting records of the Corporation as at June 30, 2019. The report reflects the approved operating budget for the year 2019 together with 2019 actual year-to-date revenue and expenditure information. A variance column is provided for reference purposes and generally reflects 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.

With respect to the overall corporate results, three exhibits are attached, reported by group and summarized by department. Board and agency transfers and municipal utilities are summarized as well. Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures respectively.

The majority of revenues and expenditures to the end of the second quarter are tracking as expected and/or reflect expected seasonal variances in services such as public works, recreation and culture. There are some favourable revenue projections and other variance clarifications as noted below.

Engineering revenues exceeded projections for the first half of the year, resulting in positive variances. Planning, Building & Licensing revenues exceeded budget due primarily to timing of licensing revenue recognition, contributing to a positive departmental variance year to date. Building permit revenues have reached \$2.5M at the end of the second quarter or 80% of budget resulting in excess net revenues that have been transferred to the Building Stabilization Reserve Fund in accordance with the legislation. In addition, Cultural Services is tracking over budget with the majority of grants and contributions to others paid out in the first half of the year.

Fuel prices are trending lower than forecasted, resulting in approximately \$150K of savings reported to date. On April 1st the Federal government implemented the new carbon tax on fuel which is expected to reduce projected savings over the second half of the fiscal year. Staff will continue to monitor the effect of fuel prices over the remainder of the year.

[Council Report Number 19-173 – 2019 Ontario Budget Overview](#) estimated a potential funding impact to the City's 2019 budget of approximately \$1M. Staff continues to monitor provincial budget changes and any effects on 2019 operations with a goal to maintain a balanced budget by year end.

Existing Policy/By Law:

[By-Law Number 2019-28, A By-Law to Approve the 2019 Operating Budget](#)

[Accessibility Standards Policy](#)

Notice Provisions:

Not applicable

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Accessibility Considerations:

The City's [Accessibility Standards Policy](#) indicates that the City of Kingston shall, upon request, and in consultation with the person making the request, provide or make arrangements to provide accessible formats and communication supports for persons with disabilities.

The Exhibits to this report are system generated or derived from the extensive spreadsheets used to develop and maintain the City's budgets. The conversion to a 100% accessible document would be resource intensive; therefore, these Exhibits will be provided in an alternate format upon request.

Financial Considerations:

There are no financial considerations at this time. Comments are contained in the Options/Discussion section of this report.

Contacts:

Lana Foulds, Director of Financial Services, extension 2209

Other City of Kingston Staff Consulted:

Lindsay Benjamin, Financial Analyst, Utilities Kingston

Exhibits Attached:

Exhibit A: Net Operating Report

Exhibit B: Gross Revenues

Exhibit C: Gross Expenditures

**City of Kingston
Net Operating
As At June 30, 2019**

	Actuals	Annual	Variance	YTD=50% Actual to Budget
	Year to Date	Budget	\$	%
Transit & Fleet Services	7,939,757	17,146,360	9,206,603	46.31%
Transportation Services	644,407	1,387,070	742,663	46.46%
Public Works Services	12,522,574	22,682,212	10,159,638	55.21%
Solid Waste Services	3,757,877	8,225,552	4,467,675	45.69%
Engineering Services	845,509	2,174,699	1,329,190	38.88%
Transportation & Public Works	25,710,124	51,615,893	25,905,769	49.81%
Real Estate & Environmental Initiatives	460,972	1,034,972	574,000	44.54%
Planning, Building, & Licensing	1,063,704	2,572,890	1,509,186	41.34%
Cultural Services	2,911,758	4,471,759	1,560,001	65.11%
Recreation & Leisure Services	3,846,681	8,095,048	4,248,367	47.52%
Housing & Social Services	8,035,253	17,114,710	9,079,457	46.95%
Long Term Care	2,689,791	5,787,399	3,097,608	46.48%
Communications & Customer Experience	732,875	1,667,347	934,472	43.95%
Commissioner's Office	215,552	455,377	239,825	47.33%
Community Services	19,956,586	41,199,502	21,242,916	48.44%
Human Resources & Organization Development	1,532,347	3,165,120	1,632,773	48.41%
Facilities Management & Construction Services	1,355,959	3,085,279	1,729,320	43.95%
Legal Services	798,020	1,343,493	545,473	59.40%
Office of the City Clerk	884,519	1,836,483	951,964	48.16%
Fire & Rescue	12,166,024	24,935,983	12,769,959	48.79%
Information Systems & Technology	1,608,708	3,847,985	2,239,277	41.81%
Commissioner's Office	130,051	315,401	185,350	41.23%
Corporate Services	18,475,628	38,529,744	20,054,116	47.95%
Mayor, Council, & CAO	933,619	1,909,270	975,651	48.90%
Airport	22,295	35,000	12,705	63.70%
Financial Services	944,200	1,914,215	970,015	49.33%
Finance & Administration	1,900,114	3,858,485	1,958,371	49.25%
Agency Transfers	36,955,351	72,628,370	35,673,019	50.88%
Fiscal Services & Capital Levy	18,167,095	37,428,256	19,261,161	48.54%
Agency and Board Transfers & Fiscal Services	55,122,446	110,056,626	54,934,180	50.09%
Sub-Total	121,164,898	245,260,250	124,095,352	49.40%
Taxation Revenue	(244,339,996)	(245,260,250)	(920,254)	99.62%
Total	(123,175,098)		123,175,098	0.00%
Water	(981,777)		981,777	0.00%
Wastewater	(963,509)		963,509	0.00%
Gas	(831,067)		831,067	0.00%
Appliance Rental	(27,163)		27,163	0.00%
Municipal Utilities	(2,803,516)		2,803,516	0.00%
Total Net Operating	(125,978,614)		125,978,614	0.00%

**City of Kingston
Gross Revenue
As At June 30, 2019**

	Actuals	Annual	Variance	YTD=50% Actual to Budget
	Year to Date	Budget	\$	%
Transit & Fleet Services	(6,046,526)	(11,669,041)	(5,622,515)	51.82%
Transportation Services	(4,376,591)	(10,061,183)	(5,684,592)	43.50%
Public Works Services	(326,031)	(592,754)	(266,723)	55.00%
Solid Waste Services	(1,989,977)	(3,709,807)	(1,719,830)	61.73%
Engineering Services	(486,350)	(593,325)	(106,975)	81.97%
Transportation & Public Works	(13,225,475)	(26,626,110)	(13,400,635)	49.67%
Real Estate & Environmental Initiatives	(56,675)	(306,660)	(249,985)	18.48%
Planning, Building, & Licensing	(3,750,102)	(5,231,400)	(1,481,298)	71.68%
Cultural Services	(1,225,486)	(2,402,169)	(1,176,683)	51.02%
Recreation & Leisure Services	(4,203,027)	(8,707,116)	(4,504,089)	48.27%
Housing & Social Services	(27,047,920)	(60,100,305)	(33,052,385)	45.00%
Long Term Care	(6,132,759)	(12,379,120)	(6,246,361)	49.54%
Communications & Customer Experience	(500,843)	(1,119,045)	(618,202)	44.76%
Commissioner's Office	(13,783)	(80,000)	(66,217)	17.23%
Community Services	(42,930,595)	(90,325,815)	(47,395,220)	47.53%
Human Resources & Organization Development	(134,944)	(363,086)	(228,142)	37.17%
Facilities Management & Construction Services	(1,543,332)	(3,384,232)	(1,840,900)	45.60%
Legal Services	(835,227)	(2,022,906)	(1,187,679)	41.29%
Office of the City Clerk	(42,223)	(136,349)	(94,126)	30.97%
Fire & Rescue	(184,749)	(327,330)	(142,581)	56.44%
Information Systems & Technology	(567,204)	(1,127,967)	(560,763)	50.29%
Corporate Services	(3,307,679)	(7,361,870)	(4,054,191)	44.93%
Mayor, Council, & CAO	(350,825)	(750,615)	(399,790)	36.75%
Airport	(813,427)	(1,735,200)	(921,773)	46.88%
Financial Services	(656,048)	(1,367,052)	(711,004)	47.99%
Finance & Administration	(1,820,300)	(3,852,867)	(2,032,567)	47.25%
Agency Transfers	(354,048)	(2,038,389)	(1,684,341)	17.37%
Fiscal Services & Capital Levy	(2,103,336)	(9,638,179)	(7,534,843)	21.82%
Agency and Board Transfers & Fiscal Services	(2,457,384)	(11,676,568)	(9,219,184)	21.05%
Sub-Total	(63,741,433)	(139,843,230)	(76,101,797)	45.58%
Taxation Revenue	(249,612,234)	(250,449,925)	(837,691)	99.67%
Total	(313,353,667)	(390,293,155)	(76,939,488)	80.29%
Water	(14,390,573)	(28,568,819)	(14,178,246)	50.37%
Wastewater	(16,666,529)	(32,905,499)	(16,238,970)	50.65%
Gas	(16,728,699)	(35,391,901)	(18,663,202)	47.27%
Appliance Rental	(1,445,300)	(2,832,648)	(1,387,348)	51.02%
Municipal Utilities	(49,231,101)	(99,698,867)	(50,467,766)	49.38%
Total Net Operating	(362,584,768)	(489,992,022)	(127,407,254)	74.00%

City of Kingston
Gross Expenditures
As At June 30, 2019

	Actuals	Annual	Variance	YTD=50%
	Year to Date	Budget	\$	Actual to
				Budget
				%
Transit & Fleet Services	13,986,283	28,815,401	14,829,118	48.54%
Transportation Services	5,020,998	11,448,253	6,427,255	43.86%
Public Works Services	12,848,605	23,274,966	10,426,361	55.20%
Solid Waste Services	5,747,854	11,935,359	6,187,505	48.16%
Engineering Services	1,331,859	2,768,024	1,436,165	48.12%
Transportation & Public Works	38,935,599	78,242,003	39,306,404	49.76%
Real Estate & Environmental Initiatives	517,647	1,341,632	823,985	38.58%
Planning, Building, & Licensing	4,813,806	7,804,290	2,990,484	61.68%
Cultural Services	4,137,244	6,873,928	2,736,684	60.19%
Recreation & Leisure Services	8,049,708	16,802,164	8,752,456	47.91%
Housing & Social Services	35,083,173	77,215,015	42,131,842	46.47%
Long Term Care	8,822,550	18,166,519	9,343,969	48.56%
Communications & Customer Experience	1,233,718	2,786,392	1,552,674	44.28%
Commissioner's Office	229,335	535,377	306,042	42.84%
Community Services	62,887,181	131,525,317	68,638,136	47.81%
Human Resources & Organization Development	1,667,291	3,528,206	1,860,915	47.26%
Facilities Management & Construction Services	2,899,292	6,469,511	3,570,219	44.81%
Legal Services	1,633,247	3,366,399	1,733,152	48.52%
Office of the City Clerk	926,742	1,972,832	1,046,090	46.98%
Fire & Rescue	12,350,772	25,263,313	12,912,541	48.89%
Information Systems & Technology	2,175,912	4,975,952	2,800,040	43.73%
Commissioner's Office	130,051	315,401	185,350	41.23%
Corporate Services	21,783,307	45,891,614	24,108,307	47.47%
Mayor, Council, & CAO	1,284,444	2,659,885	1,375,441	50.17%
Airport	835,722	1,770,200	934,478	47.21%
Financial Services	1,600,248	3,281,267	1,681,019	48.77%
Finance & Administration	3,720,414	7,711,352	3,990,938	48.25%
Agency Transfers	37,309,399	74,666,759	37,357,360	49.97%
Fiscal Services & Capital Levy	20,270,431	47,066,435	26,796,004	43.07%
Agency and Board Transfers & Fiscal Services	57,579,830	121,733,194	64,153,364	47.30%
Sub-Total	184,906,331	385,103,480	200,197,149	48.01%
Taxation Revenue	5,272,238	5,189,676	(82,562)	101.59%
Total	190,178,569	390,293,156	200,114,587	48.73%
Water	13,408,796	28,568,819	15,160,023	46.94%
Wastewater	15,703,020	32,905,499	17,202,479	47.72%
Gas	15,897,632	35,391,901	19,494,269	44.92%
Appliance Rental	1,418,137	2,832,648	1,414,511	50.06%
Municipal Utilities	46,427,585	99,698,867	53,271,282	46.57%
Total Net Operating	236,606,154	489,992,023	253,385,869	48.29%