



**City of Kingston
Report to Council
Report Number 19-136**

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: September 3, 2019
Subject: 2019 Budget Update – County of Frontenac Services

Executive Summary:

The City's 2019 operating budget was approved on February 19, 2019. Final budget requests were not available for County of Frontenac Land Ambulance Services and Fairmount Home for the Aged. City staff worked with the County of Frontenac to review budget forecasts and obtain estimates that were used to incorporate anticipated requirements into the 2019 approved municipal operating budget. A total increase of 5% for land ambulance and Fairmount Home were included in the 2019 City operational budget. This 5% did not include special projects and increased levels of services as initially identified by the County of Frontenac.

The City has subsequently received final budget submissions from the County, attached as Exhibits A and B. This report is provided to update Council on the budget requests that have been received and to provide further detail on subsequent discussions with County representatives. The report also identifies three options for approving the final 2019 budget allocation for County of Frontenac – Land Ambulance Services and Fairmount Home for the Aged:

1. Approval of the funding envelopes currently included in the City's 2019 approved operating budget;
2. Approval of the 2019 budget allocation as presented by County staff during budget deliberations and as proposed by the City at the June 26, 2019 RULAC meeting; or
3. Approval of the 2019 budget request as submitted by the County of Frontenac.

Each option has a different funding scenario that relies on the use of 2019 contingency funds as well as a requirement for funding from the Working Fund Reserve.

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Options 1 and 2 are less than the final 2019 budget request submitted by the County of Frontenac. It is anticipated that the choice of either of these options could result in further discussions with the County and perhaps mediation as provided for under the Restructuring Order. Option 3 will require an additional budget allocation to be borrowed from the Working Fund Reserve and repaid by way of a special tax levy, in addition to the 1.5%, in 2020.

Although discussions have taken place in regards to long term budget forecasting, City staff recognize that the Province will be reviewing the delivery of land ambulance and long term care over the next couple of years. The provincial review will most likely lead to significant changes in roles and responsibilities as well as funding formula for both the City and the County.

On August 19th, the Province announced that there would be an increase to land ambulance services funding by an average of 4% for 2019. These funds would be directed to the County of Frontenac and reconciliation at year-end would need to occur in order to determine potential savings for the overall City.

Recommendations:

That Council consider the following options for approving the 2019 budget allocation for County of Frontenac – Land Ambulance Services and Fairmount Home for the Aged and direct staff to amend 2019 budget estimates for County services to reflect the necessary base funding levels:

Option 1:

That Council support option 1 and approve the County of Frontenac 2019 budget allocation of \$9,646,004 as currently included in the City's approved 2019 operating budget including an allocation for Land Ambulance Services in the amount of \$7,366,324 and for Fairmount Home for the Aged in the amount of \$2,279,680.

OR

Option 2:

That Council support option 2 and approve the County of Frontenac 2019 budget allocation of \$9,893,642 as presented by County staff during budget deliberations and as proposed by the City at the June 26, 2019 RULAC meeting, including an allocation for Land Ambulance Services in the amount of \$7,573,927 and for Fairmount Home for the Aged in the amount of \$2,319,715; and

That the 2019 County of Frontenac budget allocation be funded as follows:

\$9,646,004 from the budget envelopes previously approved in 2019 operating budget;

\$150,000 from contingency funds previously approved in 2019 operating budget;

\$97,638 from the Working Fund Reserve.

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OR

Option 3:

That Council support option 3 and approve the County of Frontenac 2019 budget allocation of \$10,100,208 as submitted by the County of Frontenac, including an allocation for Land Ambulance Services in the amount of \$7,618,232 and for Fairmount Home for the Aged in the amount of \$2,481,976; and

That the 2019 County of Frontenac budget allocation be funded as follows:

\$9,646,004 from the budget envelopes previously approved in 2019 operating budget;

\$150,000 from contingency funds previously approved in 2019 operating budget; and

That the remaining unbudgeted amount of \$304,204 be borrowed from the Working Fund Reserve and repaid by way of a special tax levy in 2020.

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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:

Peter Huigenbos, Acting Commissioner, Community Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Sheila Kidd, Commissioner, Transportation & Public Works	Not required
Deanne Roberge, Acting Commissioner, Corporate Services	

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Options/Discussion:

The City's 2019 operating budget was approved by Council on February 19, 2019. Final budget requests were not available at that time for County of Frontenac services - Fairmount Home for the Aged and Land Ambulance. As a result of discussions with the County of Frontenac, budget envelopes with a 5% increase were included in the City's 2019 approved operating budget to provide for these budget requests. The 5% did not include funds for special projects and increased levels of services as initially submitted by the County of Frontenac as City staff encouraged a status quo budget to get closer to the City Council target of 2.5%. County representatives presented some slightly revised and higher budget estimates than the 5% increase at the City's 2019 budget deliberations noting that County Council's budget deliberations were pending.

County of Frontenac 2019 Final Budget Requests

The table below summarizes the 2019 final budget requests received from the County of Frontenac on March 26, 2019 (Exhibits A and B). The budget requests represent an overall increase of 9.8% over the 2018 approved budgets. The annual debenture contribution for Fairmount Home for the Aged is a separate line item in the City's annual operating budget and is not included in the analysis below.

County of Frontenac 2019 Budgets Estimates (City Share)	2018 Approved Budget	2019 Final Budget Request	Percentage Increase
Land Ambulance Services	\$ 7,029,870	\$ 7,618,232	8.4%
Fairmount Home for the Aged	<u>2,169,650</u>	<u>2,481,976</u>	14.4%
Total	<u>\$ 9,199,520</u>	<u>\$ 10,100,208</u>	9.8%
Fairmount Home for the Aged – Annual Debenture Contribution	\$ 712,500	\$ 712,500	0.0%

Budget Detail - Land Ambulance Services

The County of Frontenac has approved a 2019 net operating budget requirement for Land Ambulance Services in the amount of \$9,624,869, which represents a 7.8% operating budget increase over the prior year. The City's share of Land Ambulance costs, based on a 2018 weighted assessment allocation of 78.97% is \$7,600,233. In addition, the County of Frontenac has approved a 2019 capital budget for the Land Ambulance in the amount of \$22,793, with the City's share being \$17,998.

In total, the City's share of the 2019 budget request for Land Ambulance Services represents an increase of 8.4% over the prior year, including approximately 0.8% increase as a result of a shift in the weighted assessment allocation between the City and the County.

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The following table provides further detail regarding the Land Ambulance Services 2019 final budget request and the calculated budget shortfall.

Land Ambulance Services	City Share of 2018 Approved Budget	2019 City Approved Budget Envelope	City Share of 2019 Budget Request	Budget Shortfall
City share - operating	\$ 7,000,331		\$ 7,600,233	
City share – capital	29,539		17,998	
Total	\$ 7,029,870	\$ 7,366,324	\$ 7,618,232	\$ 251,908

Budget Detail - Fairmount Home for the Aged

The County of Frontenac has approved a 2019 net operating budget for Fairmount Home for the Aged in the amount of \$3,411,115 which represents a 15.6% operating budget increase over the prior year. The City's share of these costs, based on a previously negotiated allocation of 68%, is \$2,319,558. In addition, the County of Frontenac has approved a 2019 capital budget for Fairmount Home for the Aged in the amount of \$263,850. The City's share of the 2019 capital budget is \$162,418 based on an allocation of 68% less \$17,000 of unspent funds held back from the 2018 capital budget.

In total, the City's share of the 2019 budget request for Fairmount Home for the Aged represents an increase of 14.4% over the prior year. This does not include the annual debenture contribution of \$712,500 to fund the City's share of a previous reconstruction project for Fairmount Home for the Aged.

The following table provides further detail regarding the Fairmount Home for the Aged 2019 final budget request and the calculated budget shortfall.

Fairmount Home for the Aged	City Share of 2018 Approved Budget	2019 City Approved Budget Envelope	City Share of 2019 Budget Request	Budget Shortfall
City share - operating	\$ 2,007,210		\$ 2,319,558	
City share – capital	162,440		162,418	
Total	\$ 2,169,650	\$ 2,279,680	\$ 2,481,976	\$ 202,296

County of Frontenac Budget Shortfall

The following table summarizes the budget shortfall, totaling \$454,204, between the budget requests and the budget envelopes that were included in the City's 2019 approved operating budget for both Land Ambulance Services and Fairmount Home for the Aged.

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County of Frontenac (City share)	2018 Approved Budget	2019 City Approved Budget Envelope	2019 Budget Request	2019 Budget Envelope Shortfall
Land Ambulance Services	\$ 7,029,870	\$ 7,366,324	\$ 7,618,232	\$ 251,908
Fairmount Home for the Aged	<u>2,169,650</u>	<u>2,279,680</u>	<u>2,481,976</u>	<u>202,296</u>
Total	\$ 9,199,520	\$ 9,646,004	\$ 10,100,208	\$ 454,204

In addition to the preliminary budget envelopes included in the 2019 approved operating budget, staff earmarked contingency funds of \$150K in fiscal services for outstanding agency requests. After utilizing these funds, there will still be an overall shortfall of \$304,204 which, if approved, will need to be funded from other sources.

Chronology of Budget Projections and Submissions

The table below summarizes the County’s preliminary budget submissions, the envelopes included in the City’s 2019 approved operating budget to provide for anticipated budget requests and the County’s final 2019 budget requests as outlined above.

Based on discussions with County staff, and in order to finalize the City’s 2019 budgets, City staff incorporated a 5% increase over 2018 budget for the 2019 budget envelopes for both Land Ambulance Services and Fairmount Home for the Aged. While these projected budget envelopes were less than the County’s original budget submission, they reflected anticipated reductions as part of the County’s deliberation process. The projections assumed the removal of special one-time projects/increased levels of service and the consideration of phasing in a Land Ambulance increase over two years in order to reduce the budget requests to a more manageable level.

County of Frontenac 2019 Budgets Estimates (City Share)	Original Budget Submission	2019 City Approved Budget Envelope	2019 Final Budget Request
Land Ambulance Services	\$ 7,610,323	\$ 7,366,324	\$ 7,618,232
Fairmount Home for the Aged	<u>2,403,680</u>	<u>2,279,680</u>	<u>2,481,976</u>
Total	<u>\$ 10,014,003</u>	<u>\$ 9,646,004</u>	<u>\$ 10,100,208</u>
Total % budget increase over prior year	8.9%	5.0%	9.8%
Fairmount Home for the Aged – Annual Debenture Contribution	\$ 712,500	\$ 712,500	\$ 712,500

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Rural Urban Liaison Advisory Committee (RULAC)

In efforts to address the discrepancy between the County-approved budget submission for 2019 and the amount previously approved in the City’s 2019 budget for Land Ambulance Services and Fairmount Home for the Aged, a meeting of the Rural Urban Liaison Advisory Committee (RULAC) was held on June 26, 2019 at the County of Frontenac’s Administrative Building.

The discussion focused on the 2019 budget request from the County which showed an increase of 8.4% for Land Ambulance Services and 14.4 % for Fairmount Home for the Aged (10.8% including the annual debenture contribution). It was noted that City Council’s previous direction was to maintain tax increases at no more than 2.5% (including a 1% increase for incremental capital infrastructure purposes) and communications with agencies and boards reflected a necessity to work within inflation parameters (estimated in the 1.5% - 2% range) in order to achieve Council’s targeted tax increase.

The City put forward a proposal at RULAC that a 2019 budget recommendation come back to City Council reflecting a 7.5% budget increase overall made up of a 7.7% increase for Land Ambulance Services and a 6.9% increase for Fairmount Home for the Aged. This proposal aligns with the numbers presented by County staff at the City’s 2019 budget deliberations and reflects the original draft budget submission from the County less the one-time special project proposals.

The proposal suggested that the amount exceeding the 5% budget increase currently approved in the City’s 2019 operating budget would be taken from City reserves (approximately \$250K) and that the County consider options to address the remaining difference (approximately \$200K) including the option to fund from their reserves in 2019.

Recommendation at RULAC

The following motion of RULAC was carried:

“Be It Resolved That the County of Frontenac reopen the 2019 budget for Frontenac Paramedic Service and Fairmount Home for budget levy”.

It was also suggested at the RULAC meeting that City and County staff meet to confirm details of the City of Kingston’s recommendation with respect to the 2019 County of Frontenac budget request and the exact amount of County reserves that is being proposed to be used to fund the additional increase. As a result of discussions between the City and County Treasurers, correspondence was sent to the County’s Director of Corporate Services/Treasurer on July 12, 2019 from the City’s Chief Financial Officer and City Treasurer outlining the following:

Frontenac Paramedic Services 2019 Budget Request:

	<u>2018</u>	<u>2019</u>	<u>Difference</u>	<u>Increase</u>
2019 Budget request (City proposal)	\$ 7,029,870	\$ 7,573,927	\$ 544,057	7.7%

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2019 Budget request as approved by County Council	<u>\$ 7,618,232</u>
Shortfall	\$ 44,305

The shortfall of \$44,305 represented primarily two project proposals (\$36,326) and an operating budget change for training materials and contracted services (\$7,909) added after the budget presentation to the City in January 2019.

Fairmount Home for the Aged 2019 Budget Request:

	<u>2018</u>	<u>2019</u>	<u>Difference</u>	<u>Increase</u>
Total 2019 Budget request	\$ 2,882,150	\$ 3,032,215		5.2%
Less annual debt payment	<u>712,500</u>	<u>712,500</u>		
2019 Budget request (City proposal)	\$ 2,169,650	\$ 2,319,715	\$ 150,065	6.9%
2019 Budget request as approved by County Council		<u>\$ 2,481,976</u>		
Shortfall		\$ 162,261		

The shortfall of \$162,261 represented primarily two project proposals (\$84,003) as well as a new position, ADOC Resident Services, offset by MOH funding (\$49,335) and additional operating budget for severances (\$28,964) both added after the budget presentation to the City in January 2019.

The proposal outlined above will require the City to fund approximately \$250K over and above the envelopes approved in the 2019 operating budget and will require the County to fund a shortfall from their 2019 final budget submission of approximately \$200K.

The recommendation from RULAC was brought to County Council on July 17, 2019. The motion did not get support for being put forward and was therefore not approved. As a result, staff are bringing this budget matter back to Council as the City's 2019 approved operating budget does not account for the additional increases that the County Council has approved for both Land Ambulance Services and Fairmount Home for the Aged.

Shared Service Delivery Model

The shared service delivery model between the City of Kingston and the County of Frontenac was initially created by the Restructuring Order issued by the Ministry of Municipal Affairs and Housing, effective 1 January 1998. Under the Order, both the new City of Kingston and the County of Frontenac were created and certain municipal services were allocated to one or the other local government to be provided throughout their combined geographical jurisdiction. This shared services model was also implemented in other areas of Ontario.

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The wording of the Restructuring order is quite general. As a result, in the years immediately following the Restructuring Order, seven different agreements were entered into between the City of Kingston and the County of Frontenac to specifically define obligations related to the services provided between the municipalities. In 2004-2005 there was a disagreement between the municipalities which resulted in a more formal binding arbitration process to determine certain specifics of each municipality's respective rights. This process led to the local services agreement between the two parties, dated August 24, 2005 which remains in effect today.

Since 2005, the parties have managed the shared services cooperatively and within mutual expectations based on the principles established in the various local service agreements as well as the decision of the arbitrator. Those principles include:

- The obligation to pay for aspects of services is not only based on the original allocation set out in the Restructuring Order. For example, in a 2002 funding agreement related to an expansion of Fairmount Home for the Aged, the long term care home operated by the County, the parties acknowledged that the City would be responsible for 74% of the cost of original beds that existed in 1998 while any additional beds would be funded equally by the parties. It was also agreed that the County and its lower tier townships would be solely responsible for any further capital expenditures in respect of that project.
- The arrangement is based on open book sharing of information. Section 35 of the August 24, 2005 agreement states that each party shall keep proper accounts and copies of all receipts, revenue, costs and expenditures incurred in connection with the local services, and such accounts, records or other relevant information shall be open to inspection and independent audit by the other party.
- The arrangement is also to be based on cost effectiveness. At section 2, 3 and 4 the August 24, 2005 agreement, it states that the respective assigned Service Manager for Consolidated Municipal Services, POA and Land Ambulance will each determine within Provincial policies the most cost effective approach on the service delivery area within applicable Provincial policies.

The current situation indicates that these principles may require reassertion in the City's relationship with the County under further discussion and perhaps mediation as provided for under section 13 of the Restructuring Order. This has been required, as noted, in the past.

Next Steps – Options for 2019 Budget Allocation

Staff have provided a number of options in an effort to finalize the 2019 budget contribution to be made to the County of Frontenac for Land Ambulance and Fairmount Home for the Aged Services.

As discussed above, the City's 2019 approved operating budget includes budget envelopes for the County services totalling \$9,646,004. In addition, contingency funds in the amount of \$150,000 were included in the 2019 fiscal services budget in order to address the outstanding risk of any agency shortfalls, noting in particular that the County of Frontenac's budget deliberations were pending.

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Three options are proposed for consideration:

- Approval of the funding envelopes currently included in the City’s 2019 approved operating budget;
- Approval of the 2019 budget allocation as presented by County staff at City budget deliberations and as proposed by the City at the June 26, 2019 RULAC meeting;
- Approval of the 2019 budget request as submitted by the County of Frontenac.

The funding scenarios are summarized in the table below outlining, where required, the use of 2019 contingency funds as well as a requirement for funding from the Working Fund Reserve.

Funding Options	Total budget	Budget increase over 2018	Use of 2019 contingency funds	Use of Working Fund Reserve
1. Approve amount currently included in the City’s approved 2019 operating budget.	\$ 9,646,004	5.0%	-	-
2. Approve amounts proposed by City at June 26, 2019 RULAC meeting.	\$ 9,893,642	7.5%	\$ 150,000	\$ 97,638
3. Approve budget request submitted by the County.	\$10,100,208	9.8%	\$ 150,000	\$ 304,204

Option 1 represents the amounts currently included in the City’s approved 2019 operating budget. This represents an overall increase for County services of 5.0% over the 2018 budget and will not require any further funding approvals.

Option 2 represents the amounts proposed by the City at the June 26, 2019 RULAC meeting. This represents an overall increase for County services of 7.5% over the 2018 budget and will require the use of \$150K of contingency funds as well as an additional \$97,638 of funding from the Working Fund Reserve. This option addresses the County’s requirements as first submitted to City staff with the removal of both the additional one-time project proposals (\$120K) and the additional budget requirements added to the County’s budget request subsequent to the presentation at the City’s budget deliberations (\$86K).

Option 3 represents the budget request as approved by County Council and submitted to the City. This represents an overall increase for County services of 9.8% over the 2018 budget and will require the use of \$150K of contingency funds. It is recommended under this option that the remaining \$304,204 be borrowed from the Working Fund Reserve and repaid by way of a special tax levy in 2020.

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Options 1 and 2 are less than the 2019 budget request submitted by the County of Frontenac. It is anticipated that the choice of either of these options will require further discussions with the County and perhaps mediation as provided for under the Restructuring Order, as noted above.

Prior Years’ Approved Budget Allocations - County Services

For reference purposes, the following table provides information on previous years’ approved budget allocations for Land Ambulance Services and Fairmount Home for the Aged.

	2019 Final Budget Request	2018 Approved Budget	2017 Approved Budget	2016 Approved Budget	2015 Approved Budget
Land Ambulance Services	\$ 7,618,232	\$ 7,029,870	\$ 6,793,184	\$ 6,491,073	\$ 6,291,264
% increase	8.4%	3.5%	4.7%	3.2%	3.0%
Fairmount Home for the Aged	\$ 2,481,976	\$ 2,169,650	\$ 1,757,927	\$ 1,963,718	\$ 1,869,382
% increase	14.4%	23.4%	(10.5%)	5.0%	6.3%
Total	\$ 10,100,208	\$ 9,199,520	\$ 8,551,111	\$ 8,454,791	\$ 8,160,646
% increase	9.8%	7.6%	1.1%	3.6%	3.7%

County Reconciliations – 2017 and 2018 Actuals

[Council Report Number 18-072](#), 2018 Budget Update – Agency and Board Requests, finalized the 2018 County of Frontenac budget submissions. As in any other year, an annual reconciliation will be prepared and the City would be responsible to recover its proportionate share of surpluses or pay its proportionate share of deficits. Staff received the 2018 year end reconciliations from the County in April 2019 for the two services. Land Ambulance Services has reported a 2018 net deficit of \$229,501 of which the City’s share will be \$180,025. Fairmount Home for the Aged has reported a 2018 net surplus of \$145,076 of which the City’s share will be \$98,652. The 2018 year end variances are summarized in the table below and show that the City’s share of the total net deficit for the two services totals \$81,373.

The 2017 reconciliations were also confirmed and reported a small net surplus of \$19,731. This amount will be applied to the 2018 net deficit resulting in an amount owing to the County of \$61,642. This amount will be expensed as part of the City’s 2019 operations and absorbed within the overall operating budget.

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County of Frontenac 2018 Year End Actuals (City Share)	2018 Approved Budget	2018 Year End Actuals	Year End Surplus (Deficit)
Land Ambulance Services	\$ 7,029,870	\$ 7,209,895	\$ (180,025)
Fairmount Home for the Aged	<u>2,169,650</u>	<u>2,070,998</u>	<u>98,652</u>
Total City share of net deficit	<u>\$ 9,199,520</u>	<u>\$ 9,263,893</u>	<u>\$ (81,373)</u>
2017 reconciliation - net surplus			19,731
Total payable to the County for 2017 and 2018 reconciliations			\$ (61,642)

Payments Made to the County of Frontenac

In discussions with the County Treasurer, and in accordance with prior years, the City has continued to pay regular monthly installments in 2019 for County services based on the previous year's approved allocation until the County's final budget submission is approved by City Council. Based on a recent invoice received from the County, a reconciling payment will be made to bring the total year to date payments up to the proportionate amount as approved for County services in the City's 2019 approved operating budget. Subsequent adjustments will be made depending on further direction from Council.

Existing Policy/By Law:

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

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

Financial information is included in the body of this report. 2019 budget estimates for County services will be amended based on the approved 2019 budget allocation and will reflect revised base funding levels and any related Working Fund Reserve funding approved for these services.

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Contacts:

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


Other City of Kingston Staff Consulted:


Alan McLeod, Acting Director, Legal Services and City Solicitor

Exhibits Attached:

Exhibit A County of Frontenac – Land Ambulance Services – 2019 Budget

Exhibit B County of Frontenac – Fairmount Home for the Aged – 2019 Budget

 FRONTENAC	County of Frontenac			
	FPS - County			
	Segmented 5 Year Budget			
		2018	2019	2018-2019
	Budget	Budget	Budget	Budget
	\$	\$	Variance \$	Variance
Operating Revenue				
User Charges				
Federal and Provincial	8,613,054	8,832,854	219,800	(2.55%)
Investment Income				
Other				
Transfers from Reserve		84,000	80,000	
Total Operating Revenue	8,613,054	8,916,854	303,800	(3.53%)
Operating Expense				
Salaries & Benefits	14,210,440	14,904,664	688,248	4.84%
Materials	900,565	981,574	69,425	7.71%
Contracted Services	1,351,261	1,530,481	56,674	4.19%
Rents & Financing	233,176	238,539	5,363	2.30%
Depreciation	611,163	757,253	146,090	23.90%
Reserve Transfers	847,175	886,465	39,290	4.64%
Unapproved Projects			126,090	
Total Operating Expense	18,153,780	19,298,976	1,145,196	6.31%
Net Municipal Contribution	9,540,726	10,382,122	841,396	8.82%
LESS: Depreciation	(611,163)	(757,253)	(146,090)	(23.90%)
Net Municipal Contribution LESS Depreciation	8,929,563	9,624,869	695,306	7.79%
City of Kingston	(7,000,331)	(7,600,233)	(599,902)	8.57%
County Contribution - Operating	1,929,232	2,024,636	95,404	4.95%
Capital Revenue	673,856	593,243	(80,613)	11.96%
Capital Expense	711,536	616,036	(95,500)	(13.42%)
Net Capital Expense	37,680	22,793	(14,887)	(39.51%)
City of Kingston - Capital	(29,539)	(17,998)	11,541	(39.07%)
County Contribution - Capital	8,141	4,795	(3,346)	(41.11%)
Total City of Kingston Contribution Requisition	7,029,870	7,618,232	588,362	8.37%
Primary Budget Additions After Prior Submission to Kingston:				
10 Year Resources and Facilities Master Plan	80,000			
County of Frontenac Reserve Transfer for Master Plan	(80,000)			
Paramedic Mental Wellness - Staff Psychologist	31,526			
Human Resources Recruitment Software	4,800			
Operating budget change on training materials & contracted s	7,978			

 FRONTENAC	County of Frontenac Fairmount - County Segmented 5 Year Budget			
	2018	2019	2018-2019	2018-2019
	Budget	Budget	Budget	Budget
	\$	\$	Variance \$	Variance (%)
Operating Revenue				
User Charges	3,120,586	3,236,808	116,222	(3.72%)
Federal and Provincial	6,012,360	6,323,720	311,360	(5.18%)
Other	198,838	73,663	(125,175)	62.95%
Transfers from Reserve	73,244	21,700	(51,544)	70.37%
Total Operating Revenue	9,405,028	9,655,891	250,863	(2.67%)
Operating Expense				
Salaries & Benefits	9,896,287	10,523,558	627,271	6.34%
Materials	1,064,399	1,155,156	90,757	8.53%
Contracted Services	1,349,084	1,329,459	(19,625)	(1.45%)
Depreciation	545,199	574,219	29,020	5.32%
Reserve Transfers	47,033	58,833	11,800	25.09%
Unapproved Projects				
Total Operating Expense	12,902,002	13,641,225	739,223	5.73%
Net Municipal Contribution	3,496,974	3,985,334	488,360	13.97%
LESS: Depreciation	(545,199)	(574,219)	(29,020)	(5.32%)
Net Municipal Contribution LESS Depreciation	2,951,775	3,411,115	459,340	15.56%
City of Kingston	(2,007,207)	(2,319,558)	(312,351)	15.56%
County Contribution - Operating	944,568	1,091,557	146,989	15.56%
Capital Revenue	66,163	99,832	33,669	(50.89%)
Capital Expense	238,882	263,850	24,968	10.45%
Net Capital Expense	172,719	164,018	(8,701)	(5.04%)
City of Kingston - Capital	(162,440)	(162,418)	22	(0.01%)
County Contribution - Capital	10,279	1,600	(8,679)	(84.43%)
County Contribution - Debenture				
County-Transfer to Long term Debt	1,172,313	1,246,176	73,863	6.30%
Debt Charges	359,037	285,174	(73,863)	(20.57%)
City Contribution to LT Debt FMT	(712,503)	(712,503)		
Provincial Contribution to Redevelopment	(483,552)	(483,552)		
Transfer from FRO Reserve	(125,000)	(125,000)		
Total County Contribution - Debenture	210,295	210,295		
Total City of Kingston Contribution	2,882,150	3,194,479	312,329	10.84%
Primary Budget Additions After Prior Submission to Kingston:				
Addition of FT PSW and PT Programming staff at Fairmount Home	\$53,879			
Human Resources Recruitment Software	\$4,684			
Operating budget change, primarily severance budget	\$19,696			