



**City of Kingston
Report to Council
Report Number 26-074**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Date of Meeting: April 21, 2026
Subject: 2025 Year End Financial Report

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

This report provides Council with a summary of the City's financial results for the 2025 fiscal year including a general municipal operating surplus of approximately \$1.5 million. Exhibits A through C to this report provide detailed operating budget and actual information and resulting variances for the year.

While the general municipal operating surplus for 2025 was approximately \$1.5M, it is important to note that close to \$1.0M of this represents a one-time funding adjustment from Public Health. Excluding this amount, the effective surplus was only \$500K on a \$500M operating budget.

These results underscore the current budgetary constraints the City faces and the limited flexibility to absorb unexpected costs. Year end operating surpluses have historically been directed to and represent the primary source of funding for the City's Working Fund Reserve (WFR), however, tighter budgets, increasing financial pressures, and escalating costs are making this more challenging.

In previous years, savings from staff turnover and vacancies typically contributed to a reasonable surplus; however, in 2025, staffing pressures in some departments, lower staff turnover and a tighter labour market resulted in total wage costs exceeding budget by approximately \$250K.

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As a result, reliance on year-end surpluses as a primary funding source for the WFR may not be sustainable, and alternative strategies will be required to support the reserve. The WFR has experienced a gradual reduction over the last few years and currently has a balance of approximately \$6M.

Exhibits A through C also report an operating surplus of just under \$5.7 million for municipal utilities and an operating surplus of just under \$1.3 million for consolidated external agencies (Library and Police). This report recommends that surpluses be allocated to reserves and reserve funds in accordance with policy.

In order to provide a comprehensive summary of the year-end results, this report also includes a year-end update on the status of capital projects, including recommendations for capital project closures as well as other budget amendments and funding reallocations for ongoing capital initiatives. The capital works-in-process as at December 31, 2025, have been included as Exhibit E to this report.

Also included in this report are legislative annual reporting requirements under the Ontario Building Code Act and Planning Act as well as an annual update on Municipal Accommodation Tax collections and allocations.

The 2025 annual audited financial statements will be presented to the Administrative Policies Committee in June upon completion of the external audit process.

Recommendation:

That Council receive the 2025 financial year-end report; and

That Council approve that the net surplus generated from municipal operations in the amount of \$1,507,485 be allocated to the following reserve funds:

- a. Working Fund Reserve \$ 1,057,485
- b. Housing & Homelessness Reserve \$ 450,000

That Council approve that the net surplus as reported by the consolidated external agencies in the amount of \$1,295,835 be allocated to following reserve funds:

- a. Municipal Capital Reserve Fund \$ 436,904
- b. Police Equipment Reserve Fund \$ 400,000
- c. Working Fund Reserve \$ 458,931

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That Council approve that the net surplus generated from municipal utilities operations in the amount of \$5,663,844 be allocated to following reserve funds:

- a. Water Capital Reserve Fund \$ 2,177,269
- b. Wastewater Capital Reserve Fund \$ 2,504,017
- c. Municipal Capital Reserve Fund \$ 912,640
- d. Appliance Rental Reserve Fund \$ 69,918

That Council approve a 2026 operating budget amendment for the Kingston Police of \$400K to address physical space constraints and operational efficiencies funded from the Police Equipment Reserve Fund; and

That Council approve capital budget changes, as well as financing of capital projects or (return of funds), as detailed in Exhibit D to Report Number 26-074; and

That Council approve the Utilities Kingston budget amendment to increase the 2025 appliance rental capital budget by \$142,625 to be funded from the appliance rental reserve fund; and

That Council approve a Utilities Kingston budget closure of \$80,302 from the Wastewater Development Charges approved budget; and

That Council waive the asset disposal requirements as included in the City’s Vehicle Operating Policy and approve the donation of a retired vehicle from the City’s fleet to the Downtown Kingston Business Improvement Association to deliver increased service levels in the downtown.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

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

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services

David Fell, President & CEO, Utilities Kingston

Jenna Morley, City Solicitor

Ian Semple, Commissioner, Transportation & Infrastructure Services

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Options/Discussion:

Background

The financial information provided in this report is derived from the financial accounting records of The Corporation of the City of Kingston as at December 31, 2025. The report reflects 2025 actual revenue and expenditure information together with the approved operating budget. Exhibits A to C are attached, reported by group, and summarized by department. Agency transfers and municipal utilities are summarized as well. Exhibit A reflects the net operating information (revenues less expenditures). Exhibits B and C reflect gross revenues and gross expenditures, respectively. Additionally, Exhibits E, F, G, and H provide information on building permit fees, height and density bonusing provisions, cash-in-lieu of parkland fees and community benefits respectively, in accordance with legislative requirements for annual reporting.

The discussion below provides further detail on the general municipal operating revenue and expenditure results to December 31, 2025.

2025 Year-End Operating Results

This report reflects 2025 year-end revenue and expenditure information together with the approved operating budget.

Exhibit A provides a breakdown of the total 2025 general municipal operating surplus of approximately \$1.5M, which represents 0.3% of the total municipal operating budget of \$508M.

Budgets were managed corporately throughout the year to ensure a balanced budget by year-end. Contributing to the surplus from general municipal operations was additional supplementary taxation revenues, greater than projected investment income and a reduced budget request from Southeast Public Health. These and other cost savings helped to offset budgetary pressures associated with higher than anticipated winter control costs, absentee costs related to Fire, additional transit fleet maintenance costs, staffing pressures in Recreation & Leisure and Solid Waste and lower than budgeted Airport revenues.

The following information provides further detail of budget variances by group, noting specific report recommendations for surpluses to be allocated to reserves and reserve funds in accordance with policy.

Exhibit A also provides a breakdown of the operating surplus for the municipal utilities and for consolidated agencies - Library and Police.

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i. Transportation & Infrastructure Services

This group experienced a net deficit of approximately \$2.8M on a net budget of \$60.0M.

Transit Services - Transit reported a net deficit of approximately \$958K due primarily to additional fleet maintenance costs for parts, hard supplies and staffing, net of fuel savings of \$532K. Ongoing supply chain delays are driving higher fleet maintenance costs as vehicles remain in service.

Transportation Services - Transportation Services is reporting a net surplus of \$696K. Actual revenues exceeded projections by \$126K. This was driven by a \$215K surplus in automated speed enforcement (ASE) revenue, which was partially offset by an \$80K shortfall in red light camera revenues. Service and administrative costs related to the ASE program and the red light camera program were \$324K less than expected and savings of \$244K were realized from position vacancies, including the Director position.

Public Works Services - Public Works reported a net deficit of just under \$1.7M. Winter control operations experienced cost overruns of \$3.1M due to an exceptionally challenging winter season with significantly more than the average number of winter events. Labour and equipment resources were reallocated from other parks and road maintenance activities to support winter operations, with associated costs partially offset by savings in those areas. Fuel savings of \$192K also helped to offset overall costs.

Solid Waste Services - Solid Waste reported a deficit of \$905K due to a revenue shortfall in bag tags of \$268K as well as additional backfill costs to cover sick time and other vacancies.

ii. Growth & Development Services

This group experienced a net surplus of approximately \$449K on a net budget of \$4.9M.

Building Services - Building permit revenues were lower than budget by \$95K, however savings in staffing costs of \$335K resulted in a reduced contribution from the Building Permit Stabilization Reserve Fund by \$268K.

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

Parking Operations - Parking operations, included within Licensing & Enforcement, reported an overall surplus of \$102K, which was transferred to the Parking Reserve Funds, in accordance with policy.

Licensing & Enforcement – Licensing & Enforcement has a net surplus of \$360K, due primarily to additional revenues including \$66K in raffle and bingo licenses and \$38K in pet license revenues. Revenues also include \$132K from ride share licenses, issued as part of the City's transition of the Transportation Networking Companies by-law and enforcement oversight.

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Climate Leadership Division - Climate Leadership Division has a net surplus of \$20K. A Green Community Improvement Plan (CIP) Program taxation levy of \$400K was collected in 2025, to support the multi-year program. Due to a slower uptake of the program than expected, \$300K of the anticipated program monies were not required in 2025 and were transferred to the Working Fund Reserve to be available for future Green CIP program use.

iii. Community Services

This group experienced a net surplus of approximately \$1.4M on a net budget of \$45.0M.

Arts & Culture Services - Arts & Culture Services reported a \$577K surplus as a result of additional event and show revenues of \$580K. Additional artists fees were offset by savings from position vacancies.

Housing and Social Services - The Housing and Social Services Department reported a surplus of approximately \$1.0M. Housing Services reported a surplus at year end of approximately \$450K due to the timing of transitional housing operational costs that were expected to commence in 2025. Ontario Works administration reported a surplus of \$254K as a result of lower-than-expected staffing costs and childcare services reported a surplus of \$300K due to higher-than-expected provincial subsidies.

This report includes a recommendation to transfer \$450K of the housing surplus to the Housing & Homelessness Reserve to address future operational pressures.

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

Recreation & Leisure - Recreation & Leisure Services reported a deficit of \$238K due primarily to higher-than-expected staffing costs of \$637K offset by savings from additional revenues (\$182K) and facility operational savings (\$258K). Staffing pressures arose from changes required to ensure compliance with legislation as well as higher aquatic and marina program demands. Appropriate adjustments were made to support these costs in the 2026 budget.

iv. Corporate & Emergency Services

This group experienced a net deficit of approximately \$296K on a net budget of \$49.1M.

Facilities Management - Facilities Management reported a \$67K surplus due primarily to utility savings of \$690K, net of savings allocated back to Recreation & Leisure (\$258K), Transit (\$121K) and Airport (\$33K). These savings were offset by budgeted working fund contributions for increased security costs that, due to other cost savings, were not required.

Fire & Rescue - Fire & Rescue reported a net deficit of just under \$1.0M including budget overruns related to WSIB premiums of \$445K. The remaining variance related to additional staffing and overtime costs required to cover absences related to WSIB and sick time.

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Surpluses reported in the other Corporate Services departments are due primarily to staffing turnover and vacancy savings as well as \$114K savings in telecommunications costs.

v. Finance and Administration

This group experienced a net deficit of approximately \$133K on a net budget of \$9.7M.

Airport operations - Airport Services reported a net deficit of \$224K reflecting the delays in resumption of air services. Revenue losses included passenger facility fees (\$278K), terminal revenues (\$95K) and parking revenues (\$23K). Revenue losses were offset by direct cost savings of \$150K. In accordance with the approved 2025 operating budget, \$440K was also budgeted to be transferred from the Working Fund Reserve to support the projected loss in revenues.

Surpluses reported in the other Finance & Administration departments are due primarily to staffing turnover and vacancy savings.

vi. External Agency Transfers

Year end financial results reflect budgeted transfers to the external agencies.

The surplus from external agency transfers reflects an adjustment to the original budget request from the Southeast Public Health for 2025 of \$945K as a result of the recent merger of the 16 individual health units into Southeast Public Health and the new board's direction to harmonize municipal contribution rates. This report recommends allocating the returned funds to the Working Fund Reserve.

Also included in the year-end results was a return of \$859K of 2024 surplus funds from the County of Frontenac for the City's share of operations of Fairmount Home and Paramedic Services. These funds were transferred to the Agency Stabilization Reserve to support future agency budget pressures.

vii. Fiscal Services

Fiscal Services, which includes the transfer of the capital levy to the Municipal Capital and Fire Reserve Funds, reported a net deficit of \$70K. Additional investment and interest income of \$700K was earned on bank balances and short-term investments, reflecting a slower-than-anticipated impact from reductions to the Bank of Canada policy rate. These savings are offset by the \$500K budgeted for salary gapping projections, with actual vacancy savings incorporated into respective departments. Payroll benefit rebates of \$800K were transferred to the Payroll Benefits Stabilization Reserve in accordance with policy to address future variability in payroll cost.

As shown in Exhibits B and C, higher than budgeted revenues and expenses are offset within Fiscal Services, which is used as a flow through mechanism to record land sales and Municipal Accommodation Tax transactions where respective revenues are flowed through to applicable

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reserves or reserve funds. Additional information on the Municipal Accommodation Tax is provided below.

The budgeted federal gas tax allocation of \$8.4M is also recorded in Fiscal Services and immediately transferred to the capital reserve funds.

viii. Taxation Revenues

The taxation revenue budget reported a net surplus of \$2.1M.

Supplementary taxes were \$900K higher than budgeted, offset by \$300K higher than budgeted taxation write-offs. The allowance assists in managing taxation revenue annual fluctuations resulting from subsequent appeals and other taxation adjustments, including potential impacts from a future assessment process change.

Payment-in-lieu of taxation (PILT) revenue was \$500K higher than budgeted, due to greater than anticipated new construction of federal properties from 2025 that were returned on the 2026 tax roll.

Brownfield incentive programs, for the remediation of contaminated properties, reported a \$550K surplus due to delays in some projects. These projects are expected to commence repayment by 2027.

Penalty and interest revenues are also greater than budget by \$500K trending down from \$800K in 2024. Approximately 300 properties are in a potential tax sale position while staff negotiate payment arrangements with the owners to avoid tax sale proceedings.

The taxes receivable balance at the end of 2025, including penalties and interest and net of the allowance, is just over \$11.1M, representing approximately 3.5% of the total taxation levy, similar to the 2024 fiscal year end and consistent with that of comparable municipalities.

Consolidated External Agencies

As consolidated external agencies, the transfers to Kingston Frontenac Public Library Board and Kingston Police are reported above as budgeted, however, these agencies reported 2025 year-end operating surpluses of \$437K and 859K respectively, which are shown separately on Exhibits A through C.

Kingston Police reported a net surplus of \$859K. Also on the April 7, 2026 Council agenda, Council Report Number 26-010 – Kingston Police Service Board Operating Budget as at December 31, 2025 – provides further detail on the 2025 year-end financial results for Kingston Police. Staff are recommending that \$400K of this surplus be transferred to the Police Equipment Reserve Fund and then used in 2026 to support facility modifications that will address current space constraints and improve operational efficiency. It is recommended that the remaining \$459K be transferred to the Working Fund Reserve.

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Kingston, Frontenac Public Library Board reported a surplus of \$437K, due primarily to savings resulting from staff vacancies and turnover. Staff are recommending that this surplus be transferred to the Municipal Capital Reserve Fund, to address future capital requirements related to library facilities.

Working Fund Reserve

After making the recommended transfers in this report, the uncommitted balance of the Working Fund Reserve at December 31, 2025, will be approximately \$6.0 M. With a preferred balance of \$9M–\$10M, staff will continue reviewing strategies to gradually replenish the reserve. Operating surpluses have traditionally replenished the Working Fund Reserve.

Municipal Operations Managed by Utilities Kingston

The operations of municipal utilities are funded entirely by rate revenues based on established charges approved by Council during budget deliberations. Annual surplus/deficits are dependant on the nature of the usage, often impacted by weather, as well as operational decisions made by Utilities Kingston management.

As these operations are capital intensive, it is appropriate practice to allocate year-end surplus amounts to respective capital reserve funds. Excess funds will be factored into future capital financing. In contrast, deficits are funded from the respective capital reserve funds.

Water Operations

Water operations resulted in a net operating surplus of just under \$2.2M for 2025. The water utility experienced impacts to revenue due to a 4% increase in consumption. Operating expenses were lower than budgeted due to lower-than-expected spending for water treatment plants, and less than expected spending on valve and hydrant maintenance. It is recommended that the water surplus be transferred to the Water Capital Reserve Fund.

Wastewater Operations

Wastewater operations resulted in a net operating surplus of \$2.5M for 2025. As with the water utility, the wastewater utility also experienced impacts to revenue due to a 4% increase in consumption. Operating expenses for the wastewater utility were lower than budgeted due to lower-than-expected spending for wastewater treatment plants and pumping stations. It is recommended that the wastewater surplus be transferred to the Wastewater Capital Reserve Fund.

Gas Distribution and Appliance Rental Operations

Gas distribution operations resulted in a total operating surplus of \$913K and appliance rental operations reported a total operating surplus of approximately \$70K for 2025.

The gas utility experienced impacts to revenue due to an 11% increase in consumption as a result of a colder than usual winter. Operating expenses for the gas utility were at budget while

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revenues were slightly higher than budgeted. It is recommended that the surplus from gas operations be transferred to the Municipal Capital Reserve Fund and the surplus from the appliance rental operations be transferred to the Appliance Rental Reserve Fund.

Gross revenues and expenditures for gas operations, as reported on Exhibits B and C, show a variance of approximately \$10.0M in both revenues and expenditures. Included in the gas operations are estimates for the commodity cost of gas which are dependent on commodity market conditions. The gas commodity charge is reported as a flow-through and therefore included in both revenues and expenditures to reflect the actual cost of the gas that is passed directly on to the customer. Gross revenue and expenditure budgets are normally set at a level that reflects any possible risk of higher commodity rates and/or usage.

Audited financial statements for the year ended December 31, 2025, for the operations of 1425445 Ontario Limited (operating as Utilities Kingston) and for Kingston Hydro Corporation have been prepared by Utilities Kingston management and will be presented to their respective Board of Directors for approval.

ix. Capital Project Status and Works-In-Process

The capital project structure is configured to support project close outs for specific departmental strategic projects. Capital asset management envelopes are not subject to a routine close out process, but balances are reviewed and reported regularly.

Exhibit D to this report and summarized below, includes recommendations for capital project closures as well as other budget amendments and funding reallocations necessary to ensure that the integrity of the capital budget approval process.

Source of Financing (Return of Funds):	Amount
Municipal Capital Reserve Fund	\$ (136,004)
Other Reserve Funds and Reserves:	
Solid Waste Reserve Fund	\$ 300,000
Building Stabilization Reserve Fund	400,000
Fire Capital Reserve Fund	(167,900)
Working Fund Reserve	<u>(32,553)</u> 499,547
Grants	<u>167,900</u>
Total Sources of Financing (Return of Funds)	<u>\$ 531,443</u>

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Capital budget amendments recommended in this report are detailed below.

- Included in Exhibit D, a budget increase of \$300K, funded from the Solid Waste Reserve Fund, to address cost escalation related to the relocation of the Household Hazardous Waste site.
- A budget amendment of \$400K is included in Exhibit D, funded from the Building Stabilization Reserve Fund, to implement a program as encouraged by the province, to improve the accuracy and completeness of building permit applications.
- A \$143K budget increase to the 2025 appliance rental capital program, as managed by Utilities Kingston, funded from the Appliance Rental Reserve Fund to fund higher-than-anticipated water heater costs and an increased number of units requiring replacement.
- A return of Utilities Kingston wastewater development charges budget funding that is no longer required after the approval of the 2025 Development Charges By-Law. Sufficient approved budget is available to support works-in-process.

This report also includes a recommendation to waive the asset disposal requirements as outlined in the city’s vehicle operating policy to allow for the donation of a retired vehicle to the Downtown Business Improvement Association (DBIA) valued at approximately \$16K. The DBIA provides services within the district that are above the level of services offered by the City. Providing access to a dedicated vehicle will strengthen the DBIA’s capacity to deliver these elevated service levels.

The following capital budget allocations were previously made in 2025 to Fire & Rescue budgets to support additional costs related to the acquisition of a new platform fire truck and are being reported in accordance with the delegated authority of the Chief Financial Officer & City Treasurer.

Project Description	Amount (\$)
200509 - FRE-Other Equipment	(5,000)
100104 - FRE Response Vehicles - Replace/Refurbish	(44,150)
201145 - FRE Communications Centre	(215,000)
201367 - FRE - Vehicles	(78,652)
201148 - FRE-Response Vehicles- Replace/Refurbish	342,802

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Exhibit E to this report provides an update on the status of capital works-in-process as at December 31, 2025. For reporting purposes, project numbers assigned to similarly named projects have been consolidated with reference to the respective project numbers.

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

The *Building Code Act* requires that building permit fees not exceed the cost of providing the service and that surplus fees be placed in a permit Stabilization Reserve Fund to ensure that a municipality does not suffer any negative financial impacts that would otherwise occur during a downturn in construction activity. This would also ensure that a municipality can retain the resources necessary to manage subsequent building booms.

Section 7(4) of the [Building Code Act](#) requires that the municipality publish an annual report on building fees. The 2025 Report on Building Fees is attached as Exhibit F.

xi. Annual Reporting - Sections 37 (repealed), 42 and 48 of the Planning Act

Under the former Section 37 of the Planning Act, municipalities could negotiate the provisions of facilities, services, or other matters (i.e. community benefits) from development applications seeking an increase in height and/or density beyond that permitted by the zoning By-Law. There were limited parameters in the Planning Act to guide these negotiations. Through Bill 197, the COVID-19 Economic Recovery Act, the Province deleted the height and/or density provision and replaced it with a new growth-related funding mechanism called a Community Benefits Charge (CBC). The new CBC tool allows municipalities, by by-law, to levy a charge against new residential development that is at least five storeys in height and that provides at least ten residential units, with limited exceptions, versus the previous tool that could only be applied against a development that was seeking an increase in height and/or density. Council enacted By-Law 2023-143, a Community Benefits Charges By-Law on July 11, 2023.

Prior to the aforementioned changes, former Section 37(7) (since repealed) required that the municipality publish an annual financial statement relating to the special account for height and density bonusing provisions. This statement must include the opening and closing balances for funds secured by way of agreements for development projects that received additional height and/or density. Despite the Planning Act replacing the height and/or density provisions in Section 37 with Community Benefit Charges in 2023, the City is still required to report the balances of these committed funds which are being held by the City and were secured through the former height and density agreements. The 2025 financial statement for height and density bonusing provisions is attached as Exhibit G.

Section 37(48) to the Planning Act prescribes the reporting requirements for the new Community Benefits Charge By-Law. The annual report for the collection and use of funds is outlined in Exhibit H. An additional commitment of \$280K to support renovations and improvements to future homeless shelter sites has been approved by [Council Report Number 25-121](#), with funds designated for use in 2026.

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Section 42(17) of the *Planning Act* also requires that the municipality publish an annual financial statement relating to the special account for cash-in-lieu of parkland fees. This statement must include the opening and closing balances of the Cash-In-Lieu of Parkland Reserve Fund as well as any amounts received and spent from these funds. The 2025 financial statement detailing the Cash in Lieu of Parkland Reserve Fund is attached as Exhibit I.

xii. Update on Municipal Accommodation Tax (MAT)

The Municipal Accommodation Tax (MAT) of 5%, which applies to hotels, motels, bed & breakfast and short-term rental accommodations, is administered by Kingston Accommodation Partners as the designated agency responsible for the collection of the MAT on behalf of the City, except for the MAT on short-term rentals which are collected by City staff. The City, Tourism Kingston (TK) and Kingston Accommodation Partners (KAP) have an established tripartite agreement to develop and promote Kingston as a tourist destination through the implementation and management of the MAT. Per the agreement, the funds collected are to be redistributed between marketing/promotion (65%) and a Development Fund (35%).

[Council Report Number 26-004](#) - Municipal Accommodation Tax Fund Yearly Update and Renewal of Agreement - provided an update of the MAT funds collected to October 2025 as well as a summary of the activities of the Development Fund and Development Fund commitments. The tables below provide updated information to December 31, 2025.

As part of Council Report 26-003, the Development Fund, historically held by the City, will now be held by TK to allow for more agility in allocating these funds to specific initiatives. Decisions related to the Development Fund allocations will still be authorized through the Development Committee which includes representation from TK, KAP and the City. Annual MAT updates will be provided by Tourism Kingston.

MAT funds collected to December 31, 2025

The table below summarizes the MAT funds collected and the allocation of funds based on the partnership agreement.

MAT Funds Collected	2025 (\$)	2024 (\$)
Total MAT collected by KAP	5,233,727	4,349,667
Total MAT collected by City (short term rentals)	300,890	210,625
Total MAT collected	5,534,617	4,560,292
65% transferred to TK and KAP to support tourism marketing/promotion and administration	3,597,501	2,978,736
35% transferred to the Development Fund Reserve	1,937,116	1,581,556

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Development Fund Balance – updated to December 31, 2025

The table below outlines the activities of the Development Fund in 2025, including the total MAT revenues transferred to the Development Fund and the approved use of these funds by the Development Fund Committee.

Development Fund Balance – December 31, 2024	\$ 3,835,804
35% transferred to the Development Fund Reserve (above)	1,937,116
Kingston Penitentiary Ticket Revenues	76,717
Subtotal	\$ 5,849,636
Drawdowns	\$ 1,619,077
Development Fund Balance – December 31, 2025	\$ 4,230,559

Development Fund commitments – updated to December 31, 2025

The table below summarizes commitments of Development Fund monies which will be funded from future MAT contributions, as available.

Development Fund Commitments	\$
Slush Puppie score clock	1,000,000
Conference Centre Operations	550,000
Film studio (projected for 2026/2027)	4,340,000
Pool (over a number of years, estimated to begin in 2027)	9,000,000
Confederation Basin Promenade (over three years 2028-2030)	1,500,000
Programs Manager – First Capital	225,000
Additional Horticulturist	241,312
Woodbine Park washroom upgrade	11,000
Film and Media Office operations	450,000
Air Canada landline service seat guarantee	121,125
OHL Draft	500,000

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Development Fund Commitments	\$
Travel Media Association of Canada contribution - 2027	100,000
Ontario Motor Coach Association tradeshow	20,000
Esport tournament	40,000
Slush Puppie Place Manager	750,000
Culinary Strategy	23,000

Existing Policy/By-Law

None

Financial Considerations

Included in the body of the report.

Contacts:

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

Other City of Kingston Staff Consulted:

Laura Deak, Manager of Finance, Utilities Kingston

Randy Murphy, Chief Financial Officer, Utilities Kingston

Jeff Walker, Manager, Taxation & Revenue

Lisa Capener-Hunt, Director, Building Services

Tim Park, Director, Planning Services

Karen Santucci, Director, Public Works and Solid Waste

Amy Elgersma, Director, Recreation & Leisure Services

Exhibits Attached:

Exhibit A - Net Operating as at December 31, 2025

Exhibit B - Gross Revenue as at December 31, 2025

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Exhibit C - Gross Expenditures as at December 31, 2025

Exhibit D - Closed Capital Projects and Budget Adjustments as at December 31, 2025

Exhibit E - Capital Works-In-Progress as at December 31, 2025

Exhibit F - 2025 Report on Building Fees

Exhibit G - Special Account for Height and Density Bonusing Provisions

Exhibit H - Special Account for Community Benefits

Exhibit I - Special Account for Cash-In-Lieu of Parkland