

Appendix-B | Operating Budget:

**Comparative Budget by Division
Budget 2026**

	2025 Restated Budget	2025 Year-End Projection	2026 Annual Budget	\$ Change vs. Restated Budget	% Change vs. Restated Total Budget	Commentary (Significant changes other than inflationary adjustments and Capital to Operating budget restatements)
CHIEF ADMINISTRATOR'S OFFICE						
CAO OFFICE	1,356,709	1,364,709	1,443,066	86,357	6.37%	
CHIEF ADMINISTRATOR'S OFFICE TOTAL	1,356,709	1,364,709	1,443,066	86,357	6.37%	
COMMUNITY SERVICES DEPARTMENT						
COMMUNITY SERVICES ADMINISTRATION	1,231,804	1,231,804	1,269,803	37,999	3.08%	
BY-LAW ENFORCEMENT	3,616,728	3,516,728	4,089,621	472,893	13.08%	
CORPORATE CUSTOMER SERVICE	1,386,128	1,366,128	1,541,001	154,873	11.17%	
FIRE	43,031,547	42,862,547	44,407,986	1,376,439	3.20%	
NEIGHBOURHOOD PROGRAMS & SERVICES	11,770,510	11,934,510	13,090,528	1,320,018	11.21%	Budget increase due to growth funding for Williamsburg Community Centre.
SPORT DIVISION	2,174,822	2,748,822	2,596,366	421,544	19.38%	Budget increase due to operating and funding for Cowan Recreation Centre.
COMMUNITY SERVICES DEPT TOTAL	63,211,539	63,660,539	66,995,305	3,783,766	5.99%	
FINANCIAL SERVICES DEPARTMENT						
FINANCIAL SERVICES ADMINISTRATION	533,496	548,496	676,419	142,923	26.79%	
FINANCIAL OPERATIONS	1,918,660	1,849,660	2,030,078	111,418	5.81%	
FINANCIAL REPORTING & ERP SOLUTIONS	876,314	865,314	893,674	17,360	1.98%	
FINANCIAL PLANNING & ASSET MANAGEMENT	1,384,120	1,368,120	1,532,407	148,287	10.71%	
REVENUE	238,395	245,395	258,167	19,772	8.29%	
FINANCIAL SERVICES DEPT TOTAL	4,950,985	4,876,985	5,390,745	439,760	8.88%	
CORPORATE SERVICES DEPARTMENT						
CORPORATE SERVICES ADMINISTRATION	582,835	598,835	656,858	74,023	12.70%	
EQUITY, ANTI-RACISM & INDIGENOUS INITIATIVES	879,250	858,250	908,160	28,910	3.29%	
MAYOR & COUNCIL	1,889,111	1,891,111	1,965,527	76,416	4.05%	
CORPORATE COMMUNICATIONS	2,037,568	2,157,568	2,094,042	56,474	2.77%	
HUMAN RESOURCES	3,509,257	3,551,257	3,759,771	250,514	7.14%	Budget increase due to salary adjustments
TECHNOLOGY INNOVATION & SERVICES	7,108,709	7,062,709	7,356,356	247,647	3.48%	
LEGAL	1,192,079	1,202,079	1,227,078	34,999	2.94%	
LEGISLATED SERVICES	1,534,072	1,553,072	1,639,426	105,354	6.87%	Budget increase due to salary adjustments
CORPORATE SERVICES DEPT TOTAL	18,732,881	18,874,881	19,607,218	874,337	4.67%	
DEVELOPMENT SERVICES DEPARTMENT						
DEVELOPMENT SERVICES ADMINISTRATION	864,384	889,384	892,317	27,933	3.23%	
ECONOMIC DEVELOPMENT	8,169,710	8,116,710	8,808,288	638,578	7.82%	
ENGINEERING ADMINISTRATION	(78,629)	834,371	(64,627)	14,002	-17.81%	
PLANNING	3,035,004	3,720,004	3,208,324	173,320	5.71%	
TRANSPORTATION SERVICES	4,149,657	4,120,657	4,261,727	112,070	2.70%	
DEVELOPMENT SERVICES DEPT TOTAL	16,140,126	17,681,126	17,106,029	965,903	5.98%	
INFRASTRUCTURE SERVICES DEPARTMENT						
INFRASTRUCUTRE SERVICES ADMINISTRATION	762,140	791,140	805,631	43,491	5.71%	
FACILITIES MANAGEMENT	18,412,347	18,731,347	20,866,831	2,454,484	13.33%	
PARKS & CEMETERIES	22,320,705	23,320,705	23,686,131	1,365,426	6.12%	
OPERATIONS - ROADS & TRAFFIC	13,449,901	13,599,901	14,138,347	688,446	5.12%	

**Comparative Budget by Division
Budget 2026**

	2025 Restated Budget	2025 Year-End Projection	2026 Annual Budget	\$ Change vs. Restated Budget	% Change vs. Restated Total Budget	Commentary (Significant changes other than inflationary adjustments and Capital to Operating budget restatements)
INFRASTRUCTURE SERVICES DEPARTMENT TOTAL	54,945,093	56,443,093	59,496,940	4,551,847	8.28%	
NET DEPARTMENTAL EXPENDITURES	159,337,333	162,901,333	170,039,303	10,701,970	6.72%	
GENERAL EXPENSES						
GRANTS & BOARDS	18,882,754	18,940,754	19,537,655	654,901	3.47%	Budget increase due to increases in grants provided to boards and external agencies.
GAPPING	(2,500,000)	(4,300,000)	(3,000,000)	(500,000)	20.00%	Budget decrease due to increased estimated gapping revenue
CAPITAL AND RESERVE FINANCING	19,494,344	19,494,344	18,754,756	(739,588)	-3.79%	Budget decrease due to a reduction in the transfer to capital as some costs have moved over to divisional operating budgets.
CONTRACT SERVICES	1,607,654	1,984,654	1,617,668	10,014	0.62%	
TAX WRITEOFFS & REBATES	98,051	91,051	-	(98,051)	-100.00%	
OTHER	2,842,428	2,826,428	2,921,541	79,113	2.78%	
GENERAL EXPENSES TOTAL	40,425,231	39,037,231	39,831,620	(593,611)	-1.47%	
TOTAL NET EXPENSES	199,762,564	201,938,564	209,870,923	10,108,359	5.06%	
GENERAL REVENUES						
TAXES						
GENERAL LEVY	(164,944,570)	(164,944,570)	(167,748,631)	(2,804,061)	1.70%	Budget increase due to assessment growth.
SUPPLEMENTARY TAXES/WRITE-OFFS	(1,250,000)	(1,250,000)	(1,550,000)	(300,000)	24.00%	Budget increase due to reduction of write-off estimates.
PAYMENTS IN LIEU	(5,009,465)	(5,009,465)	(4,959,465)	50,000	-1.00%	
	(171,204,035)	(171,204,035)	(174,258,096)	(3,054,061)	1.78%	
OTHER REVENUE						
INVESTMENT INCOME	(8,512,241)	(8,512,241)	(10,585,209)	(2,072,968)	24.35%	Budget increase due to interest rate assumptions.
PENALTIES AND INTEREST	(4,888,551)	(5,999,551)	(6,210,608)	(1,322,057)	27.04%	Budget increase due to higher revenue projection to reflect larger accounts receivable balances.
CONTRIBUTIONS FROM RESERVES AND ENTERPRISES	(14,508,276)	(14,508,276)	(14,508,276)	-	0.00%	
SUNDRY INCOME	(649,461)	(515,461)	(625,523)	23,938	-3.69%	
	(28,558,529)	(29,535,529)	(31,929,616)	(3,371,087)	11.80%	
GENERAL REVENUES TOTAL	(199,762,564)	(200,739,564)	(206,187,712)	(6,425,148)	3.22%	
GRAND TOTAL	-	1,199,000	3,683,211	3,683,211		

**CITY OF KITCHENER
BUILDING ENTERPRISE
5 YEAR OPERATING BUDGET PROJECTION**

(000's)	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	4,513	5,193	5,571	6,684	8,800	11,103	11,790
Other Revenue	46	96	131	155	184	244	261
REVENUE	4,558	5,289	5,702	6,839	8,984	11,347	12,051
Operating Expense	7,542	7,308	7,944	8,103	8,265	8,452	8,621
Transfer to Capital	24	24	83	4	27	89	5
EXPENSE	7,566	7,332	8,027	8,107	8,292	8,541	8,626
Net Revenue (Expense)	(3,008)	(2,043)	(2,325)	(1,268)	692	2,805	3,424

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.

**CITY OF KITCHENER
GOLF ENTERPRISE
5 YEAR OPERATING BUDGET PROJECTION**

(000's)	Budget 2025	Projection 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	3,372	4,423	4,074	4,237	4,407	4,583	4,766
REVENUE	3,372	4,423	4,074	4,237	4,407	4,583	4,766
Operating Expense	2,713	3,113	2,865	3,051	3,142	3,236	3,333
Debt Charges	217	217	217	217	217	217	217
Transfer to Capital	266	266	592	450	450	450	450
Transfer to Golf Cart Reserve	95	95	250	255	260	265	471
EXPENSE	3,290	3,691	3,924	3,973	4,070	4,169	4,471
Net Revenue (Expense)	82	733	150	264	337	414	295

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.

**CITY OF KITCHENER
PARKING ENTERPRISE
5 YEAR OPERATING BUDGET PROJECTION**

(000's)	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	5,063	5,132	5,848	6,087	6,659	6,809	7,080
Economic Development Subsidies	1,451	1,451	1,501	1,524	1,547	1,570	1,593
Other Revenue	721	735	845	860	877	892	904
REVENUE	7,236	7,318	8,194	8,471	9,082	9,271	9,578
Operating Expenses	4,513	4,586	5,117	5,218	5,338	5,465	5,557
Debt Charges	675	675	676	677	680	682	727
Transfers to Capital fund	1,159	1,159	869	891	906	924	937
Dividend Transfer to City	1,400	1,400	1,400	1,400	1,400	1,400	1,400
EXPENSE	7,747	7,820	8,062	8,185	8,324	8,472	8,622
Net Revenue (Expense)*	(511)	(501)	132	286	758	800	956

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.

CITY OF KITCHENER

WATER UTILITY - reduction in water sales volume by 300,000 m3

5 YEAR OPERATING BUDGET PROJECTION

(000's)	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	59,849	63,410	67,773	71,735	75,179	78,787	82,412
Other Revenue	1,674	1,843	1,826	1,847	1,904	1,977	2,038
REVENUE	61,523	65,253	69,599	73,582	77,083	80,764	84,450
Water Purchases	29,639	31,308	33,583	36,293	38,835	41,553	44,462
Operating Expense	14,419	14,715	15,023	15,643	16,191	16,728	17,301
Transfer to Capital	17,129	17,129	19,466	21,749	23,177	21,313	21,442
EXPENSE	61,187	63,152	68,072	73,685	78,203	79,594	83,205
Net Revenue (Expense)	336	2,101	1,527	(103)	(1,120)	1,170	1,245
* Transfer (to)/from Stabilization Reserve	(336)	(2,101)	(1,527)	103	1,120	(1,170)	(1,245)
Overall Enterprise Result	-	-	-	-	-	-	-

**CITY OF KITCHENER
SANITARY UTILITY
5 YEAR OPERATING BUDGET PROJECTION**

(000's)	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	76,890	81,504	88,812	96,069	102,793	110,090	113,394
Other Revenue	1,778	1,897	1,994	2,128	2,287	2,507	2,537
REVENUE	78,668	83,401	90,806	98,197	105,080	112,597	115,931
Sanitary Processing	41,062	40,361	45,484	49,755	52,198	53,190	54,202
Operating Expense	10,909	11,130	11,683	12,349	12,801	13,274	13,765
Transfer to Capital	27,230	27,230	33,072	35,665	38,423	39,719	44,570
EXPENSE	79,201	78,721	90,239	97,769	103,422	106,183	112,537
Net Revenue (Expense)	(533)	4,680	567	428	1,658	6,414	3,394
* Transfer (to)/from Stabilization Reserve	533	(4,680)	(567)	(428)	(1,658)	(6,414)	(3,394)
Overall Enterprise Result	-	-	-	-	-	-	-

**CITY OF KITCHENER
STORMWATER UTILITY
5 YEAR OPERATING BUDGET PROJECTION**

(000's)	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Core Revenue	30,108	30,289	32,647	35,106	37,749	40,589	43,521
Other Revenue	956	924	991	1,049	1,112	1,181	1,250
REVENUE	31,064	31,213	33,638	36,155	38,861	41,770	44,771
Operating Expense	10,999	11,021	11,587	12,095	12,624	13,159	13,694
Transfer to Capital	18,341	18,341	25,627	18,759	22,843	25,512	26,789
EXPENSE	29,340	29,362	37,214	30,854	35,467	38,671	40,483
Net Revenue (Expense)	1,724	1,851	(3,576)	5,301	3,394	3,099	4,288
* Transfer (to)/from Stabilization Reserve	(1,724)	(1,851)	3,576	(5,301)	(3,394)	(3,099)	(4,288)
Overall Enterprise Result	-	-	-	-	-	-	-

**CITY OF KITCHENER
GAS UTILITY
5 YEAR OPERATING BUDGET PROJECTION**

(000's)

	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
GAS DELIVERY							
Core Revenue	49,321	51,279	53,733	56,949	60,529	62,226	62,496
Other Revenue	221	316	215	219	224	228	233
REVENUE	49,542	51,595	53,948	57,168	60,753	62,454	62,729
Operating Expense	21,820	22,107	24,274	24,758	25,519	26,215	26,870
Transfer to Capital	15,382	15,382	18,653	19,131	22,261	25,487	23,005
Dividend Transfer to City	15,847	15,847	15,847	15,847	15,847	15,847	15,847
EXPENSE	53,049	53,336	58,774	59,736	63,627	67,549	65,722
Net Revenue (Expense)	(3,507)	(1,741)	(4,826)	(2,568)	(2,874)	(5,095)	(2,993)
* Transfer (to)/from Gas Delivery Stabilization Reserve	3,507	1,741	4,826	2,568	2,874	5,095	2,993
Overall Program Result	-	-	-	-	-	-	-

	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
OTHER PROGRAMS							
(Rental Water Heaters and KU Dispatch)							
Core Revenue	14,843	15,395	15,569	15,881	16,198	16,522	16,853
Other Revenue	360	339	367	375	382	390	398
REVENUE	15,203	15,734	15,936	16,256	16,580	16,912	17,251
Operating Expense	11,088	11,609	11,844	12,248	12,326	12,422	12,671
EXPENSE	11,088	11,609	11,844	12,248	12,326	12,422	12,671
Net Revenue (Expense)	4,115	4,125	4,092	4,008	4,254	4,490	4,580
* Transfer (to)/from Gas Delivery Stabilization Reserve	(4,115)	(4,125)	(4,092)	(4,008)	(4,254)	(4,490)	(4,580)
Overall Program Result	-	-	-	-	-	-	-

	Budget 2025	Projected 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
GAS SUPPLY							
Core Revenue	33,367	36,596	43,779	45,010	45,251	46,513	47,669
REVENUE	33,367	36,596	43,779	45,010	45,251	46,513	47,669
Operating Expense	34,837	38,336	44,024	44,713	45,607	46,519	47,450
EXPENSE	34,837	38,336	44,024	44,713	45,607	46,519	47,450
Net Revenue (Expense)	(1,470)	(1,740)	(245)	297	(356)	(6)	219
* Transfer (to)/from Gas Supply Stabilization Reserve	1,470	1,740	245	(297)	356	6	(219)
Overall Program Result	-	-	-	-	-	-	-
Gas Rate (Jan - Mar)	14.30	13.96	20.00	20.99	20.99	21.30	22.23
Gas Rate (Apr - Jun)	15.47	16.25	20.33	20.99	20.99	21.61	22.23
Gas Rate (Jul - Sept)	16.64	17.88	20.66	20.99	20.99	21.92	22.23
Gas Rate (Oct - Dec)	17.81	19.67	20.99	20.99	20.99	22.23	22.23