



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **May 29, 2017**

Subject: **Report CPFS17-021
Development Charge Reserve Funds 2016 Annual Report –
City and Peterborough Utilities Commission**

Purpose

A report to recommend that the Development Charge Reserve Funds (DCRFs) – 2016 Annual Report for the year ended December 31, 2016 for the City and Peterborough Utilities Commission (PUC) be received.

Recommendations

That Council approve the recommendations outlined in report CPFS17-021 dated May 29, 2017 of the Director of Corporate Services as follows:

- a) That the Development Charge Reserve Funds – 2016 Annual Report for the City of Peterborough, as presented in Report CPFS17-021, be received.
- b) That the Peterborough Utilities Commission Report entitled Water Development Charges for the year ended December 31, 2016, appended to Report CPFS17-021 as Appendix B, be received.

Budget and Financial Implications

There are no budget and financial implications to receiving the annual Development Charge Reports.

There is presently \$21.6 million of future commitments approved by Council against DCRFs that have a balance of \$11.9 million as of December 31, 2016. To ensure that the funds are not entirely depleted, the issuance of debt will continue to replace financing projects directly from the various DCRFs where appropriate. Future Development Charges collected will be directed towards the payment of debt principle and interest costs.

Background

Reserve Fund Report

This report is presented to comply with Section 43 of the **Development Charges Act, 1997** (the Act) and Regulation 82/98 (as amended), s.12 (1) which requires Municipalities to present an annual report regarding Development Charge Reserve Funds activity.

Development Charges are levied in accordance with various Development Charge By-laws that were approved in July 2012 and September 2014, all of which establish various Development Charge rates.

The current 2017 rates are set out in Schedule 1 attached to this report for reference.

Schedules 2 and 2A provide a summary of the activity in the DCRFs, for the various service categories, for the year ending December 31, 2016. The balance in the Reserve Funds on December 31, 2016 amounted to \$11.9 million (2015 - \$8.2 million), which is an increase of \$3.7 million over the previous year. Development Charges revenue for the year totaled \$7.2 million (2015 - \$5.4 million). The net interest credited to the Reserve Funds totaled \$82,730 (2015 - \$68,456).

As shown on the schedule, eight of the sub reserves have deficit (overdrawn) balances: General Government, Fire, Public Works, City Wide Engineering – Waste Water Treatment Plant, Carnegie East, Carnegie West, Chemong West and Lily Lake amounting to a total of \$7.7 million and are the results of expenditures being incurred in anticipation of development taking place. Interest is being charged on each of the overdrawn balances.

Schedule 3 provides a list of capital projects funded in whole or in part from the Development Charge Reserve Funds. During 2016, \$1.5 million was transferred to capital projects. Detailed information on Schedule 4 shows the opening balance at the beginning of the year, expenditures to the end of 2016, as well as all sources of financing (including Development Charge revenue) for each project.

Although the balance in the DCRFs, at December 31, 2016, was \$11.9 million, there are \$21.6 million in additional commitments that have already been approved in the 2016 and prior years' capital budgets requiring future Development Charges as set out in Schedule 5.

In addition to the \$21.6 million, there is \$25.6 million in existing debt issued and outstanding on growth related capital works already completed, however, future DCs collected will service the debt payments in future years.

Future of DCRFs a concern

The \$21.6 million of commitments referenced above refers only to those capital works approved in 2016 and prior years' budgets. The 2017 Budget approved a further \$2.4 million in capital works for a total amount of \$24.0 million in future commitments. The transfer of the funds will take place over time as the projects proceed. However, there will be insufficient funds in the DCRFs to cover the commitments as the projects are completed and the DCRFs will rely heavily on issuance of debt.

PUC Annual Report

The PUC's 2016 Annual Report is attached to Report CPFS17-021 as Appendix B.

The PUC collected \$262,908 (2015 - \$254,154) in development charges during the year. The value of 2016 capital expenditures eligible for financing from the reserve fund amounted to \$87,583 (2015 - \$2,525,657). The cash received during the year was transferred to the General Fund leaving an amount owing to the General Fund at December 31, 2016 in the amount of \$3,927,282 (2015 - \$4,104,028).

It is recommended Council receive the PUC Report.

Submitted by,

Sandra Clancy
Director of Corporate Services

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Attachments:

Appendix A

- Schedule 1 - Development Charge Rates in Effect - January 1, 2017
- Schedule 2 - Development Charge Reserve Funds Statement of Continuity
- Schedule 3 - Development Charge Reserve Fund Amounts Transferred to Capital Fund
- Schedule 4 - Analysis of 2016 Capital Projects Financed in Whole, or in Part, From Development Charges
- Schedule 5 - Future Draws Against Development Charge Reserve Funds

Appendix B

Peterborough Utilities Commission Report - Water Development Charges For the Year Ending December 31, 2016

Appendix A

Schedule 1	Development Charge Rates in Effect January 1, 2017
Schedule 2	Development Charge Reserve Funds Statement of Continuity
Schedule 3	Development Charge Reserve Fund Amounts Transferred to Capital Fund
Schedule 4	Analysis of 2016 Capital Projects Financed in Whole, or in Part, From Development Charges
Schedule 5	Future Draws Against Development Charge Reserve Funds

Schedule 1
City of Peterborough
Development Charge Rates - January 1, 2017 - December 31, 2017

Planning Area		Residential Charge Per Unit		
		Residential A -	Residential B -	Residential C -
		Total Charge	Total Charge	Total Charge
C1	C2	C3	C4	C5
	City-Wide Dev. Area	\$21,537	\$17,111	\$12,534
	Growth Areas			
1.	Jackson	\$24,491	\$19,657	\$14,266
2.	Carnegie East	\$26,873	\$21,712	\$15,663
3.	Carnegie West	\$25,416	\$20,455	\$14,809
4.	Lily Lake	\$28,069	\$22,741	\$16,363
5.	Chemong East	\$28,503	\$23,116	\$16,618
6.	Chemong West	\$31,295	\$25,524	\$18,254
7.	Liftlock	\$28,534	\$23,143	\$16,636
8.	Coldspring	\$25,065	\$20,153	\$14,602
	Average	\$26,643	\$21,512	\$15,527
Non-Residential Development Charge				
All Areas of The City		Non-Residential Charge (\$/sq.m)		
Total City-Wide Uniform Charge		\$85.45		

Schedule 2

City of Peterborough

Development Charge Reserve Funds

Statement of Continuity

For The Year Ended December 31, 2016

Description C1	Total C2	General Government C3	Police Service C4	Transit C5	Indoor Recreation C6	Library Service C7	Fire Service C8	Park Dev and Facilities C9	Parking C10	Public Works C11	City Wide Engineering Roads C12	City Wide Engineering WWTP C13	Affordable Housing C14	Growth Areas ⁽¹⁾ C15
1 Balance - January 1, 2016	8,205,577	21,062	48,127	535,841	718,457	1,311,752	-388,786	597,244	858,478	-177,003	8,887,789	-1,582,892	53,704	-2,678,196
2 <u>Revenue for the year 2016</u>														
3 Development Charges	7,161,987	28,028	28	104,081	555,968	215,544	191,726	311,912	132,735	101,631	4,007,320	308,344	58,163	1,146,507
4 Debenture Proceeds														
5 Received/Receivable														
6 Interest Earned	82,730	-32	338	4,279	8,037	10,320	-2,005	5,783	7,094	-858	83,180	-12,762	663	-21,307
7	7,244,717	27,996	366	108,360	564,005	225,864	189,721	317,695	139,829	100,773	4,090,500	295,582	58,826	1,125,200
<u>Transfers for the year 2016</u>														
8 Transferred to the Capital Fund	-1,540,833	-149,930	-14,427	-401,477	-47,596	-77,400	-4,160	-218,417		-20,683	-534,983		-30,854	-40,906
9 Transferred from the Capital Fund														
10 Current Year Debt Principle and Interest	-2,039,658							-79,495			-590,508	-574,101		-795,554
11 Amounts allocated (To) From Other Services														
12 Subtotal net transfers	-3,580,491	-149,930	-14,427	-401,477	-47,596	-77,400	-4,160	-297,912		-20,683	-1,125,491	-574,101	-30,854	-836,460
13 Balance - December 31, 2016	11,869,803	-100,872	34,066	242,724	1,234,866	1,460,216	-203,225	617,027	998,307	-96,913	11,852,798	-1,861,411	81,676	-2,389,456
14 Less Future Capital Works	-21,613,534	-61,825	-7,293	-63,223	-921,404	-2,773,800	-68,840	-366,274		-483,317	-12,662,547		-149,146	-4,055,865
15 Current Balance less Future Capital Works	-9,743,731	-162,697	26,773	179,501	313,462	-1,313,584	-272,065	250,753	998,307	-580,230	-809,749	-1,861,411	-67,470	-6,445,321

Schedule 2 A

City of Peterborough
Growth Areas Development Charge Reserve Funds
Statement of Continuity
For The Year Ended December 31, 2016

Description C1	Jackson Growth Area C2	Carnegie East Growth Area C3	Carnegie West Growth Area C4	Chemong East Growth Area C5	Chemong West Growth Area C6	Liftlock Growth Area C7	Coldspring Growth Area C8	Lily Lake Growth Area C9	City Wide Growth Area C10	Total C11
1 Balance - January 1, 2016	2,299,881	-2,107,585	-1,089	-267,333	-1,088,919	14,759	24,522	-1,878,619	326,187	-2,678,196
2 <u>Revenue for the year 2016</u>										
3 Development Charges	47,792	245,127		856,887					-3,299	1,146,507
4 Deventure Proceeds										
5 Received/Receivable										
6 Interest Earned	16,890	-14,983	-9	-1,584	-8,753	111	184	-15,611	2,448	-21,307
7	64,682	230,144	-9	855,303	-8,753	111	184	-15,611	-851	1,125,200
8 <u>Transfers for the year 2016</u>										
8 Transferred to the Capital Fund	-26,448	-3,450	-1,841	-3,570	-5,597					-40,906
9 Transferred from the Capital Fund										
10 Current Year Debt Principle and Interest	-190,619			-90,325	-141,278			-373,332		-795,554
11 Amounts allocated (To) From Other Services										
12 Subtotal net transfers	-217,067	-3,450	-1,841	-93,895	-146,875			-373,332		-836,460
13 Balance - December 31, 2016	2,147,496	-1,880,891	-2,939	494,075	-1,244,547	14,870	24,706	-2,267,562	325,336	-2,389,456
14 Less Future Capital Works	-1,285,837	-453,405	-194,335	-282,760	-364,048	-25,000	-123,000	-1,050,000	-277,480	-4,055,865
15 Current Balance less Future Capital Works	861,659	-2,334,296	-197,274	211,315	-1,608,595	-10,130	-98,294	-3,317,562	47,856	-6,445,321

Schedule 3

City of Peterborough

Development Charge Reserve Funds

Amounts Transferred to Capital Fund

For The Year Ended December 31, 2016

	Amount
<u>General Government</u>	
Vision 2025 Strategic Plan	67,455
Little Lake Master Plan	64,915
Official Plan Review	17,560
	<hr/> 149,930
<u>Police</u>	
Police Services Business Plan	14,427
<u>Transit</u>	
New buses	400,000
Public Works Relocation Project	1,477
	<hr/> 401,477
<u>Indoor Recreation</u>	
New Arena Facility Build	47,596
<u>Library</u>	
Library materials	77,400
	<hr/> 77,400
<u>Fire</u>	
Fire Station Relocations/Construction	4,160
	<hr/> 4,160
<u>City Wide Engineering</u>	
Kawartha Heights Detention Pond	6,127
Parkhill - Wallis to City Limits	362,544
Brealey - Lansdowne to Sherbrooke	66,034
Various New Multi-Use Trails	380
Nassau Mills over Otonabee	3,393
Nassau Mills over Trent Severn	4,512
Various new SW installations	91,993
	<hr/> 534,983
<u>Park Development & Facilities</u>	
Development of Park Facilities	200,517
Little Lake Master Plan Implementation	17,900
	<hr/> 218,417
<u>Public Works</u>	
Public Works Relocation Project	20,683
	<hr/> 20,683
<u>Affordable Housing</u>	
Incentives For Affordable Housing	30,854
<u>Growth Areas</u>	
Bethune Street	14,458
Loggerhead Marsh Stormwater Mgmt	26,448
	<hr/> 40,906
Total Net Transfers	<hr/> <hr/> 1,540,833

Schedule 4 City of Peterborough Analysis of 2016 Capital Projects Financed In Whole Or In Part From Development Charges											
(1)	(2)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Service/Description	Reference	(Unexpended) Unfinanced Jan 01/16	Expenditures	Total Applications	Capital Levy	Federal/ Provincial Grants	2015 - Total Revenues			Total Revenue	(Unexpended) Unfinanced at Dec. 31, 2016
							Financing From DC Reserve Funds	Long Term Debt	Other Revenue		
<u>General Government</u>											
Vision 2025 Strategic Plan	105-15-522	-1	67,456	67,456			-67,455			-67,455	
Little Lake Master Plan	102-10-760		64,915	64,915			-64,915			-64,915	
Official Plan Review	105-12-780	-37,817	8,155	8,155			-17,560			-17,560	-47,222
<u>Police</u>											
Police Services Business Plan	105-15-982		23,282	23,282			-14,427		-8,855	-23,282	
<u>Transit</u>											
New buses	105-14-500		2,634,395	2,634,395			-400,000		-1,385,787	-1,785,787	848,608
Public Works Relocation Project	102-15-479		1,477	1,477			-1,477			-1,477	
<u>Indoor Recreation</u>											
New Arena Facility Build	102-15-692	-281,000	434,669	434,669			-47,596			-47,596	106,073
<u>Library</u>											
Library materials	602-15-734		493,115	493,115	-8,600		-77,400		-407,115	-493,115	
<u>Fire</u>											
Fire Station Relocations/Construction	102-15-163	-102,000	9,972	9,972			-4,160			-4,160	-96,188
<u>City Wide Engineering</u>											
Kawartha Heights Detention Pond	102-12-421	-168,953	4,986	4,986			-6,127			-6,127	-170,094
Parkhill - Wallis to City Limits	102-06-190	-678,187	5,273,784	5,273,784			-362,544	-2,875,500	-1,628,178	-4,866,222	-270,625
Brealey - Lansdowne to Sherbrooke	102-15-189	-1	262,947	262,947			-66,034			-66,034	196,912
Various New Multi-Use Trails	102-15-360	-110,682	1,491	1,491			-380			-380	-109,571
Nassau Mills over Otonabee	102-16-321		4,524	4,524			-3,393		-1,131	-4,524	
Nassau Mills over Trent Severn	102-16-322		4,512	4,512			-4,512			-4,512	
Various new SW installations	102-16-362		351,524	351,524		-259,531	-91,993			-351,524	
<u>Park Development & Facilities</u>											
Development of Park Facilities	102-14-761	-1	1,449	1,449			-169,424			-169,424	-167,976
Development of Park Facilities	102-13-472	-93,743			-40,000		-31,093			-71,093	-164,836
Little Lake Master Plan Implementation	102-10-760	-188,275			300,000		-17,900			282,100	93,825
<u>Public Works</u>											
Public Works Relocation Project	102-15-479	-26,656	237,938	237,938			-20,683		-14,350	-35,033	176,249
<u>Affordable Housing</u>											
Incentives For Affordable Housing	105-15-882	-20,000	290,000	290,000	-200,000		-30,854			-230,854	39,146
<u>Growth Areas</u>											
Bethune Street	102-15-426	-1	1,327,339	1,327,339		-456,707	-14,458		-805,345	-1,276,510	50,828
Loggerhead Marsh Stormwater Mgmt	102-15-793		73,466	73,466			-26,448			-26,448	47,018
Total		-1,707,317	11,571,396	11,571,396	51,400	-716,238	-1,540,833	-2,875,500	-4,250,761	-9,331,932	532,147

Schedule 5

City of Peterborough

Future Capital Works To Be Drawn Against Development Charge Reserve Funds
As of December 31, 2016

	Possible Further Draws
<u>General Government</u>	
Official Plan Review	11,940
OHL/Major Events Facility	45,000
Retail Market Analysis Update	4,885
	<hr/> 61,825
<u>Police</u>	
Police Services Business Plan	7,293
<u>Transit</u>	
Transit Stop Shelters	28,700
Public Works Relocation Project	34,523
	<hr/> 63,223
<u>Indoor Recreation</u>	
New Arena Facility Build	921,404
<u>Library</u>	
Library renovation	2,773,800
<u>Fire</u>	
Fire Station Relocations/Construction	68,840
	<hr/> 68,840
<u>City Wide Engineering - Roads and Related</u>	
Kaw Hts Detention Pond	220,873
Extension of Crawford Drive	288,917
Charlotte - Clonsilla to Rubidge	1,272,000
Parkhill - Wallis to City Limits	564,610
Sherbrooke/Wallis Intersection	290,000
Extension of Crawford Drive	58,500
Citywide Transit Operations	112,250
TV Road over Witlaw Creek	787,000
Sherbrook St - Glenforest to W City Limits	1,285,000
Chemong Rd - Parkhill to Parkway ROW	500,000
Parkway Corridor Extension	4,451,100
Brealey - Lansdowne to Sherbrooke	68,014
Various New Multi-Use Trails	178,181
Various new SW installations	88,007
Armour Road - Nassau Mills	594,000
SCF Bethune St. Eligible	887,000
Chemong Rd - Parkhill to Parkway ROW	500,000
Nassau Mills over Otonabee	221,607
Nassau Mills over Trent Severn	295,488
	<hr/> 12,662,547
<u>Park Development & Facilities</u>	
Parkland Development Assistance	140,000
Park Development and Facilities	87,257
Park Facilities Development	139,017
	<hr/> 366,274
<u>Public Works</u>	
Public Works Relocation Project	483,317
<u>Affordable Housing</u>	
Incentives For Affordable Housing	149,146
<u>Growth Areas</u>	
Jackson Growth Area	1,285,837
Carnegie East Growth Area	453,405
Carnegie West Growth Area	194,335
Chemong East Growth Area	282,760
Chemong West Growth Area	364,048
Coldsprings Growth Area	123,000
Lily Lake Growth Area	1,050,000
Liftlock Growth Area	25,000
City Wide Growth Area	277,480
	<hr/> 4,055,865
Total Future Capital Works	<hr/> 21,613,534

Appendix B

Peterborough Utilities Commission Report - Water Development
Charges For the Year Ending December 31, 2016

PETERBOROUGH UTILITIES COMMISSION **REPORT**

April 21, 2017

File: F40

COMMISSION AGENDA
2017:04:27

WATER DEVELOPMENT CHARGES FOR THE YEAR ENDING DECEMBER 31, 2016

INFORMATION

This report is presented for the Commission's information.

Prepared by: Kyle Davis, Manager Financial Planning & Reporting

Submitted by: Bill Davie, Chief Financial Officer

Approved for Submission by: _____
President & CEO

Background

Development charges (*Development Charges Act, 1997, S.O.*) provide a mechanism for funding additional major system capacity to service new growth. All new users contribute on an equitable basis to fund new service through additions to the citywide utility system or expansions to existing services. Future capacity includes changes to the treatment plant, pumping and booster stations, reservoirs and trunk mains. These funds are not used to pay for ongoing operations or maintenance, or replacement capital of existing facilities, unless capacity is being increased, and then only to fund the portion relating to the increase.

Management Discussion

Attached to this report is a copy of the Statement of Continuity of Reserve Funds for Development Charges (DCA) and supporting statements summarizing cash receipts, balance due to general funds and eligible development costs incurred for the fiscal year ending December 31, 2016.

The DCA reserve fund had an opening balance on January 1, 2016 of nil. A total of \$262,908 was collected during the year and the fund earned interest of \$1,421.

The value of 2016 capital expenditures eligible for financing from the reserve fund amounted to \$87,583. This is in addition to the opening balance from eligible expenditures in the prior years of \$4,104,028 resulting in a total available balance of \$4,191,611. Of this amount, the total available for transfer of \$264,329 was transferred from the reserve fund to the general fund. The reserve fund balance at December 31, 2016 was nil.

A copy of this report will be submitted to Sandra Clancy, Director of Corporate Services, for presentation to City Council. The *Development Charges Act, 1997*, states that the Treasurer of the Municipality shall furnish to Council statements in respect of each Reserve Fund. The Treasurer must also forward this information to the Minister of Municipal Affairs and Housing within 60 days of the DCA statements being reported to City Council.

A Development Charges Background Study dated October 18, 2013 was prepared by Hemson Consulting Ltd. and By-law 13-174 was passed establishing Development Charges for the City of Peterborough related to water services. The by-law was effective January 1, 2014 and will expire five years from the effective date.

Budget and Financial Implications*

There is no budget or financial implications as this report summarizes the prior year transactions affecting the Development Charges Reserve Fund.

Risk Evaluation*

None. This report is provided as a status update to the Commission.

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
ANNUAL STATEMENTS
For the Year ended December 31, 2016**

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**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
STATEMENT OF CONTINUITY OF RESERVE FUND
FOR THE YEAR ENDING DECEMBER 31, 2016**

	2016	2015
Balance, as at January 1,	\$ -	\$ -
Add:		
Cash Receipts	262,908	254,154
Interest Earned	1,421	711
Total Available	264,329	254,865
Less:		
Contributions to Capital Operations	264,329	254,865
Balance, as at December 31	-	-

Balance due to General Funds:

	2016	2015
Balance, as at January 1,	\$ 4,104,028	\$ 1,833,236
Eligible expenditures	87,583	2,525,657
Transferred to General Funds	(264,329)	(254,865)
Balance, as at December 31,	3,927,282	4,104,028

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF CASH RECEIPTS
FOR THE YEAR ENDING DECEMBER 31, 2016**

	2016	2015
Residential	\$ 251,932	\$ 246,556
Non-residential	10,976	7,598
Balance, as at December 31,	262,908	254,154

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF DEVELOPMENT COSTS
FOR THE YEAR ENDING DECEMBER 31, 2016**

Project #	Description	2016 Expenditures	Growth Factor	Growth Related Portion of Expenditures
2170-3-1993	Water treatment plant clearwell	71,261	67%	47,745
2178-5-2303	Trent Research Park Servicing	29,653	100%	29,653
2173-3-2250	Greenhill Booster Pumping Station	50,925	20%	10,185
Total expenditures		151,839		87,583

PETERBOROUGH UTILITIES COMMISSION DEVELOPMENT ACT CHARGES

**BY-LAW 13-174
EFFECTIVE JANUARY 1, 2016**

Planning Area	Residential A Singles & Semis	Residential B Other Multiples	Residential C Apartments
1. Auburn North	\$ 2,805	\$ 2,418	\$ 1,644
2. Jackson	\$ 2,668	\$ 2,301	\$ 1,564
3. Carnegie West (Zone 3N)	\$ 1,935	\$ 1,669	\$ 1,135
4. Chemong	\$ 1,674	\$ 1,443	\$ 981
5. Lily Lake	\$ 3,470	\$ 2,992	\$ 2,034
6. Liftlock	\$ 1,586	\$ 1,367	\$ 930
7. Coldsprings	\$ 1,987	\$ 1,713	\$ 1,165
8. Outside Planning Areas	\$ 1,397	\$ 1,204	\$ 819
9. Carnegie East (Zone 2)	\$ 708	\$ 610	\$ 414
10. Chemong East	\$ 1,730	\$ 1,491	\$ 1,014

Non-Residential, all planning areas \$6.10 /m2