



City of  
**Peterborough**

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

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

**Meeting Date:** **May 11, 2015**

**Subject:** **Report CPFS15-013  
Development Charge Reserve Funds 2014 Annual Report –  
City and Peterborough Utilities Commission**

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## **Purpose**

A report to recommend that the Development Charge Reserve Funds (DCRFs) – 2014 Annual Report for the year ended December 31, 2014 for the City and Peterborough Utilities Commission (PUC), be received.

## **Recommendations**

That Council approve the recommendations outlined in report CPFS15-013 dated May 11, 2015 of the Director of Corporate Services as follows:

- a) That the Development Charge Reserve Funds – 2014 Annual Report for the City of Peterborough, as presented in Report CPFS15-013, be received.
- b) That the Peterborough Utility Commission Report entitled Water Development Charges for the year ended December 31, 2014, appended to Report CPFS15-013 as Appendix B, be received.
- c) That the following capital projects be removed from the Capital program:
  - i. Southpark Drive Sanitary Sewer - \$470,000
  - ii. Coldsprings Sewage Pumping Station - \$1,800,000
  - iii. Otonabee River Sanitary Trunk - \$800,000

- d) That upon approval of report CPFS15-013 dated May 11, 2015 of the Director of Corporate Services, By-law 11-025 authorizing the Coldsprings Sewage Pumping Station work and the issuing of DC supported debentures in the amount of \$1,800,000 and By-law 11-031 authorizing the Otonabee River Sanitary Trunk work and the issuing of DC supported debentures in the amount of \$800,000, be repealed.

## Budget and Financial Implications

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

However, there is presently \$37.6 million of future commitments approved by Council against DCRFs that have a balance of \$6.3 million as of December 31, 2014. 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, 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 December 2009 and August 2012, all of which establish various Development Charge rates.

The current 2015 rates are set out in Schedule 1 attached to this report for reference. In September 2014, Council approved new background studies for the City-Wide General Services and the City-Wide Engineered Services resulting in new by-laws being effective January 1, 2015.

Schedules 2 and 2A provide a summary of the activity in the DCRFs, for the various service categories, for the year ending December 31, 2014. The balance in the Reserve Funds on December 31, 2014 amounted to \$6.3 million, which is a decrease of \$0.4 million over the previous year. Development Charges revenue for the year totaled \$3.2 million (2013 - \$4.6 million). The interest credited to the Reserve Funds totaled \$102,912 (2013 - \$113,810).

As shown on the schedule, seven of the sub reserves have deficit (overdrawn) balances: Fire, Public Works, City Wide Engineering – Waste Water Treatment Plant, Carnegie East, Chemong East, Chemong West and Lily Lake amounting to a total of \$6.7 million and are the result 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 2014, \$2.6 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 2014, as well as all sources of financing (including Development Charge revenue) for each project.

Although the balance in the DCRFs, at December 31, 2014, was \$6.3 million, there are \$22.7 million in additional commitments that have already been approved in the 2014 and prior years' capital budgets requiring future Development Charges as set out in Schedule 5.

In addition to the \$22.7 million, there is \$14.9 million in existing debt payments on growth related capital works already completed, however, future DCs collected will service the debt payments in future years.

### **Capital Projects Previously Approved - Coldsprings**

There are several previously approved capital projects associated with the Coldsprings Planning Area on the books that have not moved forward as initially envisioned.

<b>Project Name</b>	<b>Year Approved</b>	<b>Source of Financing</b>	<b>Amount</b>
Southpark Drive Sanitary Sewer	2010	Coldsprings DC Reserve	\$470,000
Coldsprings Sewage Pumping Station	2011	Debt – Coldsprings DC Reserve	\$1,800,000
Otonabee River Sanitary Trunk	2011	Debt – Coldsprings DC Reserve	\$800,000
<b>Total</b>			<b>\$3,070,000</b>

Staff recommend that the projects be removed from the capital program. When, and if the projects are required at a future point in time, the projects will be re-introduced through the Capital Budget process or through report to Council.

If Council accepts the recommendation, than the following by-laws will be repealed:

- By-law 11-025 Coldsprings Sewage Pumping Station - \$1,800,000
- By-law 11-031 Otonabee River Sanitary Trunk - \$800,000

### **Future of DCRFs a concern**

The \$22.7 million of commitments referenced above refers only to those capital works approved in 2014 and prior years' budgets. The 2015 Budget approved a further \$10.2 million in capital works for a total amount of \$32.9 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 2014 Annual Report is attached to Report CPFS15-013 as Appendix B.

The PUC collected \$169,321 (2013 - \$776,403) in development charges during the year. The value of 2014 capital expenditures eligible for financing from the reserve fund amounted to \$2,338,771 (2013 - \$102,859). The \$330,727 balance carried over from the previous year was combined with the cash received during the year and transferred to the General Fund leaving an amount owing to the General Fund at December 31, 2014 in the amount of \$1,833,235.

It is recommended Council receive the PUC Report.

### **Annual Statements to be Presented to the Province**

In accordance with Section 43 (3) of the Act, the Treasurer will give a copy of the Annual Statements to the Minister of Municipal Affairs and Housing within 60 days of giving the statement to Council.

### **Proposed Amendments to the DC Act**

On March 5, 2015, the Province released proposed amendments to the Development Charges Act. The proposed legislation **Bill 73, Smart Growth for Our Communities Act, 2015** is in the preliminary review stage. A staff report is being prepared for a future meeting to advise Council of the details of the proposed changes.

Submitted by,

Sandra Clancy  
Director of Corporate Services

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Attachments:

Appendix A

- Schedule 1 - Development Charge Rates in Effect - January 1, 2015
- Schedule 2 - Development Charge Reserve Funds Statement of Continuity
- Schedule 3 - Development Charge Reserve Fund Amounts Transferred to Capital Fund
- Schedule 4 - Analysis of 2014 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, 2014

Appendix A

- |            |                                                                                              |
|------------|----------------------------------------------------------------------------------------------|
| Schedule 1 | Development Charge Rates in Effect<br>January 1, 2015                                        |
| Schedule 2 | Development Charge Reserve Funds Statement of<br>Continuity                                  |
| Schedule 3 | Development Charge Reserve Fund Amounts<br>Transferred to Capital Fund                       |
| Schedule 4 | Analysis of 2014 Capital Projects Financed in<br>Whole, or in Part, From Development Charges |
| Schedule 5 | Future Draws Against Development Charge<br>Reserve Funds                                     |

**Schedule 1**  
**City of Peterborough**  
**Development Charge Rates - January 1, 2015 - December 31, 2015**

Planning Area		Residential Charge Per Unit		
		Residential A - Singles & Semi	Residential B - Other Multiples	Residential C - Apartments
		Total Charge	Total Charge	Total Charge
C1	C2	C3	C4	C5
	<b>City-Wide Dev. Area</b>	\$20,500	\$16,286	\$11,931
	<b>Growth Areas</b>			
1.	Jackson	\$23,311	\$18,709	\$13,579
2.	Carnegie East	\$25,580	\$20,665	\$14,909
3.	Carnegie West	\$24,193	\$19,469	\$14,096
4.	Lily Lake	\$26,717	\$21,645	\$15,575
5.	Chemong East	\$27,131	\$22,002	\$15,818
6.	Chemong West	\$29,788	\$24,294	\$17,376
7.	Liftlock	\$27,160	\$22,028	\$15,836
8.	Coldspring	\$23,859	\$19,182	\$13,900
	<b>Average</b>	\$25,360	\$20,476	\$14,780
<b>Non-Residential Development Charge</b>				
All Areas of The City		Non-Residential Charge (\$/sq.m)		
Total City-Wide Uniform Charge		\$81.33		

**CITY OF PETERBOROUGH  
DEVELOPMENT CHARGE RESERVE FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note: 1) For the detail of the various Growth Area sub reserves, refer to Schedule 2 A



# Schedule 2 A

## CITY OF PETERBOROUGH

### GROWTH AREAS DEVELOPMENT CHARGE RESERVE FUNDS

#### STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

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
<b>1 Balance - January 1, 2014</b>	1,882,783	-1,782,413	4,301	284,226	-119,038	8,477	23,977	-1,525,466	360,498	-862,656
<b>2 Revenue for the year 2014</b>										
3 Development Charges	518,087	38,826		4,314					-12,387	548,840
4 Debenture Proceeds										
5 Received/Receivable										
6 Interest Earned	25,246	-22,648		2,801		106	301	-19,128	4,384	-8,938
<b>7</b>	<b>543,333</b>	<b>16,178</b>		<b>7,115</b>		<b>106</b>	<b>301</b>	<b>-19,128</b>	<b>-8,003</b>	<b>539,902</b>
<b><u>Transfers for the year 2014</u></b>										
8 Transferred to the Capital Fund		-385,384		-401,347	-627,748				-26,590	-1,441,069
9 Transferred from the Capital Fund										
10 Current Year Debt Principle and Interest	-74,802			-90,326	-141,278			-158,241		-464,647
11 Amounts allocated (To) From Other Services										
<b>12 Subtotal net transfers</b>	<b>-74,802</b>	<b>-385,384</b>		<b>-491,673</b>	<b>-769,026</b>			<b>-158,241</b>	<b>-26,590</b>	<b>-1,905,716</b>
<b>13 Balance - December 31, 2014</b>	<b>2,351,314</b>	<b>-2,151,619</b>	<b>4,301</b>	<b>-200,332</b>	<b>-888,064</b>	<b>8,583</b>	<b>24,278</b>	<b>-1,702,835</b>	<b>325,905</b>	<b>-2,228,470</b>
<b>14 Less Future Capital Works</b>	-1,779,035	-432,150	-151,600	-870,562	-1,283,443	-25,000	-3,100,000	-3,108,250	-277,480	-11,027,520
<b>15 Current Balance less Future Capital Works</b>	<b>572,279</b>	<b>-2,583,769</b>	<b>-147,299</b>	<b>-1,070,894</b>	<b>-2,171,507</b>	<b>-16,417</b>	<b>-3,075,722</b>	<b>-4,811,085</b>	<b>48,425</b>	<b>-13,255,990</b>

### Schedule 3

**CITY OF PETERBOROUGH  
DEVELOPMENT CHARGE RESERVE FUND  
AMOUNTS TRANSFERRED TO CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Amount</b>
<b><u>General Government</u></b>	
Little Lake Master Plan Implementation	18,435
Development charge study update	42,465
	<hr/> 60,900
<b><u>Library</u></b>	
Materials purchases	14,400
<b><u>Fire</u></b>	
Fire Station relocation	303
<b><u>City Wide Engineering</u></b>	
Parkhill - Wallis to City Limits	50,663
Various new Sidewalks	165,700
	<hr/> 216,363
<b><u>Park Development &amp; Facilities</u></b>	
Little Lake Master Plan Implementation	5,250
<b><u>Public Works</u></b>	
Municipal Operations Centre	830,866
<b><u>Growth Areas</u></b>	
Carnegie East Growth Area	385,384
Hilliard Sanitary Trunk Sewer	1,029,095
Water St Detention Pond	26,590
	<hr/> 1,441,069
<b>Total Net Transfers</b>	<hr/> <b>2,569,151</b> <hr/>

Schedule 4 CITY OF PETERBOROUGH ANALYSIS OF 2014 CAPITAL PROJECTS FINANCED IN WHOLE OR IN PART FROM DEVELOPMENT CHARGES													
(1)	(2)	(2)	(3)	(4)	(5)	(6)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SERVICE/DESCRIPTION	Reference	(Unexpended) Unfinanced Jan 01/14	Expenditures			Total Applications	2014 - Total Revenues						
				Transfers to reserves	Other transfers		Capital Levy	Federal/ Provincial Grants	Financing From DC Reserve Funds	Long Term Debt	Other Revenue	Total Revenue	(Unexpended) Unfinanced at Dec. 31, 2014
<b><u>General Government</u></b>													
Little Lake Master Plan Implementation	102-10-760		20,483			20,483			-18,435		-2,048.00	-20,483	
Development charge study update	105-14-134		48,465			48,465	-6,000		-42,465			-48,465	
<b><u>Library</u></b>													
Materials purchases	101-140-5668		16,000			16,000	-1,600		-14,400			-16,000	
<b><u>Fire</u></b>													
Fire Station relocation	102-07-177	-198,997	27,824	171,476		199,300			-303			-303	
<b><u>City Wide Engineering</u></b>													
Parkhill - Wallis to City Limits	102-06-190	-511,778	562,441			562,441			-50,663			-50,663	
Various new Sidewalks	102-14-362		482,622			482,622		-316,923	-165,700			-482,623	-1
<b><u>Park Development &amp; Facilities</u></b>													
Little Lake Master Plan Implementation	102-10-760	-18	7,718		4,890	12,608			-5,250		-7,340	-12,590	
<b><u>Public Works</u></b>													
Municipal Operations Centre	102-07-478	-1	2,731,894			2,731,894		-1,047,295	-830,866	-375,000	-572,475	-2,825,636	-93,743
<b><u>Growth Areas</u></b>													
Carnegie East Growth Area	102-05-777	-1	385,384			385,384			-385,384			-385,384	-1
Hilliard Sanitary Trunk Sewer	102-11-379	-532,931	1,562,026			1,562,026			-1,029,095			-1,029,095	
Water St Detention Pond	102-10-807		53,180			53,180		-26,590	-26,590			-53,180	
Total		-1,243,726	5,898,037	171,476	4,890	6,074,403	-7,600	-1,390,808	-2,569,151	-375,000	-581,863	-4,924,422	-93,745

## Schedule 5

CITY OF PETERBOROUGH

FUTURE CAPITAL WORKS TO BE DRAWN AGAINST DEVELOPMENT CHARGE RESERVE FUNDS

As of December 31, 2014

	Possible Further Draws
<b><u>General Government</u></b>	
Official Plan Review	29,500
Little Lake Master Plan Implementation	64,915
	<hr/> 94,415
<b><u>Transit</u></b>	
Transit Stop Shelters	22,600
<b><u>Library</u></b>	
Library renovation	625,500
<b><u>City Wide Engineering - Roads and Related</u></b>	
Kaw Hts Detention Pond	227,000
Parkhill - Wallis to City Limits	645,665
Lansdowne Kawartha Hts to W City Limit	906,678
Extension of Crawford Drive	288,917
Charlotte - Clonsilla to Rubidge	652,000
Various new multi-use trails	130,300
Various new Sidewalks	0
Parkhill - Wallis to City Limits	1,300,000
Sherbrook/Wallis Intersection	290,000
Extension of Crawford Drive	58,500
Citywide Transit Operations	112,250
TV Road over Witlaw Creek	787,000
Ashburnham, Lansdowne to Maria	920,000
Sherbrook St - Glenforest to W City Limits	1,285,000
Chemong Rd - Parkhill to Parkway ROW	500,000
Parkway Corridor Extension	2,201,100
Brealey - Lansdowne to Stenson	265,000
	<hr/> 10,569,410
<b><u>City Wide Engineering - Sewage Treatment</u></b>	
<b><u>Park Development &amp; Facilities</u></b>	
Parkland Development Assistance	140,000
Little Lake Master Plan Implementation	17,900
Park Development and Facilities	118,350
Park Facilities Development	67,500
	<hr/> 343,750
<b><u>Growth Areas</u></b>	
Jackson Growth Area	1,779,035
Carnegie East Growth Area	432,150
Carnegie West Growth Area	151,600
Chemong East Growth Area	870,562
Chemong West Growth Area	1,283,443
Coldsprings Growth Area	3,100,000
Lily Lake Growth Area	3,108,250
Liftlock Growth Area	25,000
City Wide Growth Area	277,480
	<hr/> 11,027,520
<b>Total Future Capital Works</b>	<hr/> <b>22,683,195</b> <hr/>

Appendix B

Peterborough Utilities Commission Report - Water Development  
Charges - For the Year Ending December 31, 2014

# PETERBOROUGH UTILITIES COMMISSION **REPORT**

March 31, 2015

File: F40

COMMISSION AGENDA  
2015:04:09

## **WATER DEVELOPMENT CHARGES FOR THE YEAR ENDING DECEMBER 31, 2014**

### **INFORMATION**

This report is presented for the Commission's information.

Prepared by: Amanda Jankowski, Manager, Finance and Regulatory Compliance

Submitted by: Byron Thompson, 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, 2014.

The DCA reserve fund had an opening balance on January 1, 2014 of \$330,727.21. A total of \$169,321.00 was collected during the year and the fund earned interest of \$5,487.60. The value of 2014 capital expenditures eligible for financing from the reserve fund amounted to \$505,535.81 and this amount was transferred from the reserve fund to the general fund. The fund balance at December 31, 2014 was \$0.00.

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.

Development Charges By-law 08-011 expired on December 31, 2013. 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 are 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, 2014**

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2014 Summary of Development Costs	4
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Development Charges – Fee Schedule	5



**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
STATEMENT OF CONTINUITY OF RESERVE FUND  
FOR THE YEAR ENDING DECEMBER 31, 2014**

	2014	2013
Balance at January 1	<u>\$330,727.21</u>	<u>\$0.00</u>
Plus:		
Cash Receipts	169,321.00	776,403.13
Interest Earned	<u>5,487.60</u>	<u>868.72</u>
	<u>174,808.60</u>	<u>777,271.85</u>
Total Available	505,535.81	777,271.85
Less:		
Contributions to Capital Operations	<u>505,535.81</u>	<u>446,544.64</u>
Balance at December 31	<u><u>\$0.00</u></u>	<u><u>\$330,727.21</u></u>

Balance due to General Funds:

	2014	2013
Beginning of year	\$0.00	\$343,685.58
Eligible expenditures	2,338,771.27	102,859.06
Transferred to General Funds	<u>(505,535.81)</u>	<u>(446,544.64)</u>
End of Year	<u><u>\$1,833,235.46</u></u>	<u><u>\$0.00</u></u>

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF CASH RECEIPTS  
FOR THE YEAR ENDING DECEMBER 31, 2014**

	<b>2014</b>	<b>2013</b>
Residential	\$162,422.00	\$734,246.00
Non Residential	<u>6,899.00</u>	<u>42,157.13</u>
Total Cash Receipts	<u>\$169,321.00</u>	<u>\$776,403.13</u>

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF DEVELOPMENT COSTS**

**FOR THE YEAR ENDING DECEMBER 31, 2014**

<b>Project #</b>	<b>Description</b>	<b>2014 Expenditures</b>	<b>Growth Factor</b>	<b>Growth Portion of Expenditures</b>
SC2170-3-1993	WTP Clearwell	\$3,467,295.29	67%	\$2,323,087.84
SC2157-1-1270	Otonabee River crossing	\$14,301.64	100%	\$14,301.64
SC2173-3-2108	Greenhill Booster Pumping Station	\$1,381.79	100%	\$1,381.79
	<b>Total Expenditures</b>	<u><b>\$3,482,978.72</b></u>		<u><b>\$2,338,771.27</b></u>

**PETERBOROUGH UTILITIES COMMISSION  
DEVELOPMENT ACT CHARGES  
BY-LAW 13-174  
EFFECTIVE JANUARY 1, 2014**

Planning Area	Residential Development Charge by Unit Type			Non-Residential Charge (\$/square metre)
	Residential A	Residential B	Residential C	
	Singles & Semis	Other Multiples	Apartments	
1. Auburn North	\$ 2,755	\$ 2,375	\$ 1,615	\$ 5.99
2. Jackson	\$ 2,621	\$ 2,260	\$ 1,536	\$ 5.99
3. Carnegie West	\$ 1,901	\$ 1,639	\$ 1,115	\$ 5.99
4. Chemong West	\$ 1,644	\$ 1,417	\$ 964	\$ 5.99
5. Lily Lake	\$ 3,409	\$ 2,939	\$ 1,998	\$ 5.99
6. Liftlock	\$ 1,558	\$ 1,343	\$ 914	\$ 5.99
7. Coldsprings	\$ 1,952	\$ 1,683	\$ 1,144	\$ 5.99
8. Outside Planning Areas	\$ 1,372	\$ 1,183	\$ 805	\$ 5.99
9. Carnegie East	\$ 695	\$ 599	\$ 407	\$ 5.99
10. Chemong East	\$ 1,699	\$ 1,465	\$ 996	\$ 5.99