



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **Richard Freymond**  
**Commissioner of Corporate and Legislative Services**

**Meeting Date:** **May 13, 2019**

**Subject:** **Report CLSFS19-022**  
**Development Charge Reserve Funds 2018 Annual Report –**  
**City and Peterborough Utilities Commission**

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## **Purpose**

A report to recommend that the Development Charge Reserve Funds – 2018 Annual Report for the year ended December 31, 2018 for the City and Peterborough Utilities Commission be received.

## **Recommendations**

That Council approve the recommendations outlined in report CLSFS19-022 dated May 13, 2019 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the Development Charge Reserve Funds – 2018 Annual Report for the City of Peterborough, as presented in Report CLSFS19-022, be received.
- b) That the Peterborough Utilities Commission Report entitled Water Development Charges for the year ended December 31, 2018, appended to Report CLSFS19-022 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 \$24.7 million of future commitments approved by Council against Development Charge Reserve Funds (DCRFs) that have a balance of \$14.0 million as of December 31, 2018. 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 2017 and September 2014, all of which establish various Development Charge rates.

The current 2019 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, 2018. The balance in the Reserve Funds on December 31, 2018 amounted to \$14.0 million (2017 - \$13.0 million), which is an increase of \$1.0 million over the previous year. Development Charges revenue for the year totaled \$5.4 million (2017 - \$6.2 million). The net interest credited to the Reserve Funds totaled \$180,590 (2017 - \$112,303).

As shown on the schedule, seven (2017 – seven) of the sub reserves have deficit (overdrawn) balances: General Government, Public Works, City Wide Engineering – Waste Water Treatment Plant, Carnegie East, Carnegie West, Chemong West and Lily Lake amounting to a total of \$10.3 million (2017 - \$9.1 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 2018, \$1.8 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 2018, as well as all sources of financing (including Development Charge revenue) for each project.

Although the balance in the DCRFs, at December 31, 2018, was \$14.0 million, there are \$24.7 million in additional commitments that have already been approved in the 2018 and prior years' capital budgets requiring future Development Charges as set out in Schedule 5.

In addition to the \$24.7 million, there is \$16.2 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 \$24.7 million of commitments, referenced above, refers only to those capital works approved in 2018 and prior years' budgets. The 2019 Budget approved a further \$10.0 million in capital works for a total amount of \$34.7 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.

### **Peterborough Utilities Commission (PUC) Annual Report**

The PUC's 2018 Annual Report is attached to Report CLSFS19-022 as Appendix B.

The PUC collected \$2,119,948 (2017 - \$91,449) in development charges during the year. The value of 2018 capital expenditures eligible for financing from the reserve fund amounted to \$572,628 (2017 - \$1,379,404). The cash received during the year was transferred to the General Fund leaving an amount owing to the General Fund at December 31, 2018 in the amount of \$3,650,580 (2017 - \$5,214,780).

It is recommended Council receive the PUC Report.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A

- Schedule 1 - Development Charge Rates in Effect - January 1, 2019
- Schedule 2 - Development Charge Reserve Funds Statement of Continuity
- Schedule 3 - Development Charge Reserve Fund Amounts Transferred to Capital Fund
- Schedule 4 - Analysis of 2018 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, 2018

**Schedule 1**  
**City of Peterborough**  
**Development Charge Rates - January 1, 2019 - December 31, 2019**

Planning Area		Residential Charge Per Unit		
		Residential A -	Residential B -	Residential C -
		Total Charge	Total Charge	Total Charge
C1	C2	C7	C12	C18
	<b>City-Wide Dev. Area</b>	\$23,337	\$18,541	\$13,581
	<b>Growth Areas</b>			
1.	Jackson	\$26,538	\$21,299	\$15,458
2.	Carnegie East	\$29,119	\$23,526	\$16,972
3.	Carnegie West	\$27,540	\$22,164	\$16,046
4.	Lily Lake	\$30,415	\$24,642	\$17,730
5.	Chemong East	\$30,885	\$25,048	\$18,007
6.	Chemong West	\$33,911	\$27,657	\$19,779
7.	Liftlock	\$30,919	\$25,077	\$18,026
8.	Coldsprings	\$27,160	\$21,837	\$15,822
	<b>Average</b>	\$28,869	\$23,310	\$16,825

**Non-Residential Development Charge**

All Areas of The City	Non-Residential Charge (\$/sq.m)
<b>Total City-Wide Uniform Charge</b>	\$92.59

Schedule 2

City of Peterborough

Development Charge Reserve Funds

Statement of Continuity

For The Year Ended December 31, 2018

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 <sup>(1)</sup> C15
1 Balance - January 1, 2018	12,967,597	-100,997	22,213	330,818	1,468,313	1,101,304	1,784	821,640	1,150,316	-984,591	14,448,838	-2,116,120	134,083	-3,310,004
2 <u>Revenue for the year 2018</u>														
3 Development Charges	5,419,038	16,272	19	60,347	319,400	123,829	111,128	179,191	76,965	58,926	2,321,525	211,217	33,414	1,906,805
4 Debenture Proceeds														
5 Received/Receivable														
6 Interest Earned	180,590	-1,721	276	4,683	20,619	14,007	1,061	11,454	15,163	-11,878	195,412	-28,549	1,993	-41,930
7	5,599,628	14,551	295	65,030	340,019	137,836	112,189	190,645	92,128	47,048	2,516,937	182,668	35,407	1,864,875
<u>Transfers for the year 2018</u>														
8 Transferred to the Capital Fund	-1,773,954	-173,284	-17,720	-68,168	-748,993	-218,140				-62,597	-485,052			
9 Transferred from the Capital Fund														
10 Current Year Debt Principle and Interest	-2,777,347			-10,076		-228,139		-76,385		-37,624	-975,388	-542,624		-907,111
11 Amounts allocated (To) From Other Services														
12 Subtotal net transfers	-4,551,301	-173,284	-17,720	-78,244	-748,993	-446,279		-76,385		-100,221	-1,460,440	-542,624		-907,111
13 Balance - December 31, 2018	14,015,924	-259,730	4,788	317,604	1,059,339	792,861	113,973	935,900	1,242,444	-1,037,764	15,505,335	-2,476,076	169,490	-2,352,240
14 Less Future Capital Works	-24,739,780	-90,307	-7,280	-1,957,933	-863,046		-68,840	-362,017		-2,688,912	-15,213,070		-329,146	-3,159,229
15 Current Balance less Future Capital Works	-10,723,856	-350,037	-2,492	-1,640,329	196,293	792,861	45,133	573,883	1,242,444	-3,726,676	292,265	-2,476,076	-159,656	-5,511,469

**Schedule 2 A**  
**City of Peterborough**  
**Development Charge Reserve Funds**  
**Statement of Continuity**  
**For The Year Ended December 31, 2018**

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 <b>Balance - January 1, 2018</b>	1,977,063	-1,828,780	-7,493	398,795	-1,430,490	15,000	24,922	-2,658,103	199,082	-3,310,004
2 <b><u>Revenue for the year 2018</u></b>										
3 Development Charges				1,906,805						1,906,805
4 Debenture Proceeds										
5 Received/Receivable										
6 Interest Earned	23,139	-22,963	-94	10,185	-18,921	188	313	-36,277	2,500	-41,930
7	23,139	-22,963	-94	1,916,990	-18,921	188	313	-36,277	2,500	1,864,875
8 <b><u>Transfers for the year 2018</u></b>										
9 Transferred to the Capital Fund										
10 Transferred from the Capital Fund										
10 Current Year Debt Principle and Interest	-248,341			-90,325	-141,278			-427,167		-907,111
11 Amounts allocated (To) From Other Services										
12 Subtotal net transfers	-248,341			-90,325	-141,278			-427,167		-907,111
13 <b>Balance - December 31, 2018</b>	1,751,861	-1,851,743	-7,587	2,225,460	-1,590,689	15,188	25,235	-3,121,547	201,582	-2,352,240
14 Less Future Capital Works	-803,552	-292,976	-189,816	-273,946	-330,939	-75,000	-173,000	-1,020,000		-3,159,229
15 Current Balance less Future Capital Works	948,309	-2,144,719	-197,403	1,951,514	-1,921,628	-59,812	-147,765	-4,141,547	201,582	-5,511,469

## Schedule 3

City of Peterborough  
 Development Charge Reserve Funds  
 Amounts Transferred to Capital Fund  
 For The Year Ended December 31, 2018

	Amount
<b><u>General Government</u></b>	
Development Charge Studies	11,766
Official Plan Review	78,411
OHL/Major Events Facility	42,030
Parks review and planning	41,077
	<hr/> 173,284
<b><u>Police</u></b>	
Police Services Business Plan	17,720
<b><u>Transit</u></b>	
Buses for Persons with Disabilities	29,242
Transit Stop Shelters	34,455
Peterborough Operations Centre	4,471
	<hr/> 68,168
<b><u>Indoor Recreation</u></b>	
New Arena Facility Build	748,993
<b><u>Library</u></b>	
Library renovation	140,740
Library materials acquisition	77,400
	<hr/> 218,140
<b><u>City Wide Engineering</u></b>	
Commuter Cycling Crawford	16,537
Various New Side Walk Installations	104,457
Various New Multi-Use Trails	67,182
Brealey - Lansdowne to Sherbrooke	41,517
Nassau Mills Bridge over Otonabee	31,281
Chemong Rd - Parkhill to Parkway ROW	224,078
	<hr/> 485,052
<b><u>Public Works</u></b>	
Peterborough Operations Centre	62,597
<b>Total Net Transfers</b>	<hr/> <b>1,773,954</b> <hr/>

**Schedule 4**  
**City of Peterborough**  
**Analysis of 2018 Capital Projects**  
**Financed In Whole Or In Part From Development Charges**

(1)	(2)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		(Unexpended) Unfinanced			Total Revenues						(Unexpended) Unfinanced
Service/Description	Reference	at Jan. 1, 2018	Expenditures	Total Applications	Capital Levy	Federal/ Provincial Grants	Financing From DC Reserve Funds	Long Term Debt	Other Revenue	Total Revenue	at Dec. 31, 2018
<b><u>General Government</u></b>											
Development Charge Studies	105-17-133		11,766	11,766			-11,766			-11,766	
Official Plan Review	105-12-780	-48,085	248,696	248,696			-78,411		-122,200	-200,611	
OHL/Major Events Facility	105-16-674	-105,000	140,101	140,101			-42,030			-42,030	-6,929
Parks review and planning	105-18-524		51,077	51,077	-10,000		-41,077			-51,077	
<b><u>Police</u></b>											
Police Services Business Plan	105-18-983		53,159	53,159			-17,720		-50,000	-67,720	-14,561
<b><u>Transit</u></b>											
Buses for Persons with Disabilities	102-17-509		604,606	604,606		-263,786	-29,242		-311,578	-604,606	
Transit Stop Shelters	102-12-507	-1,435	1,584,847	1,584,847		-695,606	-34,455			-730,061	853,351
Peterborough Operations Centre	102-15-479	4,096,549	15,028,221	15,028,221		-900,000	-67,068	-14,562,000	-3,595,702	-19,124,770	
<b><u>Indoor Recreation</u></b>											
New Arena Facility Build	102-15-692	53,459	882,296	882,296			-748,993		-556,700	-1,305,693	-369,938
<b><u>Library</u></b>											
Library renovation	602-11-739	897,495	1,113,038	1,113,038			-140,740	-2,044,000	-78,302	-2,263,042	-252,509
Library materials acquisition	602-18-734		441,539	441,539	-8,600		-77,400		-355,539	-441,539	
<b><u>City Wide Engineering</u></b>											
Various New Multi-Use Trails	102-17-360	-50,806	90,100	90,100			-23,567			-23,567	15,727
Various New Multi-Use Trails	102-18-360		83,872	83,872			-43,615			-43,615	40,257
Various new SW installations	102-18-362		232,761	232,761			-104,457		-128,304	-232,761	
Nassau Mills over Trent Severn	102-16-322	-1	41,518	41,518			-41,517			-41,517	
Nassau Mills over Otonabee	102-16-321		41,676	41,676			-31,281		-10,395	-41,676	
Chemong Rd - Parkhill to Parkway ROW	102-07-193	-15,744	264,985	264,985			-224,078		-22,897	-246,975	2,266
Commuter Cycling - Crawford	102-18-364		16,537	16,537			-16,537			-16,537	
<b>Total</b>		<b>4,826,432</b>	<b>20,930,795</b>	<b>20,930,795</b>	<b>-18,600</b>	<b>-1,859,392</b>	<b>-1,773,954</b>	<b>-16,606,000</b>	<b>-5,231,617</b>	<b>-25,489,563</b>	<b>267,664</b>

Appendix A

Schedule 5  
City of Peterborough  
Future Capital Works To Be Drawn Against Development Charge Reserve Funds  
As of December 31, 2018

	Possible Further Draws
<b><u>General Government</u></b>	
Official Plan Review	33,529
OHL/Major Events Facility	2,970
Parks Review & Planning	48,923
Retail Market Analysis Update	4,885
	90,307
<b><u>Transit</u></b>	
Transit Stop Shelters	15,000
Buses for Persons with Disabilities	1,125
Downtown Transportation Hub & Route	50,000
Jackson Park Management Plan	175,000
City Wide Traffic Operations Assessment	63,000
Cycling Network Study	175,000
Transportation Master Plan	810,000
Public Works Relocation Project	668,808
	1,957,933
<b><u>Indoor Recreation</u></b>	
New Arena Facility Build	683,046
Construction - New Athletic Facility	180,000
	863,046
<b><u>Fire</u></b>	
Fire Station Relocations/Construction	68,840
<b><u>City Wide Engineering - Roads and Related</u></b>	
Armour Road - Nassau Mills	429,000
Bethune Street	1,687,000
Brealey - Lansdowne to Sherbrooke	19,568
Chemong Rd - Parkhill to Parkway ROW	1,774,701
Chemong Rd. N. Urbanization	750,000
Citywide Transit Operations	112,250
Commuter Cycling Crawford	155,664
Extension of Crawford Drive	2,347,417
George St. Cycling lanes	110,000
Kawartha Heights Detention Pond	220,873
Nassau Mills over Otonabee	130,018
Nassau Mills over Trent Severn	218,088
Parkhill - Wallis to City Limits	255,500
Parkhill West	600,000
Parkway Corridor Extension	3,228,100
Sherbrook St - Glenforest to W City Limits	1,775,000
TV Road Lansdowne to Parkhill	200,000
TV Road over Witlaw Creek	787,000
Various New Multi-Use Trails	108,782
Various New Side Walk Installations	54,109
Water Street North Urbanization	250,000
	15,213,070
<b><u>Park Development &amp; Facilities</u></b>	
Parkland Development Assistance	140,000
Park Facilities Development	139,017
Beavermead Campground Park	83,000
	362,017
<b><u>Police</u></b>	
Police Services Business Plan	7,280
<b><u>Public Works</u></b>	
Peterborough Operations Centre	2,688,912
<b><u>Affordable Housing</u></b>	
Incentives For Affordable Housing	329,146
<b><u>Growth Areas</u></b>	
Jackson Growth Area	803,552
Carnegie East Growth Area	292,976
Carnegie West Growth Area	189,816
Chemong East Growth Area	273,946
Chemong West Growth Area	330,939
Coldsprings Growth Area	173,000
Lily Lake Growth Area	1,020,000
Liftlock Growth Area	75,000
	3,159,229
<b>Total Future Capital Works</b>	<b>24,739,780</b>

# PETERBOROUGH UTILITIES COMMISSION REPORT

3.03

April 18, 2019

COMMISSION AGENDA  
2019:04:25

## **WATER DEVELOPMENT CHARGES FOR THE YEAR ENDING DECEMBER 31, 2018**

### **INFORMATION**

This report is presented for the Commission's information.

Prepared by: Kyle Davis, Chief Financial Officer

Submitted by: Kyle Davis, 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 (“DC”) and supporting statements summarizing cash receipts, balance due to general funds and eligible development costs incurred for the fiscal year ending December 31, 2018.

The DCA reserve fund had an opening balance on January 1, 2018 of nil. A total of \$2,119,948 was collected during the year and the fund earned interest of \$16,880 for a total fund value of \$2,136,828.

The value of 2018 capital expenditures eligible for financing from the reserve fund amounted to \$572,628. This is in addition to the opening balance from eligible expenditures in the prior years of \$5,214,780 resulted in a total available balance of \$5,787,408. Of this amount, the total available for transfer of \$2,136,828 was transferred from the reserve fund to the general fund. The reserve fund balance at December 31, 2018 was nil.

A copy of this report will be submitted to Richard Freymond, Financial Services Manager, 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.

The PUC has currently engaged Hemson Consulting Ltd. to prepare a background study to establish development charges for the remainder of 2019. Additionally, the PUC has requested to City staff that it be included in the new development charge study that the City is currently undertaking to establish rates effective January 1, 2020.

### **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, 2018**

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**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
STATEMENT OF CONTINUITY OF RESERVE FUND  
FOR THE YEAR ENDING DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
Balance, as at January 1,	\$ -	\$ -
Add:		
Cash Receipts	2,119,948	91,449
Interest Earned	16,880	367
Total Available	2,136,828	91,816
Less:		
Contributions to Capital Operations	2,136,828	91,816
Balance, as at December 31	-	-

Balance due to General Funds:

	<b>2018</b>	<b>2017</b>
Balance, as at January 1,	\$ 5,214,780	\$ 3,927,192
Eligible expenditures	572,628	1,379,404
Transferred to General Funds	(2,136,828)	(91,816)
Balance, as at December 31,	3,650,580	5,214,780

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF CASH RECEIPTS  
FOR THE YEAR ENDING DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
Residential	\$ 2,088,724	\$ 91,449
Non-residential	31,224	-
Balance, as at December 31,	2,119,948	91,449

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF DEVELOPMENT COSTS  
FOR THE YEAR ENDING DECEMBER 31, 2018**

<b>Project #</b>	<b>Description</b>	<b>2018 Expenditures</b>	<b>Growth Factor</b>	<b>Growth Related Portion of Expenditures</b>
2178-5-2303	Trent Research Park servicing	1,577	100%	1,577
2175-1-2366	Nassau Mills Road trunk main	37,892	100%	37,892
2178-5-2434	Nassau Mills Road trunk main	533,159	100%	533,159
Total expenditures		572,628		572,628

# PETERBOROUGH UTILITIES COMMISSION DEVELOPMENT ACT CHARGES

**BY-LAW 13-174  
EFFECTIVE JANUARY 1, 2018**

## Residential

Planning Area	Res. A Singles & Semis	Res. B Other Multiples	Res.C Apart- ments
1. Auburn North	\$2,982	\$2,570	\$1,748
2. Jackson	\$2,836	\$2,446	\$1,662
3. Carnegie West (Zone 3N)	\$2,057	\$1,774	\$1,206
4. Chemong	\$1,780	\$1,534	\$1,042
5. Lily Lake	\$3,688	\$3,181	\$2,162
6. Liftlock	\$1,686	\$1,453	\$989
7. Coldsprings	\$2,113	\$1,821	\$1,238
8. Outside Planning Areas	\$1,485	\$1,280	\$870
9. Carnegie East (Zone 2)	\$753	\$649	\$440
10. Chemong East	\$1,839	\$1,585	\$1,077

**Non-Residential, all planning areas . . . . \$6.49 /m<sup>2</sup>**