

Appendix A



City of
Peterborough

To: Members of the Finance Committee

From: Richard Freymond
Commissioner of Corporate and Legislative Services

Meeting Date: June 10, 2019

Subject: Report CLSFS19-030
2020 Preliminary Budget Guidelines

Purpose

A report to recommend the 2020 Preliminary Budget Guidelines.

Recommendations

That Council approve the recommendations outlined in Report CLSFS19-030, dated June 10, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the Draft 2020 Operating Budget reflect an estimated 1.75% all-inclusive (Municipal, Education, Sanitary Sewer Surcharge) increase for general Operating Budget impacts.
- b) That the Draft 2020 Operating Budget reflect an additional 1.09% all-inclusive budget provision for support to the capital program comprised of:
 - i) A budget provision of \$620,000 (0.36%) for Stormwater Protection,
 - ii) An increase in the Sewer Surcharge rate to provide the equivalent of \$350,000 (0.23%) in Sanitary Sewer revenues, and
 - iii) \$856,000 (0.50%) related to the Capital Financing Policy to support debt principal and interest payments

- c) That the revised Tax Ratio Reduction Program continues for the 2020 Draft Budget and reflects reductions:
 - i) to the Commercial and Industrial Class Tax Ratios but not the Multi-residential Class, and
 - ii) at the reduced rate established through the 2016 Budget process.
- d) That the increase in the Police Services portion of the draft 2020 Operating Budget reflect no more than the Operating portion of Net Tax Levy increase (estimated to be 2.78%), and any increase in the net Police Services budget beyond the estimated Operating Portion of the Net Tax Levy increase be addressed by Council as part of the detailed 2020 Budget deliberations to occur in November of 2019.
- e) That the 2020 Highlights Book includes a section on the information gathered through the Public Meeting to be held on May 22, 2019 and a response to each.
- f) That as part of the June 10, 2019 Guideline Report, staff provide an update on the responses to the 2020 budget survey.
- g) That Council commit, in principle, to leveraging the Investing in Canada Infrastructure Program federal and provincial funding, subject to annual budget approvals, by funding the municipal share of the projects estimated to be more than \$22 million over the next eight years to maximize the available grants.

Budget and Financial Implications

Based on a number of early assumptions, a combined 2.84% all inclusive rate increase equates to a \$5.2 million (3.9%) increase in total tax levy requirements.

Recommendation c), regarding the Tax Ratio Reduction Program, does not impact the 2020 levy requirement nor the amount of tax collected, but does reduce the tax burden of the Commercial and Industrial Classes, and increases the burden of the Residential and Multi-residential Tax Classes. The impact to the Residential and Multi-residential Tax Class is estimated to be \$417,000 or 0.24% on the all-inclusive increase.

The following chart summarizes key impacts in 2020 that are considered over and above the amounts in the 2019 Operating Budget base.

Chart 1
Summary of Significant 2020 Operating Budget Impacts

Ref	Description	Amount
1	Year two of three of Peterborough Public Health increase	110,428
2	City share of net Peterborough County City Paramedics – annualization of expanded levels of service	126,600
3	Increase to Capital levy (inflationary)	75,000
4	Federal Carbon Tax on Gasoline and Natural Gas	304,000
5	Contribution to Greater Peterborough Innovation Cluster (GPIC) - funded from Capital Levy Reserve in 2019	140,000
6	Total 2020 Operating Budget increases	756,028
7	Additional Levels of Service	
8	Waste Water Protection – Storm and Sanitary Sewer – Recommendation a) ii) and iii)	970,000
9	Capital Financing Policy - Recommendation b)	856,000
10	Additional Capital Financing	1,826,000
11	Total 2020 Budget Impacts	2,582,028

A 1% change in the All-Inclusive Rate equates to \$1,712,100. Altogether, the above list of impacts equates to a 1.51% increase in the All-inclusive rate.

For an average taxpayer based on an estimated 2020 median assessed value of \$260,000, 2.84% would add an estimated \$115 to the combined municipal, education, storm and sewer surcharge levy.

Background

2020 Budget Process Began April, 2019

In April 2019, staff began the process of compiling the preliminary 2020 Budget estimates.

During the various review stages, staff will ensure the 2020 Draft Budget, to be presented to Budget Committee on October 28, 2019, achieves the guidelines ultimately approved through discussions of this report.

2.84% All-Inclusive Increase

Staff recommend a 2.84% all-inclusive increase comprised of a 1.75% general increase, 0.36% to provide \$620,000 for Storm Water Protection, an additional 0.23% to provide \$350,000 in Sewer Surcharge and 0.50% to provide \$856,000 in additional Capital Financing Policy financing to leverage recent Investing in Canada Infrastructure Program funding.

The following chart breaks out the components of the All-inclusive rate for the years 2016 to present.

Break out of All-inclusive rate

Year	Operating	Capital Financing Policy	Storm Water Protection	Additional SS for Waste Water Protection	Total
2016	2.00%	1.00%	-	-	3.00%
2017	1.72%	1.00%	-	-	2.72%
2018	1.70%	0.50%	0.39%	0.26%	2.85%
2019	1.88%	-	0.37%	0.25%	2.50%
2020 proposed	1.75%	0.50%	0.36%	0.23%	2.84%

2020 Operating Budget

A general discussion on a number of factors is set out below:

Assessment – 2020 is Year 4 of 4 Year Cycle

The assessment of all property in Ontario is carried out by the Municipal Property Assessment Corporation (MPAC). The current value assessment (CVA) of a property is an estimate of the market value of a property at a fixed point in time.

Beginning with the 2009 taxation year, amendments to the Assessment Act provided for a four-year assessment update cycle. The years 2009 – 2012 were based on a valuation date of January 1, 2008. For 2013, and continuing through 2016, property assessment values have been based on a January 1, 2012 valuation date. For 2017, and continuing through 2020, property assessment values will be based on a January 1, 2016 valuation date.

The following provides a sample calculation of the assessment phase-in.

CVA based on January 1, 2016 valuation date: \$280,000
 CVA based on January 1, 2012 valuation date: \$240,000
 Change in CVA (total amount to be phased-in): \$40,000

Annual amount to be phased-in: \$40,000 / 4 years = \$10,000 per year

Taxation Year	2016	2017	2018	2019	2020
Valuation Date	January 1, 2012	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
CVA	\$200,000	\$240,000	\$240,000	\$240,000	\$240,000
Phase-in	0	25.00%	50.00%	75.00%	100.00%
CVA for Taxation	\$200,000	\$210,000	\$220,000	\$230,000	\$240,000

* In the example above, the "destination assessment" is the fully phased-in CVA with a January 1, 2016 Valuation Date.

Assessment 0.9% Real Growth Projections

Various events and activities influence assessment growth. These include zoning changes, subdivision activity and new construction.

Staff have completed an initial review, including building permits, zoning changes, subdivision activity and condominium plans, and estimate real assessment will be unchanged from the increases for Residential and Multi-residential as used in the 2019 Budget. Overall, assessments are estimated to increase by 0.9% (2019 – 1.06%). Each assessment class is estimated as follows for 2020:

- Residential 1.00%
- Multi-residential 0.75%
- Commercial 0.00%
- Industrial 0.00%

Altogether, real growth in the assessment base is expected to provide \$0.9 million (0.56% impact on All-inclusive rate) in taxation revenues. The preliminary analysis completed so far, does not substantiate any realizable growth in the Commercial or Industrial sector.

Economic Factors - Consumer Price Index (CPI) projected to be approximately 2.0% for 2020

In 2019, in releasing the Ontario Budget, the Province provided their Fiscal Outlook estimating inflation for 2020 at 2.0%.

In line with the Province's forecast of inflation at 2.0% for 2020, with the exceptions of fuel and electricity, the City has instructed staff to submit Draft Budgets assuming a 2.0% inflationary increase.

Impacts subject to inflationary pressures are difficult to quantify, but a conservative estimate of the impact to the operating budget for expenses, other than personnel costs and other pressures specifically addressed, would be \$0.6 million.

Personnel Costs (excluding Police)

Personnel costs are a major component of the operating budget. Contracts settled for the 2020 budget year are limited to the Amalgamated Transit Union (Local 169). Appropriate assumptions for negotiated settlements will be made for contract settlements with CUPE Locals 126, 504 and 1833, Fire Fighters Association (Local 169) and the Non-Union group. Police Services are referenced in a separate section of this report.

Utilities

The City has a Price Hedging contract in place that mitigates a portion of cost increases in the price of electricity consumed. Savings in re-lamping street lights is conservatively estimated to save the City approximately \$0.3 million per year. Until the capital costs are recouped, the savings are being used to finance the capital costs of re-lamping. Staff are following up on all energy retrofit projects to ensure anticipated savings are being realized.

The cost of natural gas is not anticipated to increase in 2020 as a decrease in price per Cubic Meter is offset by an increase in delivery charge. The volume of gas used by the City is forecasted to increase by an estimated 2% due to a trend in colder winter temperatures.

The 2019 Federal budget introduced a Carbon tax that took effect in April 2019. The tax is in the form of a charge of 0.039 cents per cubic meter. The unit price will increase in 2020 to 0.0587 cents per cubic meter. Incremental increases will continue annually until 2022. The cumulative impact of this tax on the City's natural gas cost is estimated at \$124,000 in 2020, \$165,950 in 2021 and \$207,500 by 2022.

Fuel Prices

Fuel prices, while decreasing since mid- 2018, have recently risen. While there continues to be a high degree of risk and uncertainty in predicting fuel prices, current economic reports do support market price stability continuing through 2019 and into 2020. However, the Federal government's new Carbon Tax will have a significant impact on the City's fuel costs. Starting April 2019, 4.4 cents per litre (CPL) for Regular Gas, and 5.34 CPL for Diesel, was added to the unit cost. Carbon Tax Unit costs will increase again in 2020 to 6.6 CPL for Regular Gas and 8.01 CPL for Diesel. Incremental increases will continue annually until 2022. Assuming the current volumes of fuel used by the City, the following chart illustrates the cumulative impact of the Federal Carbon Tax on the City's operating budget.

Year	Regular Gas (CPL)	Litres	Cumulative Impact	Diesel Clear & Coloured (CPL)	Litres	Cumulative Impact	Total Cumulative Impact
2019	0.044	404,784	17,810	0.0534	2,497,070	133,340	151,150
2020	0.066	404,784	26,720	0.0801	2,497,070	200,020	226,740
2021	0.088	404,784	35,620	0.1068	2,497,070	266,690	302,310
2022	0.111	404,784	44,930	0.1347	2,497,070	336,360	381,290

City/County Weighted Taxable Assessment

The Consolidated Service Agreement between the City and the County of Peterborough will expire at the end of 2019. Over the course of 2019 the City and County will be negotiating the terms of a new agreement. In the interim, the previous year's weighted average current value assessment will be used to calculate the City-County proportionate share for both Provincial Offences and Social Housing. For 2020, the County/City shares remain unchanged at 54.8% / 45.2%.

Transfers to Other Organizations

Police Services

Staff recommend that the increase in the Police Services portion of the draft 2020 Operating Budget reflect no more than the Operating portion of Net Tax Levy increase (estimated to be 2.78%), and any increase in the net Police Services budget beyond the estimated Operating Portion of the Net Tax Levy increase be addressed by Council as part of the detailed 2020 Budget deliberations to occur in November 2019.

Paramedic Services

Council approved Report CLSFS19-007 Peterborough County/City Paramedics Service (PCCP) 2019 Budget at its meeting on January 28, 2019. The report presented a proposal to respond to the increasing call volume experienced in recent years, the continual and ongoing offload delays, and the ever increasing trends for response.

The impact of the program in the 2019 budget was \$405,679 funded by a transfer from the PCCP reserve for a net impact of \$0.

For 2020, the costs would be funded on City/County allocation based on the 2016 Census with the City’s portion being 58.62% (County 41.38%). Year two costs are not eligible to be cost shared with the Province. For the 2020 budget, it is estimated that the impact will be \$126,600. The PCCP Reserve which has a current uncommitted balance in the amount of \$751,201 could help phase in any increase.

As part of the 2019 Provincial Budget, the Province indicated that Land ambulance dispatch services will be streamlined by integrating Ontario’s 59 emergency health services operators and 22 provincial dispatch communication centres. They also indicated they are committed to exploring new models of care and delivery for emergency health services to improve care for patients and reduce duplication so not every ambulance is sent to an emergency department. In terms of any restructuring of paramedic services, the Ministry of Health and Long-Term Care has committed to forming working groups across the province to have discussions with municipal and other various stakeholder groups. Staff will continue to monitor these discussions.

Peterborough Public Health

As part of the 2019 Budget discussions, Peterborough Public Health requested a funding allocation shift from 75% Province and 25% for municipal partners to 70% and 30% respectively. Ultimately, Council endorsed the change in funding shares, which is to be phased in over a three year period. The following chart illustrates the impact for each year and cumulatively.

Impact of Proposed Increase for Years Indicated				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proposed City Funding	\$ 1,228,486	\$ 1,330,450	\$ 1,440,878	\$ 1,560,471
Annual Increase in Funding		\$ 101,964	\$ 110,428	\$ 119,593
% Increase		8.3%	8.3%	8.3%
Cumulative Base Increase		\$ 101,964	\$ 212,392	\$ 331,985
% Increase		8.3%	17.3%	27.0%

As part of the 2019 Provincial Budget, the Province indicated that the provincial-municipal cost sharing of public health in 2019-20 will be adjusted. However, the nature of this adjustment is not yet known. The Province also indicated that by 2020-21, they will establish 10 regional public health entities and 10 new regional boards of health with one common governance model. Staff will continue to monitor these discussions.

Storm Water Protection and Sewer Surcharge – 0.59% Impact on All-inclusive

On February 13, 2017, in consideration of Report USEC17-001 Water Resource Protection, Council resolved the following:

- c) That related to a dedicated stormwater protection fee:
 - i) Council recognize the need to, over time, increase the annual stormwater funding allocation by an additional \$6.2 million, subject to annual budget discussions; and
 - ii) In the first year, being 2018, an additional amount up to \$620,000 be included in the "All Inclusive" budget, subject to budget discussions and final budget approval.
- d) That, related to an increased sanitary sewer surcharge, the 2018 Draft Budget and Work Program include the first year of a 10-year phase-in, or \$350,000, to gradually fund an additional annual amount of \$3.5 million in sanitary funding through increases in the sanitary sewer surcharge.

For 2020, it is recommended that the Draft Operating Budget include the third increment of \$620,000 along with the third incremental increase in the Sewer Surcharge Rate from 99.14% to 101.09%.

Education Rates – expected to decrease slightly

Although Education Rates are established by the Province, they affect the final all-inclusive tax increase. Draft Education Rates are typically published by the Province in December of each calendar year for the following year. For the last number of years, the rate has been declining as assessment in the Province has increased. The 2020 Draft Budget will be prepared and presented to Council based on the premise that the Education rates will decrease 4.0% as in 2019.

Tax Ratios and the Tax Ratio Reduction Plan

Tax ratios are applied to current value assessment to determine weighted value assessment that is, in turn, used to calculate municipal tax rates.

Tax ratios have a direct bearing on the tax rate calculations and ultimately determine the relationship that industrial, commercial, and multi-residential municipal tax rates have to the residential tax rate.

Continuing the Tax Ratio Reductions Program does not impact tax levy requirements. It does, however, shift the tax burden from one property tax class to another.

Staff recommend that the revised Tax Ratio Reduction Program continues for the 2020 Draft Budget and reflects reductions:

- i) to the Commercial and Industrial Class Tax Ratios but not the Multi-residential Class, and
- ii) at the reduced rate established through the 2016 Budget process.

The Commercial Class will achieve the goal of a tax rate of 1.5% of the residential class in 2020, the Industrial Class by 2021.

Comparative All Inclusive Tax and Sewer Surcharge Rates and Levies

Taking all the above recommendations into consideration, the following chart summarizes the residential tax and sewer rates and resulting levies for a median single family dwelling:

**Comparative All Inclusive Tax and Sewer Surcharge Rates and Levies
For Median Single Family Dwelling (Not on Waterfront)**

Ref C1	Description C2	2019 C3	2020 C4	Change from 2019	
				Amount C5	% C6
1.01	Gross Expenditures	282,832,532	292,024,589	9,192,057	3.2%
1.02	Amount raised from taxation	132,411,243	137,569,277	5,158,034	3.9%
1.03	Effect of tax ratio plan on change in all-inclusive rate				0.2%
1.04	Effect of 2020 Real Assessment Growth on change in all- inclusive rate				-1.0%
2.00	<u>Residential Tax Rates</u>				
2.01	Municipal	1.2497420%	1.2503930%	0.0006510%	0.1%
2.02	Education (estimate)	0.1700000%	0.1632000%	-0.0068000%	-4.0%
2.03	Total	1.4197420%	1.4135930%	-0.0061490%	-0.4%
3.00	<u>Average Annual Water Rates</u>	472.51	481.96	9.45	2.0%
4.00	Sewer Surcharge Effective Rate	99.14%	101.09%	2.0%	2.0%
	<u>Levies / Collected</u>				
5.00	Water Revenues	17,100,000	17,442,000	342,000	2.0%
5.01	Sewer Surcharge	16,274,800	16,926,800	652,000	4.0%
6.00	Estimated Median Assessed Value - SFD Not on Waterfront	252,098	260,000	7,902	3.1%
7.00	<u>Residential Tax Levy on Assessment</u>				
7.01	Municipal	3,150.57	3,251.02	100.45	3.2%
7.02	Education	428.57	424.32	-4.25	-1.0%
7.03	Total	3,579.14	3,675.34	96.20	2.7%
7.04	<i>Per month</i>	298.26	306.28	8.02	2.7%
8.00	Sewer Surcharge Payable	468.45	487.21	18.76	4.0%
8.01	<i>Per Month</i>	39.04	40.60	1.56	4.0%
9.00	Stormwater Protection Surcharge payable	0.00	0.00	0.00	N/A
9.01	<i>Per Month</i>	0.00	0.00	0.00	N/A
10.00	Total Municipal Tax, Sewer and Stormwater	3,619.02	3,738.23	119.21	3.3%
10.01	<i>Per Month</i>	301.59	311.52	9.93	3.3%
11.00	Combined Mun and Ed Tax Plus Sewer Surcharge & Stormwater	4,047.59	4,162.55	114.96	2.84%
11.01	<i>Per Month</i>	337.30	346.88	9.58	2.84%

Notes

1 The tax levies shown are for the median single family dwelling unit (not on waterfront) assessed at \$ 252,098 for 2019 and \$ 260,000 for 2020
Individual tax levies and percentage changes will vary depending on actual assessed values each year.

2 A \$1,712,765 change in net tax levy for 2020 equates to a 1% change in the Combined Municipal and Education Tax on Assessment plus Sewer Surcharge.
For example, to lower the 2020 proposed 2.5% increase to 1.5%, \$1,712,765 net tax levy funded expenditures would have to be eliminated.

If All inclusive rate increase is set at 2.84%, then the amount of net tax levy that must be deducted from the budget is \$0,000
This assumes that a 1% increase equals: \$1,712,765

2020 Capital Budget

The amount of capital work to be done to maintain the City's assets or expand its infrastructure due to increasing demands continues.

Request to Increase Provision for Additional Capital Financing by \$0.86 million or 0.5% of the All-inclusive rate

At its meeting held April 23, 2012, based on recommendations in Report CPFS12-011, dated April 4, 2012, Council approved a new Capital Financing Policy. The new policy identified additional capital levy and created additional capacity to issue new debt, but increased the amount of annual principal and interest to be repaid that has to be budgeted in the annual operating budget.

The following was established:

- c) That the maximum current year annual debt repayment is based on 15% of the City's consolidated own-purpose revenues (Net Revenues), inclusive of the tax-supported current year debt payment, which is limited to 8% of the corporation's own purpose revenues; and
- d) That, to phase-in the new maximum debt limit, the total annual amount of new tax-supported debt charges and any increase in the capital levy provision be limited so that the impact on the residential all-inclusive tax increase does not exceed 1% per year.

There was no increase in the 2019 budget due to debt maturing and freeing up available funds that could be repurposed. For 2020, Council could increase the provision for new tax-supported debt and/or capital levy and still be within the policy of new debt that could be issued.

Staff are recommending a 0.5% provision for the 2020 Draft Budget for the following reasons:

- Tax Supported Debt Financing – Unlike in 2018, there is not a significant amount of debt maturing in 2019 whose servicing costs could be repurposed to support new tax supported capital in the 2020 capital program;
- To provide municipal funds to leverage the Investing in Canada Infrastructure Program (ICIP) capital funding available;
- Casino Revenues – In 2018, Council approved the staff recommendation to utilize casino gaming revenues for Capital Financing. Based on payments received to date, an annual allocation of \$3 million is what the City may reasonably expect as its share of gaming proceeds. In 2019, an amount of \$4 million was used in the Capital Budget, however, for 2020 the amount will be reduced to \$2.0 million to realign the budget with actual

experience to date. As more time passes, staff will monitor the gaming revenues and adjust the expectations accordingly;

- In March 2019, the City received notice that the Province was reviewing the formula-based Ontario Community Infrastructure Fund – 2019 allocation was \$2.1 million. As such, the proposed allocations for 2020 and 2021 cannot be confirmed;
- Staff would be recommending a further enhancement to the Capital Budget, except for the fact that as part of the 2019 budget, the federal government announced in March 2019 a one-time transfer equivalent to what the municipality received in 2018 – approximately \$5.0 million.

Dividends from City of Peterborough Holdings Inc. (CoPHI) and Sale of PDI

Regardless of the sale date, for the purposes of preparation of the Draft 2020 Budget and subject to further Council discussion and direction, staff recommend that similar to the COPHI dividend payment, any additional investment proceeds from the sale of PDI, be directed towards enhancing Capital financing, and not be used for purposes of reduction in the net tax levy.

For 2020, it is assumed that the City will receive \$5.784 (\$5.667 – 2018) million in dividend payments from CoPHI, the Peterborough Utilities Group of Companies, or equivalent amount from investment proceeds.

Should the sale of Peterborough Distribution Inc. (PDI) occur, regardless of the budget year, a reduction in the dividend amount in 2020 (or 2021) would be required.

Investing in Canada Infrastructure Program – Federal and Provincial Capital Funding

In March 2019, the Provincial Government announced the Investing in Canada Infrastructure Program (ICIP), a \$30 billion, 10-year infrastructure program cost-shared between federal, provincial and municipal governments. Ontario's share per project will be up to 33 per cent, or \$10.2 billion spread across four streams:

1. Rural and Northern
2. Public Transit
3. Green infrastructure
4. Community, Culture and Recreation

The grant programs provide a much needed injection of revenue in capital projects but also require significant municipal contribution to secure the funding. The Transit stream has allocated approximately \$57 million in federal and provincial funding to the City but requires a minimum municipal contribution of \$21 million (26.7%) to take full advantage of the City's allocation. The resulting total minimum transit investment over the next eight years would be \$78 million in eligible costs. The first Intake application for new bus purchases will be submitted

in May. Upon grant approval, Council should expect a report detailing a 2020 Capital Budget pre-commitment of \$1,200,000 for the purchase of these new transit buses. In addition to bus purchases, examples of other types of investments that could potentially be made in transit include: new garage, stop/shelter upgrades, new satellite terminal and a new downtown terminal.

The Rural and Northern stream is a competitive application based program requiring 16.7% municipal funding for a project up to \$5 million, resulting in a municipal contribution of \$833,000. The focus of this intake is transportation infrastructure. With the first intake, an application will be made for upgrades to the Television Road Bridge to enhance east side transportation infrastructure.

Funding parameters are not yet known for the Green Infrastructure stream or the Community, Culture and Recreation stream. It is anticipated that intakes will open later in 2019.

Projects types included in the Green Infrastructure stream are climate change mitigation; adaptation, resilience, disaster mitigation and environmental quality sub stream. Projects may include flood reduction mitigation projects, waste water treatment plant projects, energy efficiency in buildings and fuel switching. This stream is approximately a third of the size of the Transit stream and may also require significant municipal contribution to secure the funding.

Pre-commitments of Capital Financing

Chart 2 summarizes the pre-commitments of funding Council has made, or will be asked to make, towards the 2020 Capital program. Altogether, there is \$7,825,191 in funding to six different projects or initiatives. Of this amount, \$4,185,191 is tax supported.

Chart 2
2020 Approved and Proposed Capital Pre-Commitments

	Project name	Report Reference	Development Charges	Tax Supported Debt/Capital Levy	Total 2020 Commitment
1	Expansion of the East Side Transportation Study Scope Work	IPSTR19-006	540,000	60,000	600,000
2	Canadian Canoe Museum	CSD17-030		500,000	500,000
3	Humane Society 2017-2021	OCS16-002		300,000	300,000
4	Fairhaven	CPFS12-062		225,191	225,191
5	Parkhill Road West - Wallis Drive to City Limits	IPSENG19-012 May 13, 2019	2,500,000	2,500,000	5,000,000
6	ICIP- Transit Stream (estimate)	IPSxx19-xxx Future date	600,000	600,000	1,200,000
7	Total		3,640,000	4,185,191	7,825,191

Public Budget Consultation

A series of public budget consultations are currently being held in each of the five wards at various dates in April and May of 2019.

The 2020 budget survey is also available on the City’s website and may be completed at any time.

In addition, a public meeting for the 2020 Budget will be held on May 22, 2019. Staff will summarize the input from the presentations by the public stakeholders in the final version of this report.

Summary

If the recommendations in this report are approved, staff will prepare a Draft Budget that reflects a target 2.84% all-inclusive tax increase. There are however, several impacts that are unknown at this time and there is risk in committing to this increase. As always, preparing a Draft Budget, supporting existing levels of service at a reasonable cost to taxpayers will be a difficult task.

Submitted by,

Draft Not Final

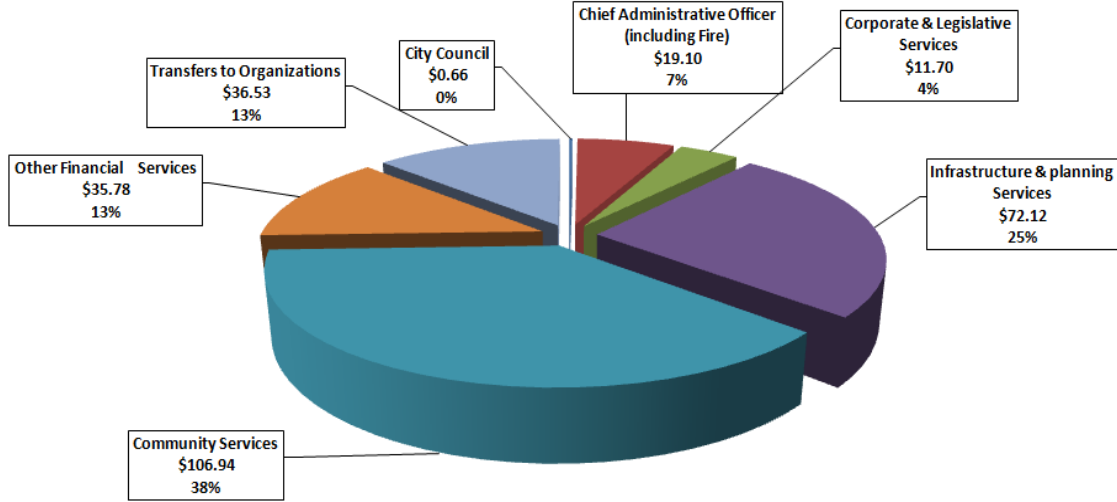
Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Name:

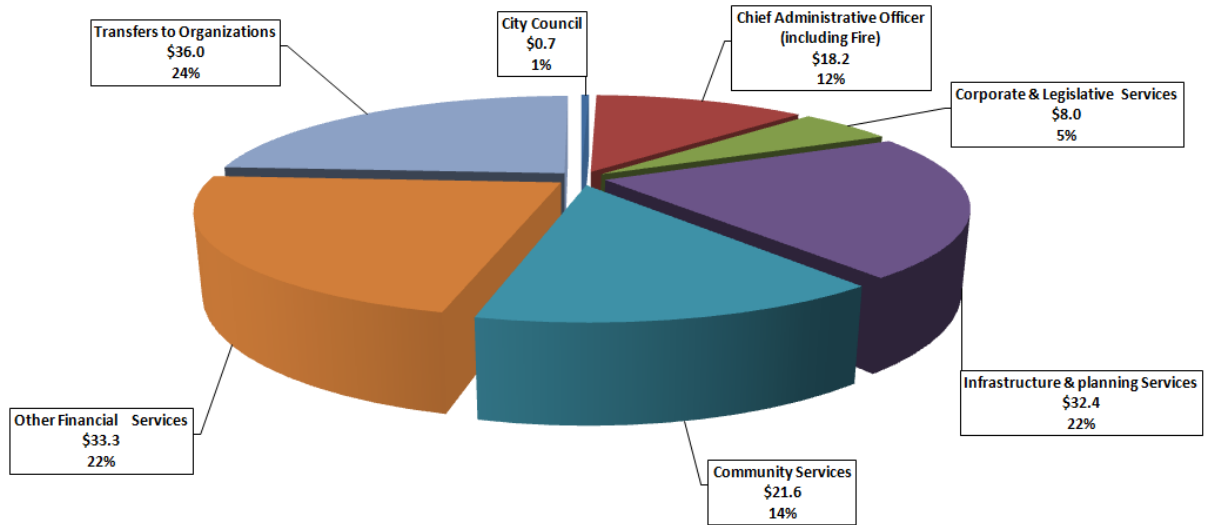
Richard Freymond
Commissioner of Corporate and Legislative Services
Phone: 705-742-7777 Ext. 1863
Toll Free: 1-855-738-3755 Ext 1863
Fax: 705-876-4607
E-mail: rfreymond@peterborough.ca

Appendix B

2019 Budget Operating Gross Expenditures \$ 282.8 (Million)



Net Expenditures - increased by \$150.1 (Million)



Appendix C

What a Residential Tax Payer Pays for Various Municipal Services For the Year 2019 Based on a home assessed at \$251,700

Service, Program, Transfers	Net Requirement Before Indirect Revenues	Allocated Indirect Revenue	Net tax Levy	Residential Municipal Tax Rate	Tax levy	% of Total
City Council						
City Council	663,681	78,028	585,653	0.005528%	13.91	0.44%
	663,681	78,028	585,653	0.005528%	13.91	0.44%
Chief Administrative Officer						
Office of Chief Administrative Officer	523,317	61,525	461,792	0.004359%	10.97	0.35%
Fire Services	16,642,404	1,956,613	14,685,791	0.138609%	348.88	11.09%
Emergency Management	459,315	54,001	405,314	0.003825%	9.63	0.31%
Communications	591,449	69,535	521,914	0.004926%	12.40	0.39%
	18,216,485	2,141,675	16,074,811	0.151719%	381.88	12.14%
Corporate and Legislative Services						
City Clerk	728,438	85,641	642,797	0.006067%	15.27	0.49%
Financial Services	2,048,029	240,783	1,807,247	0.017057%	42.93	1.36%
Facilities Management	1,107,462	130,202	977,260	0.009224%	23.22	0.74%
Human Resources	1,139,205	133,934	1,005,271	0.009488%	23.88	0.76%
Corporate Information Services	2,625,177	308,637	2,316,540	0.021864%	55.03	1.75%
Facilities and Special Projects	137,245	16,136	121,109	0.001143%	2.88	0.09%
Legal Services	198,122	23,293	174,829	0.001650%	4.15	0.13%
	7,983,678	938,625	7,045,054	0.066494%	167	5.32%
Infrastructure Planning Services						
Office of Infrastructure & Planning Services	272,496	32,037	240,459	0.002270%	5.71	0.18%
Planning	1,724,439	202,739	1,521,700	0.014362%	36.15	1.15%
Peterborough Airport	2,422,241	284,778	2,137,463	0.020174%	50.78	1.61%
Building Inspection and Protective Services	466,457	54,840	411,617	0.003885%	9.78	0.31%
Engineering, Construction and Public Works	11,215,183	1,318,546	9,896,637	0.093408%	235.11	7.47%
Infrastructure Planning	774,337	91,037	683,300	0.006449%	16.23	0.52%
Transportation	10,345,149	1,216,258	9,128,891	0.086162%	216.87	6.89%
Environmental Services	5,143,185	604,674	4,538,511	0.042836%	107.82	3.43%
	32,363,487	3,804,908	28,558,579	0.269545%	678.45	21.57%
Community Services						
Community Service Administration	1,868,353	219,658	1,648,695	0.015561%	39.17	1.25%
Recreation	1,050,357	123,488	926,869	0.008748%	22.02	0.70%
Arts, Culture and Heritage	4,802,653	564,638	4,238,015	0.040000%	100.68	3.20%
Arenas	2,259,680	265,666	1,994,014	0.018820%	47.37	1.51%
Social Services	11,600,135	1,363,804	10,236,331	0.096614%	243.18	7.73%
	21,581,178	2,537,255	19,043,924	0.179743%	452.41	14.38%
Capital Levy, Debt & Financial Summary						
Capital Financing Costs	28,312,191	3,328,606	24,983,585	0.235803%	593.52	18.87%
Property Taxation Costs	2,935,895	345,167	2,590,728	0.024452%	61.55	1.96%
Other Expenditures	1,201,287	141,233	1,060,054	0.010005%	25.18	0.80%
Contingency Provision	807,457	94,931	712,526	0.006725%	16.93	0.54%
	33,256,830	3,909,937	29,346,893	0.276986%	697.17	22.16%
Transfers to Organizations For Provision of Services						
Police Services	25,676,712	3,018,758	22,657,954	0.213853%	538.27	17.11%
Fairhaven	1,795,741	211,122	1,584,619	0.014956%	37.64	1.20%
Peterborough County/City Paramedics Service	4,888,400	574,719	4,313,681	0.040714%	102.48	3.26%
Otonabee Region Conservation Authority	770,038	90,532	679,506	0.006413%	16.14	0.51%
Primary Health Care Services Peterborough	20,866	2,453	18,413	0.000174%	0.44	0.01%
Peterborough County-City Health Unit	1,330,450	156,418	1,174,032	0.011081%	27.89	0.89%
Peterborough Economic Development	989,880	116,378	873,502	0.008244%	20.75	0.66%
Humane Society	365,194	42,935	322,259	0.003042%	7.66	0.24%
DBIA	150,000	17,635	132,365	0.001249%	3.14	0.001
	35,987,281	4,230,951	31,756,331	0.299727%	754.41	23.98%
Total Net Expenditures	150,052,620	17,641,377	132,411,243	1.249742%	3,145.60	100.00%

Notes

- 'Net Tax Levy' equals gross expenditures less all sources of direct revenues that may apply. For example, Transportation gross expenditures less transportation revenues equals net transportation tax levy.
- 'Residential Municipal Tax Rate' shown is expressed as a percentage that when multiplied by CVA and divided by 100 equals the tax levy shown for each service. As example, the tax rate for Council is 0.005528% and the resulting tax levy for a house assessed at \$251,700 is 13.91 (0.00005528 X \$251,700 /100 = 13.91). Some totals and subtotals may not add exactly due to rounding differences.
- Tax Levy shows what the taxpayer with the shown CVA pays in 2019 for the services.