



City of  
**Peterborough**

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**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 Budget Guidelines**

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## **Purpose**

A report to recommend the 2020 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 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 approximately \$22 million over the next eight years, or an average of \$2.75 million per year, 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 charts summarize the key 2020 impacts, presently known, that are considered over and above the amounts in the 2019 Operating Budget base.

**Chart 1****Summary of Potential 2020 Operating Budget Impacts – Before Recent Provincial Announcements**

Ref	Description	2019 Incremental Adjustments to Approved Base Budget Amounts	2020 Incremental Adjustments to Base Budget Amounts	2019 - 2020 Impacts to Base Budgets
Col 1	Col 2	Col 3	Col 4	Col 5
1	Increase to Capital levy (inflationary)	-	75,000	75,000
2	Federal Carbon Tax on Gasoline and Natural Gas	-	304,000	304,000
3	Contribution to Greater Peterborough Innovation Cluster (GPIC) - funded from Capital Levy Reserve in 2019	-	140,000	140,000
4	<b>Total Operating Budget increases</b>	-	<b>519,000</b>	<b>519,000</b>
5	<b>Additional Levels of Service - Capital</b>			
6	Waste Water Protection – Storm and Sanitary Sewer – Recommendation b) ii) and iii)	-	970,000	970,000
7	Capital Financing Policy - Recommendation b)	-	856,000	856,000
8	Additional Levels of Service - Capital	-	<b>1,826,000</b>	<b>1,826,000</b>
9	<b>Total Operating Budget increases</b>	-	<b>2,345,000</b>	<b>2,345,000</b>

Chart 1 is representative of the 2020 Budget impacts envisioned when staff prepared the Preliminary Budget Guideline Report and the resulting recommendations of the All-inclusive Operating Budget increase of 2.84%.

**Chart 2****Estimated Budget Impacts of Recent Provincial Announcements**

Ref	Description	2019 Incremental Adjustments to Approved Base Budget Amounts	2020 Incremental Adjustments to Base Budget Amounts	2019 - 2020 Impacts to Base Budgets
Col 1	Col 2	Col 3	Col 4	Col 5
1	Social Services - Ontario Works	350,000	38,000	388,000
2	Social Services - Children's Services		591,000	591,000
3	Fairhaven - Longterm Care	126,800	224,700	351,500
4	Peterborough Police Services	95,562	32,188	127,750
5	Otonabee Region Conservation Authority	94,144	-	94,144
6	Peterborough County/City Paramedics	-	275,532	275,532
7	Peterborough Public Health		511,141	511,141
8	<b>Total Operating Budget increases</b>	<b>666,506</b>	<b>1,672,561</b>	<b>2,339,067</b>

The amounts in Chart 2 above represent estimated incremental changes to base budgets assuming the same level of service and staffing that was planned prior to the Provincial announcement and have been calculated using information available as of the writing of this 2020 Budget Guidelines report. New information continues to be received, on a seemingly sporadic and adhoc basis, and as such, the above amounts are subject to change.

In a letter dated May 22, 2019 from the Ministry of Municipal Affairs and Housing, the Province is looking to achieve a 4% savings through their line-by-line review of their own budget. In doing so, the Province has messaged to municipalities across Ontario, especially given that they play a key role in delivering many provincial services, that taxpayers deserve modern, efficient service delivery that puts people at the centre and respects hard-earned dollars. In other words, the province has been clear that they expect their partners, including municipalities, to take steps to become more efficient.

To the extent that base Operating Budgets are not adjusted in 2019, the remaining unadjusted 2019 impact will add to amounts listed in the 2020 column for a potential impact in Column 5 of \$2.3 Million.

### Chart 3 Summary of 2019 – 2020 Operating Budget Impacts

Ref	Description	2019 Incremental Adjustments to Approved Base Budget Amounts	2020 Incremental Adjustments to Base Budget Amounts	2019 - 2020 Impacts to Base Budgets
Col 1	Col 2	Col 3	Col 4	Col 5
1	Chart 1 - Budget Impacts before Provincial Funding Announcements	-	519,000	519,000
2	Chart 2 - Provincial Funding Announcements	666,506	1,672,561	2,339,067
3	<b>Subtotal - Operating Base Budget Impacts</b>	<b>666,506</b>	<b>2,191,561</b>	<b>2,858,067</b>
4	Additional Levels of Service - Capital - Recommendation b)	-	1,826,000	1,826,000
5	<b>Total Operating Base Budget Impacts</b>	<b>666,506</b>	<b>4,017,561</b>	<b>4,684,067</b>

Over the coming months, staff will be very diligent in identifying efficiencies and cost savings to be included in the 2020 Draft Budget in order to still meet the Guideline. However, accommodating the combined impacts from Chart 2 with those listed in Chart 1, all within the recommended All-inclusive Operating increase of 1.75%, will result in reductions in levels of service.

To mitigate the reduction in services, Council may wish to consider using a portion of the 1.09% Capital enhancement towards increasing the 2020 Operating base Budgets.

A 1% change in the All-Inclusive Rate equates to \$1,712,100. Altogether, the above list of impacts equates to a 2.74% (\$4,684,067 / \$1,712,100) increase in the All-inclusive rate.

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

## **Background**

### **2020 Budget Process Began April, 2019**

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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.

### **2020 Budget Survey**

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The City engages with residents to gather ideas, suggestions and feedback as it drafts the budget each year for Council's consideration. Typically, the City holds numerous public meetings throughout the budget process – at the beginning when setting the guideline, when the draft budget is released, and before Council considers approving the budget. This year, the City took another step toward expanding its engagement activities.

Ahead of the setting of guidelines for the drafting of the 2020 Budget, City Staff worked with Finance Chair Councillor Dean Pappas, Finance Vice Chair Councillor Gary Baldwin as well as the Mayor and Ward Councillors to undertake a Budget Roadshow. The Budget Roadshow included a series of sessions, four drop-in style sessions and one more structured setting with organized group discussions, in each of the Wards. The sessions provided an opportunity for residents to talk with Council members and Finance staff about priorities for next year's budget and to have conversations about the issues in our community. About 300 people attended these sessions.

Through the Budget Roadshow, residents were encouraged to fill out the 2020 Budget survey on priorities and issues. The 2020 Budget survey was open for approximately four weeks, from Monday, April 15 to Friday, May 10. It offered broad, high-level topics and questions as one way for residents to engage in the budget process at this early stage of drafting the budget. There were 996 responses to the survey – both online and through paper copies.

Appendix A is a summary of the budget survey results. The complete survey results report with notes provided from the Town Ward Budget Roadshow session are available on the City's website at [www.peterborough.ca/budget](http://www.peterborough.ca/budget).

According to survey respondents, the most important issues facing the community, recognizing that not all these issues are within the City's control, are as follows ranked from most important to least important:

1. Housing/accommodations
2. Infrastructure/transportation
3. Cost of living
4. Social issues
5. Economy/jobs/economic issues
6. Health/public health
7. Environment/environmental issues/sustainability
8. Addiction and overdoses
9. Crime/criminal activity
10. Property taxes
11. Provision of recreation facilities
12. Governance and transparency

In the comments section for the above question on the survey, respondents specified other topics most important to the community including issues such as roads, storm water infrastructure, arts funding, taxes, jobs, composting, homelessness, and the environment.

The survey also attempted to find out how well the City is doing in delivering municipal services, according to the respondents. Overall, respondents gave a 61% favorability rating for the quality of services provided for residents and businesses by the City of Peterborough. The five most important municipal services, according to respondents:

1. Sewers, water, stormwater
2. Fire prevention, police, paramedics
3. Garbage and recycling
4. Managing tax dollars
5. Providing transportation infrastructure for walking, bikes, transit and vehicles

In terms of how well the City's delivering services, the following services ranked the highest in terms of satisfaction by the respondents:

1. Fire prevention, police, paramedics
2. Garbage
3. Sewers, water, stormwater management
4. Recycling
5. Libraries and cultural facilities and programs

Respondents were the least satisfied with the City's enabling of affordable housing, which ranked 16 out of 16 categories. Providing vehicular transportation infrastructure for transit and vehicles, managing tax dollars and social services all ranked low on satisfaction for the provision of services while at the same time ranking high on the importance of municipal services.

Participants were asked to consider some of the broad tools that the City has available for balancing its budget, as required by law. They could select one option or a mix of up to three options.

- 39% of respondents chose increase property taxes
- 32% chose to reduce the level of City services, such as hours or frequency of service
- 53% chose increase user fees for City services that currently have fees
- 55% chose to introduce new user fees for some City services that currently have no fees

Outside of the four options, participants provided a wide range of suggestions on how to balance the budget such as a hiring freeze, reducing staffing and reducing staff wages, increasing development charges, reducing spending on studies, increasing development growth, reducing the frequency of collection for garbage and recycling, contracting out services, and cutting non-essential services.

Beyond the core questions on budget priorities, the City also asked questions to help us plan future consultations about how respondents learned about the survey and how they want to get information about the budget. Survey comments showed strong support for local media and suggestions for communication through direct mail and emails. One of the top preferences indicated through the survey is using the City's website for sharing information.

For how residents want to interact with the City, the survey showed that 75% of respondents indicated that they prefer to engage with the City through online surveys, while 40% asked for email communications and 32 percent showed support for public meetings or open houses.

The survey was one touch point for residents who want to engage in the budget process. This is the beginning of the process. There are several more public meetings scheduled through the budget development process, with final approval of the budget expected on Monday, December 9, 2019. Information on

engagement opportunities will be posted online at [www.peterborough.ca/budget](http://www.peterborough.ca/budget), distributed to local media, and promoted through the City's various communications channels.

## Public Engagement

In addition to the Budget Survey, a series of informal ward meeting and drop-in style events have occurred, that discussed the 2020 Budget. A summary of the dates and location of the public engagement opportunities that have been held are as follows:

- Monday, April 15 – Opening of public survey on budget priorities
- Monday, April 15 – Ward 1 Otonabee public meeting, Peterborough Sport and Wellness Centre, 775 Brealey Drive
- Thursday, April 18 – Ward 2 Monaghan public drop-in session, Clonsilla Fire Station 3, 839 Clonsilla Avenue
- Thursday, April 25 – Ward 3 Town public drop-in session, Peterborough Public Library, 345 Aylmer Street N.
- Monday, April 29 – Ward 5 Northcrest public drop-in session, Northcrest Community Centre, 100 Marina Boulevard
- Tuesday, May 7 – Ward 4 Ashburnham public drop-in session, Peterborough Museum and Archives, 300 Hunter Street E.
- Friday, May 10 – Closing of public survey on budget priorities
- Wednesday, May 22, 2019 – Public Meeting – Council Chambers

All public engagement will be considered in preparing the 2020 Draft Budget.

## 2.84% All-Inclusive Increase

Through this Budget Guideline Report, 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:	<u>\$240,000</u>
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.

Federal Carbon Tax Impact - Vehicle Fuel							
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%.

**Social Services**

The 2019 Provincial Budget included changes in-year to the funding of Ontario Works programs. Reductions in provincial funding will occur in 2020 for both Ontario Works and Children's Services programs. Reduced services to individuals and families in the community may occur.

A more fulsome discussion of the impacts to Social Services programs is included in Report C19-004 Funding and Service Impacts to Children's Services and Ontario Works Resulting from 2019 Provincial Budget dated June 10, 2019 and included in the General Committee Agenda package.

**Peterborough Public Library**

The Library has received notification that the Southern Ontario Library Service grant has been reduced. The budget impact is \$10,000

**Transfers to Other Organizations****Police Services**

Police Services staff have been made aware that the Community Policing and Safety grant funding model has changed from 100% base funding to a 75%/25% model. The 2019 impact is estimated to be \$95,562 with a further impact of \$32,188 in 2020.

For the 2020 Budget, 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.

**Otonabee Region Conservation Authority (ORCA)**

Conservation Authorities have been provided notice that \$3.7 million (50%) is to be cut from the annual \$7.4 million transfer payment from the Hazard Program in 2019. For the City's share of the ORCA budget, this translates into a financial impact of \$86,911 in 2019.

ORCA has also lost subsidy for 2 summer students. The City's share of this impact is estimated to be \$7,200.

Staff are not aware of any further impacts for 2020.

**Paramedic Services**

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. The Province has also indicated that the shared ambulance grants are now frozen at 2018 levels. Due to the yearly funding lag, these 2018 levels are actually based on the Province's 2017 funding allocation. As with Peterborough's situation, any growth in service costs contained in municipal 2019 budgets will fall to municipal taxpayers.

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. Recent provincial announcements have indicated that there will be no in-year funding reductions in 2019.

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%). For the 2020 budget, it is estimated that there will be a financial impact of \$275,532.

Although not specifically recommended by staff at this time, the PCCP Reserve, which has a current uncommitted balance of \$751,201, could help ease the financial impacts.

**Peterborough Public Health (PPH)**

As part of the 2019 Provincial Budget, the Province 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. They also indicated that the provincial-municipal cost sharing of public health will be adjusted to a 60/40 cost-shared model. This is a significant departure from the recent experience in Peterborough whereby the cost-shared model was 75/25 for only a portion PPH's budget. During deliberations of the 2019 Budget, Council approved a plan to transition over 3 years (2019 – 2021) from 75/25 to a 70/30 funding model.

It is staffs understanding that the impact with local funding partners involves both the traditional cost shared portion of PPH's annual budget and the portion traditionally funded 100% by the Province. The Province has indicated that there will be no in-year funding reductions in 2019. The estimated shortfall for 2020 is \$511,141.

**Fairhaven**

Long-term care facilities have started to receive their funding memos from the Ministry. Information is still coming in this regard, but a very preliminary estimate appears to reveal that provincial changes will result in a potential for a \$190,300 shortfall to Fairhaven in 2019 and \$337,000 in 2020. The budget for Fairhaven is split 2/3 City and 1/3 County. The resulting 2019 impact to the City is estimated at \$126,800 and for 2020 - \$224,700.

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

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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 was 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, a new downtown terminal, and alternate fuel buses.

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	Federal Gas Tax	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	3,000,000	3,000,000		6,000,000
6	ICIP- Transit Stream (estimate)	IPSTR19-xxx Future date	852,777		852,777	1,705,554
7	<b>Total</b>		<b>4,392,777</b>	<b>3,000,000</b>	<b>1,937,968</b>	<b>9,330,745</b>

## Next Steps

The following are the next steps in the budget process:

- June 24, 2019 - Approval of the 2020 Budget Guidelines Report
- October 28, 2019 - Documents presented to Finance Committee
- November 13, 2019 – Public Meeting
- Until November 18, 2019 – Committee Members review documents individually
- November 18-21, 2019 – Finance Committee Reviews
- December 9, 2019 – 2020 Budget Approval

## Summary

If the recommendations in this report are approved, staff will continue to prepare a Draft Budget that reflects a target of a 2.84% all-inclusive tax increase. There are however, many impacts that are not fully understood at this time and there is a risk in committing to this increase. A critical review of all programs will be made to find efficiencies, however, reductions in levels of services will occur.

If necessary, staff may come back to Council at a later point in the year, before the final draft documents are compiled, when hopefully a more complete understanding of some of the financial impacts referred to in this report are known and seek further direction.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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Attachments:

- |              |   |
|--------------|---|
| Appendix A - | 2020 Budget Survey Results  |
| Appendix B – | 2019 Gross Operating Expenditures and 2019 Net Operating Expenditures             |
| Appendix C - | What a Residential Taxpayer Pays for Various Municipal Services for the year 2019 |



# 2020

Budget survey: Budget priorities  
What we heard

## 2019 Budget Survey

### Survey Overview

The City engages with residents to gather ideas, suggestions and feedback as it drafts the budget each year for Council's consideration. Typically, the City holds numerous public meetings throughout the budget process – at the beginning when setting the guideline, when the draft budget is released, and before Council considers approving the budget. This year, the City took another step toward expanding its engagement activities.

### Budget Roadshow

Ahead of the setting of guidelines for the drafting of the 2020 Budget, City Staff worked with Finance Chair Councillor Dean Pappas, Finance Vice Chair Councillor Gary Baldwin as well as the Mayor and Ward Councillors to undertake a Budget Roadshow. The Budget Roadshow included a series of sessions, four drop-in style sessions and one more structured setting with organized group discussions, in each of the Wards. The sessions provided an opportunity for residents to talk with Council members and Finance staff about priorities for next year's budget and to have conversations about the issues in our community. About 300 people attended these sessions.

Through the Budget Roadshow, residents were encouraged to fill out the 2020 Budget survey on priorities and issues. The 2020 Budget survey was open for approximately four weeks, from Monday, April 15 to Friday, May 10. It offered broad, high-level topics and questions as one way for residents to engage in the budget process at this early stage of drafting the budget. There were **996 responses to the survey** – both online and through paper copies.

### Read More

The complete survey results report with comments provided is available at [peterborough.ca/budget](https://peterborough.ca/budget).



### ■ Respondent Demographics

The City asked for some basic demographic information as part of the survey in order to compare the demographics of survey respondents with the overall demographics of the community.

For example, **78%** of respondents indicated they own their home, while the 2016 census put the homeownership in the City of Peterborough at **63%**.

The following chart compares the ages of survey respondents with the 2016 Census information for our community.

Age	Survey Response	2016 Census
15-19	0.3%	5.5%
20-29	11.34%	14.4%
30-39	19.6%	11.7%
40-49	18.7%	10.8%
50-59	20.1%	13.9%
60-69	19.1%	13.2%
70-79	9.4%	8.6%
80+	1.3%	7.3%



## Results Overview: Services

### ■ Community Issues by Ranking

According to survey respondents, the most important issues facing the community, recognizing that not all these issues are within the City's control, are as follows ranked from most important to least important:

1. Housing, accommodations
2. Infrastructure, transportation
3. Cost of living
4. Social issues
5. Economy, jobs, economic issues
6. Health, public health
7. Environment, environmental issues, sustainability
8. Addiction and overdoses
9. Crime, criminal activity
10. Property taxes
11. Provision of recreation facilities
12. Governance and transparency



In the comments section respondents specified other topics most important to the community including issues such as roads, storm water infrastructure, arts funding, taxes, jobs, composting, homelessness, and the environment.

**From your perspective, and recognizing that not everything is within City control, what are the most important issues facing the City at the present time?**



## Results Overview: Services

### Municipal Services

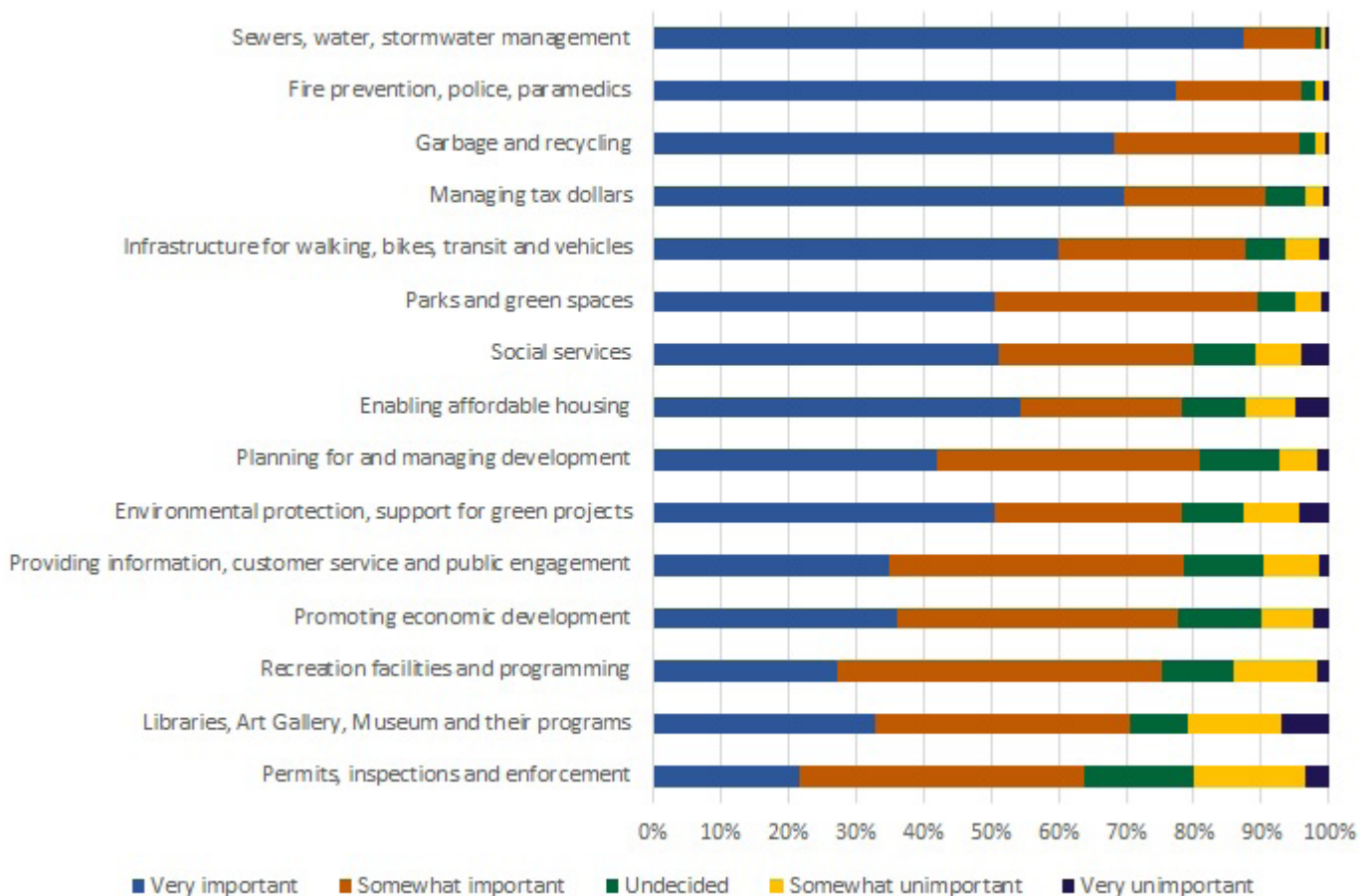
Survey participants were asked how well the City is doing overall in terms of service delivery, they were asked to rank municipal services in terms of importance, and they were asked how well the City is doing delivering specific types of services.

Overall, respondents gave a **61%** favorability rating for the quality of services provided for residents and businesses by the City of Peterborough.

The five most important municipal services according to respondents:

1. Sewers, water, storm water
2. Fire prevention, police, paramedics
3. Garbage and recycling
4. Managing tax dollars
5. Providing transportation infrastructure for walking, bikes, transit and vehicles

### How important do you think the following services/programs are to the community?



## Results Overview: Services

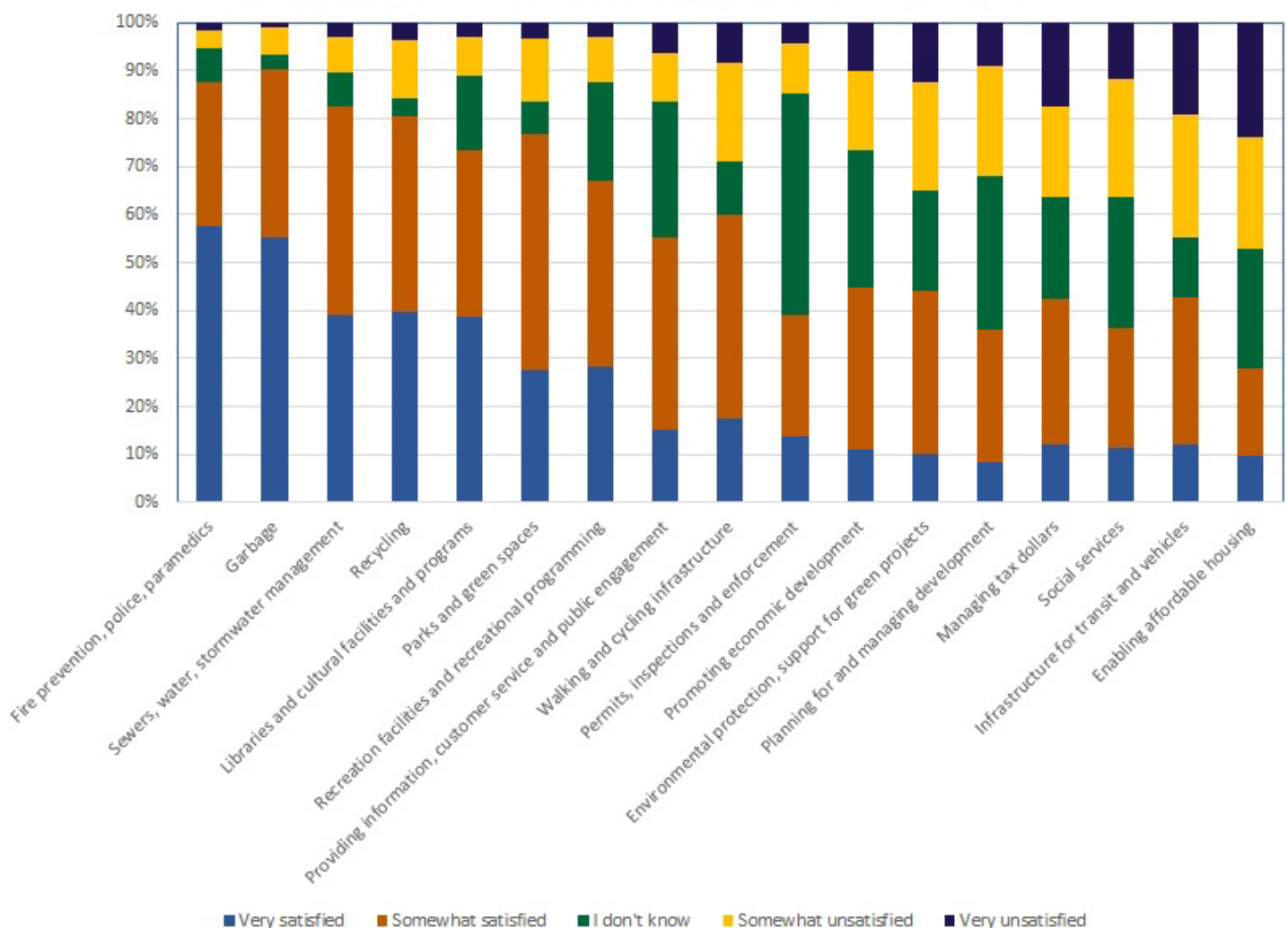
### ■ Service Delivery by Ranking

In terms of how well the City is delivering services, the following services ranked the highest in terms of satisfaction by the respondents:

1. Fire prevention, police, paramedics
2. Garbage
3. Sewers, water, storm water management
4. Recycling
5. Libraries, and cultural facilities and programs

Respondents were the least satisfied with the City's enabling of affordable housing, which ranked 16 out of 16 categories, with **47%** reporting that they were either somewhat unsatisfied or very unsatisfied. Providing vehicular transportation infrastructure for transit and vehicles, managing tax dollars and social services all ranked low on satisfaction for the provision of services while at the same time ranking high on the importance of municipal services.

**Please rate the following municipal services based on how well you think the municipally funded services are being delivered in our community**



## Results Overview: Budget

### ■ Opinion: Balancing the Budget

Participants were asked to consider some of the broad tools that the City has available for balancing its budget, as required by law. They could select one option or a mix of up to three options.

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**39%** increase property taxes

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**32%** reduce the level of City services such as hours or frequency of service

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**53%** increase user fees for City services that currently have fees

---

**55%** introduce new user fees for some City services that currently have no fees

---

Outside of the four options, participants provided a wide range of suggestions on how to balance the budget such as a hiring freeze, reducing staffing and reducing staff wages, increasing development charges, reducing spending on studies, increasing development growth, reducing the frequency of collection for garbage and recycling, contracting out services, and cutting non-essential services.

**If the most important local issue facing the City at the present time was not listed above, please tell us what it is.**

say poverty control system walking dealing will move many able supports meth clinics  
business homes come state work downtown area keep budget Stop addiction Parkway  
new time way homelessness area also public services population one  
property taxes affordable housing provide lack priority  
infrastructure Build Parkway streets winter building now  
climate change etc downtown homeless need  
transportation city facilities roads bus issues bad people  
complete Peterborough address jobs specifically housing police  
taxes Ptbo parking mental health planning core use around  
community create make clean increase potholes funding social services paying  
income cost public transit money housing crisis want Road maintenance Fix roads improve  
enough N spending growth sidewalks sustainable program real well council



## Results Overview: Service Levels

### ■ Opinion: Service Levels

Question 11 of the survey asked participants on their desire for increased levels of service that would be paid for through property tax increases beyond the typical annual increase of about **2%**, or about the rate of inflation, that is needed to maintain levels of service. Some participants reported confusion over the wording of the question – a sentiment that could also be the cause of the significant number of respondents who skipped the question.

This question had the highest percentage of skipped responses with **23%** of survey participants choosing not to answer the question. The question generated responses from **762 of the 996** survey participants.

To better reflect the results of the question, the percentages to the right are calculated based on total number of survey participants instead of the percentage of those who answered the question.

Over and above the traditional **2%** increase:

**27%** support an additional 1% increase

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**24%** support an additional 2% increase

---

**4%** support an additional 3% increase

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**10%** support an additional 4% increase

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Comments that opposed over and above the traditional **2%** increase:

**20%** responded that the City should hold property taxes at 2019 levels

---

**4%** responded that the City should hold at the typical **2%** increase to maintain levels of service

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Outside of the specific questions in the survey, the survey included an option at the end for respondents to provide other comments on the budget. Respondents provided 441 comments on topics such as transit, cycling infrastructure, roads, arts and culture, taxes, development planning, the environment, housing, and homelessness.

The results from the survey, including provided comments, are available at [peterborough.ca/budget](https://peterborough.ca/budget).



## Results Overview: Consultation and Communication

### ■ Future Consultation

Beyond the core questions on budget priorities, the City also asked questions about how respondents learned about the survey and how they want to get information about the budget to help us plan future consultations. Survey comments showed strong support for local media and suggestions for communication through direct mail and emails.

### ■ Future Communication

For how residents want to interact with the City, the survey showed that **75%** of respondents indicated that they prefer to engage with the City through online surveys, while **40%** asked for email communications, and **32%** showed support for public meetings or open houses.

### ■ Future Community Engagement

The survey was one touch point for residents who want to engage in the budget process. This is the beginning of the process. There are several more public meetings scheduled through the budget development process, with final approval of the budget expected on Monday, December 9, 2019.

Information on engagement opportunities are posted online at [peterborough.ca/budget](http://peterborough.ca/budget), distributed to local media, and promoted through the City's various communications channels.

One of the top preferences for communicating to the Public indicated through the survey is using the City's website for sharing information.

ANSWER CHOICES	RESPONSES	
Budget summary	52.00%	495
Budget fact sheet	50.21%	478
Peterborough.ca with links to more information	47.58%	453
An "Understanding the Budget" Guide	45.27%	431
City's Facebook page with links to more information	33.51%	319
City's Twitter feed with links to more information	22.79%	217
In-person events such as open houses with City staff	22.79%	217
A budget blog on <a href="http://peterborough.ca">peterborough.ca</a>	20.48%	195
Temporary information displays at community locations (unstaffed)	14.92%	142
Temporary information kiosks with staff at community locations	10.50%	100
In-person workshops	8.19%	78
Webinars	8.09%	77
Don't know or not interested	2.42%	23
Total Respondents: 952		



## Survey Questions

To see full survey results, please visit [peterborough.ca/budget](https://peterborough.ca/budget).

- Q1:** Is your home or business in the City of Peterborough?
- Q2:** You don't need to be familiar with the City's budget to take part in this survey. But we would like to understand how familiar the community is with the budget, this way we can work to provide the information people want and need. How familiar are you with how the City develops the annual budget?
- Q3:** How familiar are you with how the City makes decisions about spending on programs and infrastructure each year?
- Q4:** How familiar are you with the services and programs funded by the City of Peterborough annual budget?
- Q5:** How important do you think the following services/programs are to the community?
- Q6:** Please rate the following municipal services based on how well you think the municipally funded services are being delivered in our community.
- Q7:** From your perspective, and recognizing that not everything is within City control, what are the most important local issues facing the City at the present time (1 - most important, 12 - least important)
- Q8:** If the most important local issue facing the City at the present time was not listed above, please tell us what it is.
- Q9:** To balance the 2020 budget as required by law, the City of Peterborough has a number of options to consider. Which of the following options would you prefer the City use to balance its budget? Note: User fees are monies you would pay to the City to access specific services, facilities and utilities, such as licences, permits, using City-owned facilities such as arenas and recreation centres, and utilities such as stormwater management. You can select one option or a mix of up to three options.
- Q10:** Would you say that you are generally satisfied or dissatisfied with the overall quality of services provided to residents/businesses by the City of Peterborough?
- Q11:** To maintain levels of service, the City has historically increased taxes in the range of 2% annually. Would you be willing to pay a further increase in your property taxes to increase levels of service? Please select as many as the following options as you wish.
- Q12:** The following responses are optional, but your responses would help us understand how the results from this survey reflect the makeup of our community and inform how we communicate with you in the future. How did you find out about the 2020 Budget questionnaire?
- Q13:** Here's a list of types of information and ways of sharing information about the budget. What are the best ways to help you get more informed about the City's annual budget? (select your top 5)
- Q14:** Thanks for sharing your experience with the City. We'd like to check in on how you would prefer to interact with us. From the list below, please tell us which channels you are most likely to participate in. Please select up to three.



## Survey Questions

**Q15:** Do you own or rent your current place of residence?

**Q16:** In which area of the City is your home address located? (It's about how you identify, not any formal boundaries – just choose how you identify the area where your home is located)

**Q17:** In which age category do you fall?

**Q18:** Do you identify as:

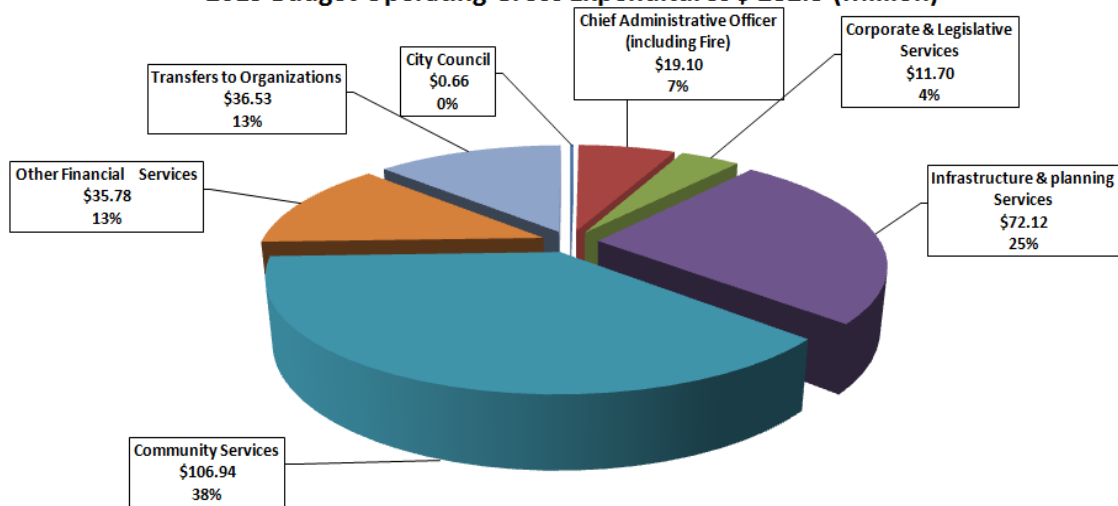
**Q19:** And, finally, the City of Peterborough wants to know if you have any further comments or suggestions to add about any of the topics covered in this questionnaire. Please type your comments in the space provided.

### ■ Results Overview: Notes

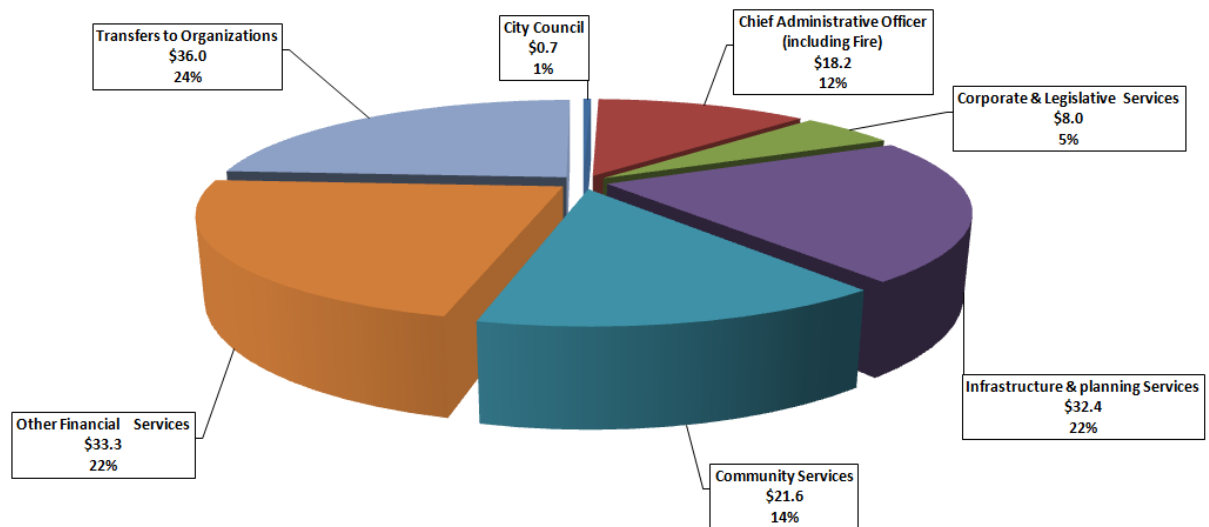
The full survey report and survey results with provided comments are available through the City website at [peterborough.ca/budget](http://peterborough.ca/budget). A plain text version of this document is available on request.



**2019 Budget Operating Gross Expenditures \$ 282.8 (Million)**



**Net Expenditures - increased by \$150.1 (Million)**



**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
<b>City Council</b>						
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%
<b>Chief Administrative Officer</b>						
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%
<b>Corporate and Legislative Services</b>						
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%
<b>Infrastructure Planning Services</b>						
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%
<b>Community Services</b>						
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%
<b>Capital Levy, Debt &amp; Financial Summary</b>						
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%
<b>Transfers to Organizations For Provision of Services</b>						
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%
<b>Total Net Expenditures</b>						
	150,052,620	17,641,377	132,411,243	1.249742%	3,145.60	100.00%

**Notes**

1. '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.

2. '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.

3. Tax Levy shows what the taxpayer with the shown CVA pays in 2019 for the services.