



City of  
**Peterborough**

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**To:** **Members of the Joint Services Steering Committee**

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

**Meeting Date:** **November 28, 2019**

**Subject:** **Report CLSFSJSSC19-002  
Peterborough & Kawartha Economic Development (PKED)  
Draft 2020 Budget**

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## **Purpose**

A report to present the draft 2020 PKED Budget.

## **Recommendation**

That the Joint Services Steering Committee approve the recommendation outlined in report CLSFSJSSC19-002, dated November 28, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

That the Joint Services Steering Committee endorse the draft 2020 Peterborough & Kawartha Economic Development Budget, as set out in Appendix A to report CLSFSJSSC19-002 and recommend to City and County Council for consideration during their respective 2020 Budget discussions.

## **Budget and Financial Implications**

Overall, the requested municipal share of expenses that represents core funding has increased 2.0% or \$19,797 for the City from \$989,879 to \$1,009,677 and the County share increasing \$13,975 from \$698,758 to \$712,733.

New for 2020 is the introduction of the Municipal Accommodation Tax (MAT). The MAT will be collected from various providers of transient accommodation in the City as set out in By-law 19-063. Half of the MAT proceeds, estimated to be an amount of \$405,000, will be used by PKED to attract more visitors to the City, increasing overnight stays and increasing visitor spending while they are here.

It is anticipated that the funds will be used for initiatives such as:

1. Sports Tourism, Meetings and Conferences.
2. Data collection.
3. Mobile Visitor Services Program.
4. Marketing the Destination.
5. Experiential Tourism - creating new products and experiences to attract more visitors to the destination.
6. Updating the Tourism Strategy and Destination Development Action Plan. The current tourism strategy is 10 years old.
7. Lead Generation to attract more tourism businesses.
8. Workforce Development Strategies - supporting workforce in Tourism businesses.
9. Main Street support - working with Business Improvement Areas to support main street initiatives.

The MAT funding is replacing private funds that used to be received in the amount of \$150,000 - \$175,000 in the past from the Peterborough Destination Marketing Fund. In addition, the province has reduced financial support to Regional Tourism Organization 8 by approximately 30% and PKED is unable to rely on these leveraged funds in 2020.

Funding requests for Sustainable Peterborough are in the amount of \$40,000 from each of the City and County.

For 2020, funding has been eliminated for both Airport Marketing (2019 - \$25,000) and Cleantech Commons (2019 - \$50,000).

The annual net costs to undertake Core Economic Development Activities is allocated to the City and County based upon their proportionate share of total combined permanent population, as established by the latest available official census. The City's share is 58.62% (2019 – 58.62%).

## **Background**

PKED staff will be available at the November 28, 2019 Joint Services Steering Committee to answer questions the Committee members may have.

Submitted by,

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Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A - Draft 2020 Budget for the PKED

# Peterborough & the Kawarthas Economic Development 2020 Budget

	2019 Budget	2019 Forecast	2020 Budget	Variance	Notes
<b>REVENUE</b>					
<b>CORE FUNDING</b>					
City of Peterborough	989,879	989,879	1,009,677	19,798	(1)
County of Peterborough	698,758	698,758	712,733	13,975	(1)
	1,688,637	1,688,637	1,722,410	33,773	
<b>MUNICIPAL ACCOMMODATION TAX</b>					
	-	-	405,000	405,000	(2)
<b>JSSC APPENDIX C REQUESTS</b>					
Airport Marketing (City)	25,000	25,000	-	(25,000)	(3)
Cleantech Commons at Trent U (City)	50,000	64,000	-	(50,000)	(4)
Ag Devt/Tourism Project (County)	-	32,125	-	-	(5)
<b>SPECIAL JSSC FUNDING RECEIVED</b>					
Sustainable Peterborough	80,000	102,919	80,000	-	(6)
	155,000	224,044	485,000	330,000	
<b>TOTAL CITY &amp; COUNTY</b>	<b>1,843,637</b>	<b>1,912,681</b>	<b>2,207,410</b>	<b>363,773</b>	
<b>OTHER SOURCES OF REVENUE</b>					
Business Development (EODP)	-	3,500	26,000	26,000	(7)
Tourism (Summer Students)	3,500	11,760	3,500	-	(8)
Cleantech Commons	-	10,600	-	-	(5)
<b>Federal</b>	<b>3,500</b>	<b>25,860</b>	<b>29,500</b>	<b>26,000</b>	
Business Advisory Centre (MEDJCT)	135,385	158,639	146,385	11,000	(9)
Starter Company Plus (MEDICT)	45,709	114,859	84,000	38,291	
Rural (RED)	-	13,042	-	-	(5)
Tourism (Summer Students)	2,500	-	2,500	-	(8)
Business Development (MEDJCT - CIT)	36,750	54,427	-	(36,750)	(10)
<b>Provincial</b>	<b>220,344</b>	<b>340,967</b>	<b>232,885</b>	<b>12,541</b>	
<b>Private Sector</b>	<b>185,724</b>	<b>246,200</b>	<b>102,267</b>	<b>(83,457)</b>	(2)
<b>Total Revenue</b>	<b>2,253,205</b>	<b>2,525,708</b>	<b>2,572,062</b>	<b>318,857</b>	
<b>EXPENSES</b>					
Business Development	536,937	620,777	492,117	(44,820)	(3),(4)
Small Business Enterprise Centre	219,270	305,140	242,032	22,762	(9)
Sustainable Peterborough	80,000	102,919	92,156	12,156	
Marketing & Communication	244,285	299,457	327,930	83,645	
Tourism	569,746	610,011	853,645	283,899	(2)
Facilities & Administration	660,489	657,425	652,742	(7,747)	
<b>Total Expenses</b>	<b>2,310,727</b>	<b>2,595,730</b>	<b>2,660,622</b>	<b>349,895</b>	
<b>Total Surplus/(Deficit)</b>	<b>(57,522)</b>	<b>(70,021)</b>	<b>(88,560)</b>	<b>(31,038)</b>	
Draw from Accumulated Surplus	57,522	70,021	88,560	31,038	(11)
<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

NOTES:

# Peterborough & the Kawarthas Economic Development 2020 Budget

1. Core Funding for 2020 is 2.0% greater than 2019 funding; however there are no additional Schedule C requests beyond core funding. Overall, 2020 funding from both the City and the County is less than received for 2019.
2. A conservative estimate of the revenues to be obtained from the Municipal Accommodation Tax is recognized for 2020, after administrative holdbacks and only from hotels within the City of Peterborough.  
The Private Sector revenue amount for 2019 included \$125,000 received from the Peterborough Destination Association (PDA) for Tourism Marketing purposes. This was the final year of funding as the association has disbanded. While PDA revenue has been replaced with MAT, Private Revenue from sponsorships and events is still anticipated. Tourism expenditures reflect these changing revenue amounts.
3. No Appendix C request for promotion of the Peterborough Airport in 2020.
4. No Appendix C request for promotion of Cleantech Commons in 2020.
5. Funding lines for which the related expenditures were completed in 2019.
6. It is anticipated that Sustainable Peterborough, a City-County initiative housed within GPAEDC, will receive \$40,000 each from the City and County in 2020.
7. Anticipated funding of \$25,000 from Community Futures Peterborough for an Ontario East food distribution centre feasibility study in 2020.
8. Conservative funding estimates for summer students in 2020.
9. The Ministry of Economic Development Job Creation and Trade (MEDJCT) funds the Business Advisory Centre, Summer Company, and Starter Company Plus. A three-year reduced funding agreement was approved in April 2019. An additional \$41,250 in one-time transition funding for 2019-2020 was approved in June 2019.
10. The grant of \$105,000 received from MEDJCT for Communities in Transition will be completed in 2019.
11. There is a sufficient operating surplus available to fund the anticipated deficit in 2019 and 2020. An operating reserve of \$90,000 will still be maintained.