



City of
Peterborough

To: Members of the Peterborough Regional Liaison Committee

From: Richard Freymond
Commissioner of Corporate and Legislative Services

Meeting Date: October 15, 2020

Subject: Report CLSFSPRLC20-002
Peterborough & Kawartha Economic Development (PKED)
Draft 2021 Budget

Purpose

A report to inform the Peterborough Regional Liaison Committee that the draft 2021 Budget of Peterborough and the Kawarthas Economic Development will be reviewed on Thursday, October 15, 2020.

Recommendations

That the Peterborough Regional Liaison Committee approve the recommendations outlined in report CLSFSPRLC20-002, dated October 15, 2020, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the presentation to the October 15, 2020 Peterborough Regional Liaison Committee by Peterborough and the Kawarthas Economic Development, be received; and
- b) That the Peterborough Regional Liaison Committee endorse the draft 2021 Peterborough & Kawartha Economic Development Budget, as set out in Appendix A to report CLSFSPRLC20-002 and recommend to City and County Council for consideration during their respective 2021 Budget discussions.

Budget and Financial Implications

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%).

Overall, the requested municipal share of expenses that represents core funding has been held at 2020 levels. For the City \$999,778 and for the County \$705,746.

In addition to core funding, the City of Peterborough introduced the Municipal Accommodation Tax (MAT) in October 2019. The MAT is collected from the transient accommodation providers in the City as set out in By-law 19-063. The revenue generated by the MAT is shared equally between PKED and the City. The impacts of COVID-19 have had a negative impact on the tourism industry throughout 2020 and it is expected to continue into 2021. In 2020, it was estimated that the MAT could realize \$405,000 each to the City and PKED. Given the lack of overnight visitor travel in 2020, only \$82,555 had been received from January through July and a further \$51,000 is estimated for the remainder of 2020 for a total of 133,555 MAT revenue in 2020, a difference of \$271,445. It is anticipated that 2021 revenue for MAT will be similar to 2020, given the COVID pandemic and will limit programming for City Tourism in 2021. PKED will continue to explore additional funding opportunities to leverage the core and MAT funding received to deliver Tourism programming.

In addition, PKED receives provincial funding to operate the Small Business Advisory Centre which includes core funding as well as funding for the Summer Company and Starter Company Plus programming. In 2021 this amount will be \$210,385.

In 2020, PKED received \$213,000 from the Tourism Industry Association of Ontario as part of their support to destination marketing organizations (DMOs) across southern Ontario that have experienced significant shortfalls in revenue due to COVID-19. This funding is used to help local DMOs with local marketing initiatives and aimed to drive visitors back into local communities as the provincial economy reopens safely.

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

Background

PKED staff will be available at the October 15, 2020 Peterborough Regional Liaison Committee to answer questions the Committee members may have.

Funding received by PKED is used for:

- Commercial Rent
- Staffing
- Promoting the destination for visitation and investment

- Business Development including business retention and expansion as well as investment attraction activities.
- Business Advisory Centre Services for entrepreneurship
- Tourism, including destination development and visitor services

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Person

Yvette Peplinskie
Manager of Financial Services
Phone: 705-742-7777 Ext 1862
Toll Free: 1-855-738-3755
Fax: 705-876-4607
E-mail: yveplinskie@peterborough.ca

Attachments:

Appendix A - Draft 2021 Budget for the PKED

Peterborough & the Kawarthas Economic Development 2021 Approved Budget

		2020 Budget	2020 Forecast	2021 Budget	% 2021 Budget
REVENUE					
CITY:	Core Funding	999,778	999,778	999,778	
	Sustainable Peterborough	40,000	40,000	40,000	
	<i>Munic Accom Tax</i>	<i>405,000</i>	<i>154,500</i>	<i>154,500</i>	
City		1,444,778	1,194,278	1,194,278	52%
COUNTY:	Core Funding	705,746	705,746	705,746	
	Sustainable Peterborough	40,000	40,000	40,000	
County		745,746	745,746	745,746	33%
FEDERAL:	Tourism/Business Devt: CSJ	3,500	11,760	-	
	Rural: EODP	25,000	16,750	-	
	SBEC (Small Biz Enterprise Centre)	1,000	1,000	1,000	
	Tourism: RRRF	-	213,411	-	
Federal		29,500	242,921	1,000	0%
PROV:	SBEC: all programs	230,385	251,635	210,385	
	<i>Tourism: Summer Jobs</i>	<i>2,500</i>	<i>-</i>	<i>-</i>	
Provincial		232,885	251,635	210,385	9%
OTHER:	Admin	28,111	24,919	28,111	
	BusDev	20,000	12,500	12,500	
	Rural	-	11,934	-	
	SBEC	26,000	-	-	
	<i>Tourism Events/Other Grants</i>	<i>16,000</i>	<i>-</i>	<i>104,000</i>	
	Sustainable Ptbo	12,156	-	-	
Other		102,267	49,353	144,611	6%
Total Revenue		2,555,176	2,483,934	2,296,020	100%

Notes:

- 2021 revenues related to Tourism (in italics) are highly susceptible to impact of Covid pandemic so MAT revenues reduced to current 2020 forecasted levels

Peterborough & the Kawarthas Economic Development 2021 Approved Budget

	2020 Budget	2020 Forecast	2021 Budget	% 2021 Budget
EXPENSES				
Business Development	267,004	260,072	247,193	
Rural	137,813	110,313	81,680	
Sustainability	92,156	80,000	80,000	
Business Development	496,973	450,385	408,873	17%
Business Advisory Centre	119,010	121,680	91,580	
Summer Company	36,500	36,500	36,500	
Starter Company Plus	86,522	91,648	93,021	
Entrepreneurship (Bears' Lair)	18,000	-	-	
SBEC	260,032	249,828	221,101	9%
Marketing & Communication	327,930	321,137	308,279	13%
Tourism	784,345	739,329	608,264	26%
Facilities & Administration	791,342	770,386	801,468	34%
Total Expenses	2,660,622	2,531,065	2,347,984	100%
Total GPA EDC Surplus/(Deficit)	(105,446)	(47,131)	(51,964)	
Draw from Accumulated Surplus	105,446	47,131	51,964	
NET SURPLUS/(DEFICIT)	0	0	0	

Notes:

- 2020 Forecast column was prepared for Board of Directors on August 6, 2020. Current forecast is a deficit of over \$130,000. The accumulated surplus plus general reserve will be sufficient to absorb these forecasted deficits.