



City of  
**Peterborough**

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

**From:** **Patricia Lester, Commissioner of Corporate and Legislative Services**

**Meeting Date:** **May 7, 2018**

**Subject:** **Report CLSFS18-020  
Development Charge Reserve Funds 2017 Annual Report –  
City and Peterborough Utilities Commission**

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## **Purpose**

A report to recommend that the Development Charge Reserve Funds (DCRFs) – 2017 Annual Report for the year ended December 31, 2017 for the City and Peterborough Utilities Commission (PUC) be received.

## **Recommendations**

That Council approve the recommendations outlined in report CLSFS18-020 dated May 7, 2018 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the Development Charge Reserve Funds – 2017 Annual Report for the City of Peterborough, as presented in Report CLSFS18-020, be received.
- b) That the Peterborough Utilities Commission Report entitled Water Development Charges for the year ended December 31, 2017, appended to Report CLSFS18-020 as Appendix B, be received.

## Budget and Financial Implications

There are no budget and financial implications to receiving the annual Development Charge Reports.

There is presently \$21.8 million of future commitments approved by Council against DCRFs that have a balance of \$13.0 million as of December 31, 2017. To ensure that the funds are not entirely depleted, the issuance of debt will continue to replace financing projects directly from the various DCRFs where appropriate. Future Development Charges collected will be directed towards the payment of debt principle and interest costs.

## Background

### Reserve Fund Report

This report is presented to comply with Section 43 of the **Development Charges Act, 1997** (the Act) and Regulation 82/98 (as amended), s.12 (1) which requires municipalities to present an annual report regarding Development Charge Reserve Funds activity.

Development Charges are levied in accordance with various Development Charge By-laws that were approved in July 2017 and September 2014, all of which establish various Development Charge rates.

The current 2018 rates are set out in Schedule 1 attached to this report for reference.

Schedules 2 and 2A provide a summary of the activity in the DCRFs, for the various service categories, for the year ending December 31, 2017. The balance in the Reserve Funds on December 31, 2017 amounted to \$13.0 million (2016 - \$11.9 million), which is an increase of \$1.1 million over the previous year. Development Charges revenue for the year totaled \$6.2 million (2016 - \$7.2 million). The net interest credited to the Reserve Funds totaled \$112,303 (2016 - \$82,730).

As shown on the schedule, seven (2016 – eight) of the sub reserves have deficit (overdrawn) balances: General Government, Public Works, City Wide Engineering – Waste Water Treatment Plant, Carnegie East, Carnegie West, Chemong West and Lily Lake amounting to a total of \$9.1 million (2016 - \$7.7 million) and are the results of expenditures being incurred in anticipation of development taking place. Interest is being charged on each of the overdrawn balances.

Schedule 3 provides a list of capital projects funded in whole or in part from the Development Charge Reserve Funds. During 2017, \$2.9 million was transferred to capital projects. Detailed information on Schedule 4 shows the opening balance at the beginning of the year, expenditures to the end of 2017, as well as all sources of financing (including Development Charge revenue) for each project.

Although the balance in the DCRFs, at December 31, 2017, was \$13.0 million, there are \$21.8 million in additional commitments that have already been approved in the 2017 and prior years' capital budgets requiring future Development Charges as set out in Schedule 5.

In addition to the \$21.8 million, there is \$28.0 million in existing debt issued and outstanding on growth related capital works already completed, however, future DCs collected will service the debt payments in future years.

### **Future of DCRFs a concern**

The \$21.8 million of commitments, referenced above, refers only to those capital works approved in 2017 and prior years' budgets. The 2018 Budget approved a further \$12.1 million in capital works for a total amount of \$33.9 million in future commitments. The transfer of the funds will take place over time as the projects proceed. However, there will be insufficient funds in the DCRFs to cover the commitments as the projects are completed and the DCRFs will rely heavily on issuance of debt.

### **PUC Annual Report**

The PUC's 2017 Annual Report is attached to Report CLSFS18-020 as Appendix B.

The PUC collected \$91,449 (2016 - \$262,908) in development charges during the year. The value of 2017 capital expenditures eligible for financing from the reserve fund amounted to \$1,379,404 (2016 - \$87,583). The cash received during the year was transferred to the General Fund leaving an amount owing to the General Fund at December 31, 2017 in the amount of \$5,214,780 (2016 - \$3,927,192).

It is recommended Council receive the PUC Report.

Submitted by,

Prepared by,

Patricia Lester  
Commissioner of Corporate and  
Legislative Services

Richard Freymond  
Manager of Financial Services

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Attachments:

Appendix A

- Schedule 1 - Development Charge Rates in Effect - January 1, 2018
- Schedule 2 - Development Charge Reserve Funds Statement of Continuity
- Schedule 3 - Development Charge Reserve Fund Amounts Transferred to Capital Fund
- Schedule 4 - Analysis of 2017 Capital Projects Financed in Whole, or in Part, From Development Charges
- Schedule 5 - Future Draws Against Development Charge Reserve Funds

Appendix B

Peterborough Utilities Commission Report - Water Development Charges For the Year Ending December 31, 2017

**Schedule 1**  
**City of Peterborough**  
**Development Charge Rates - January 1, 2018 - December 31, 2018**

Planning Area		Residential Charge Per Unit		
		Residential A -	Residential B -	Residential C -
		Total Charge	Total Charge	Total Charge
C1	C2	C3	C4	C5
	<b>City-Wide Dev. Area</b>	\$22,183	\$17,624	\$12,910
	<b>Growth Areas</b>			
1.	Jackson	\$25,226	\$20,246	\$14,694
2.	Carnegie East	\$27,679	\$22,363	\$16,133
3.	Carnegie West	\$26,178	\$21,068	\$15,253
4.	Lily Lake	\$28,911	\$23,423	\$16,854
5.	Chemong East	\$29,358	\$23,809	\$17,117
6.	Chemong West	\$32,234	\$26,289	\$18,802
7.	Liftlock	\$29,390	\$23,837	\$17,135
8.	Coldsprings	\$25,817	\$20,757	\$15,040
	<b>Average</b>	\$27,442	\$22,157	\$15,993
<b>Non-Residential Development Charge</b>				
All Areas of The City		Non-Residential Charge (\$/sq.m)		
<b>Total City-Wide Uniform Charge</b>		\$88.02		

Appendix A

Schedule 2

City of Peterborough  
Development Charge Reserve Funds  
Statement of Continuity  
For The Year Ended December 31, 2017

Description C1	Total C2	General Government C3	Police Service C4	Transit C5	Indoor Recreation C6	Library Service C7	Fire Service C8	Park Dev and Facilities C9	Parking C10	Public Works C11	City Wide Engineering Roads C12	City Wide Engineering WWTP C13	Affordable Housing C14	Growth Areas <sup>(1)</sup> C15
1 Balance - January 1, 2017	11,869,803	-100,872	34,066	242,724	1,234,866	1,460,216	-203,225	617,027	998,307	-96,913	11,852,798	-1,861,411	81,676	-2,389,456
2 Revenue for the year 2017														
3 Development Charges	6,244,256	30,191	109	111,808	492,455	190,921	205,956	276,280	142,722	109,135	4,234,787	321,858	51,518	76,516
4 Debenture Proceeds														
5 Received/Receivable														
6 Interest Earned	112,303	-757	276	2,568	12,757	12,327	-947	6,231	9,287	-2,913	114,937	-17,655	889	-24,697
7	6,356,559	29,434	385	114,376	505,212	203,248	205,009	282,511	152,009	106,222	4,349,724	304,203	52,407	51,819
Transfers for the year 2017														
8 Transferred to the Capital Fund	-2,908,692	-29,559	-12,238	-26,282	-271,765	-562,160				-993,900	-829,325			-183,463
9 Transferred from the Capital Fund														
10 Current Year Debt Principle and Interest	-2,350,073							-77,898			-924,359	-558,912		-788,904
11 Amounts allocated (To) From Other Services														
12 Subtotal net transfers	-5,258,765	-29,559	-12,238	-26,282	-271,765	-562,160		-77,898		-993,900	-1,753,684	-558,912		-972,367
13 Balance - December 31, 2017	12,967,597	-100,997	22,213	330,818	1,468,313	1,101,304	1,784	821,640	1,150,316	-984,591	14,448,838	-2,116,120	134,083	-3,310,004
14 Less Future Capital Works	-21,778,794	-177,266		-738,101	-1,238,739	-1,163,140	-68,840	-279,017		-2,751,509	-12,811,522		-239,146	-2,311,514
15 Current Balance less Future Capital Works	-8,811,197	-278,263	22,213	-407,283	229,574	-61,836	-67,056	542,623	1,150,316	-3,736,100	1,637,316	-2,116,120	-105,063	-5,621,518

# Schedule 2 A

City of Peterborough

Growth Areas Development Charge Reserve Funds

Statement of Continuity

For The Year Ended December 31, 2017

Description C1	Jackson Growth Area C2	Carnegie East Growth Area C3	Carnegie West Growth Area C4	Chemong East Growth Area C5	Chemong West Growth Area C6	Liftlock Growth Area C7	Coldspring Growth Area C8	Lily Lake Growth Area C9	City Wide Growth Area C10	Total C11
<b>1 Balance - January 1, 2017</b>	2,147,496	-1,880,891	-2,939	494,075	-1,244,547	14,870	24,706	-2,267,562	325,336	-2,389,456
<b>2 <u>Revenue for the year 2017</u></b>										
3 Development Charges		76,516								76,516
4 Debenture Proceeds										
5 Received/Receivable										
6 Interest Earned	17,859	-15,825	-35	3,859	-11,556	130	216	-21,532	2,187	-24,697
<b>7</b>	<b>17,859</b>	<b>60,691</b>	<b>-35</b>	<b>3,859</b>	<b>-11,556</b>	<b>130</b>	<b>216</b>	<b>-21,532</b>	<b>2,187</b>	<b>51,819</b>
<b><u>Transfers for the year 2017</u></b>										
8 Transferred to the Capital Fund		-8,580	-4,519	-8,814	-33,109				-128,441	-183,463
9 Transferred from the Capital Fund										
10 Current Year Debt Principle and Interest	-188,292			-90,325	-141,278			-369,009		-788,904
11 Amounts allocated (To) From Other Services										
<b>12 Subtotal net transfers</b>	<b>-188,292</b>	<b>-8,580</b>	<b>-4,519</b>	<b>-99,139</b>	<b>-174,387</b>			<b>-369,009</b>	<b>-128,441</b>	<b>-972,367</b>
<b>13 Balance - December 31, 2017</b>	<b>1,977,063</b>	<b>-1,828,780</b>	<b>-7,493</b>	<b>398,795</b>	<b>-1,430,490</b>	<b>15,000</b>	<b>24,922</b>	<b>-2,658,103</b>	<b>199,082</b>	<b>-3,310,004</b>
<b>14 Less Future Capital Works</b>	-655,837	-292,976	-189,816	-273,946	-330,939	-25,000	-123,000	-420,000		-2,311,514
<b>15 Current Balance less Future Capital Works</b>	<b>1,321,226</b>	<b>-2,121,756</b>	<b>-197,309</b>	<b>124,849</b>	<b>-1,761,429</b>	<b>-10,000</b>	<b>-98,078</b>	<b>-3,078,103</b>	<b>199,082</b>	<b>-5,621,518</b>

## Appendix A

### Schedule 3

City of Peterborough  
Development Charge Reserve Funds  
Amounts Transferred to Capital Fund  
For The Year Ended December 31, 2017

	Amount
<b><u>General Government</u></b>	
Development Charge Studies	29,559
<b><u>Police</u></b>	
Police Services Business Plan	12,238
<b><u>Transit</u></b>	
Buses for Persons with Disabilities	7,133
Transit Stop Shelters	7,745
Peterborough Operations Centre	11,404
	<hr/> 26,282
<b><u>Indoor Recreation</u></b>	
New Arena Facility Build	271,765
<b><u>Library</u></b>	
Library renovation	484,760
Library materials acquisition	77,400
	<hr/> 562,160
<b><u>City Wide Engineering</u></b>	
Parkhill - Wallis to City Limits	309,110
Various New Side Walk Installations	142,841
Various New Multi-Use Trails	91,516
Nassau Mills over Trent Severn	77,400
Brealey - Lansdowne to Sherbrooke	106,929
Nassau Mills over Otonabee	60,308
Chemong Rd - Parkhill to Parkway ROW	41,221
	<hr/> 829,325
<b><u>Public Works</u></b>	
Peterborough Operations Centre	159,648
PW Vehicle and Equipment Replacement	834,252
	<hr/> 993,900
<b><u>Growth Areas</u></b>	
Bethune Street	55,022
Oversizing Other Lands	128,441
	<hr/> 183,463
<b>Total Net Transfers</b>	<hr/> <b>2,908,692</b> <hr/>

Appendix A

Schedule 4  
City of Peterborough  
Analysis of 2017 Capital Projects  
Financed In Whole Or In Part From Development Charges

(1)	(2)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		(Unexpended) Unfinanced at Jan. 1, 2017	Expenditures	Total Applications	Capital Levy	Federal/ Provincial Grants	Financing From DC Reserve Funds	Long Term Debt	Other Revenue	Total Revenue	(Unexpended) Unfinanced at Dec. 31, 2017
Service/Description	Reference										
<b>General Government</b>											
Development Charge Studies	105-17-133		34,559	34,559	-5,000		-29,559			-34,559	
<b>Police</b>											
Police Services Business Plan	105-15-982		24,476	24,476			-12,238		-12,238	-24,476	
<b>Transit</b>											
Buses for Persons with Disabilities	102-17-509		147,429	147,429		-73,714	-7,133		-66,582	-147,429	
Transit Stop Shelters	102-12-507	-41,137	375,941	375,941	-210,600	-117,894	-7,745			-336,239	-1,435
Peterborough Operations Centre	102-15-479		11,404	11,404			-11,404			-11,404	
<b>Indoor Recreation</b>											
New Arena Facility Build	102-15-692	106,073	830,051	830,051	-610,900		-271,765			-882,665	53,459
<b>Library</b>											
Library renovation	602-11-739	-458,219	7,569,974	7,569,974			-484,760	-5,475,900	-253,600	-6,214,260	897,495
Library materials acquisition	602-17-734		471,004	471,004	-8,600		-77,400		-385,004	-471,004	
<b>City Wide Engineering</b>											
Parkhill - Wallis to City Limits	102-06-190		1,762,382	1,762,382		-311,624	-309,110		-1,141,648	-1,762,382	
Various New Side Walk Installations	102-17-362		558,552	558,552		-470,361	-142,841			-613,202	-54,650
Various New Multi-Use Trails	102-17-360		349,868	349,868			-91,516	-143,000	-166,158	-400,674	-50,806
Nassau Mills over Trent Severn	102-16-322		77,399	77,399			-77,400			-77,400	-1
Brealey - Lansdowne to Sherbrooke	102-15-189	196,912	130,407	130,407			-106,929	-335,000		-441,929	-114,610
Nassau Mills over Otonabee	102-16-321		80,410	80,410			-60,308		-20,102	-80,410	
Chemong Rd - Parkhill to Parkway ROW	102-07-193	489,169	247	247			-41,221		-463,939	-505,160	-15,744
<b>Public Works</b>											
Peterborough Operations Centre	102-15-479	174,772	6,824,506	6,824,506		-1,000,000	-159,648		-1,743,081	-2,902,729	4,096,549
PW Vehicle and Equipment Replacement	102-17-477		1,865,527	1,865,527			-834,252		-1,031,275	-1,865,527	
<b>Growth Areas</b>											
Bethune Street	102-15-426	50,827	1,216,983	1,216,983		-877,036	-55,022		-335,752	-1,267,810	
Oversizing Other Lands	102-00-782		128,441	128,441			-128,441			-128,441	
Total		518,397	22,459,560	22,459,560	-835,100	-2,850,629	-2,908,692	-5,953,900	-5,619,379	-18,167,700	4,810,257

Schedule 5

City of Peterborough  
Future Capital Works To Be Drawn Against Development Charge Reserve Funds  
As of December 31, 2017

	Possible Further Draws
<b><u>General Government</u></b>	
Official Plan Review	111,940
OHL/Major Events Facility	45,000
Development Charge Studies	15,441
Retail Market Analysis Update	4,885
	<hr/> 177,266
<b><u>Transit</u></b>	
Transit Stop Shelters	34,455
Buses for Persons with Disabilities	30,367
Public Works Relocation Project	673,279
	<hr/> 738,101
<b><u>Indoor Recreation</u></b>	
New Arena Facility Build	1,238,739
<b><u>Library</u></b>	
Library renovation	1,163,140
<b><u>Fire</u></b>	
Fire Station Relocations/Construction	68,840
<b><u>City Wide Engineering - Roads and Related</u></b>	
Armour Road - Nassau Mills	429,000
Bethune Street	887,000
Brealey - Lansdowne to Sherbrooke	61,085
Chemong Rd - Parkhill to Parkway ROW	998,779
Chemong Rd. N. Urbanization	250,000
Citywide Transit Operations	112,250
Extension of Crawford Drive	347,417
George St. Cycling lanes	110,000
Kawartha Heights Detention Pond	220,873
Nassau Mills over Otonabee	161,299
Nassau Mills over Trent Severn	218,088
Parkhill - Wallis to City Limits	255,500
Parkway Corridor Extension	4,451,100
Pioneer Road Upgrades	1,340,000
Sherbrook St - Glenforest to W City Limits	1,775,000
TV Road over Witlaw Creek	787,000
Various New Multi-Use Trails	124,265
Various New Side Walk Installations	32,866
Water Street North Urbanization	250,000
	<hr/> 12,811,522
<b><u>Park Development &amp; Facilities</u></b>	
Parkland Development Assistance	140,000
Park Facilities Development	139,017
	<hr/> 279,017
<b><u>Public Works</u></b>	
Peterborough Operations Centre	2,751,509
<b><u>Affordable Housing</u></b>	
Incentives For Affordable Housing	239,146
<b><u>Growth Areas</u></b>	
Jackson Growth Area	655,837
Carnegie East Growth Area	292,976
Carnegie West Growth Area	189,816
Chemong East Growth Area	273,946
Chemong West Growth Area	330,939
Coldsprings Growth Area	123,000
Lily Lake Growth Area	420,000
Liftlock Growth Area	25,000
City Wide Growth Area	0
	<hr/> 2,311,514
<b>Total Future Capital Works</b>	<hr/> <b>21,778,794</b> <hr/>

**PETERBOROUGH UTILITIES COMMISSION  
REPORT**

April 18, 2018

File: F40

COMMISSION AGENDA

2018:04:26

**WATER DEVELOPMENT CHARGES  
FOR THE YEAR ENDING DECEMBER 31, 2017**

**INFORMATION**

This report is presented for the Commission's information.

Prepared by: Kyle Davis, Manager Financial Planning & Reporting

Submitted by: Bill Davie, Chief Financial Officer

Approved for Submission by: \_\_\_\_\_  
President & CEO

## **Background**

Development charges (*Development Charges Act, 1997, S.O.*) provide a mechanism for funding additional major system capacity to service new growth. All new users contribute on an equitable basis to fund new service through additions to the citywide utility system or expansions to existing services. Future capacity includes changes to the treatment plant, pumping and booster stations, reservoirs and trunk mains. These funds are not used to pay for ongoing operations or maintenance, or replacement capital of existing facilities, unless capacity is being increased, and then only to fund the portion relating to the increase.

## **Management Discussion**

Attached to this report is a copy of the Statement of Continuity of Reserve Funds for Development Charges (DCA) and supporting statements summarizing cash receipts, balance due to general funds and eligible development costs incurred for the fiscal year ending December 31, 2017.

The DCA reserve fund had an opening balance on January 1, 2017 of nil. A total of \$91,449 was collected during the year and the fund earned interest of \$367.

The value of 2017 capital expenditures eligible for financing from the reserve fund amounted to \$1,379,404. This is in addition to the opening balance from eligible expenditures in the prior years of \$3,927,192 resulted in a total available balance of \$5,306,596. Of this amount, the total available for transfer of \$91,816 was transferred from the reserve fund to the general fund. The reserve fund balance at December 31, 2017 was nil.

A copy of this report will be submitted to Richard Freymond, Financial Services Manager, for presentation to City Council. The *Development Charges Act, 1997*, states that the Treasurer of the Municipality shall furnish to Council statements in respect of each Reserve Fund. The Treasurer must also forward this information to the Minister of Municipal Affairs and Housing within 60 days of the DCA statements being reported to City Council.

A Development Charges Background Study dated October 18, 2013 was prepared by Hemson Consulting Ltd. and By-law 13-174 was passed establishing Development Charges for the City of Peterborough related to water services. The by-law was effective January 1, 2014 and will expire five years from the effective date. City staff is currently in the process of updating these development charges.

**Budget and Financial Implications\***

There is no budget or financial implications as this report summarizes the prior year transactions affecting the Development Charges Reserve Fund.

**Risk Evaluation\***

None. This report is provided as a status update to the Commission.

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
ANNUAL STATEMENTS  
For the Year ended December 31, 2017**

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**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
STATEMENT OF CONTINUITY OF RESERVE FUND  
FOR THE YEAR ENDING DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
Balance, as at January 1,	\$ -	\$ -
Add:		
Cash Receipts	91,449	262,908
Interest Earned	367	1,421
Total Available	91,816	264,329
Less:		
Contributions to Capital Operations	91,816	264,329
Balance, as at December 31	-	-

Balance due to General Funds:

	<b>2017</b>	<b>2016</b>
Balance, as at January 1,	\$ 3,927,192	\$ 4,103,938
Eligible expenditures	1,379,404	87,583
Transferred to General Funds	(91,816)	(264,329)
Balance, as at December 31,	5,214,780	3,927,192

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF CASH RECEIPTS  
FOR THE YEAR ENDING DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
Residential	\$ 91,449	\$ 251,932
Non-residential	-	10,976
Balance, as at December 31,	91,449	262,908

**PETERBOROUGH UTILITIES COMMISSION  
WATER DEVELOPMENT CHARGES  
SUMMARY OF DEVELOPMENT COSTS  
FOR THE YEAR ENDING DECEMBER 31, 2017**

<b>Project #</b>	<b>Description</b>	<b>2017 Expenditures</b>	<b>Growth Factor</b>	<b>Growth Related Portion of Expenditures</b>
2170-3-1993	Water treatment plant clearwell	18,400	67%	12,328
2175-1-2366	Trent Research Park trunk main	1,111,644	100%	1,111,644
2178-5-2303	Trent Research Park servicing	80,893	100%	80,893
2173-3-2250	Greenhill Booster Pumping Station	872,694	20%	174,539
<b>Total expenditures</b>		<b>2,083,631</b>		<b>1,379,404</b>

# PETERBOROUGH UTILITIES COMMISSION DEVELOPMENT ACT CHARGES

**BY-LAW 13-174  
EFFECTIVE JANUARY 1, 2017**

## **Residential**

	Res. A	Res. B	Res. C
Planning Area	Singles & Semis	Other Multiples	Apart- ments
1. Auburn North	\$2,895	\$2,495	\$1,697
2. Jackson	\$2,753	\$2,375	\$1,614
3. Carnegie West (Zone 3N)	\$1,997	\$1,722	\$1,171
4. Chemong	\$1,728	\$1,489	\$1,012
5. Lily Lake	\$3,581	\$3,088	\$2,099
6. Liftlock	\$1,637	\$1,411	\$960
7. Coldsprings	\$2,051	\$1,768	\$1,202
8. Outside Planning Areas	\$1,442	\$1,243	\$845
9. Carnegie East (Zone 2)	\$731	\$630	\$427
10. Chemong East	\$1,785	\$1,539	\$1,046

**Non-Residential, all planning areas . . . . . \$6.30 /m<sup>2</sup>**