



City of
Peterborough

To: **Members of the General Committee**

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

Meeting Date: **November 8, 2021**

Subject: **Development Charge Reserve Funds 2020 Annual Report – City and Peterborough Utilities Commission Report CLSFS21-027**

Purpose

A report to recommend that the Development Charge Reserve Funds – 2020 Annual Report for the year ended December 31, 2020 for the City and Peterborough Utilities Commission be received.

Recommendations

That Council approve the recommendations outlined in report CLSFS21-027 dated November 8, 2021 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the Development Charge Reserve Funds – 2020 Annual Report for the City of Peterborough, as presented in Report CLSFS21-027, be received.
- b) That the Peterborough Utilities Commission Report entitled Water Development Charges for the year ended December 31, 2020, appended to Report CLSFS21-027 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 \$42.8 million of future commitments approved by Council against Development Charge Reserve Funds (DCRFs) that have a balance of \$15.9 million as of December 31, 2020. 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. At the end of December 31, 2020, debt outstanding to be financed by future Development Charges collected, amounted to \$30.3 million.

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 (DCRF) activity.

2020 Development Charges were 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.

In November 2019 City Wide Development Charges By-laws were approved. The current 2021 rates are set out in Schedule 1 attached to this report for reference.

Schedule 2 provides a summary of the activity in the DCRFs, for the various service categories, for the year ending December 31, 2020. Development Charges revenue for the year totaled \$5.9 million (2019 - \$4.6 million). The net interest credited to the Reserve Funds totaled \$104,124 (2019 - \$249,253). Debt principal and interest costs amounted to \$3.1 million (2019 - \$3.1 million) and an amount of \$771,209 (2019- \$2.0 million) was transferred to capital. The balance in the Reserve Funds on December 31, 2020 amounted to \$15.9 million (2019 - \$13.8 million), which is an increase of \$2.1 million over the previous year.

As shown on the schedule, eight (2019 – eight) of the sub reserves have deficit (overdrawn) balances: General Government, Police, Public Works, City Wide Engineering – Waste Water Treatment Plant, Carnegie East, Carnegie West, Chemong West and Lily Lake amounting to a total of \$13 million (2019 - \$12.1 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 2020, \$771,209 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 2020, as well as all sources of financing (including Development Charge revenue) for each of these projects.

Although the balance in the DCRFs, at December 31, 2020, was \$15.9 million, there are \$42.8 million in additional commitments that have already been approved in the 2020 and prior years' capital budgets requiring future Development Charges as set out in Schedule 5.

In addition to the \$42.8 million, there is \$30.3 million (2019 - \$29.6 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 \$42.8 million of commitments, referenced above, refers only to those capital works approved in 2020 and prior years' budgets. The 2021 Budget approved a further \$7.1 million in capital works for a total amount of \$49.9 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.

Peterborough Utilities Commission (PUC) Annual Report

The PUC's 2020 Annual Report is attached to Report CLSFS21-027 as Appendix B.

The PUC collected \$58,942 (2019 - \$218,889) in development charges during the year. The value of 2020 capital expenditures eligible for financing from the reserve fund amounted to nil (2019 - nil). The cash received during the year was transferred to the General Fund leaving an amount owing to the General Fund at December 31, 2020 in the amount of \$3,368,377 (2019 - \$3,429,160).

It is recommended Council receive the PUC Report for information.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A

- Schedule 1 - Development Charge Rates in Effect - January 1, 2021
- Schedule 2 - Development Charge Reserve Funds Statement of Continuity
- Schedule 3 - Development Charge Reserve Fund Amounts Transferred to Capital Fund
- Schedule 4 - Analysis of 2020 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, 2020

Schedule 1

City of Peterborough

Development Charge Rates - January 1, 2021 to December 31, 2021

Planning Area		Residential Charge Per Unit		
		Residential A	Residential B	Residential C
		Total Charge	Total Charge	Total Charge
C1	C2	C3	C4	C5
1	City-Wide Dev. Area	\$31,178	\$19,702	\$17,660
2	Growth Areas			
3	Jackson	\$34,561	\$22,617	\$19,644
4	Carnegie East	\$37,288	\$24,970	\$21,244
5	Carnegie West	\$35,620	\$23,531	\$20,265
6	Lily Lake	\$38,658	\$26,149	\$22,045
7	Chemong East	\$39,154	\$26,579	\$22,337
8	Chemong West	\$42,352	\$29,336	\$24,210
9	Liftlock	\$39,190	\$26,609	\$22,358
10	Coldsprings	\$35,218	\$23,185	\$20,028
11	Average	\$37,024	\$24,742	\$21,088

Non-Residential Development Charge

All Areas of the City	Non-Residential Charge (\$/sq.m.)
Total City-Wide Uniform Charge	\$131.00

Appendix A

Schedule 2
**City of Peterborough
 Development Charge Reserve Funds
 Statement of Continuity
 For The Year Ended December 31, 2020**

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
1 Balance - January 1, 2020	13,789,623	(351,302)	(2,424)	302,522	1,392,316	580,293	242,881	697,424	1,352,778	(1,460,406)	16,612,661	(2,865,584)	213,040
2 Revenue for the year 2020													
3 Development Charges	5,915,711	27,636	30	102,508	545,677	211,338	188,770	306,384	130,732	100,094	3,944,030	271,702	57,028
4 Debenture Proceeds													
5 Received/Receivable													
6 Interest Earned	105,124	(2,117)	(15)	2,086	10,658	3,082	2,182	5,221	8,975	(9,504)	115,036	(18,712)	1,539
7	6,020,835	25,519	15	104,594	556,335	214,420	190,952	311,605	139,707	90,590	4,059,066	252,990	58,567
Transfers for the year 2020													
8 Transferred to the Capital Fund	(771,209)	(6,934)			(157,648)	(124,200)	(25,916)	(106,067)			(350,444)		
9 Transferred from the Capital Fund													
10 Tsf to Operating													
11 Current Year Debt Principal and Interest	(3,055,114)			(55,219)		(289,916)		(73,420)		(206,178)	(1,033,796)	(507,201)	
12 Amounts allocated (To) From Other Services													
13 Subtotal net transfers	(3,826,323)	(6,934)		(55,219)	(157,648)	(414,116)	(25,916)	(179,487)		(206,178)	(1,384,240)	(507,201)	
14 Balance - December 31, 2020	15,984,136	(332,717)	(2,409)	351,897	1,791,003	380,597	407,917	829,542	1,492,485	(1,575,994)	19,287,487	(3,119,795)	271,607
15 Less Future Capital Works	(42,792,398)	(107,894)		(1,775,500)	(2,112,615)	(11,855)	(42,108)	(455,492)			(28,032,760)		(521,566)
16 Current Balance less Future Capital Works	(26,808,262)	(440,611)	(2,409)	(1,423,603)	(321,612)	368,742	365,809	374,050	1,492,485	(1,575,994)	(8,745,273)	(3,119,795)	(249,959)

Appendix A

Schedule 2
**City of Peterborough
 Development Charge Reserve Funds
 Statement of Continuity
 For The Year Ended December 31, 2020**

Description C1	Jackson Growth Area C15	Carnegie East Growth Area C16	Carnegie West Growth Area C17	Chemong East Growth Area C18	Chemong West Growth Area C19	Liftlock Growth Area C20	Coldspring Growth Area C21	Lily Lake Growth Area C22	City Wide Growth Area C23
1 Balance - January 1, 2020	1,475,727	(1,928,748)	(30,587)	2,727,911	(1,806,054)	23,094	25,681	(3,616,741)	205,141
2 Revenue for the year 2020									
3 Development Charges		796		28,986					
4 Debenture Proceeds									
5 Received/Receivable									
6 Interest Earned	8,537	12,154	193	193	(11,823)	145	99	(24,097)	1,292
7	8,537	12,950	193	29,179	(11,823)	145	99	(24,097)	1,292
Transfers for the year 2020									
8 Transferred to the Capital Fund									
9 Transferred from the Capital Fund									
10 Tsf to Operating									
11 Current Year Debt Principal and Interest	(241,327)			(90,326)	(141,278)			(416,453)	
12 Amounts allocated (To) From Other Services									
13 Subtotal net transfers	(241,327)			(90,326)	(141,278)			(416,453)	
14 Balance - December 31, 2020	1,242,937	(1,915,798)	(30,394)	2,666,764	(1,959,155)	23,239	25,780	(4,057,291)	206,433
15 Less Future Capital Works	(564,290)	(1,930,884)	(1,069,850)	(1,355,098)	(2,439,487)	(750,000)	(173,000)	(1,450,000)	
16 Current Balance less Future Capital Works	678,647	(3,846,682)	(1,100,244)	1,311,666	(4,398,642)	(726,761)	(147,220)	(5,507,291)	206,433

Schedule 3
City of Peterborough
Development Charge Reserve Funds
Amounts Transferred to Capital Fund
For The Year Ended December 31, 2020

	Amount
<u>General Government</u>	
Official Plan Review	6,934
	<u>6,934</u>
<u>Indoor Recreation</u>	
New Arena and Aquatics Complex	157,648
	<u>157,648</u>
<u>Library</u>	
2020 Collections Acquisition	83,700
Book Kiosk	40,500
	<u>124,200</u>
<u>Fire</u>	
Fire Station Relocations/Construction	25,916
	<u>25,916</u>
<u>City Wide Engineering</u>	
Commuter Cycling - Crawford Trail	48,768
Commuter Cycling -Lansdowne Trail	120,844
Nassau Mills over Otonabee	50,336
Nassau Mills over Trent Severn	47,841
SCF Bethune St. Eligible	40,429
Watershed Planning Study	42,226
	<u>350,444</u>
<u>Park Development & Facilities</u>	
Beavermead Campground Park	90,030
Development of Park Facilities	16,037
	<u>106,067</u>
Total Net Transfers	<u><u>771,209</u></u>

Schedule 4**City of Peterborough****Analysis of 2020 Capital Projects****Financed In Whole Or In Part From Development Charges**

Service/Description	(Unexpended) Unfinanced at Jan. 1, 2020	Total Applications	Total Revenues					Total Revenue	(Unexpended) Unfinanced at Dec. 31, 2020	
			Capital Levy	Federal/ Provincial Grants	Financing From DC Reserve Funds	Long Term Debt	Other Revenue			
<u>General Government</u>										
Official Plan Review		12,976			-6,934		-6,043	(12,976)		
<u>Indoor Recreation</u>										
New Arena and Aquatics Complex		157,648			-157,648			(157,648)		
<u>Library</u>										
2020 Collections Acquisition		375,706	-2,300		-83,700		-289,669	(375,669)	37	
Book Kiosk		35,364			-40,500			(40,500)	(5,136)	
<u>Fire</u>										
Fire Station Relocations/Construction	-95,047	35,412	-25,000		-25,916			(50,916)	(110,551)	
<u>City Wide Engineering</u>										
Commuter Cycling - Crawford Trail	160,143	477,171			-48,768		-282,245	(331,013)	306,301	
Commuter Cycling -Lansdowne Trail		1,125,012		-789,504	-120,843			(910,347)	214,665	
Nassau Mills over Otonabee		50,336			-50,336			(50,336)		
Nassau Mills over Trent Severn		47,841			-47,841			(47,841)		
SCF Bethune St. Eligible		6,044,030		-3,260,114	-40,429	-1,687,000	-1,056,487	(6,044,030)		
Watershed Planning Study		84,451			-42,226		-42,226	(84,451)		
<u>Park Development & Facilities</u>										
Beavermead Campground Park		355,029			-90,030	-265,000		(355,030)	(1)	
Development of Park Facilities					-16,037			(16,037)	(16,037)	
Total	65,096	8,800,977	(27,300)	(4,049,618)	(771,207)	(1,952,000)	(1,676,669)	(8,476,794)	389,278	

Schedule 5

City of Peterborough

Future Capital Works To Be Drawn Against Development Charge Reserve Funds As of December 31, 2020

	Possible Further Draws
<u>General Government</u>	
DC Study Update	58,500
Official Plan Review	26,595
Area specific DC Study	17,680
OHL/Major Events Facility	2,970
Retail Market Analysis Update	2,149
	<hr/> 107,894
<u>Transit</u>	
New Transit Buses	502,500
Transportation Master Plan	810,000
Jackson Park Management Plan	175,000
Cycling Network Study	175,000
City Wide Traffic Operations Assessment	63,000
Downtown Transportation Hub & Route	50,000
	<hr/> 1,775,500
<u>Indoor Recreation</u>	
New Arena and Aquatics Complex	2,112,615
	<hr/> 2,112,615
<u>Library</u>	
Book Kiosk	11,855
	<hr/> 11,855
<u>Fire</u>	
Fire Station Relocations/Construction	42,108
	<hr/> 42,108

Schedule 5

City of Peterborough

Future Capital Works To Be Drawn Against Development Charge Reserve Funds As of December 31, 2020

	Possible Further Draws
<u>City Wide Engineering - Roads and Related</u>	
Airport Water & Sewer Upgrade	520,000
Armour Road - Nassau Mills	429,000
Bethune Street Diversion Shared Funding	2,477,000
Brealey - Lansdowne to Sherbrooke	61,085
Chemong Rd - Parkhill to Parkway ROW	2,974,701
Chemong Rd. N. Urbanization	776,465
Citywide Transit Operations	112,250
Extension of Crawford Drive	4,992,756
Kaw Hts Detention Pond	220,873
Nassau Mills over Otonabee	79,682
Nassau Mills over Trent Severn	103,387
Parkhill - Wallis to City Limits	3,255,500
Parkhill West	3,350,000
Parkway Corridor Extension	3,228,100
SCF Bethune St. Eligible	1,066,834
Sherbrooke St - Glenforest to W City Limits	2,275,000
TV Road Lansdowne to Parkhill	200,000
TV Road over Witlaw Creek	787,000
Various New Multi-Use Trails	61,701
Various new SW installations	79,023
Water Street North Urbanization	865,000
Watershed Planning Study	117,403
	<hr/> 28,032,760
<u>Park Development & Facilities</u>	
Beavermead Campground Park	44,041
Del Crary Park Upgrade	100,000
Development of Park Facilities	122,980
Parkland Development Assistance	188,470
	<hr/> 455,492
<u>Affordable Housing</u>	
Incentives For Affordable Housing	521,566

Schedule 5

City of Peterborough

Future Capital Works To Be Drawn Against Development Charge Reserve Funds As of December 31, 2020

	Possible Further Draws
<u>Growth Areas</u>	
Jackson Growth Area	564,290
Carnegie East Growth Area	1,930,884
Carnegie West Growth Area	1,069,850
Chemong East Growth Area	1,355,098
Chemong West Growth Area	2,439,487
Coldsprings Growth Area	173,000
Lily Lake Growth Area	1,450,000
Liftlock Growth Area	750,000
	<hr/> 9,732,609
Total Future Capital Works	<hr/> 42,792,398 <hr/>

PETERBOROUGH UTILITIES COMMISSION **REPORT**

April 15, 2021

2.03

COMMISSION AGENDA
2021:04:22

WATER DEVELOPMENT CHARGES FOR THE YEAR ENDING DECEMBER 31, 2020

INFORMATION

This report is presented for the Commission's information.

Prepared by: Kyle Davis, Chief Financial Officer

Submitted by: Kyle Davis, 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 ("DC") and supporting statements summarizing cash receipts, balance due to general funds and eligible development costs incurred for the fiscal year ending December 31, 2020.

The DCA reserve fund had an opening balance on January 1, 2020 of nil. A total of \$58,942 was collected during the year and the fund earned interest of \$1,841 for a total fund value of \$60,783.

In 2020, no capital expenditures incurred were eligible for addition to the reserve fund. The opening balance from eligible expenditures in the prior years was \$3,429,160 of which, the total available for transfer of \$60,783 was transferred from the reserve fund to the general fund. The reserve fund balance at December 31, 2020 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.

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, 2020**

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**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
STATEMENT OF CONTINUITY OF RESERVE FUND
FOR THE YEAR ENDING DECEMBER 31, 2020**

	2020	2019
Balance, as at January 1,	\$ -	\$ -
Add:		
Cash Receipts	58,942	218,889
Interest Earned	1,841	2,531
Total Available	60,783	221,420
Less:		
Contributions to Capital Operations	60,783	221,420
Balance, as at December 31	-	-

Balance due to General Funds:

	2020	2019
Balance, as at January 1,	\$ 3,429,160	\$ 3,650,580
Eligible expenditures	-	-
Transferred to General Funds	(60,783)	(221,420)
Balance, as at December 31,	3,368,377	3,429,160

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF CASH RECEIPTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

	2020	2019
Residential	\$ 58,942	\$ 208,091
Non-residential	-	10,798
Balance, as at December 31,	58,942	218,889

**PETERBOROUGH UTILITIES COMMISSION
WATER DEVELOPMENT CHARGES
SUMMARY OF DEVELOPMENT COSTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

Project #	Description	2020 Expenditures	Growth Factor	Growth Related Portion of Expenditures
None				

PETERBOROUGH UTILITIES COMMISSION DEVELOPMENT ACT CHARGES

**BY-LAW 19-065
EFFECTIVE DECEMBER 31, 2020**

Residential

Planning Area	Res. A Singles & Semis	Res. B Other Multiples	Res.C Apart- ments
1. Auburn North	\$2,378	\$2,051	\$1,395
2. Jackson	\$2,786	\$2,401	\$1,633
3. Carnegie West (Zone 3N)	\$2,310	\$1,991	\$1,353
4. Chemong	\$1,836	\$1,583	\$1,077
5. Lily Lake	\$2,718	\$2,343	\$1,593
6. Liftlock	\$1,861	\$1,604	\$1,091
7. Coldsprings	\$2,341	\$2,017	\$1,372
8. Outside Planning Areas	\$1,503	\$1,295	\$882
9. Carnegie East (Zone 2)	\$713	\$615	\$418
10. Chemong East	\$1,084	\$935	\$636

Non-Residential, all planning areas \$6.15 /m²