



City of
Peterborough

To: Members of the General Committee

From: Richard Freymond, Commissioner, Finance & Corporate Support Services

Meeting Date: December 2, 2024

Report: September 30, 2024 Financial Report (Unaudited), Report FCSFS24-038

Subject

A report to provide a financial update on the Operating Budget and Capital Works in Progress.

Recommendations

That Council approve the recommendations outlined in Report FCSFS24-038, dated December 2, 2024 of the Commissioner of Finance and Corporate Support Services as follows:

- a) That the September 30, 2024 Quarterly Financial Update Report (Unaudited) attached as Appendix A to Report FCSFS24-038, dated December 2, 2024, be received;
- b) That the Miskin Law Community Complex capital budget (Q#15692) be increased by \$587,000 to reflect the receipt of the EVCharge ON grant of \$352,200 and a transfer from the Climate Change Reserve of \$234,800 to support the installation of eleven electric vehicle charging stations; and
- c) That the Del Cray Park Switchgear Repair capital project be established and funded through a \$100,000 transfer from the Art Gallery Roof Replacement project (Q#24-012).

Executive Summary

- This report presents the financial update as of September 30, 2024 and addresses any budget transfers that have been made up to the date of this report.
- Appendix A to this report provides both a summary and supporting details of expenditures and revenues for the Operating Budget forecast to December 31, 2024 and a summary of expenditures and revenues for the Capital Budget at September 30, 2024.

Background

Introduction

Schedules 1 and 2 of Appendix A, attached to this report, present a financial update with preliminary year-end estimates of the Operating Revenues and Expenditures to December 31, 2024.

Schedule 3 of Appendix A provides an update on Capital Works in Progress as of September 30, 2024.

Appendix B provides supplementary information in a graphical form that compares 2024 with the previous year. Where appropriate, budget levels have been included. The supplementary information reflects some of the key business drivers in the areas of Building and Waste Management.

Chart 1 provides a summary of key financial highlights that, by their nature, are subject to a certain amount of budget risk. The items are difficult to budget as they are subject to influences beyond staff control. Column 7 of the chart shows the potential net impact that any excess or shortfall in revenues may have on the City's 2024 Operating Budget.

Chart 1						
Summary of Certain Key Financial Highlights						
Description Col 1	2024 Budget Col 2	YTD Actual Col 3	YTD % Col 4	Sepy Qtrly	Projected Year End Variance Col 6	Estimated Net City Impact Col 7
				Projected Actual Col 5		
Supplementary Taxes Revenue	1,426,172	1,252,763	87.8%	1,690,000	263,828	263,828
Investment Income	5,080,363	2,291,725	45.1%	3,700,000	(1,380,363)	(1,380,363)
Provincial Offences Revenue ⁽¹⁾	1,765,600	1,853,734	105.0%	2,300,000	534,400	267,200
Transit Revenue	5,569,302	3,678,272	66.0%	5,900,000	330,698	330,698
Parking Revenue	2,931,672	1,205,802	41.1%	1,700,000	(1,231,672)	(1,231,672)
Landfill Tipping Fees Revenue ⁽¹⁾	5,587,468	3,379,316	60.5%	4,000,000	(1,587,468)	(793,734)
Building Fee Revenue ⁽²⁾	2,725,325	1,851,053	67.9%	2,200,000	(525,325)	(525,325)
Tax Remissions	1,380,060	1,647,517	119.4%	1,767,517	(387,457)	(387,457)
General Contingency Provision	869,624	83,031	9.5%	869,624	-	-
Net Positive (Negative) Impact					(4,247,187)	(3,720,653)

Note:

1) The Estimated Net City Impact includes assumptions related to expenses associated with the program activity.
2) Building Fee Revenue -YTD Actual represents receipts and Revenues on Schedule 2 includes fees earned to date.

Operating Budget

Schedule 1 of Appendix A is the Summary of Operating Revenues and Expenditures along with Schedule 2, which provides more detail of Departmental Operating Expenses and includes projections to December 31, 2024.

Schedule 1 – Summary of Net Operating Revenue and Expenditures

Supplementary Tax

The Municipal Property Assessment Corporation has provided monthly supplementary assessment rolls issued starting in May through to November. Staff issued supplementary tax billings in July and October with the final billing in early November. Based upon revenues billed, it is anticipated that the 2024 supplementary tax revenue will be \$1.69 million as compared to the \$1.43 million budget.

Investment Income

The operating investment income is forecasted to be \$3.7 million in comparison to the budget of \$5.08 million. Lower than anticipated interest rates and low cash on hand due to significant construction activity resulted in a decrease in investment income.

Transit Fare Revenue

Transit revenues are forecast to exceed budget by over \$330,000. Ridership has increased by almost 20% over 2023 levels. The unbudgeted fare increase that went into effect in February 2024 partially accounts for the surplus as does a new agreement with Trent University which incorporates an increase to the student transit levy.

Provincial Offences Revenue

The year-end provincial offences revenues are projected to be approximately \$500,000 higher than the \$1.765 million budget due to increased success in collecting fines.

Parking Revenue

Revenue from parking is projected to be \$1.2 million lower than the \$2.9 million budget due to reduced revenues at King Street and Simcoe Street parking garages. With more people working remotely, less are commuting into the downtown core.

Landfill Tipping Fees Revenue

The year-end landfill tipping fee revenues are projected to be \$4.0 million in comparison to the \$5.6 million budget. The main driver is the reduced construction activity in the region, which results in less material being brought to landfill. In addition, some larger waste bin customers have started using a private waste site. Although City revenues are lower, there is great value in preserving landfill space and increasing the asset's life, deferring the significant investment required to increase the landfill's capacity.

Schedule 2 - Summary of the Departmental Net Operating Expenses

Children's Services

In August 2024, the Ministry of Education released the guidelines for the new CWELCC Cost-Based Funding Guideline that begins January 1, 2025. To help support municipalities with the changes that the new funding approach brings, the Ministry has provided Peterborough with an additional \$350,910 in 100% provincial administrative funding. This funding will be used to help cover the costs of changing policies and procedures, IT systems, service agreements with licensees, development of comprehensive training and communication materials and any other costs associated with the change. Any funding not used by the end of December 2024 will have to be returned to the Ministry.

Transfers from Contingency

The contingency budget is used to provide a funding source for unforeseen items that may arise during the year subsequent to budget approval, such as outside legal fees, salary wage reclassifications and employee contract settlements, and amendments to, or the creation of, operating and capital budget provisions either within staff's delegated authority or by specific resolution of Council.

Some of the draws on contingency are made by actually reducing the contingency budget and increasing other budgets as required, while others are direct charges to the contingency budget.

Chart 2 summarizes the contingency budget activity since the June Financial Update Report. The contingency budget has been fully exhausted as at September 30.

Chart 2

**Transfers to/from 2024 Contingency
As of September 30, 2024**

Ref	Description	Amount Transfer (from) to	Balance
1	2024 Approved Contingency		\$840,704
2	Transfers Approved as part of the 2024 Budget Process		
3	Transfers Approved through Council Employee contract settlements		(\$786,593)
4	Transfers Approved through delegated Authority	\$28,920	
5	2024 Contingency Available		\$83,031
6	Transfers Recommended through this Financial Update Report	\$0	
7	Direct Charges		
8	Direct charges to Contingency as at September 30, 2024	(\$83,031)	
10	Other Potential Commitments		
11	Balance Available		\$0

Schedule 3 - Summary of Capital Works in Progress

Schedule 3 of Appendix A is the Summary of Capital Works in Progress and includes projects approved in the 2024 Capital Budget as well as projects previously approved that are still ongoing. The schedule is as of September 30, 2024.

Electric Vehicle Chargers at Miskin Law Community Complex

In January 2024, the City applied for funding through EV ChargeON for the installation of seven Level-2 and four Level-3 charging ports at the Miskin Law Community Complex. Although electric vehicle (EV) charging stations were contemplated in the facility design, budget constraints did not allow for their immediate installation. On November 12, 2024, the City was notified that it was successful in securing the grant. With the EV ChargeON grant, the City will expedite the installation of EV charging stations at this site, improving network coverage of EV fast chargers, reducing range anxiety by filling existing gaps and supporting long-distance travel. The total project cost

is \$587,000, funded by the \$352,200 EV ChargeON grant and a \$234,800 transfer from the Climate Change reserve.

Del Crary Park Switchgear Repair

Earlier this summer, there was an issue with breakers tripping in the marina building at Del Crary Park. While checking and resetting the breakers the electrician identified excessive corrosion and some arc damage with the main switchgear. This switch controls the power to the whole Del Crary Marina, restaurant, and gas pumps. The corrosion increases the risk of this switch failing and putting the Marina, Restaurant Building and Gas pumps out of service for an extended time.

The anticipated costs of the switchgear repair is \$100,000 and can be funded through a transfer of surplus funds from the Art Gallery Roof Replacement project (Q#24-012). The switchgear has a relatively long delivery time and must be ordered expeditiously to ensure the repairs are complete before the 2025 summer season.

Budget Creation and Transfers made under Delegated Authority of Sections 9.1.1 or 9.1.3 of the City's Purchasing By-law 22-070

Certain budget creations or transfers have been made under delegated authority as set out in Sections 9.1.1 and 9.1.3 of the City's Purchasing By-law 22-070 which state the following:

9.1.1 Other than when Section 9.1.2 applies, the Chief Administrative Officer or the Treasurer are authorized to transfer Approved Budgets, including any uncommitted General Contingency, or the Capital Levy Reserve where the net required transfer is equal to or less than \$50,000. All such transfers will be reported in the Quarterly Financial Report.

9.1.3 The Chief Administrative Officer or the Treasurer are authorized to create a budget where 100% funding has become available, subsequent to the annual budget approval, for a specific Deliverable, and where no new full-time staff are required. All such budget creation will be reported in the Quarterly Financial Report.

Chart 3
Transfers Made under Delegated Authority

Ref	Approval Date	By-Law 22-070 Ref	Approver	Description
1	August 25, 2024	9.1.1	Treasurer	<p>Business Case for Air Service Development and Marketing</p> <p>The Treasurer approved a transfer of \$30,000 to the Business Case for Air Service Development and Marketing project (Q#17-029) from the Air Terminal Feasibility Study (Q#17-029) surplus balance to fund additional requirements of the project as identified within Report MOAIR2024-007.</p>
2	August 27, 2024	9.1.3	Treasurer	<p>Dance the 'Boro</p> <p>The Treasurer approved the creation of the Dance the 'Boro project funded entirely through the \$82,500 My Main Street grant. The funding added vibrancy to Quaker Foods City Square through free dance lessons and the purchase of outdoor speakers, park furniture, and a portable stage.</p>
3	Sept 17, 2024	9.1.1	Treasurer	<p>Museum Reserve</p> <p>The Treasurer approved a transfer of a \$2,000 donation from the Museum Fundraising account to the Museum Reserve with the intention to fund two sessions of the Museum's Toddler Tuesday program in 2025.</p>
4	October 18, 2024	9.1.1	Treasurer	<p>Property Acquisition Appraisal</p> <p>The Treasurer approved a transfer of \$1,000 from the General Property Reserve to the Property Acquisitions project (Q#23-002) to fund a property appraisal.</p>

Strategic Plan

Strategic Pillar: Governance & Fiscal Sustainability

Strategic Initiative: Pursue service excellence in governance to support long-term fiscal sustainability of the City while respecting the impact of decisions on taxpayers.

Approval of this quarterly financial report is a key process in ensuring accountable, transparent and responsible financial management

Budget and Financial Implications

There are no additional budget or financial implications with approval of this Quarterly Financial Update Report.

With the approval of the reserve transfer in Recommendation (b), the uncommitted balance of the Climate Change reserve is \$194,232.

Conclusion

With approval of the recommendations of this report, staff will proceed to make the required financial entries and adjustments.

Attachments

Appendix A
Schedule 1 Summary of Operating Revenues and Expenditures
Schedule 2 Summary of Departmental Operating Expenses
Schedule 3 Capital Works in Progress by Function

Appendix B
Supplemental Information

Submitted by,

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