



City of
Peterborough

To: Members of the General Committee

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

Meeting Date: September 15, 2025

Report: June 30, 2025 Financial Report (Unaudited), Report FCSFS25-022

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 FCSFS25-022, dated September 15, 2025 of the Commissioner of Finance and Corporate Support Services as follows:

- a) That the June 30, 2025 Quarterly Financial Update Report (Unaudited) attached as Appendix A to Report FCSFS25-022, dated September 15, 2025, be received;
- b) That the 1190 Hillard Street Affordable Housing Project (Q#25-077) budget be reduced by \$880,000 Building Faster Funds for a total approved budget of \$2,600,000.
- c) That the Brealey Dr.–Lansdowne St. to Sherbrooke St. (Q #15189) project budget exchange \$880,000 Canada Community Building Funds with Building Faster Funds and transfer the surplus \$880,000 back to the Canada Community Building Fund reserve;
- d) That the Towerhill Road and Fairbairn Street Intersection project be created and funded as follows and further detailed in Chart 3 of Report FCSFS25-022

- i. \$3,056,500 be transferred from Lily Lake Area Development Networks Improvement project (2025 Capital Budget Questica #20-066);
 - ii. \$3,750,000 provincial Housing Enabling Core Services (HECS) grant; and
 - iii. \$1,993,500 be pre-committed through the 2026 budget
- e) That Lily Lake Area Development Networks Improvement (2025 Capital Budget Questica #20-066) budget be further reduced by \$906,000 Development Charge Debt-Roads and Related funding, leaving a total remaining budget of \$400,000;
- f) That By-laws 21-139, 23-013 and 25-024 being by-laws to debenture the Lily Lake Network Improvement project be repealed and replaced as per the amended budgets resulting from Recommendations (d) and (e) and further detailed in Chart 3 of Report FCSFS25-022.

Executive Summary

- This report presents the financial update as of June 30, 2025 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 and a summary of expenditures and revenues for the Capital Budget. The format of the June Financial Update is consistent with the presentation adopted in the 2025 Budget.

Background

Operating Budget

Chart 1 provides a summary of key operating financial highlights that, by their nature, are subject to a certain amount of budget risk. The items are difficult to budget in that 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 2025 Operating Budget.

Chart 1 Summary of Certain Key Financial Highlights						
Description Col 1	2025 Budget Col 2	YTD Actual Col 3	YTD % Col 4	Projected Actual Col 5	Projected Year End Variance Col 6	Estimated Net City Impact Col 7
Supplementary Taxes Revenue	1,500,000	-		1,500,000	-	-
Investment Income	5,500,000	4,531,894	82.4%	8,000,000	2,500,000	2,500,000
Provincial Offences Revenue ⁽¹⁾	1,874,000	1,030,497	55.0%	1,876,700	2,700	1,350
Transit Revenue	6,143,727	2,968,413	48.3%	5,790,000	(353,727)	(353,727)
Parking Revenue	2,175,919	938,534	43.1%	1,791,043	(384,876)	(384,876)
Landfill Tipping Fees Revenue ⁽¹⁾	5,198,000	1,601,532	30.8%	3,500,000	(1,698,000)	(849,000)
Building Fee Revenue ⁽²⁾	2,988,192	2,518,727	84.3%	2,988,192	-	-
Tax Remissions	1,508,000	557,222	37.0%	1,508,000	-	-
General Contingency Provision	834,384	59,942	7.2%	834,384	-	-
Net Positive (Negative) Impact					66,097	913,747

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.

Schedule 1 of Appendix A is the Summary of Net Operating Revenue and Expenses as of June 30, 2025 and Schedule 2 provides more details of Departmental Operating Expenses.

The year-to-date figures are based on a modified accrual basis where expenses and revenues are reported on a cash basis and then some adjusting items have been made.

Because expenditures and revenues are not necessarily incurred or received evenly throughout the year, many of the June 30 percentage variance figures are over or under the 50% figure that would otherwise be expected.

Schedule 1 – Summary of Net Operating Revenue and Expenditures

Lines 1 to 8 of Schedule 1 provide a highly summarized list of the Corporation’s 2025 revenues that are not directly related to departmental expenses. Explanations of the more significant variances are:

Taxation Revenues

The Tax Levy revenues at 99.8% of budget, as shown on Schedule 1, include the 2025 final tax billing.

Supplementary Taxes

The Municipal Property Assessment Corporation (MPAC) has indicated that there will be monthly supplementary assessment rolls issued from May through November. Staff issued supplementary tax billings in July and expect the next billings to take place in September and November.

Investment Income

The Investment Income to June 30 is at 76.6% of the annual budget and is projected to be \$2,500,000 higher than budgeted at the end of 2025 as shown in Chart 1, because there are more funds available to invest in the General Fund than anticipated when the budget was set.

Included in Other Revenues:

Transit Revenue

Transit fare revenues are forecast to be approximately \$350,000 lower than budget for the year. Revenue was impacted by multiple service disruptions, including several days of altered or suspended operations due to heavy snowfall between January and March. Additionally, the ice storm significantly affected ridership and service delivery for over a week.

Parking Revenue

Revenue from parking is projected to be approximately \$400,000 lower than the \$2.175 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. There is also lower demand for on-street parking in the downtown.

Landfill Tipping Fees Revenue

As shown in Chart 1, Landfill revenue is lower than expected. The two main drivers are the period post ice storm where wood waste fees were waived to ease community costs and the reduced construction activity in the region, which results in less material being brought to the landfill. Landfill tonnage to the end of June was about 17% lower than the same period last year, which was lower than budgeted. At the current rate, landfill tipping revenue year-end estimate is \$3.5 million, well below the \$5.248 budgeted.

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. Revenue forecasts were reduced in 2025 and will be further reduced in 2026 to reduce future unfavourable variances.

Schedule 2 - Summary of Departmental Operating Expenses

Schedule 2 of Appendix A is the Summary of Departmental Operating Expenses and division-specific revenues and provides a high-level overview compared to the annual budget. Explanations of the more significant variances are:

Legislative Services Department

- Commissioner of Legislative Services – at 29.7% of budget because the Commissioner's salary is split between this division and Legal Services as the incumbent is the City Solicitor as well as Commissioner.
- Court Services – at 89% of budget due to the timing and volume of receipts from Provincial Offences Act tickets to June 30 exceed 50% of the budget as these do not occur evenly throughout the year.
- Municipal Law Enforcement Services – at 29.5% of budget because of vacant positions that were included in the budget but not filled at June 30
- Legal Services – at 37.7% of budget because revenues related to tax sales exceeded the budget to June 30

Infrastructure, Planning and Growth Management

- Economic Development – at 32.7% of budget because of vacant positions included in the budget but not filled at June 30, and the timing of some expenses that do not occur evenly throughout the year such as costs for physician recruitment, office supplies, and training.
- Engineering & Capital Works – at 35.2% of budget because the timing of the expenses in this area do not occur evenly throughout the year, such as repairs and maintenance of the parking garages, replacement of traffic signs and road marking work and parking revenue is underbudget as previously discussed.
- Building Services – is at 0% of budget as it is fully self-funded by its own revenues and excess revenues are transferred to the Building Services reserve.

Municipal Operations

- Water Services – at 0% of budget as it is fully self-funded by its own revenues and excess revenues are transferred to the Water reserve.
- Environmental Services – at 35.9% of budget because the revenue and expenses for waste diversion programs are not incurred evenly throughout the year, such as Green Waste Collection and Large Article Pickup, and Landfill tipping fee revenue is underbudget as previously discussed. Actual expenses are 42% of the budget and are expected to be in line with the budget by year end.

Community Services

- Recreation & Parks – at 71.3% of budget because of the seasonal nature of some programs and facilities such as summer camps and aquatic programs that only operate in July and August. Only 1 month of operations for the Marina is included in the revenues and expenses to June 30 as it opened for the season at

the end of May. Some expenses to prepare for summer programs, such as training of staff, is incurred in advance of the revenue being recognized when the programs are delivered. A report will be coming to Council in the fall of 2025 about the operations of the PMC.

Financial Services – Other Financial

- Tax-supported debt servicing charges – at 38.4% of budget due to the timing of debt payments as they do not occur evenly throughout the year.
- Property Taxation Costs – at 38.5% of budget because nothing has been paid out to June 30 for Brownfields or Central Area CIP

Transfers to Organizations

- Downtown Business Improvement Area – at 88.9% of budget because the full amount of the annual payment related to the casino agreement was paid in June.

Social Services

A business case was sent to the Ministry of Children, Community and Social Services (MCCSS) and they have approved a one-time grant in the amount of \$281,300 to offset discretionary benefit costs issued directly to City and County clients related to the spring ice storm in March 2025. This funding will be shared, with \$31,073 applied to the County and \$250,227 applied to the City.

MCCSS has approved additional 50/50 funding for one-time expenditures for Social Services. \$12,500 has been provided for safety and security upgrades, \$9,250 towards a quality assurance call recording system and \$17,500 towards the initial implementation costs for an appointment booking software platform. The City has \$921,729 of 100% municipal funds budgeted in 2025 that can be used to leverage this additional one-time funding and cover the 50% required from the Municipality. No additional municipal funding is needed.

Enforcement Strategy - Costs for Week of May 27, 2025

At its meeting of June 10, 2025, Council approved the following motion:

That staff report back to Council within the next 90 days with a comprehensive breakdown of all costs associated with the enforcement strategy to clear the City's parks and spaces of encampments the week of May 27, including but not limited to staff time, temporary shelter at the Morrow Building, Public Works, By-law Enforcement, and any other related expenses.

Cost associated with staff time during normal shift schedules are accommodated through re-prioritizing work programs. The breakdown of costs incremental to the 2025 Operating Budget are detailed in the following chart:

Ref	Division	Cost
1	Public Works – Staff overtime, supplies	\$525.93
2	Recreation and Parks – staff overtime	\$1,766.00
3	Social Services – Shelter staffing, supplies, temporary fencing	\$4,957.16
4	Municipal Law Enforcement Services – staff overtime	\$658.13
5	Fire	Nil
6	Total	\$7,907.22

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 reducing the contingency budget and increasing other budgets as required, while others are direct charges to the contingency budget.

Chart 2 summarizes the changes that were made to the Contingency Budget during the 2025 Budget process and activity in the Contingency budget during the period of January 1 – June 30, 2025.

Chart 2**Transfers to/from 2024 Contingency
As of June 30, 2025**

Ref	Description	Amount Transfer (from) to	Balance
1	2025 Approved Contingency		\$1,000,000
2	Transfers Approved as part of the 2025 Budget Process		
3	Transfers Approved through Council		
4	Transfers Approved through Delegated Authority	(\$128,847)	
5	2025 Contingency Available – June 30		\$834,384
6	Transfers Recommended through this Financial Update Report	\$0	
7	Direct Charges		
8	Direct charges to Contingency as at June 30, 2025	(\$59,942)	
9	Direct charges or recoveries to Contingency subsequent to June 30, 2025	(\$14,321)	
10	Other Potential Commitments <ul style="list-style-type: none"> • DC appeal legal fees • Temporary Shelter at Fire Hall 2 	(\$125,600)	
11	Balance Available		\$634,521

Schedule 3 - Summary of Capital Works in Progress

Schedule 3 of Appendix A is the Summary of Capital Works in Progress and provides a high-level overview. The Summary reflects all capital works including projects approved

Building Faster Fund

The province advised the City that the 1190 Hilliard Street Affordable Housing Project (Q#25-077) is not fully eligible for Building Faster Funds (BFF) since the development is planned as a mixed-use development and not 100% affordable housing. The City must reallocate some of the BFF funds to another eligible project. It is recommended that the

1190 Hilliard Street Affordable Housing Project (Q#25-077) budget be reduced by \$880,000 Building Faster Funds and transferred to the Brealey Dr.–Lansdowne St. to Sherbrooke St. (Q #15189) project budget. This frees up \$880,000 of Canada Community Building Fund which will be reallocated to another project through the 2026 budget process.

The 1190 Hilliard Street Affordable Housing Project is on track to achieve permitted units by the end of 2026 with the reduced \$2.6 million budget, as consulting fees are lower than originally anticipated.

Lily Lake Area Development Network Improvement Project Towerhill Road and Fairbairn Street Intersection Project

The City was successful in securing Housing Enabling Core Services (HECS) funding through the provincial government for the reconstruction and reconfiguration of the Towerhill Road and Fairbairn Street intersection. Provincial funding from the HECS program is 50% of the total eligible costs, up to a maximum of \$3,750,000. The total project costs are currently estimated at \$8.8 million, with \$7.5 million being eligible costs under the terms of the agreement. Alongside a \$400,000 sidewalk facilities project on Fairbairn Street, this project is partially budgeted in the Lily Lake Area Development Network Improvement Project (Q#20-066).

Construction was completed for the sidewalk facilities on Fairbairn St in 2023 with a budget of \$400,000. This sidewalk will allow pedestrian traffic to access signalized intersections. The detailed design is ongoing for the HECS grant funded intersection improvements at Towerhill Road and Fairbairn Street, with property acquisitions in 2025/26, utility relocations in 2026 and construction in 2027 and 2028.

It is recommended that a new capital budget be created for the Towerhill Road and Fairbairn Street Intersection Improvements. Funding for the project will come from three sources:

- a \$3,056,500 budget transfer from the Lily Lake Area Development Network Improvement Project (Q#20-066);
- the \$3,750,000 HECS grant funding; and
- a \$1,993,500 precommitment of the 2026 budget

Given the grant funding, the project is no longer eligible for the current levels of development charge (DC) funding. It is recommended that \$906,000 of DC Debt- Roads and Related funding be eliminated from the budget.

Chart 3 provides details of the current and recommended capital funding for the Lily Lake Area Development Network Improvement Project (Q#20-066) and recommended budget for the new Towerhill Road and Fairbairn Street Intersection Project.

Chart 3 – Project funding for Lily Lake Area Development Network Improvement Project and the Towerhill Rd and Fairbairn St Intersection Project

Current Capital Project Lily Lake Development Networks Improvement Q#20-066		New Capital Project Towerhill Road/Fairbairn Street Intersection			Reduce Budget in Q#20-066	Remaining Budget in Q#20-066
	Approved Budget	Transfer Budget from Q#20-066	New funding HECS & pre- commitment	Total Budget		
Funding Sources						
HECS Grant		-	3,750,000	3,750,000	-	-
DC Debt - Roads and Related	2,105,000	1,111,000	-	1,111,000	(906,000)	88,000
Lot Levies/Developer	112,500	-	-	-	-	112,500
Other Municipal funds (TS Debt)	2,145,000	1,945,500	1,993,500	3,939,000	-	199,500
Total	4,362,500	3,056,500	5,743,500	8,800,000	(906,000)	400,000

Budget Creation and Transfers made under Delegated Authority of Sections 13 or 15 of the City’s Purchasing By-law 24-077

Certain budget creations or transfers have been made under delegated authority as set out in Sections 13 and 15 of the City’s Purchasing By-law 24-077 which state the following:

- 13 Other than when Section 14 applies, the CAO or the Treasurer are authorized to transfer an Approved Budget, including any uncommitted general contingency, or the capital levy reserve where the net required transfer is equal to or less than \$100,000. All such transfers will be reported in the quarterly financial report.
- 15 The CAO or the Treasurer is authorized to create a budget and execute the funding agreement where 100% funding has become available, subsequent to the annual budget approval, for a specific Deliverable, and where no new full-time staff is required. All such budget creation will be reported in the quarterly financial report.

Chart 4
Transfers Made under Delegated Authority

Ref	Approval Date	By-Law 24-077 Ref	Approver	Description
1.	June 13, 2025	13 15	Treasurer	<p>Doris and Sutherland Meeting Room Upgrade</p> <p>The Treasurer approved the creation of the Doris and Sutherland Meeting Room Upgrade and a transfer of \$17,000 from the Service Peterborough project (Q#24-132) to the new project to complete additional work were identified during a review of the space beyond the initial scope.</p>
2.	June 30, 2025	13	Treasurer	<p>Daycare Entrance Door Replacement</p> <p>The Treasurer approved the transfer of \$30,000 from the Naval Memorial Park Watermain Replacement Project (Q#23-015) to the Peterborough Daycare Project (Q#21-008). The Fire Prevention officer noted some deficiencies with the existing interior fire doors and separations that required replacement.</p>
3.	July 17, 2025	13	Treasurer	<p>Municipal Cultural Plan Refresh</p> <p>The Treasurer approved the transfer of \$31,866 from the Public Art Budget (Q#17-122) to the Municipal Cultural Plan (Q#17-123). The Municipal Culture Plan Refresh RFP process was completed, and the budget was short funds to proceed due to a budget reallocation to the Tourism Strategic Plan.</p>
4.	July 17, 2025	13	Treasurer	<p>Fire Fighting & Safety Equipment Reserve</p> <p>The Treasurer approved the transfer of \$100,000 from the Fire Dispatch reserve to the Fire Fighting & Safety Equipment Reserve.</p>

5.	July 22, 2025	13 15	Treasurer	<p>Peterborough Sports and Wellness Centre (PSWC) HVAC Project</p> <p>The Treasurer approved the creation of the PSWC HVAC Project funded through a transfer of \$50,000 from the PSWC Pool Sprinkler Project (Q#25-046). These funds support the design work related to the five failing HVAC units at the PSWC.</p>
6.	July 29, 2025	13	Treasurer	<p>Queen Alexandra Elevator</p> <p>The Treasurer approved the transfer of \$45,000 from the Capital Levy Reserve to engage consultants to begin the project of replacing the elevator at the Queen Alexandra building. The elevator has broken and is not able to be repaired.</p>
7.	August 19, 2025	13	Treasurer	<p>Eastgate Washroom Renovations</p> <p>The Treasurer approved the transfer of \$30,000 from the Healthy Planet Refrigeration and Ice Pad Replacement Project (Q#20-015) to the Eastgate Washroom Renovation project (Q#18-035). The tenders for the Eastgate Washroom Renovation project were over budget, and this transfer will allow the project to be completed with the intended scope. The HPA Refrigeration and Ice Pad Replacement project was completed under budget and will not require any further funds.</p>
8.	August 19, 2025	13	Treasurer	<p>Airport Fencing</p> <p>The Treasurer approved the transfer of \$59,700 from the Apron III Aircraft Bypass project (Q#23-019) to the Airport Fencing Replacement project (Q#23-020) to fund provisional expenses and other fencing improvements.</p>

Strategic Plan

Strategic Pillar: Governance & Fiscal Sustainability

Strategic Priority: 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

Approval of recommendations b) and c) of this report will result in an increase of \$880,000 to the Canada Community Building Fund reserve.

Approval of recommendation d) will establish a new capital project, Towerhill Road and Fairbairn Street Intersection Improvements, with \$3,056,500 of funding transferred from the Lily Lake Area Development Network Improvement Project (Q#20-066) as well as \$3,750,000 HECS grant funding and a pre-commitment of \$1,993,500 of the 2026 budget.

Approval of recommendation e) will further reduce the budget for Lily Lake Area Development Network Improvement Project (Q#20-066) and remove a commitment of \$906,000 against the Development Charge Debt-Roads and Related reserve.

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,

Richard Freymond
Commissioner, Finance and Corporate Support Services

Contact Name:

Yvette Peplinskie
Director, Financial Services
Phone: 705-742-7777 Ext. 1862
Toll Free: 1-855-738-3755
Email: yveplinskie@peterborough.ca