



# 2018 Draft Budget

Budget Committee

November 6, 2017

Sandra Clancy

Director of Corporate Services



# No decisions necessary tonight

- § Officially transferring the 2018 Draft Budget from staff to Council
- § Simply asking Council to receive the presentation
- § Council is not being asked to make any budget decisions tonight
- § Presentation is high level overview

# Three Budget Books

• The 2018 Budget is presented in three books.

Book 1 - 2018 Budget Highlights (focus of BC reviews)

- Report CPFS17-065
- Operating and Capital Budget Review
- Staffing, tax assessment and tax rate
- Glossary of terms

Book 2 – 2018 Operating Budget details, User Fee Listings  
and Work Programs

Book 3 – 2018 Capital Budget details



## Budget Guideline Achieved – 2.85% all inclusive increase for 2018

§ 1.7% Operating + 0.65% Storm and Sanitary + 0.5% Capital Policy = 2.85%

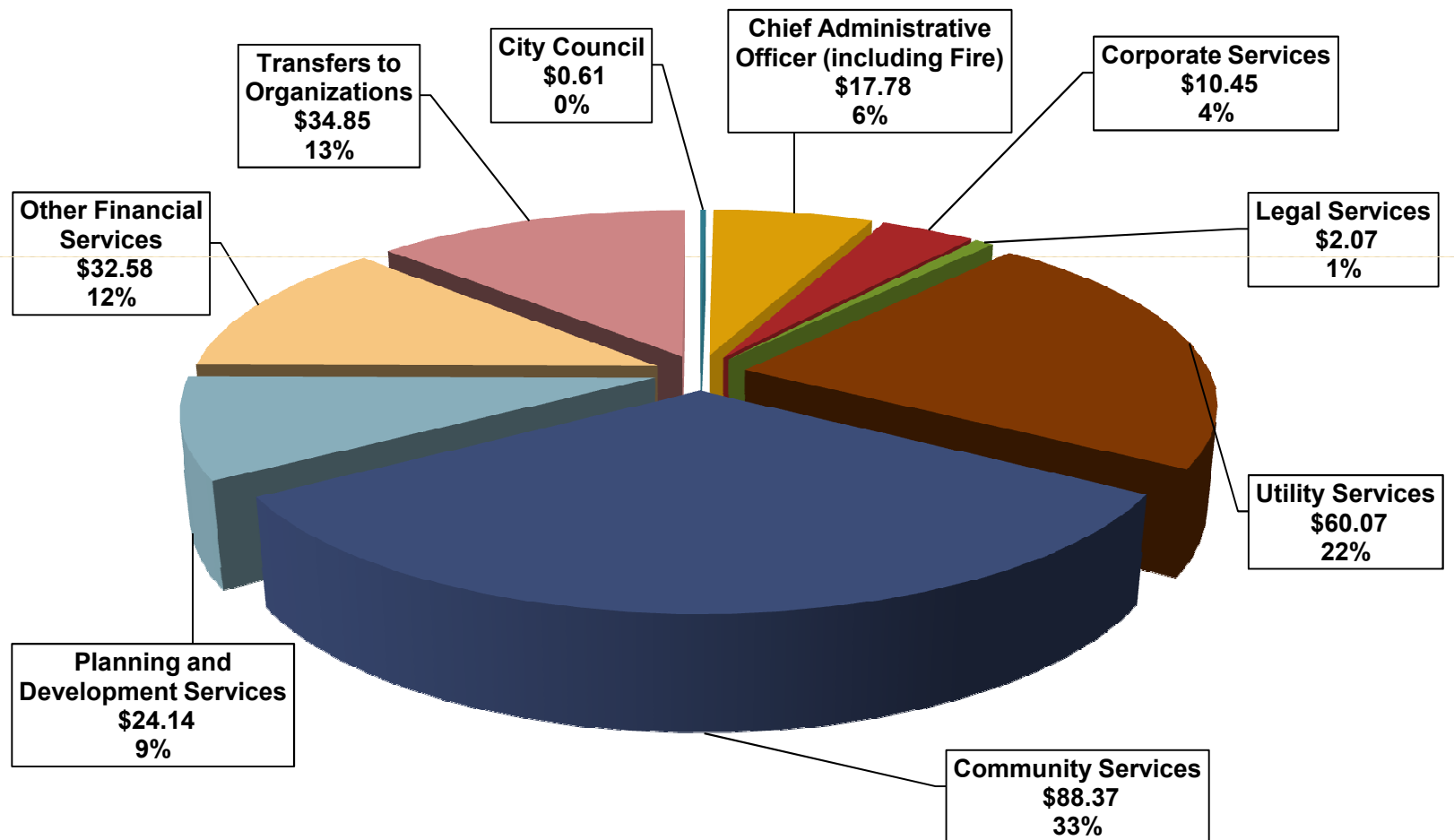
§ “All inclusive” means municipal, education, Stormwater Protection Fee and Sewer Surcharge

§ That means for single family dwelling “not on waterfront” assessed at \$243,800 for 2018 – the increase is \$109.17

§ Assumes a 0.8% increase in Real Growth Assessment

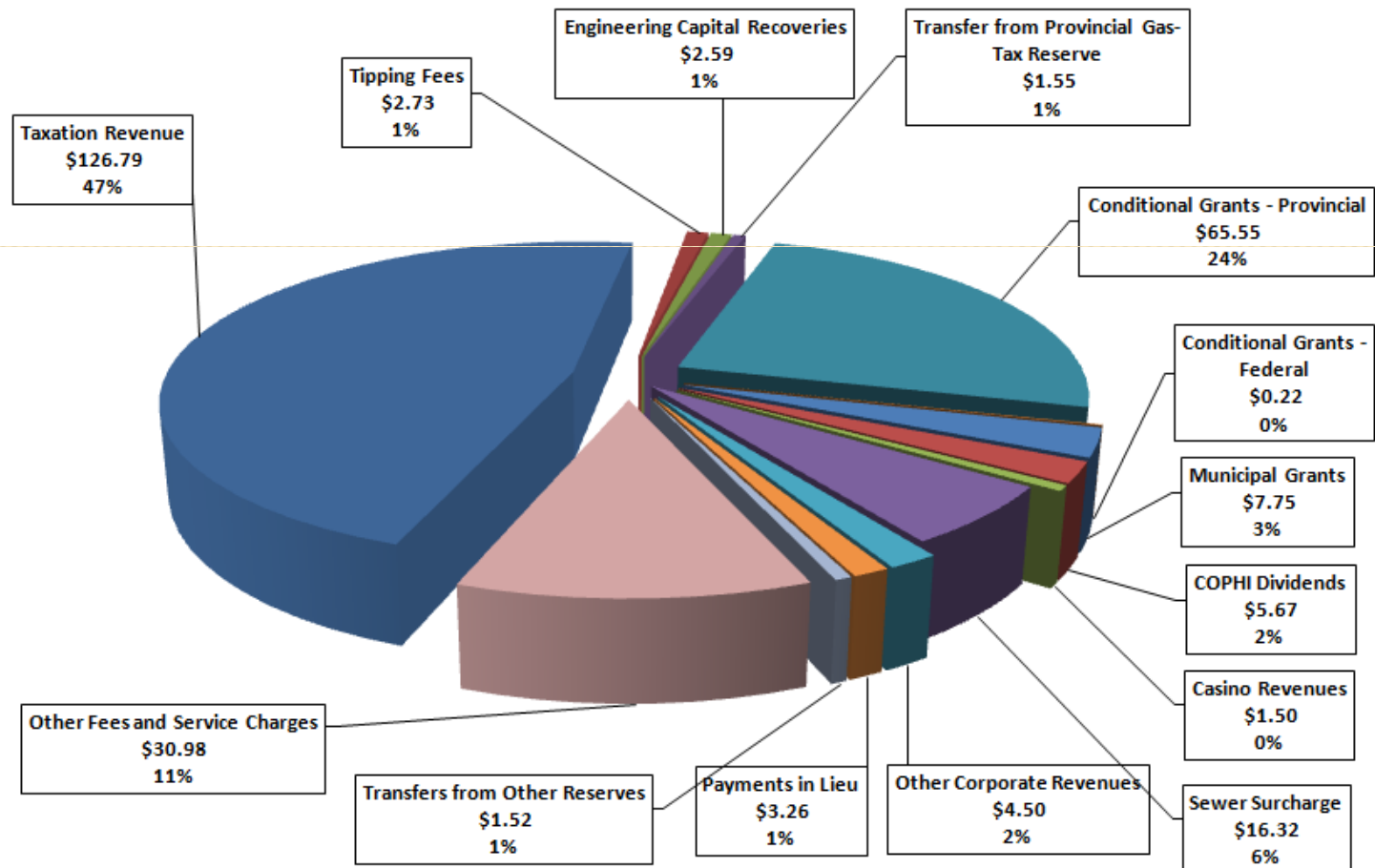
# 2018 Operating Budget – Gross Expenditures – page 4

**Operating Gross Expenditures \$ 270.9 (Million)**



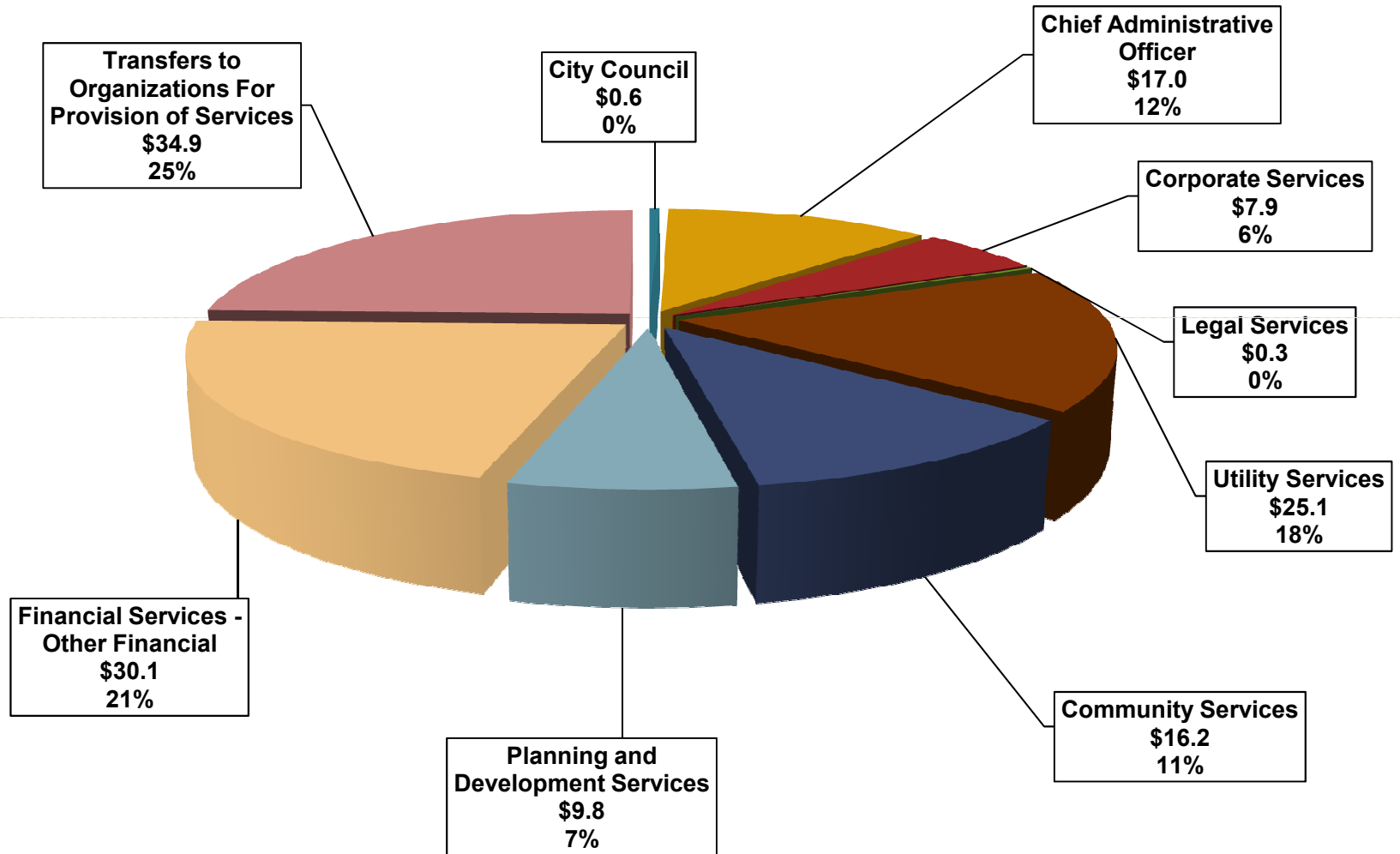
# 2018 Operating Budget – Revenues by Type – page 3

Revenue by Type \$ 270.9 (Million)



# 2018 Operating Budget – Net Expenditures (\$141.8 M) – page 5

**Net Expenditures - increased by 3.95 %**





# Items of Interest

1. Report USEC17-001 February 13, 2017 Capital funding for Sewer and wastewater infrastructure:

- i. Increased the Sewer Surcharge rate from 95% to 97.1%
- ii. Introduced the Stormwater Protection Fee

Together these changes account for .65% of the 2.85% all-inclusive increase

- 
2. Casino Gaming Revenues to the City have been estimated for the first part-year of operation to be \$1.5M. Revenues used for the DBIA (\$150,000) and Capital (\$1.35 million) for 2018
  3. Sale of PDI: The 2018 Budget does not include revenues related to the sale of PDI





# Key Operating Impacts

- § Net Personnel Costs - \$1.7 M
  - § New Capital Financing Policy - \$.8 M
  - § IT services – \$0.5 M
  - § Minimum wage increase contingency - 0.3 M
- 
- § Final year of Provincial upload cost sharing of Social Services - (\$0.8 M)
  - § Investment revenues – (\$0.2 M)
  - § Supplementary Taxes – (\$0.2 M)



# 2018 Police Services

Recommendation from the Budget Guideline Report CPFS17-037 approved July 31, 2017:

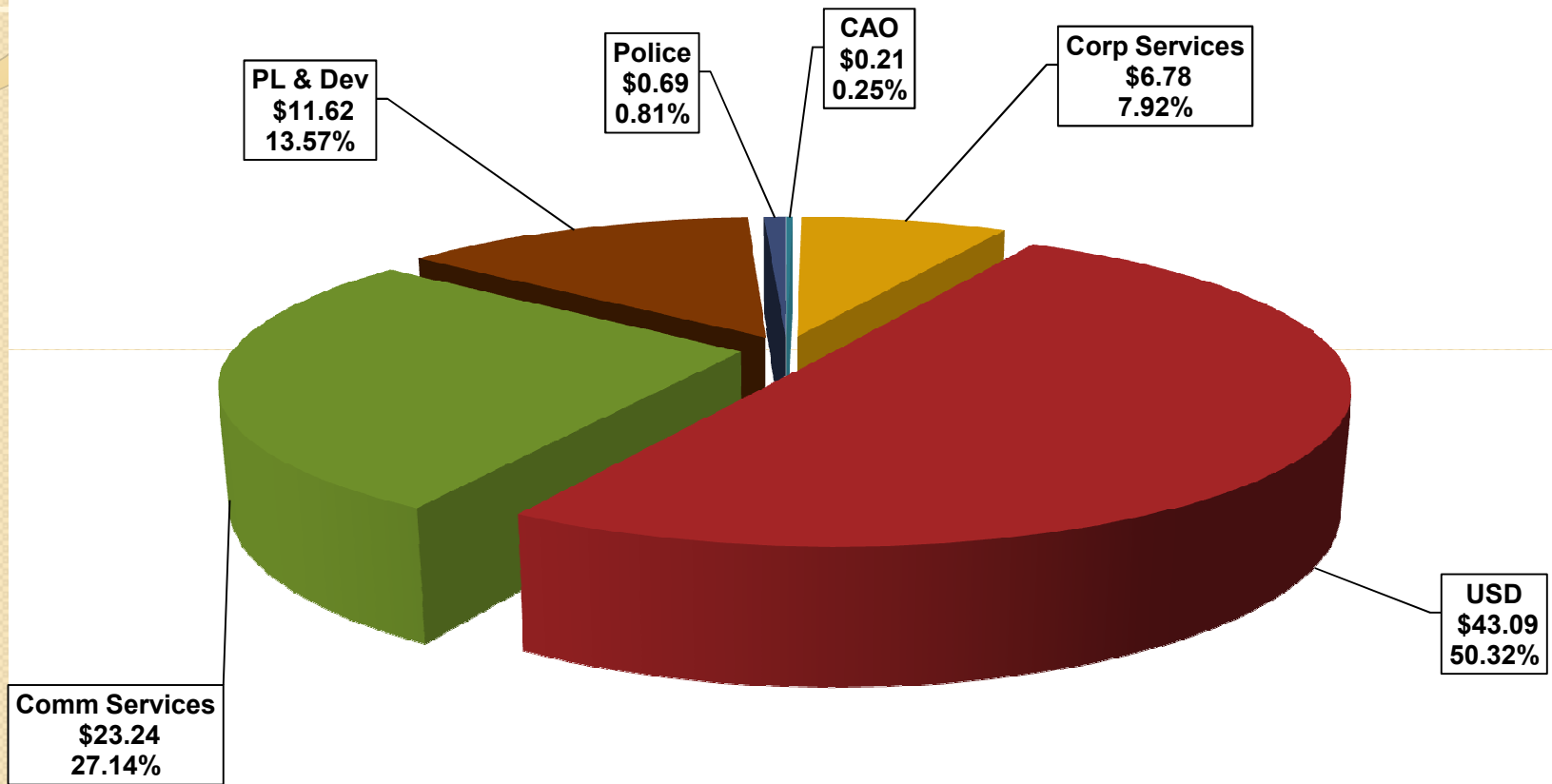
That the increase in the Police Services portion of the draft 2018 Operating Budget reflect no more than the Operating portion of Net Tax Levy increase (estimated to be 1.7%), and any increase in the net Police Services budget beyond the estimated Operating Portion of the Net Tax Levy increase be addressed by Council as part of the detailed 2018 Budget deliberations to occur in November of 2017



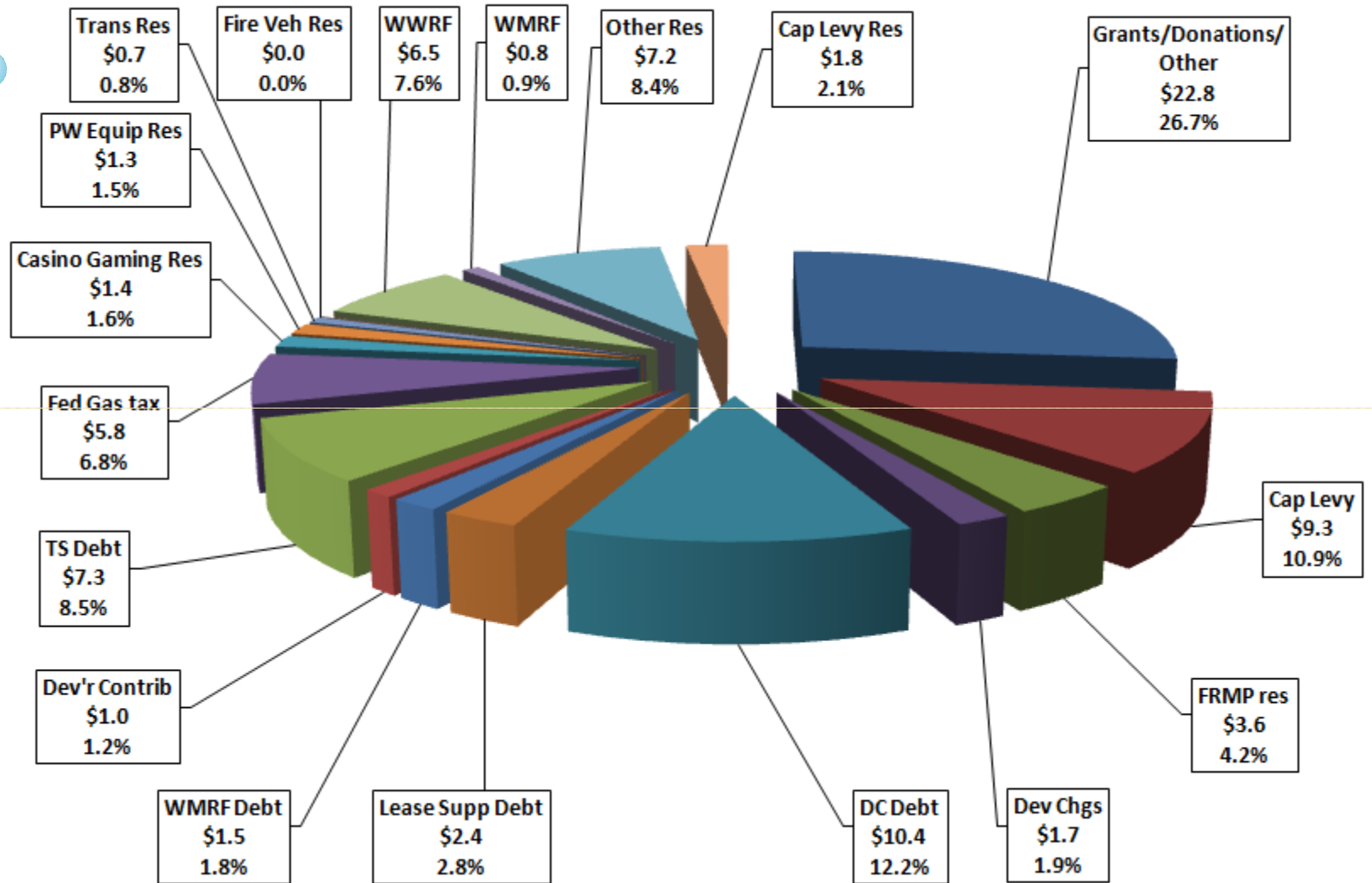
# 2018 Police Services – Cont'd

- § The Police budget reflects an increase of 2.2%.
- § Outcome of the 2018 Operating portion of the Net Tax Levy increase is 2.3%
- § The full PSB request has been incorporated into the 2018 Draft Budget being presented to Council

## 2018 Capital Expenditures (\$85.6 million)



## 2018 Capital Financing by Source (\$85.6 million)





# Top 10 Capital Projects

- 1 New Arena Facility
- 2 Curtis Creek - Tivey St Outlet Improvements
- 3 Extension of Crawford Dr to Harper Road
- 4 Various Road Resurfacing
- 5 Hilliard St Reconstruction - Marina Blvd to The Parkway
- 6 Airport Sewer & Water Upgrade
- 7 Trent Research and Innovation Park
- 8 Corporate Services - Property Community
- 9 Bethune St Diversion City Funded
- 10 Chemong Rd North Urbanization - Millroy to North



# Capital Grants

- 3 Capital Projects are contingent on receiving Capital Grants :
  - New Arena - \$13.2 M - 2018 portion
    - (\$35 M for entire project)
- Curtis Creek – Tivey St - \$1.5 M
- Curtis Creek – Euclid Ave Culvert - \$675K



# Capital Financing Policy

- Debt capacity is the total debt servicing costs for tax supported debt, non-tax supported debt and outside debt obligations supported by the City, as a percentage of City own revenues
- Province calculates annual debt repayment limit – 25% of Net revenues
- City Policy, approved in 2012, limits it to 15%; 8% for tax supported debt and 7% for non-tax supported debt
- Also limit of up to 1% of the residential all-inclusive tax increase





# Capital Financing Policy (con't)

- Capital levy = pay-as-you-go philosophy.
- Tax supported debt – allows more work to be done
- 2013 and 2014 - the 1% was allocated approximately 1/3 to capital levy and the balance to tax supported debt
- 2015, 2016, 2017 and 2018\* - due to continued low interest rates & high volume of work to be done, ALL of the increase is allocated to tax supported debt

\* The 2018 Capital Policy increase is reduced to 0.5%



# Capital Financing Policy (Con't)

- In support of Housing, the City issued debt in 2017 that had a significant impact on the City's Non-TS debt capacity (\$29.1 M), Peterborough Housing Corporation's McRae and Havelock projects will bring 151 affordable housing units to the community
- Assuming the draft 2018 Capital Budget is approved 'as is' the TS debt capacity available at December 31, 2018 becomes \$13.7 million and the Non TS debt capacity available becomes \$6.8 million for a total of \$20.5 million
- A further report will be presented on November 27, 2017 to further explain what this means for future budgets



# Tax Ratio Reduction Program

§ Decreases the tax ratios for Commercial and Industrial Classes to be more competitive in attracting and retaining businesses

§ Effectively Shifts tax burden to other classes

§ Through the 2018 Budget Guideline Report – Commercial and Industrial ratios will be reduced by one-half of the original annual reduction

§ Multi-Residential ratios have been maintained at 2010 levels

§ Commercial ratios will benefit from a \$300 K one time reduction related from the Vacancy Rebate Program. This advances the target date for the Commercial Class to be 1.5 of the Residential class from 2021 to 2020

# What a Res. Taxpayer pays for – Pg 214

Service, Program, Transfers	Net Requirement Before Indirect Revenues	Allocated Indirect Revenue	Net tax Levy	Residential Municipal Tax Rate	Tax levy	% of Total
<b>City Council</b>						
City Council	609,087	64,502	544,585	0.005372%	13.10	0.43%
	609,087	64,502	544,585	0.005372%	13.10	0.43%
<b>Chief Administrative Officer</b>						
Office of Chief Administrative Officer	484,583	51,317	433,266	0.004274%	10.42	0.34%
Fire Services	16,108,871	1,705,915	14,402,956	0.142081%	346.39	11.36%
Emergency Management	449,020	47,551	401,469	0.003960%	9.66	0.32%
	17,042,474	1,804,783	15,237,691	0.150316%	366.47	12.02%
<b>Corporate Services</b>						
City Clerk	749,247	79,345	669,902	0.006608%	16.11	0.53%
Financial & Property Services	3,736,264	395,667	3,340,597	0.032954%	80.34	2.63%
Human Resources	1,116,359	118,221	998,138	0.009846%	24.01	0.79%
Corporate Information Services	2,170,863	229,892	1,940,971	0.019147%	46.68	1.53%
Facilities and Special Projects	131,545	13,930	117,615	0.001160%	2.83	0.09%
	7,904,278	837,055	7,067,222	0.069716%	169.97	5.57%
<b>Legal Services</b>						
Office of the Solicitor	756,484	80,111	676,373	0.006672%	16.27	0.53%
Provincial Offences Act Office	-487,371	-51,612	-435,759	-0.004299%	-10.48	-0.34%
	269,113	28,499	240,614	0.002374%	5.79	0.19%
<b>Utility Services</b>						
Office of the Utilities Services Director	290,416	30,755	259,661	0.002561%	6.24	0.20%
Engineering, Construction and Infrastructure Planning	1,575,881	166,884	1,408,997	0.013899%	33.89	1.11%
Public Works	9,044,914	957,848	8,087,066	0.079777%	194.50	6.38%
Transportation	9,317,346	986,699	8,330,647	0.082180%	200.35	6.57%
Environmental Protection	77,596	8,217	69,379	0.000684%	1.67	0.05%
Waste Management	4,773,846	505,546	4,268,300	0.042106%	102.65	3.37%
	25,079,999	2,655,949	22,424,050	0.221207%	539.30	17.69%

# What a Res. taxpayer pays for – Pg 214

Service, Program, Transfers	Net Requirement Before Indirect Revenues	Allocated Indirect Revenue	Net tax Levy	Residential Municipal Tax Rate	Tax levy	% of Total
<b>Community Services</b>						
Community Service Administration	1,774,829	187,953	1,586,876	0.015654%	38.16	1.25%
Recreation	998,031	105,691	892,340	0.008803%	21.46	0.70%
Arts, Culture and Heritage	4,710,775	498,867	4,211,908	0.041549%	101.30	3.32%
Arenas	2,079,407	220,207	1,859,200	0.018340%	44.71	1.47%
Social Services	6,651,235	704,360	5,946,875	0.058664%	143.02	4.69%
	16,214,277	1,717,078	14,497,200	0.143011%	348.66	11.43%
<b>Planning and Development Services</b>						
Planning, Geomatics / Mapping Administration	2,097,039	222,075	1,874,964	0.018496%	45.09	1.48%
Housing	4,798,804	508,189	4,290,615	0.042326%	103.19	3.38%
Peterborough Airport	2,431,433	257,487	2,173,946	0.021445%	52.28	1.71%
Building Inspection and Protective Services	458,224	48,526	409,699	0.004042%	9.85	0.32%
	9,785,500	1,036,277	8,749,224	0.086309%	210.42	6.90%
<b>Capital Levy, Debt &amp; Financial Summary</b>						
Capital Financing Costs	24,455,192	2,589,783	21,865,409	0.215696%	525.87	17.24%
Property Taxation Costs	3,140,550	332,581	2,807,969	0.027700%	67.53	2.21%
Other Expenditures	1,260,326	133,467	1,126,859	0.011116%	27.10	0.89%
Contingency Provision	1,203,227	127,421	1,075,806	0.010613%	25.87	0.85%
	30,059,295	3,183,252	26,876,042	0.265125%	646.37	21.20%
<b>Transfers to Organizations For Provision of Services</b>						
Police Services	24,977,779	2,645,125	22,332,654	0.220306%	537.10	17.61%
Fairhaven	1,795,741	190,167	1,605,574	0.015839%	38.61	1.27%
Peterborough County/City Paramedics Service	4,757,687	503,835	4,253,852	0.041963%	102.31	3.35%
Otonabee Region Conservation Authority	752,946	79,736	673,210	0.006641%	16.19	0.53%
Peterborough Family Health Team	20,866	2,210	18,656	0.000184%	0.45	0.01%
Peterborough Public Health	1,205,956	127,710	1,078,246	0.010637%	25.93	0.85%
Peterborough Economic Development	970,470	102,772	867,698	0.008560%	20.87	0.68%
Humane Society	365,194	38,674	326,520	0.003221%	7.85	0.26%
	34,846,639	3,690,229	31,156,411	0.307350%	749.32	24.57%
<b>Total Net Expenditures</b>						
	141,810,662	15,017,624	126,793,039	1.250779%	3,049.40	100.00%



## Increased Support/Service Enhancement

### §2018 Election

- § Implementation of Community Bus & additional Handi-van capacity
- § Enhanced Winter Services continues
- § First year of implementation of recommendations from Parking Study
- § Reduced electricity due to LED projects (Street lights & Arenas)
- § First year of more support for Stormwater Protection



## Increased Support/Service Enhancement (con't)

- § New Daycare spaces in Millbrook and Lakefield
- § More support for Rent Supps - \$263,000
- § Tax arrears decrease from 5.1% in 2014 to 4.1% in 2015 to 3.3 in 2016 – less penalty and interest
- § User fees reviewed and adjusted during budget process
- § More Support for Showplace - \$30,000 + \$75,000 in capital – report on November 27<sup>th</sup>
- § Canoe Museum – no funds allocated in 2018 budget but also report on November 27<sup>th</sup> with plan



# Tentative Budget Review & Approval Timetable

Date	Event
Documents presented to Budget Committee	Nov 6
Public Meeting – 6:30 pm (determine which Boards need to come Nov 28)	Nov 22
Council members review documents individually	Until Nov 27
Budget Committee Reviews	Nov 27 – Nov 30
2018 Budget Approved	Dec 11





# If you have questions during your review of documents

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Bill McDougall	742-7777 Ext 1660	<a href="mailto:bmcdougall@peterborough.ca">bmcdougall@peterborough.ca</a>



# Questions