



City of
Peterborough

2007 BUDGET HIGHLIGHTS

Glossary of Budget Terms & Acronyms

Accrual Accounting

The City's sources of financing and expenditures are recorded using the accrual basis of accounting. This basis recognizes revenues as they become available and measurable and expenditures as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation to pay. This is also the basis for developing the City's budget.

Allowance

A provision for an expected loss or reduction in the value of an asset, in order to reduce the reported value of the asset to a value, which reflects its estimated realizable value. Examples of an allowance are: Allowance for Doubtful Accounts, and Allowance for Uncollectable Taxes.

Annualized

This is the amount required to bring a program or service allocation to a full year's expenditure cost or revenue realization. Most often referenced where new staff were approved in the previous year's budget and required only a partial year's salary and benefits, but in the following year a full year's budget allocation is required.

Approved Budget

The Council will consider the budget recommendations for approval as received from the Budget Committee. Following consideration of the recommendations received, Council, in formal session, will approve a budget for the fiscal year and pass the necessary bylaws to adopt the budget and set property tax rates for the fiscal year.

Association of Municipalities of Ontario (AMO)

AMO works with and for municipal governments. Traditional activities include inter-government relations and policy development, information gathering and disseminating on all issues affecting municipalities.

Assessment

A value established by the Municipal Property Assessment Corporation (MPAC) for real property for use as a basis for levying property taxes for municipal, and education purposes.

Assessment Cycle

The annual valuation date for property assessment conducted by MPAC. Assessments used for the 2007 taxation year are based on January 1, 2005 valuations.

Base Budget

The base budget reflects the prior years' approved budget allocation for programs and services with adjustments made to reflect one-time allocations, annualizations, salary and benefits increases, etc.

Budget

A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures for the provision of various municipal programs and services, approved by Council.

Budget Time Table

The schedule of key dates which the City follows in the preparation, review, presentation and adoption of the budget.

Budget Documents

The official documents prepared by administration which presents the proposed budget for the fiscal year to City Council and which outlines principal budget issues and highlights against the background of financial experience in recent years and presents recommendations made by senior administration, for the consideration of the Budget Committee and Council. The City's budget includes four distinct documents including the 2007 Budget Highlights Book, and three supporting documents which include the 2007 Current Budget Estimates, the 2007-2016 Capital Budget Estimates and the 2007 Supplementary Documents.

Capital Budget

A plan of proposed capital expenditures to be incurred in the current year and over a period of subsequent future years [long-term] identifying each capital project and the method of financing.

Capital Projects

Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and / or the construction of a building or facility.

CONSUMER PRICE INDEX (CPI)

The measurement of price changes experienced by consumers in maintaining a constant standard of living. This index is developed and published on a monthly basis by Statistics Canada.

Construction Price Index

The measurement of price changes for construction materials experienced in maintaining a constant standard. This index is developed and published on a monthly basis by Statistics Canada.

Cost Driver

Factors that may significantly impact on expenditures for a program or service. Ontario Works and Ontario Disability caseloads are good examples.

Current Taxes

Property taxes that are levied and payment due within the fiscal year.

Debenture Debt

The payment of interest and repayment of principal to holders of the City's debt instruments, used to finance capital projects.

Debt Capacity

Each municipality's amount of annual debt repayment is limited to not more than 25% of its own source revenue fund revenues. This is prescribed by the Municipal Act and is subject to Regulation.

Department

A basic organizational unit of the City, which is functionally unique in its delivery of services. Directors of Departments report directly to the City Administrator. They include Finance and Administrative Services, Human Resources, Legal Services, Information Technology Services, Utility Services, Community Services, Planning and Development Services, Social Services, Planning and Development Services.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year. The amount of revenue budgeted is the amount approved by Council.

Federation of Canadian Municipalities (FCM)

A national organization representing the interests of municipalities FCM has been the national voice of municipal governments since 1901. It is dedicated to improving the quality of life in communities by promoting strong, effective and accountable municipal government.

Full Time Equivalents (FTE's)

The measurement of staff resources based on a full time workweek. It is useful for quantifying part time staff. As an example the City may use two individual part-time staff in an area that work half of the hours worked by a full-time employees. Although there are two part time employees working there would be only one FTE recorded.

Fiscal Year

The twelve-month accounting period for recording of financial transactions. The City's fiscal year is January 1 to December 31.

Fund Balance

The balance sheet identifies the assets of that fund and the liabilities it owes. The difference between the fund's assets and liabilities equals the "fund balance." A positive fund balance represents a financial resource available to finance expenditures of a following fiscal period. A deficit fund balance can only be recovered by having revenues exceed expenditures in a following fiscal period.

Grant

A monetary contribution by one governmental unit or other organization to another. Typically, the Provincial and Federal Governments make these contributions to local governments. The City of Peterborough makes grants available to various local cultural, sports and community organizations and for assistance to seniors and others.

MMAH

Ministry of Municipal Affairs & Housing

Municipal Property Assessment Corporation (MPAC)

The entity responsible for the property assessment function in Ontario, in accordance with provincial legislation passed in 1997.

Long-Term Debt

Long-term debt is used to finance capital projects, having a maturity term of more than one year. Debt repayment forms part of the annual operating budget.

Operating (Current) Budget

The budget containing allocations for such expenditures as salaries and wages, materials and supplies, utilities, and insurance to provide basic government programs and services for the current fiscal year.

Operating (Revenue) Fund

The fund reflecting general activities of the City. The principal sources of revenue are property taxes, grants and service charges. All line and staff departments are financed through this fund with the largest expenditures going for Public Works, Fire and Parks & Recreation.

OSIFA

Ontario Strategic Infrastructure Financing Authority

Payments in Lieu of Taxes (PIL's)

The payment to municipalities by other governments of an amount equal to the tax for properties located within the municipality, which are exempt from taxation.

Pay-as-You-Go Policy

The concept that has been historically chosen by City Council for financing capital projects and has thereby reduced the need for long-term borrowing. This policy requires the City to fund its share of the cost of capital projects from reserves, reserve funds, available subsidies and, to a fairly high extent, current operations (also referred to as Capital Levy).

Requested Budget

The initial budget developed and submitted by departments for consideration by the City Administrator and Finance team.

Recommended Budget

This is the budget as presented in the draft budget documents submitted to the Budget Committee as the administrations' proposed budget. The Budget Committee then begins its deliberation of the recommended budget followed by at least one public meeting to hear delegations on the budget.

PSAB

Public Sector Accounting Board

Recommended Budget

The Budget Committee, upon conclusion of their deliberations, will put forward a recommended budget for the Council's consideration and approval.

Reserves

An allocation of accumulated net revenue. It has no reference to any specific asset and does not require the physical segregation of money or assets. These are established by Council and may be expanded, based on recommendations from the Treasurer. Examples of the City's Reserves are Vehicle & Equipment Reserves, Insurance Reserve, and various Social Services Reserves

Reserve Fund

Assets segregated and restricted to meet the purpose of the reserve fund. They may be: **Obligatory** - created whenever a statute requires revenues received for special purposes to be segregated. e.g. Development Charges Reserve Fund or can be **Discretionary** - created whenever a municipal council wishes to earmark revenues to finance a future project for which it has authority to spend money.

Revenue

Funds that a government entity receives as income. It includes such items as property tax payments, fees for specific services, receipts from other governments, fines, grants and interest income.

Sewer Surcharge

The dollar amount generated when the sewer surcharge rate is applied to eligible water charges. The City's budget documents quantifies the sewer surcharge payable for a typical single family dwelling owner (\$366 for 2007) and also quantifies the total sewer surcharge collected for the City (\$13.3 million for 2007)

Sewer Surcharge Rate

The rate (100% for 2006 and 2007) applied to eligible water charges as billed by the Peterborough Utilities Commission to raise sewer surcharge revenues to be used by the City to pay for operating and capital sanitary sewer works.

Taxable Assessment

The Current Value Assessment upon which the tax rates can be applied to generate the required annual tax levy as determined through the City's annual budget process.

Tax Burden

The amount of taxes each property class generates and is most often described as a percentage of the total tax collected. As an example, for 2007 the residential property class will generate \$53.3 million (66%) of the total \$81.7 million municipal tax levy.

Tax Levy

The tax levy represents the total amount of revenue to be raised by property taxes for operating and debt service purposes. The City of Peterborough is also responsible for levying taxes for the Boards of Education and the local Business Improvement Areas.

Tax Rate

The rate levied on each real property according to the assessed property value as established by MPAC and the property class. Are often expressed as a percentages.

Tax Ratio

A number applied to total taxable current value assessment by class to determine weighted taxable assessment for the class. The total tax levy requirement is then divided by the total weighted taxable assessment to derive tax rate for the residential class. The residential tax rate is then multiplied by each class' tax ratio to determine the tax rate for the class.

Weighted Taxable Assessment

The total of taxable assessment for each class multiplied by the class tax ratio. For 2007 total weighted taxable assessment is \$6.7 billion. Weighted Taxable Assessment is also used to allocated the cost of some joint services between the City and County of Peterborough such as Social Housing and Provincial Offences.

Acronyms used in budget documents

ABBREVIATION	DEFINITION
CCF	Central Composting Facility
CCP	Community Care Peterborough
CCRC	Community Counselling and Resource Centre
CHPP	Consolidated Homelessness Prevention Program
COPHI	City of Peterborough Holdings Inc.
CRF	Community Reinvestment Fund
CRRC	Community Race Relations Committee
CSP	Community Social Plan
CVA	Current Value Assessment
CVP	Consolidated Verification Process
DBIA	Downtown Business Improvement Area
DC	Development Charges
DNA	Deoxyribonucleic Acid
EA	Environmental Assessment
EDP	Electronic Data Processing
EMP	Environmental Monitoring Program
EMS	Emergency Medical Services
EOC	Emergency Operations Centre
EPD	Environmental Protection Division
FOL	Festival of Lights
FRMP	Flood Reduction Master Plan
FRMPRCL	Flood Reduction Master Plan Reserve Capital Levy
FRMPRSS	Flood Reduction Master Plan Reserve Sewer Surcharge

ABBREVIATION	DEFINITION
FTE	Full Time Equivalent
FUSE	Fund for Utility Service Emergencies
GIS	Geographic Information Systems
GPAEDC	Greater Peterborough Area Economic Development Corporation
HAP	Housing Access Peterborough
HPO	Heritage Preservation Office
HR	Human Resources
HRSDC	Human Resources and Skills Development Centre
IT	Information Technology
ITMS	Integrated Traffic Management System
JSSC	Joint Services Steering Committee
LEAP	Learning Earning and Parenting
LED	Light Emitting Diode (lamps)
LIS	Land Information Services
LSR	Local Services Realignment
MCSS	Ministry of Community and Social Services
MCYS	Ministry of Children and Youth Services
MMAH	Ministry of Municipal Affairs and Housing
MOH	Ministry of Health
MPAC	Municipal Property Assessment Corporation
MRF	Material Recycling Facility
MTE	Municipal Tax Equity (Consultants)
MTO	Ministry of Transportation Ontario
NCB	National Child Benefit

ABBREVIATION	DEFINITION
NFA	North Fill Area (Landfill Site)
OBCA	Ontario Building Code Act
OBRP	Ontario Bus Replacement Program (replaced OTVP)
ODA	Ontarians with Disabilities Act
ODRAP	Ontario Disaster Relief Assistance Program
ODSP	Ontario Disability Support Program
OMERS	Ontario Municipal Employees Retirement System
OMPF	Ontario Municipal Partnership Fund (replaces CRF)
ORCA	Otonabee Region Conservation Authority
OTVP	Ontario Transit Vehicle Program (prior to OBRP)
OW	Ontario Works
PACAC	Peterborough Architectural Conservation Advisory Committee
PCHDC	Peterborough Community Housing Development Corporation (now Home Grown Homes)
PCMA	Peterborough Centennial Museum and Archives
PCSP	Peterborough Community Social Plan (overlap with CSP)
PERC	Peterborough Employment Resource Centre
PHC	Peterborough Housing Corporation
PIL	Payment in Lieu
POA	Provincial Offences Act
PRHC	Peterborough Regional Health Centre
PSAB	Public Sector Accounting Board
PSWC	Peterborough Sport and Wellness Centre
PTS	Peterborough Technology Services
PUC	Peterborough Utilities Commission

ABBREVIATION	DEFINITION
RFP	Request for Proposals
RGI	Rent-Geared-to-Income
SDMT	Service Delivery Model Technology
SFA	South Fill Area (Landfill Site)
SFDNOW	Single Family Dwelling (not on water)
SHRA	Social Housing Reform Act 2000
SS	Sewer Surcharge
TDM	Transportation Demand Management
UMA	UMA Consultants (Engineering)
USD	Utility Services Department
VBIA	Village Business Improvement Area
WMRF	Waste Management Reserve Fund
WWTP	Waste Water Treatment Plant