



Treasurer's Report

Teresa Quinlin, MBA, CPA, CA

May 7, 2018

Agenda

- Introduction
- Financial Update
- Risk Analysis
- Provincial Partnership
- Financial Strategic Direction
- Closing Remarks

Introduction

- Treasurer's update from November 29, 2017 Council presentation
- Audited Financial Statements presented to Council one month earlier than in past years
- Overview 2017 Audited Financial Statements and Fourth Quarter Reporting

Financial Update

1. Current Year Status
2. Meridian Community Centre
3. Audited Financial Statements
4. Fourth Quarter Reporting
5. Long-term Debt
6. Cash Position

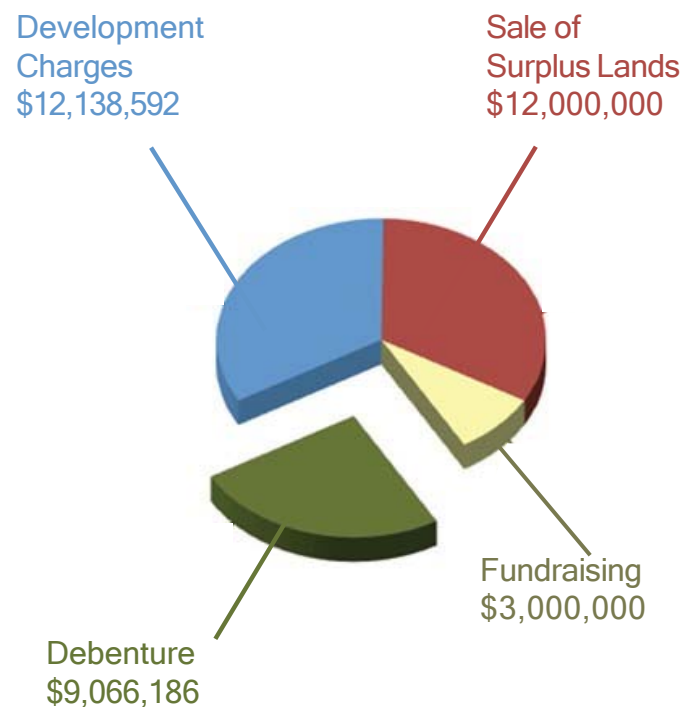
1. Current Year Status

2018 First quarter report will be presented to Council on May 22, 2018.

The only budget variance to date is snow removal due to the long, snowy winter.

Q1 Report – May 22

2. Meridian Community Centre



Cash in-flow:

Debenture #1 issued Dec 2016	\$ 9,066,151
Debenture #2 issued July 2017	12,138,577
Infrastructure Ontario bridge loan	2,363,695
Interest earned	71,821
Donations received	<u>430,500</u>
Total Cash In-flow	<u>\$24,070,744</u>

Expenditures to March 31, 2018	<u>\$24,070,744</u>
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MCC Reserve	\$ 951,776
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Pledges to date	\$ 2,790,000
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2. Meridian Community Centre

Status of land sales:

There are currently interested parties with bid submissions for over 10 acres of land.

Exciting proposed projects for East Fonthill.

A lot of interest for smaller pieces of land.

3. Audited Financial Statements (F/S)

- All debt issued to date has been recorded in the F/S.
- All audited F/S for the Town in all the years have had an unmodified (clean) audit opinion which means that the F/S are not materially misstated.

3.Consolidated Statement of Financial Position

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,885,925	\$ 9,324,711
Taxes receivable	1,791,341	2,210,469
User charges receivable	597,267	592,086
Accounts receivable	6,512,813	6,753,703
Tangible capital asset held for sale (Note 3)	885,648	-
Investment in subsidiary (Note 2)	5,312,718	5,293,453
	18,985,712	24,174,422
LIABILITIES		
Bank indebtedness (Note 4)	2,577,778	1,800,000
Accounts payable and accrued liabilities	9,633,723	7,712,420
Other liabilities	1,718,632	1,429,957
Deposits and deferred revenue	651,775	1,864,319
Deferred revenue - obligatory reserve funds (Note 5)	3,840,767	3,398,984
Long-term debt (Note 6)	31,905,664	21,310,239
Employee benefit obligations (Note 7)	419,726	399,342
	50,748,065	37,915,261
Contingencies (Note 18)		
Net debt	(31,762,353)	(13,740,839)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	125,637,896	104,132,637
Prepaid expenses	129,401	373,244
	125,767,297	104,505,881
Accumulated surplus (Note 8)	\$ 94,004,944	\$ 90,765,042



3.Consolidated Statement of Operations

	Budget 2017 (Note 15)	Actual 2017	Actual 2016
REVENUE			
Taxation (Note 10)	\$ 12,428,471	\$ 12,468,706	\$ 11,648,113
User charges (Note 11)	5,628,903	5,896,406	6,298,719
Grants (Note 13)	853,588	968,598	1,117,957
Contributions from developers	1,090,989	3,061,990	1,352,815
Contributed tangible capital assets	-	-	4,928,757
Other (Note 14)	2,741,685	1,201,394	819,533
Equity earnings in subsidiary (Note 2)	-	71,012	91,166
Gain on disposal of tangible capital assets	-	434,599	11,527
	22,743,636	24,102,705	26,268,587
EXPENSES			
General government	3,200,705	3,938,935	3,172,931
Protection to persons and property	1,912,509	1,946,632	1,856,290
Transportation services	5,802,629	5,945,354	7,516,336
Environmental services	4,550,255	4,419,347	4,623,560
Health services	128,279	125,306	115,850
Recreation and culture services	3,919,740	3,911,721	2,052,145
Planning and development	438,841	575,508	466,160
	19,952,958	20,862,803	19,803,272
Annual surplus	2,790,678	3,239,902	6,465,315
Accumulated surplus, beginning of year	90,765,042	90,765,042	84,299,727
Accumulated surplus, end of year	\$ 93,555,720	\$ 94,004,944	\$ 90,765,042



3.Consolidated Statement of Change in Net Debt

	Budget 2017	Actual 2017	Actual 2016
ANNUAL SURPLUS	\$ 2,790,678	\$ 3,239,902	\$ 6,465,315
Amortization of tangible assets	5,000,000	4,793,430	4,703,874
Acquisition of tangible capital assets	(6,465,572)	(27,281,339)	(15,761,806)
Tangible capital asset held for sale	-	885,648	-
Gain on disposal of tangible capital assets	-	(434,599)	(11,527)
Proceeds on disposal of tangible capital assets	-	531,601	263,536
	1,325,106	(18,265,357)	(4,340,608)
Acquisition of prepaid expenses	-	(115,719)	(349,081)
Use of prepaid expenses	-	359,562	175,050
	-	243,843	(174,031)
Increase in net debt	1,325,106	(18,021,514)	(4,514,639)
Net debt, beginning of year	(13,740,839)	(13,740,839)	(9,226,200)
Net debt, end of year	\$ (12,415,733)	\$ (31,762,353)	\$ (13,740,839)

3.Consolidated Statement of Cash Flows

	2017	2016
OPERATING ACTIVITIES		
Annual surplus	\$ 3,239,902	\$ 6,465,315
Items not involving cash:		
Amortization of tangible assets	4,793,430	4,703,874
Gain on disposal of tangible capital assets	(434,599)	(11,527)
Net earnings from investment in subsidiary	(71,012)	(91,166)
Employment benefit obligations	20,384	82,813
Change in non-cash assets and liabilities:		
Taxes receivable	419,128	96,118
User charges receivable	(5,181)	(12,886)
Accounts receivable	240,890	(5,811,646)
Accounts payable and accrued liabilities	1,921,303	3,973,864
Other liabilities	288,675	458,245
Deferred revenue - obligatory reserve funds	441,783	1,466,495
Deposits and deferred revenue	(1,212,544)	1,706,621
Prepaid expenses	243,843	(174,031)
	9,886,002	12,852,089
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	531,601	263,536
Acquisition of tangible capital assets, net of construction in process capitalized	(27,281,339)	(15,761,806)
	(26,749,738)	(15,498,270)
FINANCING ACTIVITIES		
Increase/(decrease) in bank indebtedness	777,778	(1,550,000)
Dividends received from investment in subsidiary (Note 2)	51,747	51,595
Issuance of long-term debt	12,138,592	14,816,166
Repayment of long-term debt	(1,543,167)	(1,901,299)
	11,424,950	11,416,462
Net (decrease) increase in cash	(5,438,786)	8,770,281
Cash and cash equivalents, beginning of year	9,324,711	554,430
Cash and cash equivalents, end of year	\$ 3,885,925	\$ 9,324,711



3. Reserves and Reserve funds

	2017	2016
Reserves set aside for specific purposes by Council		
Airport (Note 16)	\$ 2,955	\$ 2,955
Building department	1,019,848	584,949
Cemetery	(78,322)	(92,491)
Meridian Community Centre	951,776	951,776
Community improvement plan	181,782	179,047
Elections	7,749	(2,162)
Fire equipment	286,595	76,075
Fleet	392,639	69,017
Future subdivision projects	362,613	362,613
Information technology	(31,436)	(3,102)
Land acquisition	(2,514,054)	60,098
Library (Schedule 1)	117,169	149,496
Municipal building facility	(566,969)	(54,222)
Municipal Drainage	(69,410)	(41,518)
Parks and recreation	(61,188)	326,759
Physician recruitment	23,135	24,697
Planning	(61,478)	(24,517)
Roads	(634,333)	346,300
Wastewater	838,228	650,989
Water	2,016,636	2,260,086
Working capital	(236,216)	1,539
	\$ 1,947,719	\$ 5,828,384



4. 2017 Quarterly Revenue Report

	2016		2017		
	Budget	Actual	Budget	Actual at Dec. 31, 2017	Actual as a % of Budget
	\$	\$	\$	\$	%
TAXATION					
General Tax Levy	11,063,315	11,063,305	11,791,264	11,791,255	100.0%
Payments in Lieu	282,109	299,261	282,109	301,040	106.7%
TOTAL TAXATION	11,345,424	11,362,566	12,073,373	12,092,295	100.2%
GRANTS					
Ont Municipal Partnership Fund	9,000	9,000	7,700	7,700	100.0%
FINANCE DEPARTMENT					
Penalties and interest	340,000	317,326	340,000	317,036	93.2%
Investment income	50,000	16,196	50,000	18,627	37.3%
Supplemental Revenues	75,000	183,573	355,099	376,410	106.0%
Transfer from Building Department	-	-	61,807	61,807	100.0%
Transfer from Reserve	-	-	-	-	-
Miscellaneous	25,000	298,411	25,000	22,377	89.5%
TOTAL FINANCE DEPARTMENT	490,000	815,505	831,906	796,257	95.7%
CLERKS DEPARTMENT					
Committee of Adjustment	35,500	52,160	44,200	66,799	151.1%
Miscellaneous	6,750	13,867	12,150	17,124	140.9%
TOTAL CLERKS DEPARTMENT	42,250	66,027	56,350	83,923	148.9%
PROTECTION SERVICES					
Fire Department Revenues	35,780	38,648	37,530	40,185	107.1%
Provincial Offences Act Revenue	40,000	24,594	25,000	20,615	82.5%
By-law and Parking Enforcement	11,200	15,226	19,000	18,329	96.5%
TOTAL PROTECTION SERVICES	86,980	78,467	81,530	79,128	97.1%
TRANSPORTATION SERVICES					
Aggregate Resource Grant	20,000	28,192	25,000	29,376	117.5%
Transportation	75,000	97,241	165,000	165,551	100.3%
Transfer from Reserve	-	-	-	24,944	-
Miscellaneous	28,000	25,961	21,500	31,653	147.2%
TOTAL TRANSPORTATION SERVICES	123,000	151,394	211,500	251,524	118.9%
HEALTH SERVICES					
Cemeteries	88,580	82,392	74,200	73,029	98.4%
RECREATION AND CULTURAL SERVICES					
Facilities Rentals	339,510	330,652	333,550	354,360	106.2%
Special Events and Festivals	124,400	138,843	132,995	128,999	97.0%
Recreation and Wellness	200,600	104,742	200,600	198,318	98.9%
Culture and Community Enhancement	33,828	38,685	50,070	40,660	81.2%
TOTAL RECREATION & CULTURAL SERVICES	698,338	612,923	717,215	722,336	100.7%
PLANNING AND DEVELOPMENT					
Planning Fees	105,424	69,978	57,100	185,605	325.1%
Building Department Revenues	501,000	1,075,179	501,120	979,544	195.5%
Other (Municipal Drains, Weed Control, Tile)	24,000	24,000	14,500	16,207	111.8%
TOTAL PLANNING AND DEVELOPMENT	630,424	1,169,157	572,720	1,181,355	206.3%
WATER AND WASTEWATER					
Water	2,374,207	2,528,115	2,515,483	2,345,772	93.3%
Wastewater	1,694,514	1,712,771	1,860,570	1,641,397	88.2%
TOTAL WATER AND WASTEWATER	4,068,721	4,240,886	4,376,053	3,987,169	91.1%
GRAND TOTAL	17,582,717	18,588,318	19,002,547	19,274,716	101.4%

4. 2017 Quarterly Expense Report

	2016		2017		
	Budget	Actual	Budget	Actual at Dec. 31, 2017	Actual as a % of Budget
	\$	\$	\$	\$	%
GENERAL GOVERNMENT					
Members of Council	218,710	189,769	221,953	208,113	93.8%
CAO's Office	319,889	361,779	337,049	327,137	97.1%
Marketing and Communications	135,894	133,967	91,043	90,797	99.7%
Human Resources	227,100	240,358	256,414	260,563	101.6%
TOTAL GENERAL GOVERNMENT	901,173	925,873	906,460	886,610	97.8%
CLERKS					
Clerks Department	325,711	350,285	352,160	333,876	94.8%
Committee Of Adjustment	5,570	5,543	6,150	6,688	108.7%
TOTAL CLERKS	331,281	355,828	358,310	340,563	95.0%
CORPORATE SERVICES					
Finance Department	806,881	840,206	785,505	877,774	111.7%
Shared Administrative Overhead	566,500	603,702	583,929	1,195,834	204.8%
Shared Information Technology	398,522	351,346	427,670	356,101	83.3%
TOTAL CORPORATE SERVICES	1,771,903	1,795,254	1,797,104	2,429,709	135.2%
PROTECTION SERVICES					
Fire Services	1,313,894	1,314,111	1,345,875	1,378,184	102.4%
Fire Prevention and By-law Services	111,856	102,603	113,915	111,967	98.3%
Animal Control	36,182	37,103	37,970	40,041	105.5%
Crossing Guards	33,395	36,979	41,677	40,396	96.9%
TOTAL PROTECTION SERVICES	1,495,307	1,490,796	1,539,437	1,570,588	102.0%
TRANSPORTATION SERVICES					
General Administration	451,055	512,502	716,461	774,778	108.1%
Roadway & Building Maintenance	5,496,822	6,256,420	5,930,715	5,834,609	98.4%
Street Lighting	182,013	216,157	202,500	197,379	97.5%
Transportation	125,000	97,240	208,920	213,552	102.2%
Niagara Centre Airport	15,201	15,201	29,133	29,466	101.1%
TOTAL TRANSPORTATION SERVICES	6,270,090	7,097,519	7,087,719	7,049,783	99.5%
HEALTH SERVICES					
Fonthill/Hillside Cemeteries	119,549	124,704	127,387	121,719	95.6%
TOTAL HEALTH SERVICES	119,549	124,704	127,387	121,719	95.6%
RECREATION & CULTURAL SERVICES					
General Administration	370,240	331,083	395,251	336,058	85.0%
Special Events and Festivals	222,970	221,094	241,396	237,664	98.5%
Recreation and Wellness	230,886	317,314	271,908	241,978	89.0%
Cultural and Community Enhancement	92,241	114,861	132,643	116,078	87.5%
Libraries	763,285	763,285	787,690	787,690	100.0%
TOTAL RECREATION & CULTURAL SERV.	1,679,402	1,747,617	1,828,885	1,719,467	94.0%
COMMUNITY PLANNING & DEVELOPMENT					
Planning & Zoning	431,736	448,231	465,046	454,424	97.7%
Building Department	501,000	460,986	501,120	979,544	195.5%
Other	12,555	8,917	15,025	11,961	79.6%
TOTAL COMMUNITY PLANNING & DEV.	945,291	918,134	981,191	1,445,928	147.4%
WATER AND WASTEWATER					
Water	2,374,207	2,528,115	2,515,483	2,345,772	93.3%
Wastewater	1,694,514	1,712,771	1,860,570	1,641,397	88.2%
TOTAL WATER AND WASTEWATER	4,068,721	4,240,886	4,376,053	3,987,169	91.1%
GRAND TOTAL	17,582,717	18,696,611	19,002,547	19,551,536	102.9%

4. Quarterly 2017 Capital Report

Town of Pelham					Appendix 3
2017 Capital Projects - Fourth Quarter Reporting		Expenditures			
As at December 31, 2017		2017 Original Budget	2017 Actual	Actual as a % of Original Budget	Status
GENERAL GOVERNMENT					
IT 01-17	Records Management Software	40,000	30,569	76%	To be completed in 2018
IT 02-17	Annual Equipment PSAB additions/replacements	20,000	19,054	95%	Complete
IT 03-17	Server Replacement	18,000	8,988	50%	Complete
IT 04-17	Main Core Switch - Town Hall	9,000	-	0%	Completed in 2018
IT 05-17	Project Management Software - RCW	5,500	-	0%	Completed in 2018
IT 06-17	Kyocera 3501 Printer - Arena	6,000	5,399	90%	Complete
IT 07-17	Meraki Wireless AP - Station 2	7,000	3,942	56%	Complete
IT 08-17	Council iPad Upgrades	8,000	7,585	95%	Complete
IT 09-17	Innovation Technology	50,000	34,594	69%	Complete
IT 10-17	MS Office 2016 Licenses - Additional	27,500	25,973	94%	Complete
Total General Government		191,000	136,104	71%	
PROTECTION SERVICES					
FD 01-17	Replacement of Bunker Gear	35,000	32,991	94%	Complete
Total Protection Services		35,000	32,991	94%	
TRANSPORTATION SERVICES					
ROADS					
RD 01-17	Summersides: Station to Wellspring (E. Fonthill)	2,088,774	501,704	24%	Ongoing
RD 02-17	Christmas Decoration Replacements	12,000	10,458	87%	Complete
RD 03-17	Engineering	31,000	14,621	47%	Ongoing
RD 04-17	Traffic Signal Maintenance	55,000	34,327	62%	Complete
RD 05-17	Sidewalk/Concrete Repair & Replacement Program	110,000	55,942	51%	Ongoing
RD 06-17	Roadside Ditching Program	100,000	2,748	3%	Ongoing
RD 07-17	Road Base and Surface Repair Program	168,000	143,226	85%	Complete
RD 08-17	Easement for Station Street storm outlet	35,000	-	0%	Ongoing
RD 10-17	Culvert Replacement Program	60,000	10,507	18%	Ongoing
RD 11-17	Road Reconstruction - Haist St: Welland Rd to Beckett Cres, including Welland Rd Haist to Edward	111,150	-	0%	Ongoing
RD 13-17	Road Rehabilitation - Roland Rd: Shorthills Parking to Sulphur Springs Dr	91,874	51,230	56%	Complete
RD 14-17	East Fonthill Block 2 secondary servicing (E. Fonthill)	1,272,080	164,169	13%	Ongoing
RD 15-17	Culvert Repairs (Kilman #4 erosion, Luffman #5 railings, Sulphur Springs #6 railings, Sulphur Springs #7 erosion, Orchard Hill #8 railings)	115,000	8,863	8%	Ongoing
RD 16-17	Bridge Replacement Program - Maple St Bridge: 40m south of Sixteen Rd (uncoated steel-25yr asset life)	618,250	172,249	28%	Ongoing
RD 17-17	School Zone Safety Initiatives	12,000	4,732	39%	Complete
RD 19-17	Guiderail repairs	31,000	-	0%	Completed in 2018
RD 20-17	Replace 2 Culverts on Balfour St - Big Creek Drain in road authority	50,000	33,186	66%	Complete
RD 21-17	Replace 2 Farm Culverts on Big Creek Drain in road authority	10,000	-	0%	Completed in 2018

4. Quarterly 2017 Capital Report

Town of Pelham					Appendix 3
2017 Capital Projects - Fourth Quarter Reporting		Expenditures			Status
As at December 31, 2017		2017 Original Budget	2017 Actual	Actual as a % of Original Budget	
FACILITIES					
FAC 01-17	Marlene Stewart Streit Park Pool Mechanical & Deck Repairs - FCA Critical 2015 - 2019	162,500	84,818	52%	Ongoing
FAC 02-17	Harold Black Park Concession Decommissioning	5,000	5,088	102%	Complete
FAC 03-17	Concrete & Asphalt Repairs-Various Facilities	10,000	-	0%	Ongoing
FAC 04-17	Municipal Building - Basement Electrical Upgrades - FCA Critical 2016	12,500	12,209	98%	Complete
FAC 06-17	Deferred: Old Pelham Town Hall - septic / tile bed inspection and engineer's report	7,000	5,851	84%	Complete
FAC 07-17	Municipal Building - Partial Roof Replacement (Section 2.1) - FCA Critical 2016	42,000	53,170	127%	Complete
FAC 08-17	Tice Road Operations Centre - repairs to accommodate staffing relocation	227,000	213,442	94%	Complete
FAC 09-17	Masonry Repairs (Park Lane, Fonthill Library, Model Railway, Municipal Building, Tice Rd) - FCA Critical 2017	24,500	-	0%	Ongoing
Total Transportation Services		5,461,628	1,582,540	29%	
FLEET					
VEH 02-17	Leaf Vacuum Trailer (Replaces unit 702 - 2003 Trac-Vac)	5,000	4,528	91%	Complete
VEH 03-17	Riding Lawn Mower (Replaces unit 522 - 2004 John Deere)	25,000	17,118	68%	Complete
VEH 05-17	Tires Inventory	14,500	4,490	31%	Complete
VEH 06-17	Hot Box - Asphalt Repair	46,000	41,172	90%	Complete
VEH 07-17	Plow and Wing Repair Parts	8,000	7,180	90%	Complete
VEH 08-17	Water tank and pump	3,500	3,536	101%	Complete
VEH 09-17	Fleet Support Equipment	15,000	14,716	98%	Complete
Total Fleet		117,000	92,740	79%	
HEALTH SERVICES					
CEM 01-17	Fonthill Cemetery Precast Storage Shed	12,000	-	0%	Completed in 2018
Total Health Services		12,000	-	0%	
WASTEWATER					
WST 02-17	Sanitary I/I Study Program - Calibrated Sewer Model	40,000	40,857	102%	Complete
WST 03-17	Sanitary Lateral Replacement Program (4 laterals)	60,000	50,923	85%	Complete
WST 05-17	Sanitary Sewer Inspection and Flushing Program	85,000	50,985	60%	Complete
WST 06-17	Hurricane Road Sewer lateral Replacement - Design & Construction: lateral repairs as required	85,000	-	0%	Completed in 2018
Total Wastewater		270,000	142,765	53%	

4. Quarterly 2017 Capital Report

Town of Pelham					Appendix 3
2017 Capital Projects - Fourth Quarter Reporting		Expenditures			Status
As at December 31, 2017		2017 Original Budget	2017 Actual	Actual as a % of Original Budget	
WATER					
WTR 01-17	Design & Construction - 5 Fire hydrants on Pelham St: Merritt Rd to Quaker Rd	35,000	34,163	98%	Complete
WTR 03-17	Water Model - Field Calibration & Water Needs Study	45,000	21,426	48%	Ongoing
WTR 05-17	Design: Haist Street: Welland Rd to Beckett Cres, including Welland Rd Haist to Edward	51,975	12,270	24%	Ongoing
WTR 06-17	Design & Construction - Hurricane Watermain Replacement: Chestnut to Hwy 20	742,500	35,146	5%	Ongoing
WTR 07-17	Water System Repair Equipment	30,000	8,036	27%	Complete
WTR 08-17	Handheld Meter Reader - upgrade for data logging, including tablet	4,300	4,372	102%	Complete
Total Water		908,775	115,413	13%	
RECREATION & CULTURAL SERVICES- PARK FACILITIES					
PRK 01-17	Ash tree removals - continued program	75,000	74,703	100%	Complete
PRK 03-17	Design & Public Consultation - Welland Heights Park Development	22,500	1,272	6%	Deferred
PRK 04-17	Centennial Park Molok Garbage disposal	20,000	15,510	78%	Complete
PRK 05-17	Security Systems - Harold Black Park & Centennial Park	12,000	10,812	90%	Complete
PRK 06-17	Bradshaw Park -remove 4 wooden bridges & replace with culverts, grass, stone	6,000	5,388	90%	Complete
PRK 07-17	Centennial Park Diamond 3 & HBP #2 Bullpens	6,000	6,055	101%	Complete
PRK 08-17	Harold Black Park repair trail bridge add handrail	5,000	4,986	100%	Complete
PRK 09-17	Cent.2 diamond - Netting & Infield cutout	15,000	13,280	89%	Complete
PRK 10-17	Paint Liner - Soccer Fields	4,000	1,580	40%	Complete
PRK 11-17	Tools - Grounds & Facility Maintenance	4,000	3,792	95%	Complete
PRK 12-17	Cenotaph - Maintenance and Conservation Treatment Programs (every 2 yrs)	5,000	-	0%	Completed in 2018
No Project ID	Portable Bar- Summerfest (Resolution in 2017) 500156	-	7,530	-	Complete
Total Recreation & Cultural Services		174,500	144,908	83%	
COMMUNITY PLANNING & DEVELOPMENT					
PLN 01-17	East Fenwick Secondary Plan	130,000	104,988	81%	Ongoing
PLN 03-17	Comprehensive Zoning By-law Mapping	5,900	-	0%	Ongoing
PLN 04-17	Comprehensive Zoning By-law	17,000	-	0%	Ongoing
PLN 05-17	Community Charette Planning	20,000	20,078	100%	Complete
Total Community Planning & Development		172,900	125,066	72%	
LIBRARY SERVICES					
LIB 02-17	Computer Services Development	10,000	4,937	49%	Complete
Total Library Services		10,000	4,937	49%	
TOTAL AS PER 2017 APPROVED BUDGET		7,352,803	2,377,464	32%	

4. Quarterly 2017 Capital Report

Town of Pelham					Appendix 3
2017 Capital Projects - Fourth Quarter Reporting		Expenditures			Status
As at December 31, 2017		2017 Original Budget	2017 Actual	Actual as a % of Original Budget	
COUNCIL APPROVED THROUGHOUT THE YEAR					
CC 100149	Land - Wellspring Niagara	-	2,574,151	-	Complete
CC 900035	Land Acquisition Water Station	-	139,683	-	Complete
CC 300367	2017 Sidewalks to EL Crossley	-	286,309	-	Complete
CC 100148	Bridge Replacement: Poth St: 100 m N of Weber (resolution during 2017)	-	35,332	-	Ongoing
WTR	2017 Rice Rd Water/Wastewater	-	11,321	-	Ongoing
Total Council Approved Throughout the Year		-	3,046,796	-	
CANCELLED AND RED-CIRCLED PROJECTS					
FD 02-17	Replacement of Pagers	8,000	-	0%	Cancelled
RD 09-17	Design & Construction Watermain Replacement: Station Street: Pelham Town Square to Port Robinson Rd	2,452,573	37,736	2%	Red-circled - design only - complete
RD 12-17	Storm outlet design - John St / Stella	9,000	-	0%	Cancelled
RD 18-17	Sulphur Springs Study	35,000	-	0%	Cancelled
FAC 05-17	Fenwick Lions concession canopy	27,600	-	0%	Deferred
VEH 01-17	Combination Snow Plow & Spreader Unit (Replaces Truck 420 - purchased June 2001 5 Tonne Volvo)	275,000	-	0%	Cancelled
VEH 04-17	GPS tracking units for Snow Plow Fleet	15,400	-	0%	Deferred
VEH 10-17	Small SUV (Replaces Unit 104 - 2009 Ford Ranger) Building	30,000	-	0%	Deferred
WST 01-17	Station Street Watermain Replacement - Design & Construction	150,000	-	0%	Cancelled
WST 04-17	Sanitary I/I Study Program - Planned Replacements	50,000	-	0%	Cancelled
WTR 02-17	Backflow Program - Consultant Study	60,000	-	0%	Cancelled
WTR 04-17	Design & Construction Watermain Replacement: Station Street: Pelham Town Square to Port Robinson Rd	266,110	-	0%	Red-circled
PRK 02-17	Rail Trail - parking accommodation	10,000	-	0%	Cancelled
PLN 02-17	Economic Development Plan	10,000	-	0%	Cancelled
DRN 01-17	Cleaning Keenan Drain	15,000	-	0%	Cancelled
LIB 01-17	Fonthill Basement Renovations	215,000	-	0%	red-circled
Total Cancelled and Red-Circled Projects		3,628,683	37,736	1%	
Grand Total		10,981,486	5,461,996	50%	



4. Quarterly 2017 Capital Report

Town of Pelham		Appendix 4
Prior Period Projects Carried into 2017- Fourth Quarter Reporting		
As at December 31, 2017		2017 Actual
GENERAL GOVERNMENT		
FIN 04-16 cc 100110	Innovation Technology	16,282
Total General Government		16,282
TRANSPORTATION SERVICES		
RD 23-16 cc 300223	Highland Ave Reconstruction	1,505
RD 08-16 cc 300208	Sawmill Rd Bridge: 90m East of Centre	6,489
RD 27-16 cc 300227	Town Drainage Study and Improvement	53,564
RD 01-16 cc 300201	Pelham St/Hurricane Storm Water Management	85,064
RD 14-16 cc 300214	Roadside Ditching Program	28,847
RDS 20-15 cc 300175	Service Clubs sign	22,461
CEM 01-16 cc 400007	Cemetery Hillside	1,851
CEM 02-16 cc 400008	Cemetery Fonthill	3,981
CC 100119	Petroff Partnerships (E. Fonthill)	96,705
FACILITIES		
FAC 12-16 cc 300200	Pool Mechanical/Electrical Replacement	2,136
FAC 08-16 cc 300196	Arena OPTH Ladder	5,912
FAC 09-15 cc 300155	Maple Acre - Design and Build	21,746
Total Transportation & Facility Services		330,261
WASTEWATER		
WST 01-16 cc 700125	Sanitary Lateral Repl Program	15,116
WST 01-15 cc 700113	Welland Rd. Deerpark Easement Sanitary	17,383
WST 04-16 cc 700128	Highland Ave Reconstruction	1,166
WST 05-15 cc 700117	Fonthill Sanitary Sewer Flow Monitoring System	20,653
Total Wastewater		54,318

4. Quarterly 2017 Capital Report

Town of Pelham		Appendix 4
Prior Period Projects Carried into 2017- Fourth Quarter Reporting		
As at December 31, 2017		2017 Actual
RECREATION & CULTURAL SERVICES		
REC 02-16 cc 500126	Fenwick Rail Trail Furnishings	22,495
REC 03-16 cc 500127	MSSP Parking Lot and Skate Parking Lot	1,883
Total Recreation & Cultural Services		24,378
COMMUNITY PLANNING & DEVELOPMENT		
PLN 03-15 cc 600105	Compre Zoning by-law	1,526
Total Community Planning & Development		1,526
LIBRARY SERVICES		
LIB 01-16 cc 500131	Computer Service Development	10,854
LIB 02-16 cc 500132	Fonthill Branch	13,229
LIB 03-16 cc 500133	Furniture Replacement - Fonthill	5,403
Total Library Services		29,486
EAST FONTHILL		
RD 29-14	East Fonthill Rd (changed to Wellspring Way/Shaw)	289,698
RD 02-16	Construction of Summersides East to Rice Rd	133,533
CC 100118	Interkom	110,333
CC 100126	Phase 1A Hydro & Street Lighting (Wellspring/Shaw)	126,394
CC 100128	Phase 1B Hydro & Street Lighting	97,313
CC 100129	Burying of Hydro on Hwy 20 fronting Town Lands	65,269
FAC 13-16	Meridian Community Centre	20,992,267
Total East Fonthill		21,814,807
Project Balances < \$ 1,000 Each		
No Project ID	Project balances less than \$ 1,000 each	3,410
Total East Fonthill		3,410
GRAND TOTAL		22,274,468

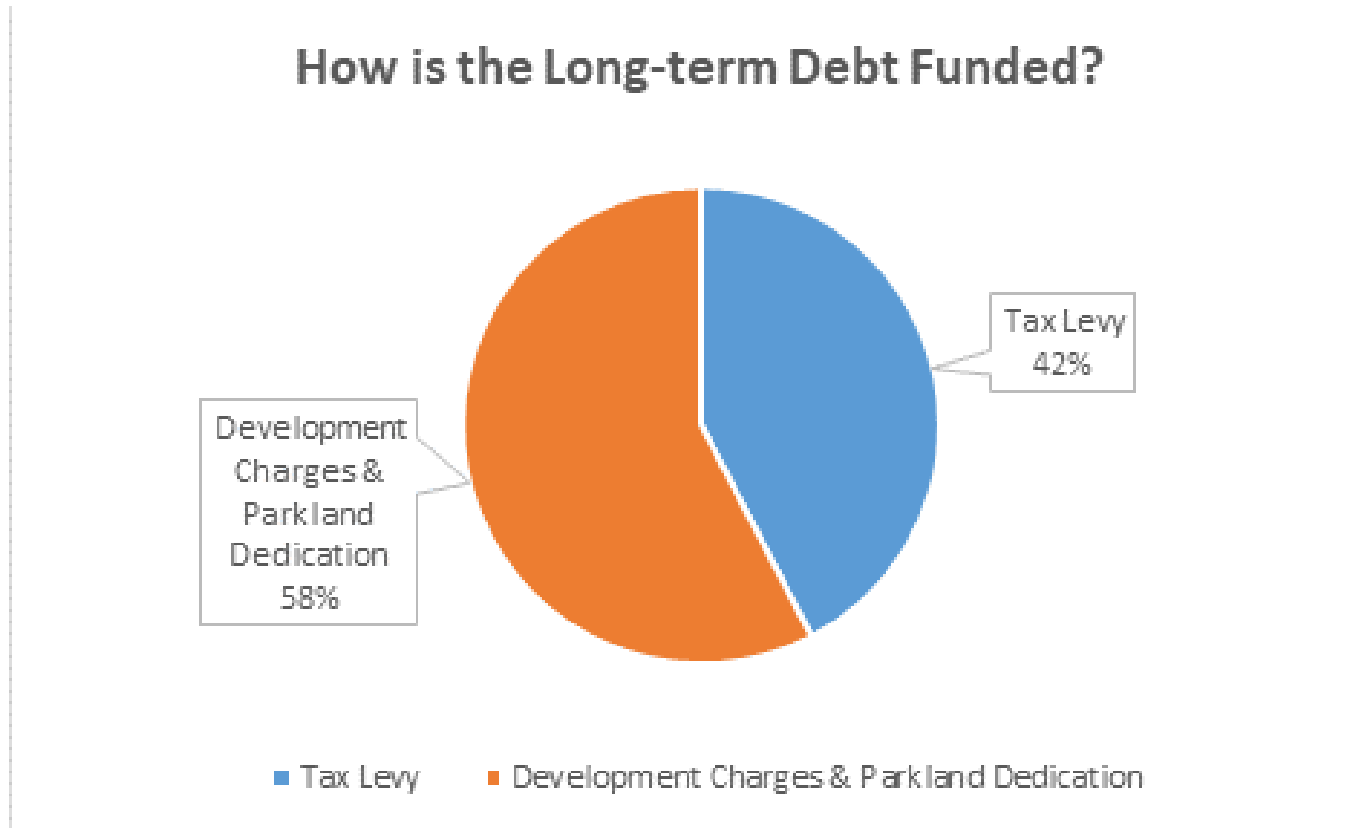
5. Long-Term Debt

- The annual debt and financial obligation limit for municipalities is determined from Ontario Regulation 403/02 of the Municipal Act 2001.
- The Town has no choice but to stay within these limits, unless OMB approval is obtained.
- Annual Repayment Limit (ARL) is calculated as: 25% of Town Operating Revenues less debt charges. The Town is at 12.7%.

5. Existing Long-Term Debt

Debenture number	Purpose	Interest rates	Maturity dates	2017	2016
67-2009	Centennial Park	3.50% to 4.80%	2019	\$ 47,000	\$ 69,000
83-2011	Haist & Pelham St	1.55% to 4.05%	2021	749,829	922,551
73-2012	Haist St & Rice Rd	1.35% to 3.10%	2022	427,000	506,000
72-2013	Effingham & Hwy 20	1.40% to 3.75%	2023	447,859	516,869
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	1,287,423	1,455,653
75-2015	Fire Station #3	1.94%	2025	2,710,000	3,024,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	5,211,271	5,750,000
72-2016	Meridian Community Centre	3.34%	2046	8,886,690	9,066,166
55-2017	Meridian Community Centre	3.22%	2047	12,138,592	-
				\$ 31,905,664	\$ 21,310,239

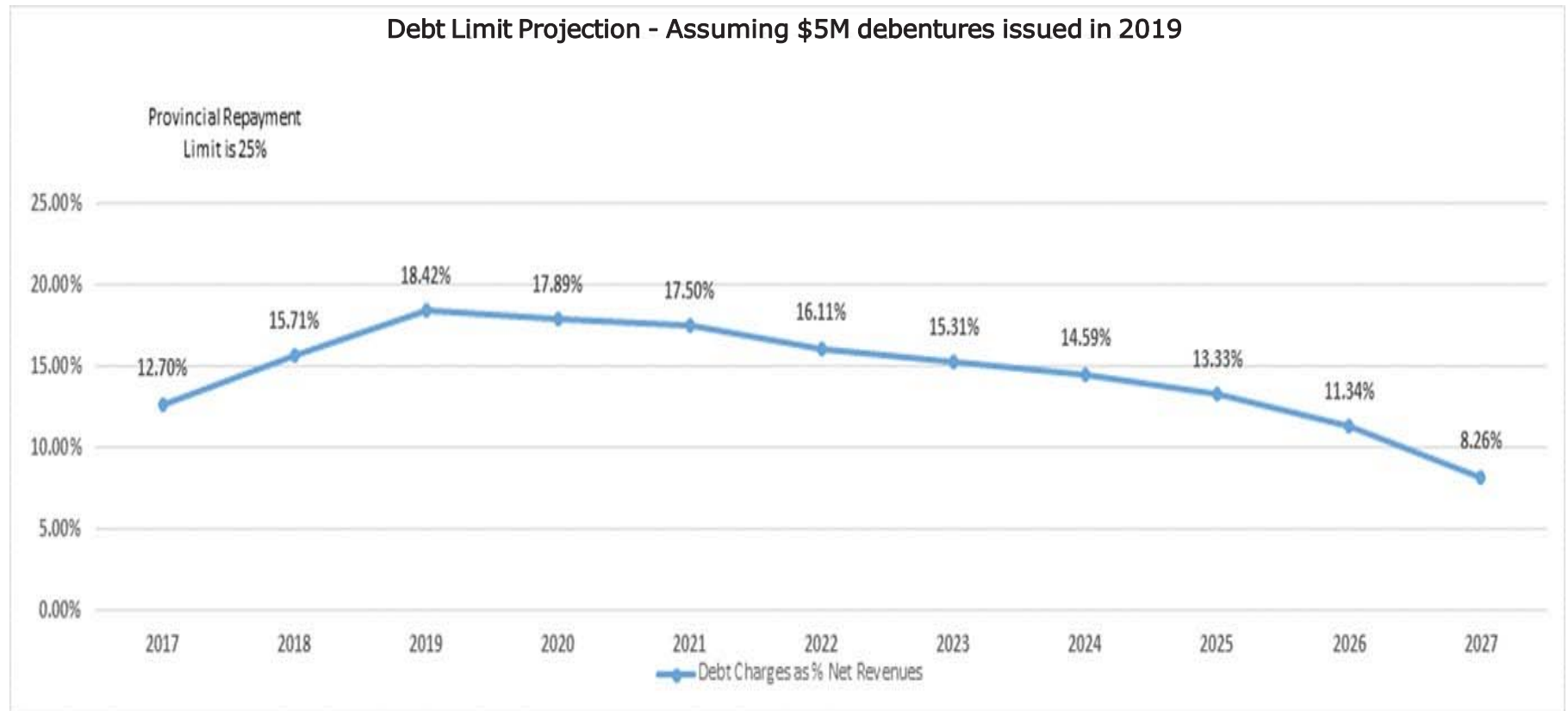
5. Existing Long-Term Debt



5. Future Long-Term Debt

Project Description		Year of Debt Issuance	Year of Debt Repayment	Original Debt Amount	Revised Debt Amount @ December 31, 2017	Estimated Annual Payment (3.5%, 10 years)	Reason for Debt Substitution
REC 12-13	Predevelopment Costs for PCC	2019	2029	\$ 1,000,000	\$ 1,000,000	\$ 120,241	
RD 29-14	Wellspring Way/Shaw Ave Construction	2019	2029	5,400,000	1,173,568	\$ 141,111	\$1.6M is being funded by an existing demand loan and \$626,432 debenture already issued. \$300,000 has been contributed by developers, and \$1.7M of the project has been deferred and will be brought back in a future capital budget.
FAC 09-15	Maple Acres Library	2019	2029	463,425	-		Funded by reserves.
RD 01-16	Pelham St/Hurricane Storm Water	2019	2029	165,000	-		Original capital project was approved for \$947,775 debenture. The project was red-circled, except for the design. \$85,000 Gas Tax funding has been applied to the design.
RD 02-16	Summersides: East to Rice Rd	2019	2029	2,473,963	2,171,997	\$ 261,164	\$237,000 Gas Tax funding has been applied and scope of work has been reduced by approximately \$65,000.
RD 01-17	Summersides: Station to Wellspring	2019	2029	417,754	417,754	\$ 50,231	
				\$ 9,920,142	\$4,763,319	\$ 572,747	

5. Long-Term Debt



6. Cash Position

- The bank indebtedness at December 31, 2017 is \$2,577,778
- Projection on November 29 was \$3 million
- This is the eighth year in a row with bank indebtedness as a result of the cash being spent on acquisition of tangible capital assets \$61M, and funded by:
 - Issuance of long-term debt \$23M
 - Transfer from reserves, grants and Development Charges \$33M
 - Operating funds \$5M (financing outstanding)

6. Cash Position

Balances at December 31, 2017	
Deposits & Deferred Revenue	\$ 651,775
Deferred Revenue-obligatory reserve	3,840,767
	4,492,542
Reserves	1,947,719
Total	\$ 6,440,261
Cash (excluding debenture funds)	\$ 989,640
Bank indebtedness	(2,577,778)
Total	\$ (1,588,138)
Future Financing to be Received	
Long-term Debt	\$ 4,763,319
To be recovered from Developers	7,800,000
Total	\$ 12,563,319

6. Cash Position

- There is no requirement under the Municipal Act or Town Policy for the Town to maintain cash or liquid assets equal to the balance of deposits and non-obligatory deferred revenue and reserves.
- The deferred revenue-obligatory reserve funds are required to be supported by a cash balance; however, the Town is permitted to borrow against these funds as long as interest is allocated. Interest is being allocated by the Town.

Risk Analysis

What is the risk to the Town for having invested its cash into tangible capital assets?

There is value in upfront the costs for the East Fonthill Development for future development and growth which is currently being realized in new subdivisions, commercial & residential growth.

The costs invested will be recovered:

Parkland (developers)	\$3,600,000	*
Stormwater Pond (developers)	1,400,000	
Wellspring remnant land (sale)	1,100,000	
Summersides Road (developers)	<u>1,700,000</u>	
Total	<u>\$7,800,000</u>	

Provincial Partnership

- The Town met with our Municipal Advisors from Ministry of Municipal Affairs in January
- Reviewed Financial Ratios for 2016
- The Financial Information Return (FIR) will be submitted by the due date May 31, 2018

Financial Strategic Direction

1. Replenishing the cash balances
2. Complete the Meridian Community Centre
3. Complete the Town's development obligation of East Fonthill

Closing Remarks

