

2022 Capital Budgets

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November 29, 2021

Agenda

- Proposed Capital Budgets
- Debentures and Debt
- Reserves and Reserve Funds
- Open House Capital Requests

Proposed Capital Projects



Capital Summary



2022 Capital Budget Summary

Tax Levy Supported	Requested	Funding							
		Grants	External Contributions	Reserve Transfers	Parkland Dedication	Development Charges	Other	Debenture	Total Funding
Information Technology	\$ 138,500	\$ -	\$ -	131,000	\$ -	\$ -	\$ 7,500	\$ -	\$ 138,500
Fire & By-Law Services	670,000	30,000		640,000					670,000
Facilities	1,293,000	755,000		538,000					1,293,000
Park Facilities	729,000	270,000	40,000	118,000	220,000	81,000			729,000
Roads	6,540,000	2,663,039		2,894,471		982,490			6,540,000
Fleet	299,290			229,458			69,832		299,290
Cemeteries	4,000			4,000					4,000
Community Planning & Development	225,000			123,750		101,250			225,000
Library	352,250			10,000			342,250		352,250
Municipal Drainage	-			-					-
Total Tax Levy Capital Request	\$ 10,251,040	\$ 3,718,039	\$ 40,000	\$ 4,688,679	\$ 220,000	\$ 1,164,740	\$ 419,582	\$ -	\$ 10,251,040

Water and Wastewater Rate Supported									
Wastewater	\$ 2,885,000			\$ 1,385,000		\$ 1,500,000			\$ 2,885,000
Water	\$ 830,000	\$ 100,000		\$ 730,000					830,000
Total Water and Wastewater Capital Request	\$ 3,715,000	\$ 100,000	\$ -	\$ 2,115,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 3,715,000

Capital Summary

Capital Grant Summary

2022 Capital Budget as at October 29, 2021

Project #	Project Name	Total Grants Budgeted	Long-Term Agreements and Approved Grants	Grants Pending Application or Approval	Update - Grants not Approved	Grant Description	Comments
FD 01-22	Communications sign	30,000		30,000		Pending search for grant funding.	Pending search for grant funding.
FAC 04-22	Flag Poles (3)	5,000		5,000		Seniors Active Living Centre Special Grant Funding	Grant was submitted September 29th, 2021. Pending approval.
FAC 07-22	Construction of Public Washrooms and improvements to Peace Park to improve outdoor events and public spaces	750,000		750,000		FED-DEV Grant	Grant was submitted July 22nd, 2021. Pending approval.
PK 02-22	Centennial Park Tennis Courts - Reconstruction	270,000		270,000		FED-DEV Grant	Grant was submitted July 22nd, 2021. Pending approval.
RD 02-22	Bridge Replacement Program: Balfour (100M south of Roland)	542,646	542,646			Canada Community-Building Fund*	Long-term agreement in place and allocation is known.
RD 09-22	Road Rehabilitation	432,112	432,112			OCIF*	Long-term agreement in place and allocation is known.
RD 11-22	Road Reconstruction - 22R01 - Pelham St: John Street to Spruceside Crescent (Sth Entr.)	1,166,620	1,166,620			ICIP - Rural and Northern Stream	Grant agreement was signed in February 2020.
RD 13-22	Construction of Road - 22R02 - Effingham St: Hwy 20 to Rice Rd	521,661	521,661			Canada Community-Building Fund*	2021 top up funds carryforward.
WTR 04-22	Design: Watermain Replacement - Daleview, Strathcona, Moote, Pinecrest, Hwy 20	100,000		100,000		ICIP - Green Grant 2021 Stream	Grant was submitted September 8, 2021. Grant pending approval.
		3,818,039	2,663,039	1,155,000	-		

*Canada Community-Building Fund (formerly Federal Gas Tax) and Ontario Community Infrastructure Fund (OCIF) grants are part of long-term agreements. Pelham's expected funding for 2022 federal gas tax is \$542,646, plus \$521,661 in top-up funding received in 2021. known as is the OCIF funding for 2021. The OCIF funding allocation for 2021 is \$ 483,112. For 2022, OCIF has been budgeted at \$475,612 with \$ 43,500 used to fund the Asset Management and GIS Analyst position and the remainder allocated towards capital projects.

While the funding amount for Canada Community-Building Fund and OCIF forms part of the agreement, the specific projects designated in a given year are subject to final approval, and alternate Town capital projects may be selected by the Treasurer if required.

Information Technology 2022 Proposed Capital Budget Summary				
Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
IT 01-22	Annual Equipment PSAB add/replacements	Replacement of ageing hardware that has reached or exceeded its useful life. Purchasing of new hardware for new hires, co-op placements and temporary contract positions.	Critical: To maintain our computer replacement schedule and plan for 'end of life' hardware. Latest software(s) require particular hardware requirements that must meet specifications.	33,000
IT 02-22	Server Replacement	Replacement server for iCity Financials and Vadim Online.	In 2022, SQL 2012 will be EOL (End of Life) and thus no longer supported by Microsoft. Current server database will need to be updated and server requirements will need upgrading in order to support SQL 2019 and Server 2019 software applications.	16,000
IT 03-22	Main Cores Switch-Town Hall- 2nd Floor	Replacement of current Cisco switch that has reached its useful life and is no longer supported by hardware vendor.	Increased demands for switching capabilities such as VoIP hosted systems and audio/video conferencing software, will require a switch that is capable of maintaining network capacity and bandwidth requirements.	10,000
IT 04-22	Innovation Technology	A reserve account to support an innovative technological trend or product.	The potential to improve internal efficiencies and or provide additional cost savings for the Town. As Town staff become collaborative in sharing of ideas and resources, this project is necessary to support outcomes that could provide competitive advantages to improve productivity, safety, communication amongst staff and residents.	40,000
IT 05-22	Microsoft Office 365 with Exchange Online	This project is to upgrade Microsoft Exchange Enterprise email application and Microsoft Office Suite to the most recent software available from Microsoft.	Office 365 brings the Microsoft Office suite of applications into cloud-based productivity and collaboration applications that integrates all Microsoft's existing online applications. MS Office applications are no longer tied to a desktop, they are now going mobile. Town staff will now have improved and additional tools for collaboration as well as better and persistent access to their important documents. Staff will now be able to edit the same document simultaneously with other staff members, from any device, with the major advantage of increasing efficiencies and reducing the back and forth of sending documents via email.	32,000
IT 06-22	iPad Replacement for Building Department	Replacement of aging iPads that have reached the end of useful life.	Due to the enhancement of the mobile inspection software, iPads with greater processing capabilities will be required. This will be funded by the Building Department Reserve which is supported by Building Department fees.	7,500
Total 2022 Proposed Budget				138,500

**Fire & By-Law Services
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget \$	FINANCING				
					Development Charges \$	Fire Reserve \$	Other \$	Other Description	Total Financing \$
FD 01-22	Electronic Sign Station 1	Communication sign.	Promotion of fire safety.	30,000		-	30,000	Pending search for grant funding.	30,000
FD 02-22	Rescue 1	Heavy rescue truck for equipment to be used at emergency scenes. Full size, 6 man cab	Current rescue 1 is beyond useful life, needs constant repairs. During last annual inspection there were serious costly issues identified (aging truck 20 years old) As a front line emergency response vehicle it is required to carry extreme weight, personnel and needs to be top condition	600,000		600,000			
FD 03-22	Digital Pager Upgrade - Year 1 of 2	Digital pagers for notification of emergency responses by communication	Pelham fire department currently utilizes minotaur 6 analog pagers. With proposed regional amalgamation of dispatch services, analog frequency will no longer be supported by communication & digital pagers will be required in order to notify firefighters of emergency incidents. St. Catharine's fire communications has announced they will be terminating Pelham's dispatch contact in 2023. If regional consolidation proposal is turned down, Pelham FD will be forced will be forced to find another provider. Digital pagers will be a requirement to make this switch.	40,000		40,000			40,000
Total 2022 Proposed Budget				670,000	-	640,000	30,000		70,000

Facilities Capital Budget

- Responsible for the Maintenance and Operation of 15 facilities with a replacement value of over \$50M and a deferred maintenance costs of \$4.9M.
- Maintenance and capital improvement schedule is established using Facility Condition Assessments (FCA's) completed by independent consultants retained by the Town. A new study was undertaken in 2020.
- Types of Facilities Operated and Maintained by the Town:
 - Municipal Building (Town Hall)
 - Meridian Community Centre (MCC)
 - Three Fire Stations (Hwy 20, North Pelham and Fenwick)
 - Two Libraries (Pelham Town Square and Fenwick)
 - Old Pelham Town Hall
 - Operations Centres (Tice Road, Park Lane, Storage Buildings)
 - Other: Model Railway Building, cemetery buildings, flagpoles, and arches.

Town Facilities
2022 Proposed Capital Budget Summary

Project #	Project Name	Description	Project Importance	2022 Proposed Budget	FINANCING				
					Development Charges	Facilities Reserve	Other	Other Description	Total Financing
				\$	\$	\$	\$		\$
FAC 01-22	Concrete & Asphalt Repairs - Various Facilities	Exterior Parking Lot and Walk Ways - Concrete & Asphalt Repairs - Various Facilities	Annual requirement to repair concrete and asphalt.	25,000	-	25,000	-		25,000
FAC 02-22	Fonthill Library - Furnace (Lennox) Replacement	Replacement of a Furnace at the Fonthill Library	Project identified in the 2020 FCA - Furnace has reached the end of it's useful life	6,000	-	6,000	-		6,000
FAC 03-22	Model Railway Building - Exterior Window Replacement	Replacement of 3 exterior windows at the Model Railway Building	Project identified in the 2020 FCA - Windows are showing signs of rot and require replacement	12,000	-	12,000	-		12,000
FAC 04-22	Town Hall - Fire Protection System	Installation of a fire alarm system at Town Hall	Project identified in the 2020 FCA	20,000	-	20,000	-		20,000
FAC 05-22	Flag Poles	Installation of three flag poles at the MCC	Request for flag poles received from the senior advisory committee	10,000	-	5,000	5,000	Senior Active Living Centre Special Grant Funding	10,000
FAC 06-22	MCC - Addition Power Supply for events on Accipiter Arena	Installation of additional event power transformers in the Accipiter Arena	For use during non-sporting events in the Accipiter Arena. Existing power supply for the Home Show and Art show is inadequate and unsafe	10,000	-	10,000	-		10,000
FAC 07-22	Community Event Space for Peace Park	Construction of Public Washrooms and improvements to Peace Park to improve out door events and public spaces	Peace Park is a hub for special events and public use throughout the year. This project is dependent on grant opportunities.	1,210,000	-	460,000	750,000	FED-DEV Grant (Submitted July 22nd, 2021)	1,210,000
Total 2022 Proposed Budget				1,293,000	-	538,000	755,000	-	1,293,000

A Red Circle indicates a project that is on hold, pending grant funding and/or further information for Council.

Parks and Beautification Capital Budget

- Municipal grass, storm pond and sports field turf mowing
- Playground structure inspection and repair as per CSA guidelines
- Trail inspections and maintenance – Steve Bauer Trail, John Nemy Trail, Gerry Berkhout Trail
- Hanging baskets and flower beds
- Flags and banners
- Street furniture maintenance
- Christmas lights and displays
- Forestry operations





Park Facilities

Park Facilities 2022 Proposed Capital Budget Summary

Project #	Project Name	Description	Justification	2022 Proposed Budget \$
PRK 01-22	Update Parks & Recreation Master Plan	An update is required to the Parks & Recreation Master Plan to guide Parks and Recreation needs into the future.	The previous Parks & Recreation Master Plan was completed in 1990. The Town has undergone significant growth over the last 30 years and has prompted an update to address the current and future needs for recreation in Pelham.	120,000
PRK 02-22	Centennial Park Tennis Courts - Reconstruction	Reconstruction of the Centennial Park Tennis Court playing surface including required drainage improvements.	The existing Tennis Court base material has failed due to age and poor sub-drainage conditions. The resulting failure has caused cracks in the playing surface that can no longer be repaired without reconstruction.	270,000
PRK 03-22	Centennial Park Soccer Field #2 Lighting	Installation of Sports Field Lighting on Centennial Park Soccer Field #2 as identified in the Centennial Park Master Plan.	Additional field lighting is required for better utilization of municipal soccer fields and increased usage.	220,000
PRK 04-22	Centennial Park - Fence & Gate at Gerry Berkhout Trail Entrance	Installation of 60m of fence and a gate to restrict vehicular traffic on the Gerry Berkhout Trail at the Centennial Park Entrance.	This section of trail is susceptible to vandalism. Vehicles have also entered the park from the trail and damaged the sports fields and parking lot.	5,000
PRK 05-22	General Park Furniture (Benches/Picnic Tables/Receptacles)	Annual budget required for the periodic replacement of parks and street furniture.	This project is required to replace damaged or deteriorated street and park furniture not able to be absorbed in the Operating Budget.	10,000
PRK 06-22	Cenotaphs - Maintenance and Conservation Treatment Program	Maintenance and Protection of Cenotaphs - deferred since 2019	Cenotaphs at Old Pelham Town Hall, Peace Park, Centennial Park require regular cleaning and sealing for their protection.	9,000
PRK 07-22	Park Entry Sign Replacements (6)	Replacement of (12) Carved Wood Park Entrance and Historic Village Gateway Signs.	The existing signs are in poor condition and require replacement.	30,000
PRK 08-22	Centennial Park Diamond 2 - Foul Ball Netting	The addition of foul ball netting on Centennial Baseball Diamond #2 as requested by the Pelham Minor Baseball Association.	The existing diamond is lit but is under utilized and is not ideal for hardball play due to the incidence of foul balls hit into neighboring properties. The addition of foul ball netting will allow for hard ball play and increased use of the field.	25,000
PRK 09-22	Centennial Park Batting Cage	Installation of a batting Cage at Centennial Park for training purposes. Project is dependent on grant or fundraising.	Requested by the Pelham Minor Baseball Association.	40,000
Total 2022 Proposed Budget				729,000

A Red Circle indicates a project that is on hold, pending grant funding and/or further information for Council.

Roads / Water and Wastewater Capital Projects



Roads
2022 Proposed Capital Budget Summary

Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
RD 01-22	Bridge Design (Cream Street, Roland Road) - Constructing in 2023 and 2024	Detailed design assignment including the preparation of contract documents for tendering purposes.	The Cream Street and Roland Road bridges were identified in the 2020 Biannual Bridge and Major Culvert inspections as structures that require rehabilitation and or replacement. The Bridge Condition Index (BCI) for Cream Street (Structure No. 12) is 48 with an overall condition of "poor". The BCI for Roland Road Bridge (Structure No. 13) is 60 with an overall condition rating of "fair".	75,000
RD 02-22	Bridge Replacement Program: Balfour (100M south of Roland)	This project includes the replacement of the Balfour Street Bridge (Structure No. 14).	The Balfour Road bridge was identified in the 2020 Biannual Bridge and Major Culvert inspections as a structure that required replacement. The Bridge Condition Index (BCI) for Balfour Street (Structure No. 14) is 49 with an overall bridge condition rating of "poor".	650,000
RD 03-22	Bridge/Culvert Appraisal (legislated)	This capital project is for the biannual inspections of the Town's Bridges and Major Culverts as legislated by the Province.	This capital project includes the detailed inspection and condition assessment of the Town's bridges and major culverts. The Town is required to complete these inspections on a biannual basis as legislated by the Province of Ontario. The last inspections were completed in 2020.	15,000
RD 04-22	Concrete Repair & Replacement Program	This capital project is used to repair and replace damaged concrete sidewalk and concrete curb and gutter segments throughout the Town that do not meet minimum maintenance standards.	This capital project is required in order to provide concrete sidewalks and curb and gutter segments on our urban roadways which meet MMS and which provide safe movement of traffic and pedestrians. This project focuses on repairing and replacing damaged sections of concrete sidewalk and curb that present a safety risk to the residents of the Town.	110,000
RD 05-22	Culvert Replacement Program	This is an annual capital project that focuses on the repair and replacement of damaged culverts throughout the Town.	This capital project is used to replace and repair damaged or failing culverts. The project usually includes the rehabilitation/replacement of two to three major culverts. The projects provide for the safe movement of vehicular and pedestrian traffic within the Town and mitigates the risks associated with aging infrastructure.	60,000
RD 06-22	Design - Quaker Rd: Pelham St to Line Ave	This capital project includes the detailed design and contract document preparation for the urbanization and reconstruction of Quaker Road between Pelham Street and Line Avenue. The project will include full roadway reconstruction including storm sewers, sanitary sewers, watermain, concrete curb and gutter and concrete sidewalk.	Quaker Road between Pelham Street and Line Avenue is in poor condition. The Pavement Condition Index (PCI) as identified in the 2019 Road Needs and Condition study was 62 with an overall condition rating of "good". That being said this particular road segment is currently a semi urban cross section with no pedestrian sidewalks making it unsafe for active transportation users. In addition, the Region of Niagara is currently undertaking a detailed design assignment to install a new regional sanitary main on Quaker Road between Pelham Street and Rice Road. This project will require full roadway restoration following the installation of the Region's sewer. Furthermore, new developments in the area of Quaker and Line Ave has brought forward the need for storm water drainage systems on the roadway. Town staff will be working in coordination with Regional Staff and the developers to deliver this project. The anticipated schedule is to complete the detailed design in 2022 with construction commencing in 2023.	50,000
RD 07-22	Engineering	This is an annual capital account used to complete miscellaneous engineering assignments.	This capital account is used to fund miscellaneous engineering assignments such as speed zone studies, traffic signal and stop controlled intersection warrants, roadside safety review, etc.	30,000

Roads
2022 Proposed Capital Budget Summary

RD 08-22	Road Base and Surface Repair Program	This capital project includes road base repairs to the Town's road network in order to extend the life of the pavements.	Completing an annual patching and road base repair program is essential to extend the life of the Town's hard surfaced roads including asphalt pavements and surface treated roads. The requirement for this program was a recommendation that came forward as part of the 2019 Road Needs and Condition Study completed by ARA.	150,000
RD 09-22	Road Rehabilitation	This capital project includes the road rehabilitation and reconstruction of road segments within the Town's network.	The road rehabilitation and reconstruction program focuses on improving the Town's road network in order to allow for the safe and reliable movement of vehicular and pedestrian traffic. In accordance with the 2019 Road Needs and Condition Study resurfacing projects are selected for road segments between PCI of 45 - 60 and reconstruction projects are selected for PCI's less than 45.	550,000
RD 10-22	Stormwater Facility Maintenance	This capital project will be used to perform maintenance and repairs to the Town's Storm Water Management Facilities.	The Town of Pelham owns and operates Storm Water Management ponds. The Town completed a study to determine the condition of the Town's SWM ponds and the associated maintenance responsibilities with the assets. Ongoing and regular maintenance and repair work on the Town's SWM facilities are required in order to ensure that they are operating in accordance with the design and Environmental Compliance approvals.	25,000
RD 11-22	Road Reconstruction - 22R01 - Pelham St: John Street to Spruceside Crescent (Sth Entr.)	Road Reconstruction - 22R01 - Pelham St: John Street to Spruceside Crescent (Sth Entr.) This project will include the full reconstruction and urbanization of the roadway including storm sewers, watermain replacement, concrete curb and gutters, concrete sidewalks, intersection upgrades, and roadway lighting improvements.	The Town of Pelham has identified deficiencies with the current road cross section for Pelham Street. Pelham Street is a main arterial roadway within the Town's network that serves as a major transportation corridor. The current condition of the roadway has a PCI of 70. In addition, the active transportation facilities on this particular section of roadway are non-existent making it unsafe for active transportation users including cyclists and pedestrians. This project will include on-road dedicated bicycle lanes (in accordance with the Town's Active Transportation Master Plan) and pedestrian sidewalks. The Town has received Federal and Provincial funding through the ICIP Grant in the amount of \$4.2 M for the reconstruction of Pelham Street between Port Robinson Road and the Welland/Pelham South boundary. The project is being completed in four (4) phases. This project is Phase 3 of 4.	3,600,000
RD 12-22	Design - 22R03 - Canboro: Haist St to Highway 20	This capital project includes the detailed design for the road reconstruction of Canboro Road between Haist Street and Highway 20.	Canboro Road has been identified as a roadway requiring reconstruction. Currently the road cross section is a semi-urban cross section with roadside ditches and is not conducive to accommodating active transportation including cyclists and pedestrians. The 2019 Road Needs and Condition Study indicates that the PCI between Churchill and Hwy 20 is 57 and in need of reconstruction. This project will also include cast-iron watermain replacement which is included in the Water Capital Budget.	150,000
RD 13-22	Construction of Road - 22R02 - Effingham St: Highway 20 to Tice Road	Full roadway reconstruction of Effingham Street between Hwy 20 and Tice Road.	This project includes the full roadway reconstruction of Effingham Street between Hwy 20 and Tice Road. The PCI for this section of Roadway is 51 and is in need of reconstruction. In addition, this segment of road is designated to be on the road cycling races for the 2022 Canada Summer Games scheduled to be held in August of 2022.	1,075,000
Total 2022 Proposed Budget				6,540,000

Balfour Street Bridge Replacement

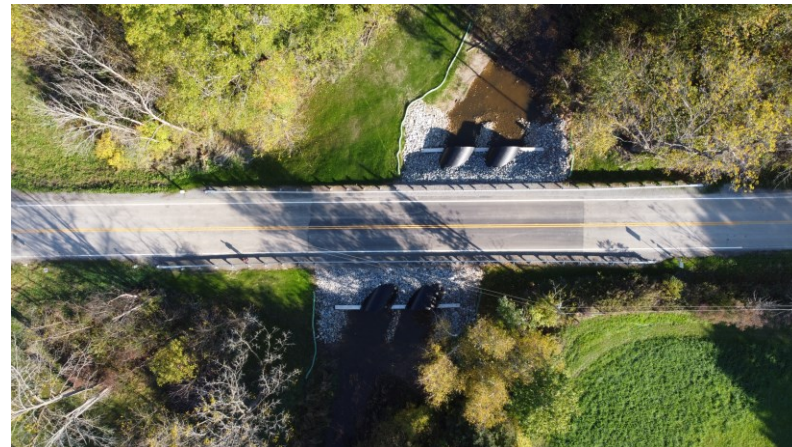
- Constructed in 1970
- Structural Steel Multi Plate (SSMP) Structure with 2 Cells
- Structure BCI = 49 (2019 Inspection)
- General Overall Condition Is Poor
- Recommendation from 2020 Bridge and Culvert Inspections:
 - Replace bridge NOW
 - Monitor structure and roadway for signs of settlements, loss of fill and deformations.
- Estimated Replacement Cost = \$650,000



Failure of SSMP Structure



Sixteen Road Bridge Replacement



Road Resurfacing and Maintenance Programs

- Town of Pelham maintains approximately 240 km of hard surfaced roads (Hot Mix Asphalt and Surface Treatment).
- Current overall PCI rating of network is 69 (2019).
- In order to maintain current PCI over next 10 years an average annual investment of \$3.2 M (Road Rehabilitation).
- Annual Pavement Preservation Strategy of \$100 k is recommended to extend pavement life.
- 2022 Road Base and Surface Repair \$150,000
- 2022 Road Rehabilitation Program \$550,000



Design Quaker Road (Pelham Street to Line Ave)

- To support existing and future flows associated with growth, and to promote system connectivity, additional trunk sewer capacity has been recommended along Quaker Road.
- Quaker Road has been identified as a collector road requiring urbanization (incl. new underground infrastructure, and a new urban cross section).
- Niagara Region has undertaken a design assignment for detailed engineering design of a new 600mm sanitary trunk sewer on Quaker Road from Pelham Street to Rice Road.
- Total Estimated Project Cost (incl. water and wastewater) is \$ 1.8M (Town of Pelham cost).
- Detailed Design Assignment included in 2022 Capital Budget is \$50,000.
- Advantage to combining the design efforts, is that the Region's Consultant can confirm the alignment of the Regional sanitary trunk, local watermain and local storm sewer, and ensure that the corridor is optimized for current and future development.



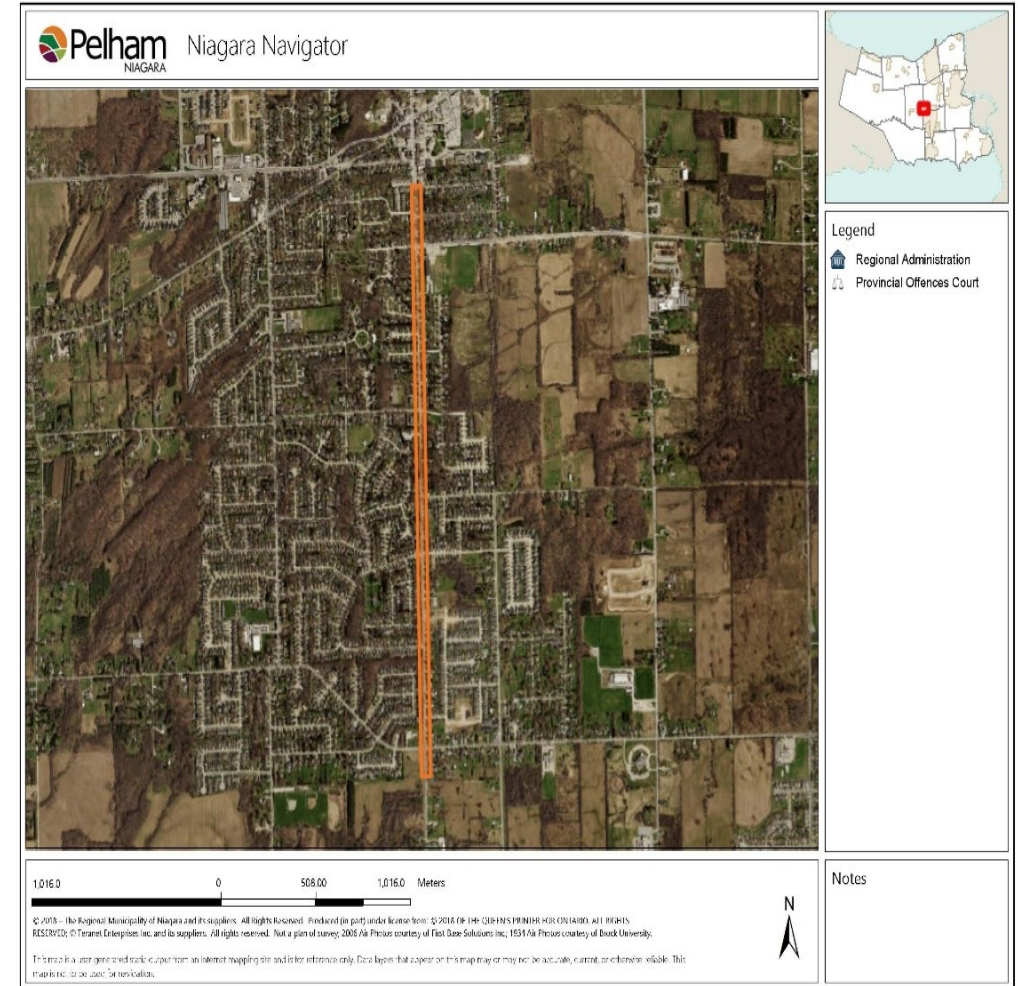
Design Canboro Road (Haist Street to Hwy 20)

- Canboro Road between Haist St and Hwy 20 has been identified for reconstruction. (PCI = 57 based).
- The road cross section is currently semi-urban
- Proposal to construct a fully urbanized cross section (incl. curb and gutter, new sidewalks, storm sewers, and on-road bicycle facilities.
- Detailed Design Assignment estimated cost is \$ 150,000.
- To be completed in coordination with W/M Replacement on Canboro Road (pending successful application of grant funding through ICIP Green Grant).



Pelham Street South – Phase 3

- The overall project includes the full urbanization of Pelham Street from the northern limit at College Street in the downtown core to 150m south of Quaker Road at the Pelham / Welland boundary.
- Total Length: 2.5km
- Total Estimated Project Cost is \$12 M
- ICIP: Rural & Northern Stream funding will provide the financial resources to complete this critical project (\$2.5 M Federal Contribution + \$1.7 M Provincial Contribution = \$4.2 M Total).



Pelham Street South – Phase 3

- Project to be completed in 4 Stages (2020 – 2024/25).
- Stage 3 includes the Reconstruction between John Street and Spruceside Street (approx. 950 m).
- Reconstruction will include improved stormwater management, new watermain, and active transportation facilities (bike lanes and pedestrian sidewalks).
- Total 2022 Capital Cost to complete Stage 3 is \$4.2 M (incl. Roads \$3.6M and Water/Wastewater \$0.6M)



Effingham Street Reconstruction (Hwy 20 to Tice Road)

- Reconstruction Required between Hwy 20 and Tice Road
- Current Condition Poor (PCI of 51)
- Approximately 1 km in length
- Detailed Design assignment currently underway. (Expected completion of Design in Winter of 2022 with Tendering in the spring of 2022).
- Estimated Cost \$ 1.075 M
- Part of Cycling Route for the 2022 Canada Summer Games.



Fleet Capital Budget

- The Town of Pelham Fleet maintains vehicles and equipment in support of the Building Department, Fire and By-Law Service, Public Works (Engineering, Water/Wastewater, Roads, Beautification, Facilities), Culture & Wellness and Administrative Services.
- The Fleet consists of approximately 82 items maintained by one (1) Fleet Technician who completes or coordinates all repairs, preventative maintenance or inspections.



**Fleet
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget \$
VEH 01-22	Electric Vehicle - Building Department (Replaces Unit 101 - 2009 Ford Ranger)	Purchase of an electric vehicle suited for building department. The existing 2009 Ford Ranger will be transferred to Public Works for use by the Fleet Mechanic to perform field repairs as well as remote facilities.	The Fleet Mechanic is currently utilizing vehicles assigned to the Operations Supervisors which is causing internal issues in response to both operating functions and equipment/fleet repairs.	55,000
VEH 02-22	Work Truck (Replaces Truck 129 - 2008 Dodge 1500) - deferred from 2020	Replacement of a 2008 Dodge 1500 at the end of it's useful life. This vehicle will be replaced with a vehicle suited for towing and hauling equipment for facilities and sports field maintenance.	The existing unit has reached the end of it's useful life and has reliability issues resulting in lost time and decreased level of service.	55,000
VEH 03-22	Combined lease payments	Lease Payments - Heavy Duty Work Truck with landscape box (13,908.00), 2 Small SUV Building (\$14,832),	Continued Capital Lease payments for fleet supporting Beautification and Building Department.	28,740
VEH 04-22	Seasonal rental of summer fleet	Seasonal rental of summer fleet 5 Seasonal Vehicles for use in Parks and Facilities (7 months) is required to accommodate additional seasonal staff related to Beautification and Facilities for the maintenance of Parks, Sports Fields, Trails, Forestry, Cemetery and Planting Bed Maintenance.	The existing fleet is unable to support the additional summer staff or summer maintenance activities.	32,000
VEH 05-22	Seasonal rental of winter fleet	Seasonal winter rental of two tractors fitted with snow plows and salt spreaders (Replaced Truck 422-2003, 5 Tonne Sterling)-Rent 5 mth seasonal rent.	The rental of this equipment was required in lieu of replacing a 5-tonne combination snow plow that was taken out of service in 2017 due to condition and the unavailability of parts.	25,550
VEH 06-22	Crew-Cab Truck with Landscape box (Replaces unit 132 - 2009 Dodge 2500)	Replacement of a 2009 Dodge 2500 at the end of it's useful life. This vehicle will be replaced with a vehicle suited for towing and hauling heavy turf mowers for mowing grass in parks and trails.	The existing unit has reached the end of it's useful life. It has experienced a number of transmission and engine issues resulting in expensive repairs and lost staff time. Due to it's towing requirements, there is no adequate back up within the fleet.	75,000
VEH 07-22	Baseball Diamond Grooming Tractor (Replaces unit 518 2001 Kubota B7500 & unit 525 2013 Kubota B2920)	Replacement of two existing compact tractors with a unit designed for completing baseball diamond maintenance.	The two existing units are under utilized and not suited for maintaining baseball diamonds with clay infields. The proposed unit could be trailered to sites which will reduce travel time and labour and increase efficiency as well as provide a superior playing surface.	28,000
Total 2022 Proposed Budget				299,290

Cemeteries Capital Budget

- Cemetery Operations – Fonthill Cemetery, Hillside Cemetery which includes: burials, grass cutting, snow clearing, cemetery mowing, installations of cemetery lot markers and tree maintenance.
- Cemetery Operations also provides grounds maintenance only to the Metler Road Cemetery.

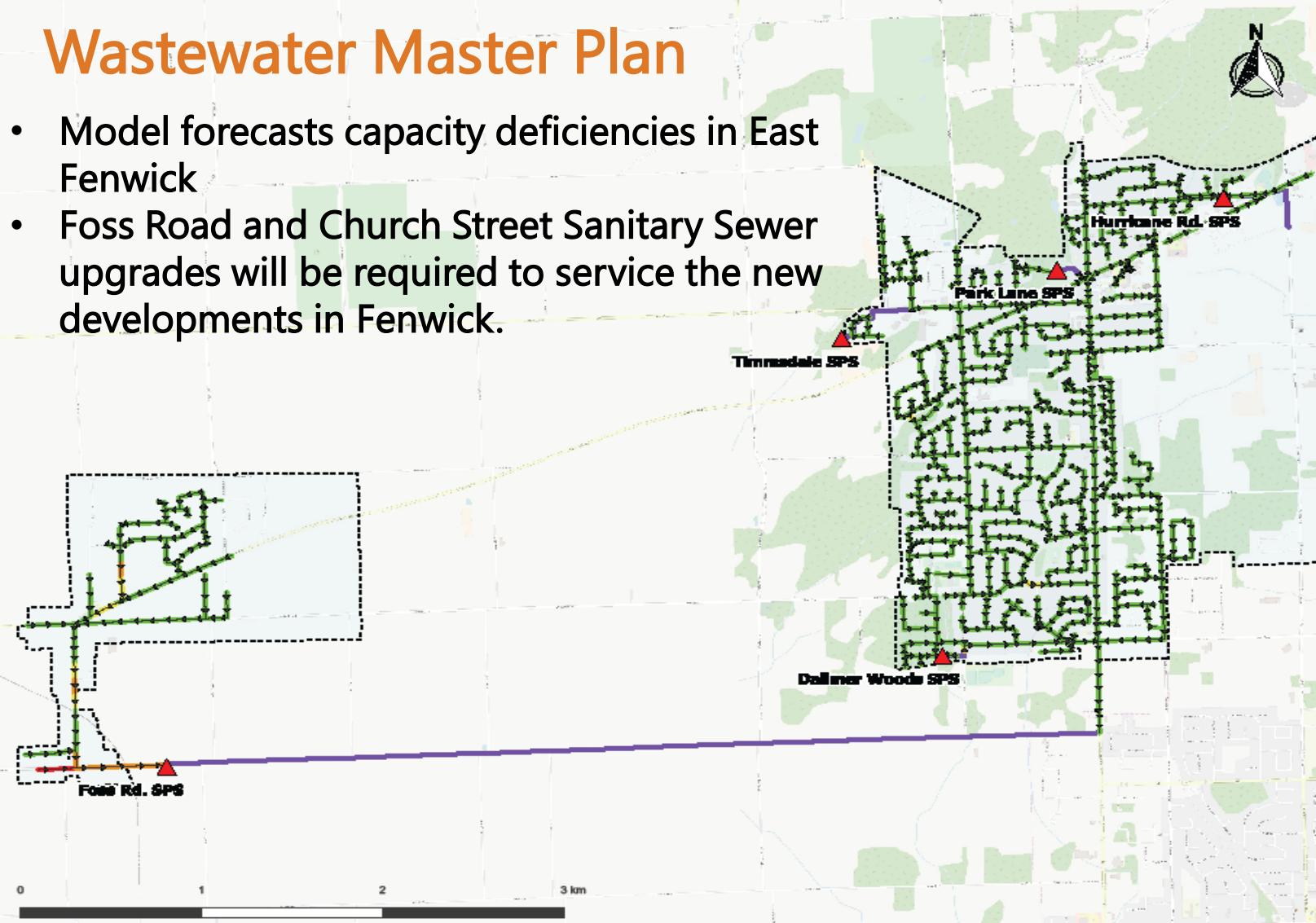


Cemeteries
2022 Proposed Capital Budget Summary

Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
CEM 01-22	Fonthill Cemetery - Trench Safety Device	Purchase of speed shoring for use at the Cemetery for trench safety.	Trench shoring is required if a person is required to enter an excavation to prepare it to receive a vault.	4,000
Total 2022 Proposed Budget				4,000

Wastewater Master Plan

- Model forecasts capacity deficiencies in East Fenwick
- Foss Road and Church Street Sanitary Sewer upgrades will be required to service the new developments in Fenwick.



Town of Pelham Wastewater Model
Update and Baseline Analysis

Baseline System Performance
5-yr Rainfall Event

▲ Sewage Pumping Stations

— Force Mains

Performance Evaluation

— No surcharging, under flow capacity

— No surcharging, above flow capacity

— Surcharging, 1.8 m HGL depth target met

— Surcharging, 1.8 m HGL depth target not met



September 2017
617032-WW2
NAD83 UTM N17

Sanitary Sewer Deficiencies

- A Sanitary Sewer Inflow and Infiltration study was completed in 2017 which identified several areas requiring rehabilitation.
- Staff has developed a systematic approach using CCTV inspection to provide up to date condition surveys of our underground infrastructure.
- Annual Repair and Maintenance Programs in place to ensure system is operating efficiently.
- Sanitary Inflow & Infiltration programs to reduce unwanted water (specifically during wet weather events) from entering the system.



Defect Observations

- Crack
- Deformed
- Fracture
- Break / Hole
- Encrustation
- Infiltration
- Deposits
- Grease
- Obstructions
- Roots

Sanitary I&I Reduction Programs

- CCTV Inspections to identify deficiencies. Annual program.
- I&I reduction through Manhole reinforcement and reconstruction.
- I&I reduction through Sanitary Pipe Re-lining projects.



Sanitary I&I Reduction Programs

- I&I reduction through the implementation of Concrete Isolation Manholes.



- I&I reduction through Sanitary Pipe Re-lining projects.



Church Street Sanitary Sewer Capacity Upgrades

- Church Street's sanitary sewer, from Canboro Road to Foss Road (approx. 1.0 km), is in need of replacement/upsizing due to the planned increase in development in the surrounding area in accordance with the 2017 Wastewater Model.
- Project involves the upsizing of the existing 250 mm sanitary sewer to a new 375 mm sewer.
- Total Estimated Project Cost \$2.5M
- CP Rail crossing costs (incl. dewatering, jack and bore installation of Sanitary Sewer, monitoring and flagging) is \$700,000.

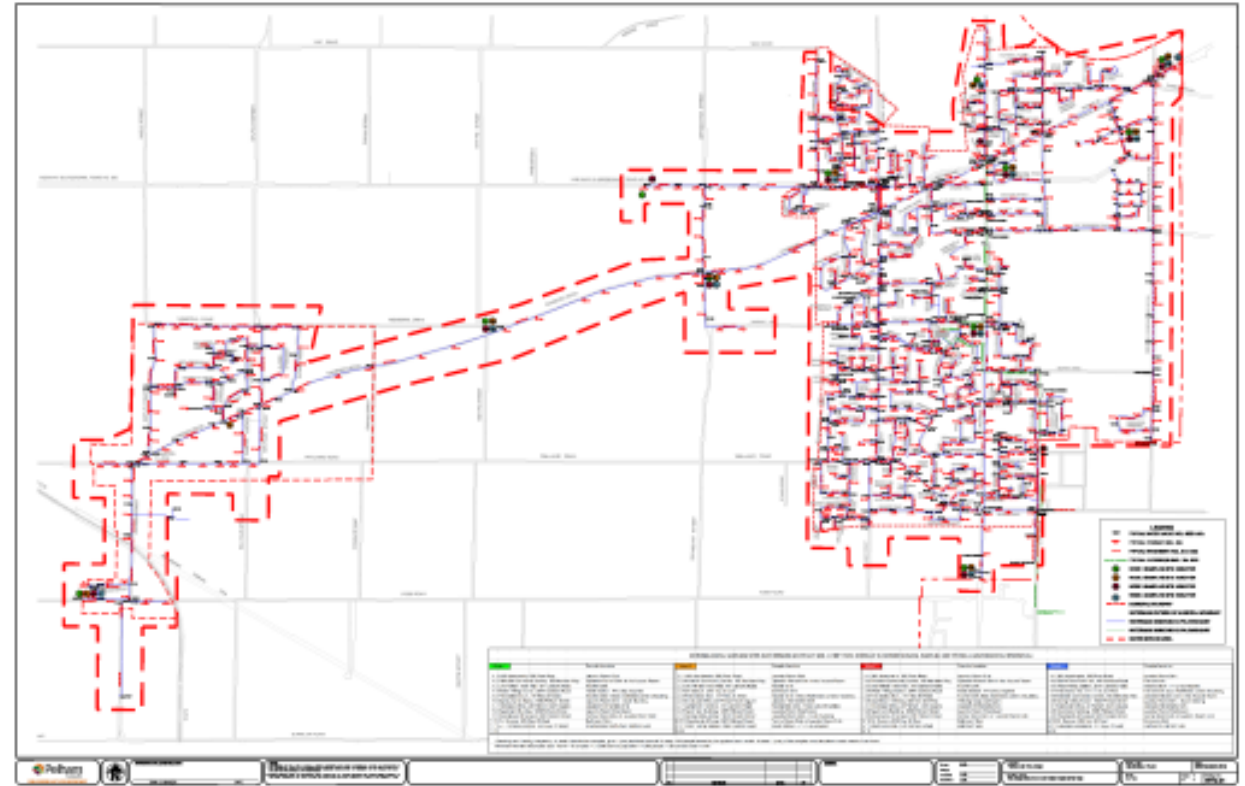


**Wastewater
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
WST 01-22	Church Street Upgrade existing sewer from 250 to 350mm diam	Replacement and upsizing of existing sanitary sewer on Church Street from Canboro Road to Foss Road.	The existing sanitary sewer is undersized to support the developments in Fenwick. The deficiencies were identified as part of the Town's wastewater master plan and model created by GM BluePlan in 2017. This project will ensure that the wastewater transmission system in Fenwick will be able to support the planned developments and reduce the risk of sewer backups.	2,500,000
WST 02-22	Sanitary I/I Study Program - Planned Replacements and Rehabilitation	The purpose of this program is to reduce unwanted inflow and infiltration into our sanitary system.	Damage to our sanitary system (including root damage, manhole failures, etc.) can cause unwanted water from entering our sanitary system. This program is designed to implement measures to mitigate this negative impact.	100,000
WST 03-22	Sanitary Sewer Inspection, CCTV and Flushing Program	This is an annual project that is used to inspect our sanitary sewer system.	1/3 of the Town's network is inspected annually to ensure that there are no major deficiencies with our sanitary system.	115,000
WST 04-22	Sanitary Sewer Capital Construction Repairs	This project is used to complete sanitary sewer capital upgrades throughout the Town.	Sanitary Sewers that are damaged have the potential of causing sewer backups on private property. Repairs to the Sanitary Sewers.	140,000
WST 05-22	Confined Space Entry Air Monitoring and Calibration System	Replacement of the 4-Gas Confined Space Air Monitoring System including Multi-Gas detector and bump stations.	The existing monitors and calibration systems are no longer supported and are in need of replacement.	30,000
Total 2022 Proposed Budget				2,885,000

Water Distribution System

- The Town of Pelham operates approximately 85 km of watermains.
- Legislated under The Safe Drinking Water Act, 2002 (SDWA).
- Consistent set of province-wide standards and rules (governing roles and responsibilities, standard of care, system licensing, compliance and enforcement, operator certification, drinking water testing services, quality standards etc.) to ensure access to safe, high quality, reliable drinking water.
- Town has a responsibility to maintain the integrity of the distribution system to prevent recontamination after treatment.



**Water
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget \$
WTR 01-22	Pelham St Watermain Replacement - John St to Spruceside Crescent (Sth Entr.)	This project replaces the watermain on Pelham Street from 50 m south of John Street to Spruceside South Entrance as part of the Pelham Street Reconstruction project.	The watermain is aging and is being replaced as part of the Pelham Street Reconstruction project.	600,000
WTR 02-22	Water System Repair Equipment	This capital project is an annual project which is used to repair and replace water system repair equipment.	Water repair equipment is used to ensure that our drinking water quality remains safe.	30,000
WTR 03-22	Design: Canboro Road, Haist St to Highway 20, Watermain Replacement	This capital project includes the detailed design for the replacement of an aging cast-iron watermain (50 plus years) on Canboro Road between Haist Street and Hwy 20.	The existing cast-iron watermain is aging (over 50 years old) and is experiencing failures and water quality issues. The replacement of the watermain has been identified for replacement in accordance with the DWQMS.	100,000
WTR 04-22	Design: Watermain Replacement - Daleview, Strathcona, Moote, Pinecrest, Hwy. 20	This capital project includes the detailed design for the replacement of an aging cast-iron watermain (50 plus years).	The existing cast-iron watermain is aging (over 50 years old) and is experiencing failures and water quality issues. The replacement of the watermain has been identified for replacement in accordance with the DWQMS.	100,000
Total 2022 Proposed Budget				830,000

A Red Circle indicates a project that is on hold, pending grant funding and/or further information for Council.

DWQMS – Cast-Iron Replacement Program

- **Detailed Design Canboro Road W/M Replacement**
 - Replacement of the existing cast-iron W/M.
 - The existing W/M is 50 + years old.
 - Estimated project cost is \$100,000.
 - Design to be completed with Canboro Rd Road Design project.
- **Detailed Design North Fonthill W/M Replacement**
 - Replacement of existing of Cast-iron W/M on Daleview, Strathcona, Moote, and Pinecrest.
 - The existing watermain is 50 + years old.
 - Estimated project cost is \$100,000.
 - The ICIP Green Grant has been applied for for this project



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**Community Planning & Development
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
PLN 01-22	Official Plan Review and Update	Review the Town Official Plan and update it to comply with Provincial and Regional planning requirements.	Town wide initiative. Required to comply with Provincial and Regional planning requirements.	225,000
Total 2022 Proposed Budget				225,000

**Library Services
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	Project Type	2022 Proposed Budget
					\$
LIB 01-22	Computer Services Development	Replacement of public computers at Maple Acre, staff laptop at Maple Acre, Makerspace chromebooks and laptops	Scheduled replacement of technology to keep equipment up-to-date and in good working order.	Operational & Internal Conditions.	10,000
LIB 02-22	Fonthill Branch Shelving	Replacement of 218 shelving units at the Fonthill Branch with accessible height, flexible mobile shelving, lights installed on top row.	The shelving units currently at the Fonthill Branch are over 30 years old and cannot be moved at all. Parts of some units are in disrepair. We do not meet accessibility standards for accreditation for a public library as our shelving is too high. Adding in mobile shelving with lights will increase accessibility and will make our library more dynamic and responsive.	Health and Safety Conditions	342,250

Total 2022 Proposed Budget
352,250

A Red Circle indicates a project that is on hold, pending grant funding and/or further information for Council.

**Municipal Drainage
2022 Proposed Capital Budget Summary**

Project #	Project Name	Description	Justification	2022 Proposed Budget
				\$
	No projects planned for 2022			
Total 2022 Proposed Budget				-

Debentures and Debt

Debentures and Debt

- Existing debentures as at December 31, 2021 is \$31,032,054
- No new debt to be issued in 2022
- Forecast debentures as at December 31, 2022 is \$28,745,765

Sources of Funding Debt:

- (1) Operating Debt: funded by the tax levy, the interest and principal are included in the operating budget;
- (2) Non-Operating Debt: interest & principal payments are not part of the operating budget
 - Development Charge Debt
 - Parkland Dedication Debt (none currently outstanding) :
 - MCC Donation Pledge Debt (this will become operating debt when donations are no longer sufficient to cover payments, estimated in 2027 based on pledges)



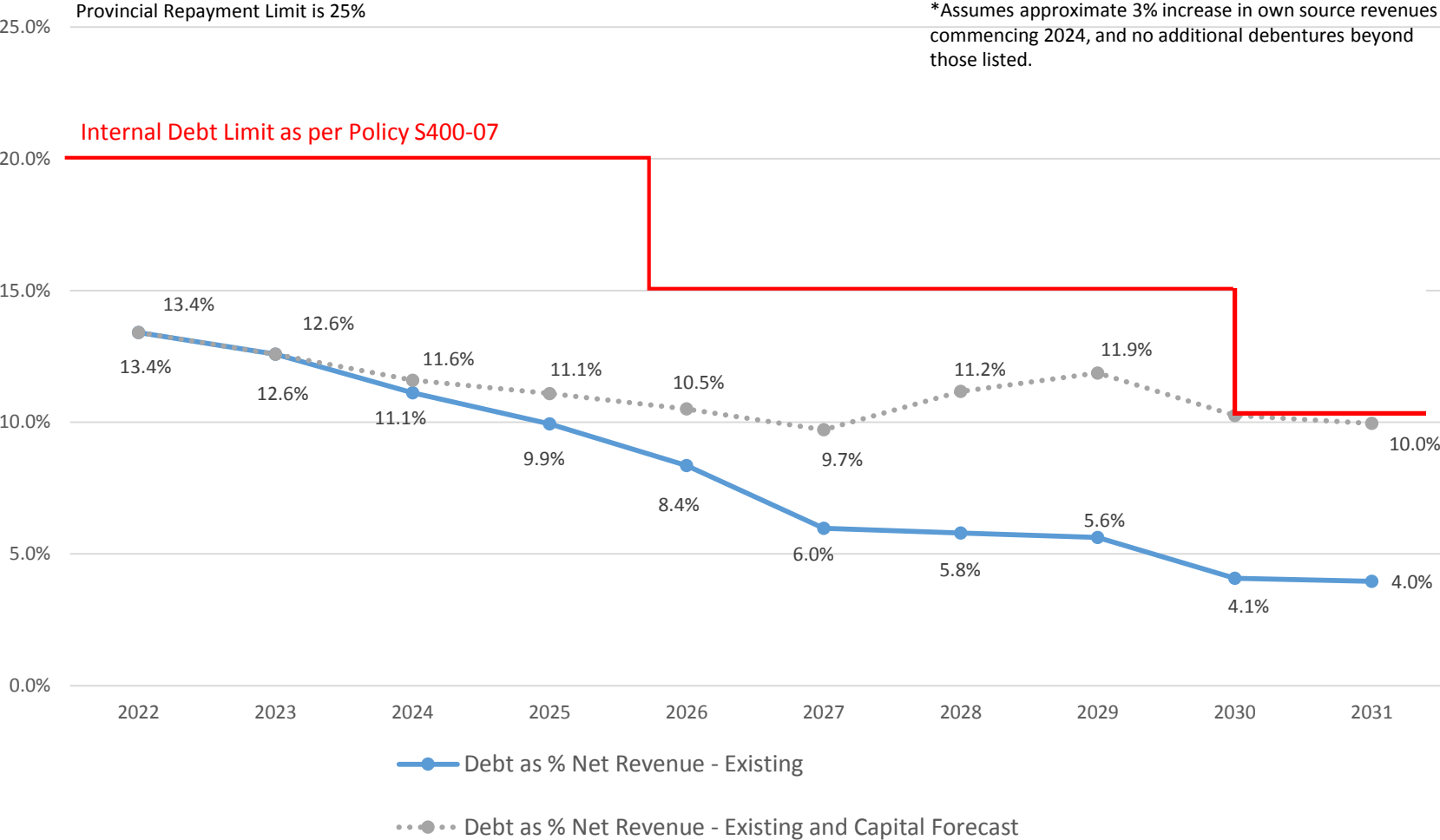
2022 Debenture Schedule

Project	(1) 2022 Beginning Year Balance	2022 Debt Proposed	(2) Principal	(3) Interest	(4) 2022 Year End Balance	Year Debt Completed	Comments
<u>Operating Debt</u>							
Roads - Pelham St (310)	292,102		94,486	8,022	197,616	2024	
Fire Station #2	288,578		93,346	7,925	195,232	2024	
Roads - Port Robinson	102,628		24,747	2,388	77,881	2025	
Fire Station #3	583,425		140,684	13,574	442,741	2025	
Roads - Fenwick Downtown Revitalization	832,526		160,043	16,173	672,483	2026	
Roads - East Fonthill Road Construction	325,951		62,660	6,332	263,291	2026	
Facilities - Meridian Community Center	8,106,271		211,805	268,408	7,894,466	2046	
Facilities - Predevelopment Costs	816,284		94,778	17,214	721,506	2028	
Roads - Wellspring Way/Shaw Ave	894,933		103,910	18,872	791,023	2028	
Roads - Summersides East to Rice Rd	1,431,771		166,242	30,193	1,265,529	2028	
Roads - Summersides Station to Wellspring	137,131		15,922	2,892	121,209	2028	
Total Operating Debt	\$ 13,811,600	\$ -	\$ 1,168,623	\$ 391,993	\$ 12,642,977		
Total Debenture Operating Principal & Interest as per Budget (2)+(3)				\$ 1,560,616			
<u>Debt funded by Development Charges (DC; non-operating)</u>							
Fire Station #2	33,330		33,330	600	-	2022	
Water - Rice Road Water Main	56,670		56,670	1,020	-	2022	
Roads - Effingham	42,360		20,945	1,241	21,415	2023	
Roads - Hwy 20	12,546		6,203	368	6,343	2023	
Water - Hwy 20	101,080		49,981	2,961	51,099	2023	
Roads - Port Robinson	239,465		57,743	5,571	181,722	2025	
Skate Park	125,986		30,380	2,931	95,606	2025	
East Fonthill Study	262,119		63,206	6,098	198,913	2025	
Water - Port Robinson	96,378		23,240	2,242	73,138	2025	
Roads - Fenwick Downtown Revitalization	1,248,787		240,065	24,260	1,008,722	2026	
Roads - Port Robinson Reconstruction	457,476		87,945	8,887	369,531	2026	
Wastewater - Port Robinson Reconstruction	127,147		24,442	2,470	102,705	2026	
Facilities - Meridian Community Centre	11,109,245		278,553	351,383	10,830,692	2047	
Total Development Charge Debt	\$ 13,912,589	\$ -	\$ 972,703	\$ 410,032	\$ 12,939,886		
Total Debenture DC Principal & Interest as per Reserve Fund Forecast (2)+(3)				\$ 1,382,735			
<u>Debt funded by MCC Donation Pledges (non-operating)</u>							
Facilities - Meridian Community Centre	3,307,865		144,963	64,055	3,162,902	2040	Note 2
Total MCC Donation Pledge Debt	\$ 3,307,865	-	\$ 144,963	\$ 64,055	\$ 3,162,902		
2022 Total Debt Obligations	\$ 31,032,054	\$ -	\$ 2,286,289	\$ 866,080	\$ 28,745,765		

Note 1: Bank indebtedness, including the revolving line of credit and non-revolving demand instalment loan have been excluded.

Note 2: Debt will be funded by MCC capital donations pledged for future years until they are no longer able to cover the debt payments, at which time it will become operating debt. This is estimated to occur in 2027.

Town of Pelham
Projection - Debt Charges as a % of Own Source Net Revenues





Debt-Related Financial Indicators
As at December 31, 2020

	Debt Servicing Cost as a % of Own-Source Revenues		Debt Service Coverage Ratio		Debt to Reserve Ratio	Debt per Capita	Net Financial Assets (Net Debt) as a % of Own-Source Revenues		Total Reserves and Reserve Funds as a % of Operating Expenditures		Asset Consumption Ratio	
Importance	A measure of the Town's ability to service debt payments. A higher number indicates that debt servicing is consuming a higher portion of the operating budget and may constrain the funding that is available for other service delivery.		A measure of the Town's ability to service debt with recurrent operating cash flows. If this ratio is 1, the Town has just enough cash flow to pay for debt servicing. If it is less than one, the Town operating income is constrained in covering debt servicing costs.		A measure of the amount of debt taken out that will need to be funded in the future, versus the amount that has been put away into reserves to provide for future expenditures. A ratio of greater than 1 means that debt outstanding exceeds reserves available. A ratio of less than 1 means that debt outstanding is lower than reserves available.	A measure of how much debt is outstanding per citizen of the Town. This can give an indication of the amount of future tax revenues that need to be recovered to pay for existing infrastructure, and a high level of debt relative to other similar municipalities may mean that the Town would have less flexibility to respond to an unanticipated event or expenditure.	A measure of the amount that Own-Source Revenue is servicing debt. A ratio less than zero indicates that the Town is in a Net Debt position (liabilities exceed financial assets). An increasing negative number may indicate challenges for long-term sustainability because an increasing amount of future revenues will be required to pay for the existing debt.		A measure of the amount of funds that have been set aside for future needs and contingencies. A higher percentage means that the Town may be relying less on debt or putting funds away for future expenditures. A lower percentage may mean that the Town is relying more heavily on in-year tax levy and rates to pay for expenditures.		A measure of the amount of the Town capital assets' life expectancy which has been consumed. A higher ratio may indicate that there are significant replacement needs, and a lower ratio may indicate that there is not significant aging of the Town's capital assets.	
Low Risk	Less than 5%	L	1.5 or higher	L			Greater than -50%	L	Greater than 20%	L	Less than 0.5	L
Moderate Risk	5% to 10%	M	1 to 1.49	M			-50% to -100%	M	10% to 20%	M	0.5 to 0.75	M
High Risk	Greater than 10%	H	Less than 1	H			Less than -100%	H	Less than 10%	H	Greater than 0.75	H
Pelham	13%	H	1.85	L	3.31	\$ 1,956	-79%	M	42%	L	0.40	L
Fort Erie	2%	L	14.29	L	0.14	\$ 180	106%	L	83%	L	0.41	L
Grimsby	1%	L	15.44	L	0.09	\$ 103	140%	L	99%	L	0.29	L
Niagara Falls **	3%	L	5.08	L	0.56	\$ 547	68%	L	50%	L	0.38	L
N-O-T-L*	2%	L	8.27	L	0.28	\$ 247	81%	L	39%	L	0.32	L
Port Colborne *	7%	M	0.30	H	1.55	\$ 1,496	-75%	M	46%	L	0.39	L
St. Catharines	10%	H	1.32	M	2.40	\$ 978	13%	L	28%	L	0.42	L
Thorold	1%	L	15.81	L	0.02	\$ 44	97%	L	150%	L	0.38	L
Wainfleet **	1%	L	8.01	L	0.10	\$ 56	40%	L	50%	L	0.54	M
Welland	9%	M	1.86	L	0.88	\$ 924	59%	L	65%	L	0.41	L
West Lincoln	9%	M	1.69	L	1.25	\$ 1,237	28%	L	90%	L	0.30	L

*Used from FIR from 2019 ** Used FIR from 2018

Note: For details behind all calculations please refer to Appendix B in the "Capital Financing and Debt Management Policy"



**Debt-Related Financial Indicators
Town of Pelham - 2017 Through 2020**

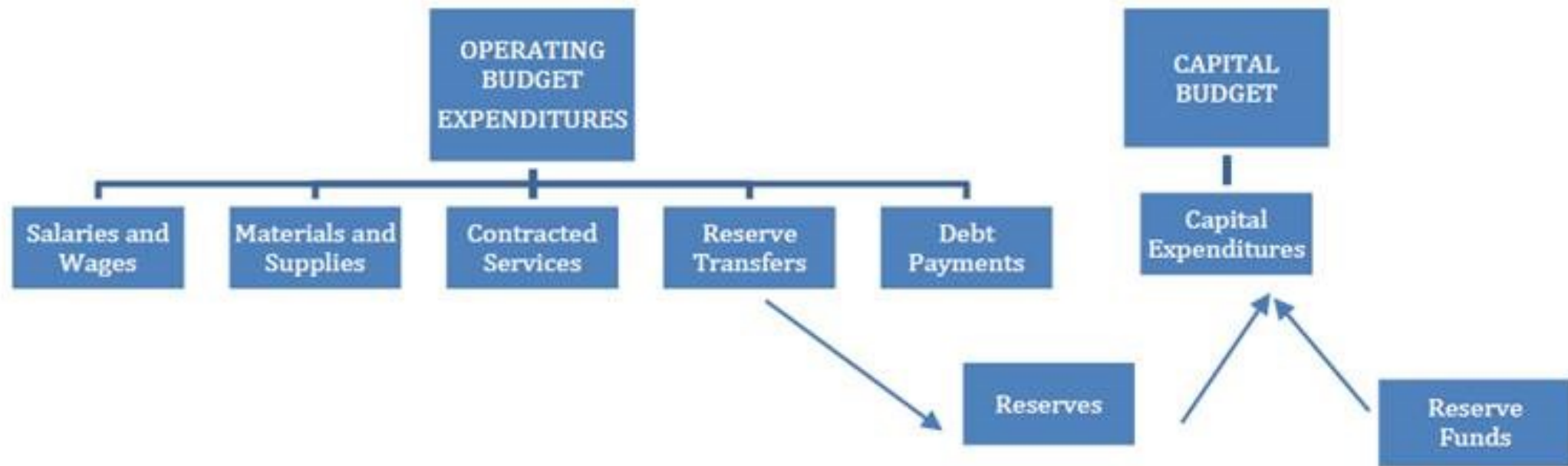
	Debt Servicing Cost as a % of Own-Source Revenues		Debt Service Coverage Ratio		Debt to Reserve Ratio		Debt per Capita		Net Financial Assets (Net Debt) as a % of Own-Source Revenues		Total Reserves and Reserve Funds as a % of Operating Expenditures		Asset Consumption Ratio	
Importance	A measure of the Town's ability to service debt payments. A higher number indicates that debt servicing is consuming a higher portion of the operating budget and may constrain the funding that is available for other service delivery.		A measure of the Town's ability to service debt with recurrent operating cash flows. If this ratio is 1, the Town has just enough cash flow to pay for debt servicing. If it is less than one, the Town operating income is constrained in covering debt servicing costs.		A measure of the amount of debt taken out that will need to be funded in the future, versus the amount that has been put away into reserves to provide for future expenditures. A ratio of greater than 1 means that debt outstanding exceeds reserves available. A ratio of less than 1 means that debt outstanding is lower than reserves available.		A measure of how much debt is outstanding per citizen of the Town. This can give an indication of the amount of future tax revenues that need to be recovered to pay for existing infrastructure, and a high level of debt relative to other similar municipalities may mean that the Town would have less flexibility to respond to an unanticipated event or expenditure.		A measure of the amount that Own-Source Revenue is servicing debt. A ratio less than zero indicates that the Town is in a Net Debt position (liabilities exceed financial assets). An increasing negative number may indicate challenges for long-term sustainability because an increasing amount of future revenues will be required to pay for the existing debt.		A measure of the amount of funds that have been set aside for future needs and contingencies. A higher percentage means that the Town may be relying less on debt or putting funds away for future expenditures. A lower percentage may mean that the Town is relying more heavily on in-year tax levy and rates to pay for expenditures.		A measure of the amount of the Town capital assets' life expectancy which has been consumed. A higher ratio may indicate that there are significant replacement needs, and a lower ratio may indicate that there is not significant aging of the Town's capital assets.	
Low Risk	Less than 5%	L	1.5 or higher	L					Greater than -50%	L	Greater than 20%	L	Less than 0.5	L
Moderate Risk	5% to 10%	M	1 to 1.49	M					-50% to -100%	M	10% to 20%	M	0.5 to 0.75	M
High Risk	Greater than 10%	H	Less than 1	H					Less than -100%	H	Less than 10%	H	Greater than 0.75	H
Pelham - 2020	13%	H	1.85	L	3.31	\$	1,956		-79%	M	42%	L	0.40	L
Pelham - 2019	13%	H	1.58	L	6.28	\$	1,885		-153%	H	21%	L	0.39	L
Pelham - 2018	13%	H	1.01	M	10.23	\$	1,759		-203%	H	12%	M	0.37	L
Pelham - 2017	12%	H	1.86	L	16.38	\$	2,040		-163%	H	9%	H	0.44	L

Note: For details behind all calculations please refer to Appendix B in the "Capital Financing and Debt Management Policy"

Debt-related Financial Indicators

- The Town is in the high risk category in Debt Servicing as a Percentage of Own Source Revenues (reduced ability to respond quickly to increased expenditure requirements)
- Pelham has the highest debt per capita of lower tier Niagara municipalities and continues to be in a Net Debt position (financial liabilities exceed financial assets). Future revenues are required to pay for existing debt.
- Generally the capital plan is not expected to improve the ratios because more debt will be taken out, whereas reserves are not expected to increase significantly without greater contributions to reserves
- A number of indicators have been improving from 2017-2020 due to increased transfers to reserves and restraint in taking out new debt, especially the debt-to-reserve ratio (2019 surplus and non-COVID related revenues and savings)

Reserves and Reserve Funds



Reserves

Reserves are established at the discretion of Council, often as part of a financial strategy to fund programs or capital projects.

Reserves are an allocation from the accumulated surplus of the Town. They are not associated with any specific asset.

Reserves are “discretionary” or “non-discretionary”. Drawdowns from non-discretionary reserves must be for expenditures related to their revenue source (for example Water and Wastewater).

Reserve Funds

Reserve Funds are monies set aside either by a by-law of the municipality (“discretionary”), an external agreement, or the requirement of provincial legislation (“obligatory”).

Interest earned on reserve funds must be allocated to the specific reserve fund that earned it and used for that purpose.

The Town of Pelham has the following obligatory reserve funds:

- Development Charges
- Parkland Dedication
- Canada Community-Building Fund (formerly Federal Gas Tax)
- Provincial Gas Tax
- Ontario Community Infrastructure Fund (OCIF)
- Other externally restricted grants and funds received

Reserve Forecast

- A 10-year reserve forecast summary has been prepared to illustrate the long-range financial planning of the Town.
- The following table illustrates projections based on the current capital plan, with reserve transfers from the operating budget sufficient to minimize debt, and increasing each year by \$320k-\$626k. Should the approved transfers to reserve differ from those projection, or additional expenditures be incurred, the balances will be reduced.
- This forecast is assuming that some projects will be debentured beginning in 2023 (with debt taken out the year following approval), in accordance with the 10-year capital forecast.

10-Year Reserve Forecast Summary (\$)



Reserves and Reserve Funds	December 31, 2020 Balance	December 31, 2021 Projected Balance	December 31, 2022 Projected Balance	December 31, 2023 Projected Balance	December 31, 2024 Projected Balance	December 31, 2025 Projected Balance	
Airport	2,955	2,955	2,955	2,955	2,955	2,955	Note 1
Building Department	1,404,644	1,468,219	1,302,334	1,191,449	1,080,564	969,679	Note 2
Cemetery	42,590	66,190	95,190	190	5,190	13,190	
Community Improvement Plan	243,603	245,003	234,003	222,303	209,903	196,803	Note 3
Elections	75,943	88,943	943	20,943	40,943	60,943	Note 4
Fire Equipment	607,582	800,620	591,627	83,543	(84,369)	411,631	
Fleet	1,028,724	912,241	1,160,906	897,641	509,208	657,064	
Human Resource Capacity Building	339,363	207,076	142,076	127,076	112,076	97,076	Note 5
Information Technology	76,430	9,530	10,530	3,530	530	28,530	
Land Acquisition	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	Note 6
Library	293,821	277,791	270,569	268,274	274,981	282,856	
Meridian Community Centre	429,384	513,781	466,553	360,917	251,589	142,261	Note 7
Municipal Building Facility	156,831	20,073	(92,726)	(241,226)	222,774	85,343	
Municipal Drainage	16,831	(1,669)	17,331	32,331	47,331	22,331	
Parks and Recreation	55,904	47,919	(1,602)	(107,102)	80,898	115,720	
Physician Recruitment	25,706	25,706	25,706	25,706	25,706	25,706	Note 8
Planning	256,765	100,034	48,284	51,534	23,534	88,034	
Roads	3,046,895	671,716	254,245	375,820	768,025	502,254	
Volunteer Firefighter Life Insurance	12,500	25,000	37,500	50,000	62,500	75,000	Note 9
Wastewater	1,418,665	1,203,196	718,600	(726,214)	(68,214)	589,786	
Water	946,119	761,621	970,990	1,513,700	1,934,542	2,272,562	
Working Capital	819,665	284,406	84,406	84,406	84,406	84,406	Note 10
Total Reserves	10,124,468	6,553,899	5,163,966	3,061,323	4,408,620	5,547,678	

Note 1: No increase projected in Airport reserve - reserve not under control of the Town and has not fluctuated significantly.

Note 2: Commencing 2022, transfers from Building Department Reserve Fund for indirect costs of operations has been updated and it is expected that the balance will be drawn down.

Note 3: Estimate based on current CIP agreements.

Note 4: \$30,000 contribution required for 2022 election. Assumed annual contributions required increase \$5,000 per election term, with most of the balance used in election years.

Note 5: Assumes balance is gradually drawn down until approximately equal to minimum balance of \$50,000.

Note 6: In years where there is an operating budget surplus, the first \$147,000 will be allocated to the Land Acquisition Reserve in accordance with the Reserve and Reserve Fund Policy.

Note 7: Assumes all donations pledged are deposited to the MCC reserve and used to pay the 2020 debenture. Based on pledges, it is anticipated that the debenture payments will start to impact the tax levy in 2027.

Note 8: Assumed expenditures equal operating transfers for Physician Recruitment reserve.

Note 9: \$12,500 contribution per year until a balance of \$125,000 is reached.

Note 10: Drawn down by \$535k Safe Restart COVID-19 funding in 2021, \$200,000 in 2022 operating budget to offset continued pandemic pressures, then assumed operating revenues equal operating expenditures for all years.

10-Year Reserve Forecast Summary (\$)



Reserves	December 31, 2026 Projected Balance	December 31, 2027 Projected Balance	December 31, 2028 Projected Balance	December 31, 2029 Projected Balance	December 31, 2030 Projected Balance	December 31, 2031 Projected Balance	
Airport	2,955	2,955	2,955	2,955	2,955	2,955	Note 1
Building Department	858,794	747,909	637,024	526,139	526,139	526,139	Note 2
Cemetery	1,190	25,190	72,190	44,190	81,190	78,190	
Community Improvement Plan	182,903	168,203	152,703	146,103	146,103	146,103	Note 3
Elections	943	25,943	50,943	75,943	943	30,943	Note 4
Fire Equipment	525,980	1,043,760	969,073	597,145	1,019,059	42,726	
Fleet	276,902	(88,665)	168,811	556,325	893,965	1,285,704	
Human Resource Capacity Building	87,076	77,076	67,076	62,076	57,076	52,076	Note 5
Information Technology	66,530	45,330	71,330	31,330	45,730	41,730	
Land Acquisition	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	(1,176,452)	Note 6
Library	293,341	305,141	318,296	332,845	348,830	368,039	
Meridian Community Centre	32,933	-	-	-	-	-	Note 7
Municipal Building Facility	210,903	342,730	601,012	712,543	738,419	343,264	
Municipal Drainage	30,331	38,331	6,331	14,331	22,331	30,331	
Parks and Recreation	28,403	845,555	4,422	989,554	1,164,221	1,248,969	
Physician Recruitment	25,706	25,706	25,706	25,706	25,706	25,706	Note 8
Planning	160,034	57,034	129,034	101,034	170,034	236,034	
Roads	555,493	833,363	(130,368)	184,110	1,318,270	2,301,248	
Volunteer Firefighter Life Insurance	87,500	100,000	112,500	125,000	125,000	125,000	Note 9
Wastewater	933,520	1,550,525	2,110,066	2,193,438	1,799,281	1,630,756	
Water	1,690,914	2,049,891	2,618,388	2,852,690	2,331,120	(237,941)	
Working Capital	84,406	84,406	84,406	84,406	84,406	84,406	Note 10
Total Reserves	4,960,305	7,103,932	6,895,445	8,481,410	9,724,326	7,185,925	

Note 1: No increase projected in Airport reserve - reserve not under control of the Town and has not fluctuated significantly.

Note 2: Commencing 2022, transfers from Building Department Reserve Fund for indirect costs of operations has been updated and it is expected that the balance will be drawn down.

Note 3: Estimate based on current CIP agreements.

Note 4: \$30,000 contribution required for 2022 election. Assumed annual contributions required increase \$5,000 per election term, with most of the balance used in election years.

Note 5: Assumes balance is gradually drawn down until approximately equal to minimum balance of \$50,000.

Note 6: In years where there is an operating budget surplus, the first \$147,000 will be allocated to the Land Acquisition Reserve in accordance with the Reserve and Reserve Fund Policy.

Note 7: Assumes all donations pledged are deposited to the MCC reserve and used to pay the 2020 debenture. Based on pledges, it is anticipated that the debenture payments will start to impact the tax levy in 2027.

Note 8: Assumed expenditures equal operating transfers for Physician Recruitment reserve.

Note 9: \$12,500 contribution per year until a balance of \$125,000 is reached.

Note 10: Drawn down by \$535k Safe Restart COVID-19 funding in 2021, \$200,000 in 2022 operating budget to offset continued pandemic pressures, then assumed operating revenues equal operating expenditures for all years.

Reserve Fund Projection

- A 10-year reserve fund projection summary has been prepared to illustrate the long-range financial planning of the Town.
- These projections have assumed that some projects will be debentured, in order to maintain a positive balance in the reserve fund.
- Assumptions have been made regarding interest rates, future capital costs, and timing of project completion.

Development Charge Reserve Fund

- The projected collections for the Development Charge (DC) Reserve Fund are based on the estimates of the anticipated amount, type, and location of residential development within the Town of Pelham between 2019 to 2029 that are found in the DC Background Study.
- It has been assumed that collections for Indoor Recreation will increase in time as the service level standard is updated.
- The timing of development charge collection is, in many respects, outside of the control of the Town and may differ from the projection.

10-Year Projected Development Charge Reserve Fund (\$)



	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Projected Balance at Dec. 31, 2020	(73,934)	155,437	178,420	1,551,438	(1,119,597)	(42,228)	(725,515)	1,607,870	22,516	1,554,407	
Additions											
Estimated Collections for 2021	116,337	59,100	1,595,070	264,472	293,834	87,573	180,149	427,027	-	3,023,563	
Estimated Interest	(370)	777	892	7,757	(5,598)	(211)	(3,628)	8,039	113	7,772	0.50%
Total additions	115,968	59,877	1,595,962	272,229	288,236	87,362	176,521	435,066	113	3,031,335	
Expenditures											
Debt - principal and interest	69,361	34,189	604,761	33,338	630,063		188,625	26,931		1,587,268	
Capital commitments carrying forward			2,884				11,828	502,942		517,654	
Capital expenditures in 20-year forecast	-	-	-	-						-	
Debt - Capital expenditures in 20-year forecast										-	
Library Collection						42,750				42,750	
Total Expenditures	69,361	34,189	607,645	33,338	630,063	42,750	200,453	529,873	-	2,147,672	
Projected Balance at Dec. 31, 2021	(27,327)	181,125	1,166,737	1,790,329	(1,461,424)	2,384	(749,447)	1,513,063	22,629	2,438,070	
Additions											
Estimated Collections for 2022	130,739	65,982	1,789,162	280,994	468,367	92,978	204,664	485,263	-	3,518,149	
Estimated Interest	(273)	1,811	11,667	17,903	(14,614)	24	(7,494)	15,131	226	24,381	1.00%
Total additions	130,465	67,793	1,800,829	298,898	453,753	93,002	197,169	500,394	226	3,542,530	
Expenditures											
Debt - principal and interest	69,304	33,929	453,229	33,311	629,934		136,116	26,912		1,382,735	
Capital expenditures in 20-year forecast	101,250	-	982,490	81,000	-	-	-	1,500,000	-	2,664,740	
Debt - Capital expenditures in 20-year forecast										-	
Library Collection						42,750				42,750	
Total Expenditures	170,554	33,929	1,435,719	114,311	629,934	42,750	136,116	1,526,912	-	4,090,225	
Projected Balance at Dec. 31, 2022	(67,416)	214,989	1,531,847	1,974,916	(1,637,604)	52,636	(688,393)	486,545	22,855	1,890,375	
Additions											
Estimated Collections for 2023	130,739	65,982	1,789,162	280,994	468,367	92,978	204,664	485,263	-	3,518,149	
Estimated Interest	(1,348)	4,300	30,637	39,498	(32,752)	1,053	(13,768)	9,731	457	37,807	1.00%
Total additions	129,390	70,281	1,819,799	320,493	435,615	94,031	190,896	494,994	457	3,555,957	
Expenditures											
Debt - principal and interest	69,244		452,538	33,282	629,800		77,672	26,895		1,289,431	
Capital expenditures in 20-year forecast	56,250		105,000	427,500				600,000		1,188,750	
Debt - Capital expenditures in 20-year forecast		-						-		-	
Water/Wastewater Master Plan	75,000									75,000	
Stormwater Master Plan	75,000									75,000	
Pelham Transportation Master Plan	100,000									100,000	
Library Collection						42,750				42,750	
Total Expenditures	375,494	-	557,538	460,782	629,800	42,750	77,672	626,895	-	2,770,931	
Projected Balance at Dec. 31, 2023	(313,519)	285,271	2,794,108	1,834,627	(1,831,789)	103,917	(575,169)	354,644	23,312	2,675,400	

10-Year Projected Development Charge Reserve Fund (\$)



	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Additions											
Estimated Collections for 2024	130,739	65,982	1,789,162	280,994	468,367	92,978	204,664	485,263	-	3,518,149	2.50%
Estimated Interest	(7,837.99)	7,132	69,853	45,866	(45,795)	2,598	(14,379)	8,866	583	66,885	
Total additions	122,901	73,113	1,859,015	326,860	422,573	95,576	190,285	494,129	583	3,585,034	
Expenditures											
Debenture principal and interest	69,016		423,842	33,172	629,663		25,376	26,885		1,207,954	
Capital expenditures in 20-year forecast			943,800			151,000	-	-		1,094,800	
Debt - Capital expenditures in 20-year forecast		-	-					-		-	
Library Collection						42,750				42,750	
Total Expenditures	69,016	-	1,367,642	33,172	629,663	193,750	25,376	26,885	-	2,345,504	
Projected Balance at Dec. 31, 2024	(259,635)	358,384	3,285,480	2,128,315	(2,038,879)	5,743	(410,261)	821,888	23,895	3,914,931	
Additions											
Estimated Collections for 2025	130,739	65,982	1,789,162	280,994	468,367	92,978	204,664	485,263	-	3,518,149	2.50%
Estimated Interest	(6,491)	8,960	82,137	53,208	(50,972)	144	(10,257)	20,547	597	97,873	
Total additions	124,248	74,941	1,871,299	334,202	417,395	93,122	194,407	505,810	597	3,616,023	
Expenditures											
Debenture principal and interest	69,031		423,601	33,179	629,520		25,382	25,866		1,206,579	
Capital expenditures in 20-year forecast	67,500		3,592,200	136,800			42,336	-		3,838,836	
Debt - Capital expenditures in 20-year forecast		-	-	-	-	-	-	-		-	
Library Collection						42,750				42,750	
Total Expenditures	136,531	-	4,015,801	169,979	629,520	42,750	67,718	25,866	-	5,088,165	
Projected Balance at Dec. 31, 2025	(271,918)	433,325	1,140,978	2,292,538	(2,251,004)	56,115	(283,571)	1,301,832	24,492	2,442,788	
Additions											
Estimated Collections for 2026	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	3.00%
Estimated Interest	(8,158)	13,000	34,229	68,776	(67,530)	1,683	(8,507)	39,055	735	73,284	
Total additions	142,786	88,805	2,097,004	379,293	622,669	104,371	219,080	578,793	735	4,233,535	
Expenditures											
Debenture principal and interest			360,267		629,373			26,846		1,016,486	
Capital expenditures in 20-year forecast				265,050				527,940		792,990	
Debt - Capital expenditures in 20-year forecast	-	-	-	-	-	-	-	-	-	-	
Library Collection						42,750				42,750	
Total Expenditures	-	-	360,267	265,050	629,373	42,750	-	554,786	-	1,852,226	
Projected Balance at Dec. 31, 2026	(129,132)	522,131	2,877,715	2,406,781	(2,257,707)	117,736	(64,492)	1,325,839	25,227	4,824,097	

10-Year Projected Development Charge Reserve Fund (\$)



	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Additions											
Estimated Collections for 2027	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	3.00%
Estimated Interest	(3,874)	15,664	86,331	72,203	(67,731)	3,532	(1,935)	39,775	757	144,723	
Total additions	147,069	91,469	2,149,106	382,721	622,468	106,219	225,652	579,513	757	4,304,974	
Expenditures											
Debtenture principal and interest					629,222					629,222	
Capital expenditures in 20-year forecast		175,000	2,383,270	136,800				1,343,400		4,038,470	
Debt - Capital expenditures in 20-year forecast	-	61,649	-	-	-	-	-	-	-	61,649	
Library Collection						42,750				42,750	
Total Expenditures	-	236,649	2,383,270	136,800	629,222	42,750	-	1,343,400	-	4,772,091	
Projected Balance at Dec. 31, 2027	17,937	376,952	2,643,551	2,652,702	(2,264,461)	181,205	161,160	561,952	25,984	4,356,981	
Additions											
Estimated Collections for 2028	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	3.00%
Estimated Interest	538	11,309	79,307	79,581	(67,934)	5,436	4,835	16,859	780	130,709	
Total additions	151,481	87,114	2,142,081	390,098	622,266	108,123	232,421	556,596	780	4,290,961	
Expenditures											
Debtenture principal and interest					629,065					629,065	
Capital expenditures in 20-year forecast			2,098,330	1,039,500				559,525		3,697,355	
Debt - Capital expenditures in 20-year forecast	-	123,297	-	-	-	-	63,291	-	-	186,589	
Library Collection						42,750				42,750	
Total Expenditures	-	123,297	2,098,330	1,039,500	629,065	42,750	63,291	559,525	-	4,555,759	
Projected Balance at Dec. 31, 2028	169,418	340,769	2,687,301	2,003,301	(2,271,260)	246,578	330,290	559,023	26,763	4,092,183	
Additions											
Estimated Collections for 2029	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	3.00%
Estimated Interest	5,083	10,223	80,619	60,099	(68,138)	7,397	9,909	16,771	803	122,766	
Total additions	156,026	86,029	2,143,393	370,616	622,062	110,084	237,495	556,509	803	4,283,017	
Expenditures											
Debtenture principal and interest					628,903					628,903	
Capital expenditures in 20-year forecast			3,670,000					844,470		4,514,470	
Debt - Capital expenditures in 20-year forecast	-	123,297	-	-	-	-	126,583	-	-	249,880	
Library Collection						42,750				42,750	
Total Expenditures	-	123,297	3,670,000	-	628,903	42,750	126,583	844,470	-	5,436,003	
Projected Balance at Dec. 31, 2029	325,443	303,500	1,160,695	2,373,917	(2,278,101)	313,913	441,203	271,062	27,566	2,939,197	

10-Year Projected Development Charge Reserve Fund (\$)



	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Additions											
Estimated Collections for 2030	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	
Estimated Interest	9,763	9,105	34,821	71,218	(68,343)	9,417	13,236	8,132	827	88,176	3.00%
Total additions	160,706	84,911	2,097,595	381,735	621,857	112,105	240,823	547,870	827	4,248,427	
Expenditures											
Debt principal and interest					628,737					628,737	
Capital expenditures in 20-year forecast			696,460	925,880			-	1,227,940		2,850,280	
Debt - Capital expenditures in 20-year forecast	-	123,297	-	-	-	-	126,583	-	-	249,880	
Library Collection						42,750				42,750	
Total Expenditures	-	123,297	696,460	925,880	628,737	42,750	126,583	1,227,940	-	3,771,647	
Projected Balance at Dec. 31, 2030	486,150	265,113	2,561,830	1,829,772	(2,284,982)	383,267	555,443	(409,008)	28,393	3,415,978	
Additions											
Estimated Collections for 2031	150,943	75,806	2,062,774	310,517	690,200	102,687	227,587	539,738	-	4,160,251	
Estimated Interest	14,584	7,953	76,855	54,893	(68,549)	11,498	16,663	(12,270)	852	102,479	3.00%
Total additions	165,528	83,759	2,139,629	365,411	621,650	114,185	244,250	527,468	852	4,262,731	
Expenditures											
Debt principal and interest					628,564					628,564	
Capital expenditures in 20-year forecast			3,762,500	-			510,650	1,104,500		5,377,650	
Debt - Capital expenditures in 20-year forecast	-	123,297	-	-	-	-	126,583	-	-	249,880	
Library Collection						42,750				42,750	
Total Expenditures	-	123,297	3,762,500	-	628,564	42,750	637,233	1,104,500	-	6,298,844	
Projected Balance at Dec. 31, 2031	651,677	225,575	938,959	2,195,182	(2,291,896)	454,703	162,460	(986,041)	29,245	1,379,865	

Parkland Dedication Reserve Fund

- The projected collections for the Parkland Dedication Reserve Fund are based on historical collections.
- The 5-year average of collections is approximately \$385,000 however there has been significant growth in recent years so the projection has been adjusted down as the rate of development slows.

Parkland Dedication Reserve Fund (\$)
10-Year Projection



	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	1,322,911	884,526	673,371	430,105	40,857	(8,121)
Additions to Reserve						
Estimated Collections	700,000	350,000	350,000	350,000	350,000	340,000
Interest	6,615	8,845	6,734	10,753	1,021	-
Reductions in Reserve						
Collection of Receivable	(700,000)	(350,000)	(350,000)	(350,000)	(350,000)	(218,446)
Estimated 2021 Projects Completed	(145,000)					
Estimated Prior Year Projects Completed	(300,000)					
Debtenture Principal and Interest						
Capital Spending (from 20 Year Summary)		(220,000)	(250,000)	(400,000)	(50,000)	-
Projected Reserve Fund (Deficit) - End of Year	884,526	673,371	430,105	40,857	(8,121)	113,433

Note 1: Annual change in collections (rounded up to the nearest thousand)

0.0% 0.0% 0.0% 0.0% -3.0%

Note 2: Estimated interest rate

0.5% 1.0% 1.0% 2.5% 2.5% 3.0%

Canada Community-Building Reserve Fund

- The Town has an agreement with the Association of Municipalities of Ontario pertaining to the Canada Community-Building Fund (formerly Federal Gas Tax).
- The assumption has been made that all gas tax funds will be applied toward roads capital projects in the year the funds are received, therefore there is no projected balance for this reserve fund. Some funding will be carried forward from 2021 and applied to 2022 due to additional funding announced.

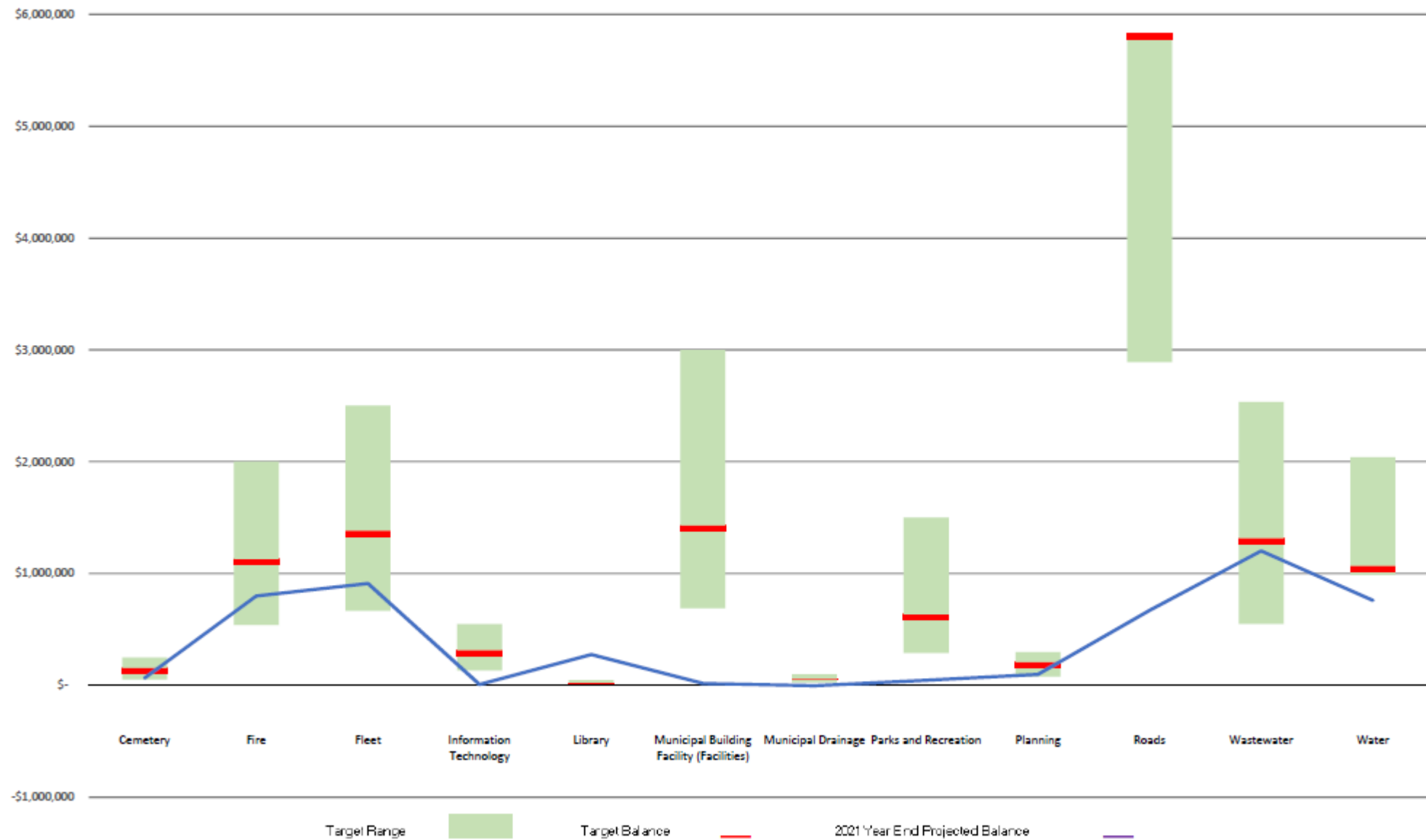
Ontario Community Infrastructure Fund (OCIF) Reserve Fund

- Provincial Funding
- All OCIF funds will be spent within the year, therefore there is no projected balance for this reserve fund.

Reserve Targets

- The first bar graph depicts 2021 year-end projected capital reserve and discretionary reserve fund balances versus the targets.
- The projected reserve and reserve fund balances include commitments and will differ from the balance in the financial statements if there are projects carrying forward to the next year.
- Many reserve and reserve fund balances are below the target, especially the Roads Reserve, which would need a much higher balance to avoid taking out debt.
- The reserve and reserve fund targets will need to be updated in 2022 when the asset management plan is complete.

Town of Pelham
2021 Year End Projected Capital Reserve and Discretionary Reserve Fund Balances vs. Target Capital Reserves and Discretionary Reserve Funds



Note: The Roads Reserve reflects the Target Balance and not the Recommended Maximum Balance of \$12,000,000 due to the overall impact this would have on the range of the graph.

**Information Technology
20 Year Projected Reserve Balance**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	76,430	9,530	10,530	3,530	530	28,530
Additions to Reserve						
Contribution from Operating Budget (Note 1)	113,100	132,000	212,000	149,000	127,000	121,000
Reductions in Reserve						
Estimated 2021 Projects Completed	(102,000)					
Estimated Prior Year Projects Completed	(78,000)					
Capital Spending (from 20 Year Summary)		(131,000)	(219,000)	(152,000)	(99,000)	(83,000)
Projected Reserve (Deficit) - End of Year	9,530	10,530	3,530	530	28,530	66,530
Target Minimum Reserve Balance	134,650					
Target Reserve Balance	269,300					
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(69,094)		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			60.0%	-30.0%	-15.0%	-5.0%

**Fire & By-law Services
20 Year Projected Reserve Fund Balance
in Dollars**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	607,582	800,620	591,627	83,543	(84,369)	411,631
Additions to Reserve Fund						
Contribution from Operating Budget (Note 1)	315,000	423,000	466,000	630,000	536,000	542,000
Interest (Note 2)	3,038	8,006	5,916	2,089	-	12,349
Reductions in Reserve Fund						
Estimated 2021 Projects Completed	(125,000)					
Estimated Prior Year Projects Completed						
Capital Spending (from 20 Year Summary)		(640,000)	(980,000)	(800,000)	(40,000)	(440,000)
Projected Reserve Fund (Deficit) - End of Year	800,620	591,627	83,543	(84,369)	411,631	525,980
Target Minimum Reserve Fund Balance	540,750					
Target Reserve Fund Balance	1,081,500					
Phased-In Target Minimum Balance (Updated)				386,000		
Phased-In Target Minimum Balance (Original)				385,255		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			10.0%	35.0%	-15.0%	1.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%

**Town Facilities
20 Year Projected Reserve Fund Balance
in Dollars**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	156,831	20,073	(92,726)	(241,226)	222,774	85,343
Additions to Reserve Fund						
Contribution from Operating Budget (Note 1)	338,700	425,000	680,000	748,000	748,000	561,000
Interest (Note 2)	784	201	-	-	5,569	2,560
Reductions in Reserve Fund						
Estimated 2021 Projects Completed	(340,000)					
Estimated Prior Year Projects Completed	(136,242)					
Capital Spending (from 20 Year Summary)		(538,000)	(828,500)	(284,000)	(891,000)	(438,000)
Projected Reserve Fund (Deficit) - End of Year	20,073	(92,726)	(241,226)	222,774	85,343	210,903
Target Minimum Reserve Fund Balance		692,000				
Target Reserve Fund Balance		1,384,000				
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(173,847)		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			60.0%	10.0%	0.0%	-25.0%

**Parks Facilities
20 Year Projected Reserve Fund Balance
in Dollars**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	55,904	47,919	(1,602)	(107,102)	80,898	115,720
Additions to Reserve Fund						
Contribution from Operating Budget (Note 1)	61,600	68,000	272,000	463,000	626,000	783,000
Transfers						
Interest (Note 2)	280	479	-	-	2,022	3,472
Reductions in Reserve Fund						
Estimated 2021 Projects Completed	(63,000)					
Estimated Prior Year Projects Completed	(6,865)					
Capital Spending (from 20 Year Summary)		(118,000)	(377,500)	(275,000)	(593,200)	(873,789)
Projected Reserve Fund (Deficit) - End of Year	47,919	(1,602)	(107,102)	80,898	115,720	28,403
Target Minimum Reserve Fund Balance		293,600				
Target Reserve Fund Balance		587,200				
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(128,052)		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			300.0%	70.0%	35.0%	25.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%

Roads
20 Year Projected Reserve Balance
in Dollars

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	3,046,895	671,716	254,245	375,820	768,025	502,254
Additions to Reserve						
Contribution from Operating Budget (Note 1)	2,361,950	2,477,000	2,477,000	2,551,000	2,806,000	3,002,000
Reductions in Reserve						
Estimated 2021 Projects Completed	(2,656,422)					
Estimated Prior Year Projects Completed	(2,080,707)					
Capital Spending (from 20 Year Summary)		(2,894,471)	(2,355,425)	(2,158,795)	(3,071,771)	(2,948,761)
Projected Reserve (Deficit) - End of Year	671,716	254,245	375,820	768,025	502,254	555,493
Target Minimum Reserve Fund Balance	2,891,000					
Target Reserve Fund Balance	5,782,000					
Phased-In Target Minimum Balance (Updated)				572,000		
Phased-In Target Minimum Balance (Original)				571,382		

Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)

0.0% 3.0% 10.0% 7.0%

Fleet
20 Year Projected Reserve Fund Balance
in Dollars

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	1,028,724	912,241	1,160,906	897,641	509,208	657,064
Additions to Reserve Fund						
Contribution from Operating Budget (Note 1)	403,000	469,000	484,000	499,000	514,000	545,000
Transfers						
Interest (Note 2)	5,144	9,122	11,609	22,441	12,730	19,712
Estimated 2021 Projects Completed	(249,474)					
Estimated Prior Year Projects Completed	(275,153)					
Capital Spending (from 20 Year Summary)		(229,458)	(758,874)	(909,874)	(378,874)	(944,874)
Projected Reserve Fund (Deficit) - End of Year	912,241	1,160,906	897,641	509,208	657,064	276,902
Target Minimum Reserve Fund Balance	668,600					
Target Reserve Fund Balance	1,337,200					
Phased-In Target Minimum Balance (Updated)				664,000		
Phased-In Target Minimum Balance (Original)				663,447		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			3.0%	3.0%	3.0%	6.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%

**Cemeteries
20 Year Projected Reserve Balance
in Dollars**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	42,590	66,190	95,190	190	5,190	13,190
Additions to Reserve						
Contribution from Operating Budget (Note 1)	28,600	33,000	66,000	47,000	47,000	47,000
Reductions in Reserve						
Estimated 2021 Projects Completed	(5,000)					
Estimated Prior Year Projects Completed						
Capital Spending (from 20 Year Summary)		(4,000)	(161,000)	(42,000)	(39,000)	(59,000)
Projected Reserve (Deficit) - End of Year	66,190	95,190	190	5,190	13,190	1,190
Target Minimum Reserve Balance	54,150					
Target Reserve Balance	108,300					
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(39,383)		

Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)

100.0% -30.0% 0.0% 0.0%

Wastewater 20 Year Projected Reserve Balance in Dollars						
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	1,418,665	1,203,196	718,600	(726,214)	(68,214)	589,786
Additions to Reserve						
Contribution from Operating Budget (Note 1)	741,007	888,372	973,000	983,000	993,000	1,003,000
Interest (Note 2)	7,093	12,032	7,186	-	-	17,694
Reductions in Reserve						
Estimated 2021 Projects Completed	(355,000)					
Estimated Prior Year Projects Completed	(608,569)					
Capital Spending (from 20 Year Summary)		(1,385,000)	(2,425,000)	(325,000)	(335,000)	(676,960)
Projected Reserve (Deficit) - End of Year	1,203,196	718,600	(726,214)	(68,214)	589,786	933,520
Target Reserve Fund Balance per BMA Study	639,541	627,673	885,183	1,267,849		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			9.5%	1.0%	1.0%	1.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%
Note 3: Contribution from operating from 2020 to 2024 as per 2018 BMA Water and Wastewater Financial Plan						

**Water
20 Year Projected Reserve Balance**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	946,119	761,621	970,990	1,513,700	1,934,542	2,272,562
Additions to Reserve						
Contribution from Operating (Note 1)	641,297	931,753	1,002,000	1,013,000	1,024,000	1,035,000
Interest (Note 2)	4,731	7,616	9,710	37,842	48,364	68,177
Reductions in Reserve						
Estimated 2021 Projects Completed	(749,000)					
Estimated Prior Year Projects Completed	(81,526)					
Capital Spending (from 20 Year Summary)		(730,000)	(469,000)	(630,000)	(734,344)	(1,684,825)
Projected Reserve (Deficit) - End of Year	761,621	970,990	1,513,700	1,934,542	2,272,562	1,690,914
Target Reserve Fund Balance per BMA Study	642,396	185,249	689,586	1,021,045		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)			7.5%	1.0%	1.0%	1.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%



Community Planning & Development

Municipal Drainage 20 Year Projected Reserve Balance in Dollars

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	16,831	(1,669)	17,331	32,331	47,331	22,331
Additions to Reserve						
Contribution from Operating Budget (Note 1)	19,000	19,000	15,000	15,000	15,000	8,000
Reductions in Reserve						
Estimated 2021 Projects Completed	(5,000)					
Estimated Prior Year Projects Completed	(32,500)					
Capital Spending (from 20 Year Summary)		-	-	-	(40,000)	-
Projected Reserve (Deficit) - End of Year	(1,669)	17,331	32,331	47,331	22,331	30,331
Target Minimum Reserve Balance	28,150					
Target Reserve Balance	56,300					
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(73,714)		

Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)

-25.0% 0.0% 0.0% -50.0%

Libraries
**20 Year Projected Reserve Fund Balance
in Dollars**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve Fund (Deficit) - Start of Year	293,821	277,791	270,569	268,274	274,981	282,856
Additions to Reserve Fund						
Contribution from Operating Budget (Note 1)	-	-	5,000	10,000	11,000	12,000
Interest (Note 2)	1,469	2,778	2,706	6,707	6,875	8,486
Reductions in Reserve Fund						
Estimated 2021 Projects Completed	(17,500)	-	-	-	-	-
Estimated Prior Year Projects Completed						
Capital Spending (from 20 Year Summary)		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Projected Reserve Fund - End of Year	277,791	270,569	268,274	274,981	282,856	293,341
Target Minimum Reserve Fund Balance	10,650					
Target Reserve Fund Balance	21,300					
Phased-In Target Minimum Balance (Updated)				22,000		
Phased-In Target Minimum Balance (Original)				21,300		
Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)				100.0%	1.0%	1.0%
Note 2: Estimated interest rate	0.5%	1.0%	1.0%	2.5%	2.5%	3.0%

Municipal Drainage 20 Year Projected Reserve Balance in Dollars

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Projected Reserve (Deficit) - Start of Year	16,831	(1,669)	17,331	32,331	47,331	22,331
Additions to Reserve						
Contribution from Operating Budget (Note 1)	19,000	19,000	15,000	15,000	15,000	8,000
Reductions in Reserve						
Estimated 2021 Projects Completed	(5,000)					
Estimated Prior Year Projects Completed	(32,500)					
Capital Spending (from 20 Year Summary)		-	-	-	(40,000)	-
Projected Reserve (Deficit) - End of Year	(1,669)	17,331	32,331	47,331	22,331	30,331
Target Minimum Reserve Balance	28,150					
Target Reserve Balance	56,300					
Phased-In Target Minimum Balance (Updated)				-		
Phased-In Target Minimum Balance (Original)				(73,714)		

Note 1: Annual increase in operating reserve transfer (rounded up to the nearest thousand)

-25.0% 0.0% 0.0% -50.0%

Summary of Capital Reserve Transfers and Forecast Tax Levy Impact

- The impact of the increase on the 2022 tax levy is \$560,050, or 3.6%.
- Increased reserve transfers are required in the future order to carry out planned capital projects and minimize debt levels.
- Newly issued debt in future years will impact the tax levy when the payments commence.
- The capital forecast has been balanced so that the impact of the increased reserve transfers and debt are fairly evenly distributed over the next five years.

Summary of Capital Reserve Transfers and Forecast Tax Levy Impact



Reserve	2021 Budget	2022 Draft Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
IT	113,100	132,000	212,000	149,000	127,000	121,000
Fire	315,000	423,000	466,000	630,000	536,000	542,000
Facilities	338,700	425,000	680,000	748,000	748,000	561,000
Roads	2,361,950	2,477,000	2,477,000	2,551,000	2,806,000	3,002,000
Fleet	403,000	469,000	484,000	499,000	514,000	545,000
Cemeteries	28,600	33,000	66,000	47,000	47,000	47,000
Parks	61,600	68,000	272,000	463,000	626,000	783,000
Planning	72,000	72,000	72,000	72,000	72,000	72,000
Drainage	19,000	19,000	15,000	15,000	15,000	8,000
Tax Levy Supported Capital Reserve Transfers	3,712,950	4,118,000	4,744,000	5,174,000	5,491,000	5,681,000
Increase over prior year	169,965	405,050	626,000	430,000	317,000	190,000
Wastewater	741,007	888,372	973,000	983,000	993,000	1,003,000
Water	641,297	931,753	1,002,000	1,013,000	1,024,000	1,035,000
Water/Wastewater Rate Supported Capital Reserve Transfers	1,382,304	1,820,125	1,975,000	1,996,000	2,017,000	2,038,000
Grand Total Capital Reserve Transfers	5,095,254	5,938,125	6,719,000	7,170,000	7,508,000	7,719,000
Estimated Tax Levy Supported Debt Payments on Newly Issued Debt				127,727	319,928	618,656
Increase over prior year				127,727	192,201	298,728
Increase in Tax Levy Supported Capital Reserve Transfers Above	169,965	405,050	626,000	430,000	317,000	190,000
Expenditures not capital under PSAB shifted to operating budget		155,000				
Increase in Tax Levy Supported Debt Payments Above				127,727	192,201	298,728
Estimated Tax Levy Increase from Capital - \$		560,050	626,000	557,727	509,201	488,728
Estimated Tax Levy Increase from Capital - %		3.6%	4.0%	3.6%	3.2%	3.1%

Note that the tax levy increase from capital does not take into consideration other budget adjustments which are part of the operating budget, or additional tax revenues generated from growth within the Town. This is only an isolation of the impact of the capital forecast on the tax levy needs in the future based on the current capital forecast.

Budget Open House Requests on September 13, 2021

Budget Requests	Decision Made
Pelham Active Transportation Committee: <ul style="list-style-type: none"> Requested 2 summer students for assistance with the preparation of the web and print based information, update maps, the development and delivery of pedestrian and cycling programming and trail maintenance. 	<ul style="list-style-type: none"> Total cost is \$28,000 of which \$15,000 is included in the 2022 budget and GIS coordinator can update maps for web information.
Gypsy Moth Delegation Request: <ul style="list-style-type: none"> Requested for more funds allocated to Gypsy Moth spraying for an additional 181 hectares. Current operating budget is \$150,000 for gypsy moth management; this would bring it to \$316,000. 	<ul style="list-style-type: none"> The additional \$166,000 requested is not included in the 2022 budget.
Pickle Ball Delegation Request: <ul style="list-style-type: none"> Requested 6 pickle ball courts at Centennial Park 	<ul style="list-style-type: none"> The cost for 6 pickle ball courts is \$479,800. Grant application to Ontario Trillium Foundation was submitted on September 28, 2021. Project will proceed if funding is received.

Budget Open House Requests on September 13, 2021

Budget Requests	Decision Made
Pelham Minor Baseball Association: <ul style="list-style-type: none">Centennial Park Diamond 2 requires foul ball netting. The existing diamond is lit but is not ideal for hardball play due to the incidence of foul balls hit into neighbouring properties. The addition of foul ball netting will allow for hard ball play and increased use of the field.	<ul style="list-style-type: none">Total cost is \$25,000 which is included in the 2022 Park Capital budget to be funded from reserves.
Pelham Minor Baseball Association: <p>Requested installation of batting cage at Centennial Park for training purposes.</p>	<ul style="list-style-type: none">The cost of \$40,000 is included in the 2022 Park Capital budget but it is red-circled for grant funding. If a grant is received, this project will move forward.

Questions?



Recommendation:

THAT Committee receive the 2022 Capital Budget presentation by the Treasurer, Deputy Treasurer and Director of Public Works, for information;

AND THAT Committee receive the ten-year capital forecast, for information;

AND THAT Committee recommend to Council to approve the 2022 Capital Budget, at their meeting scheduled for December 20th, 2021.