

Town of Pelham

2026 Approved Capital Budget



-  General Governance
-  Corporate Services
-  Fire and By-Law Services
-  Public Works
-  Recreation, Culture and Wellness
-  Planning and Development

Town of Pelham

2026 Capital Budget

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2026 Capital Budget



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Capital Budget Overview



Overview

The 2026 Capital Budget has been prepared reviewing all the capital needs and prioritizing them based on following categories: Economic Prosperity; Enhance Quality of Life & Culture; Environmental Conditions; Financial Conditions; Health & Safety Conditions; Innovative; Legal & Regulatory Conditions; and Operational & Internal Conditions. The net increase in transfers to tax funded reserve and reserve funds is \$310,000. These reserve and reserve fund transfers help achieve the targets as set out in the Reserve and Reserve Fund Policy.

The 2026 capital projects total \$43,243,697, which includes water and wastewater capital projects. These projects will be funded by \$8,892,602 in reserve transfers, \$8,000,000 from debt, \$700,000 from parkland dedication funds, \$4,555,757 from development charges, and \$21,095,338 from grant requests. Of the total, approximately \$24.6 million is allocated to major infrastructure projects supported by the Housing Enabling Water Systems Fund (HEWSF) grant (\$16.9 million), awarded to the Town in 2025. While these projects are consolidated within the 2026 budget for approval purposes, delivery will be phased over the 2026–2029 period in alignment with operational requirements..

There are capital projects from 2025 and earlier that will be completed in 2026. There is cash set aside in the reserves for these projects.

The capital schedules include the 2026 detailed capital requests and the 10-year capital plan. The Town's Asset Management Plan was updated to include all assets, service levels and lifecycle costing needs. Each year, the Town reviews its 10-year capital forecast as part of the budget process and updates the projects based on updated information for budget, timing and necessity.

Capital Asset Management Plan

The Town completed its Capital Asset Management Plan by July 1, 2025, covering all municipal assets, proposed levels of service, and lifecycle costing as required under O.Reg. 588/17. The Asset Management plan will be used to prioritize decision making regarding the future capital budgets.

Capital Budget Overview



Capital Grants

The Capital Grants Summary lists the grants for capital projects in 2026. The Town has secured a \$16.9 million Housing Enabling Water Systems Fund (HEWSF) grant. This is a significant achievement that allows the Town to complete major infrastructure projects that otherwise would have been deferred due to financing constraints. Confirmed grants in 2026 are funding \$19,362,838 of capital projects. Additionally, there are \$1,732,500 of capital projects pending applications and waiting final funding approval.

Corporate Services - Information Technology

The projects identified in information technology support the Town's information network, electronic communications, software applications, financial systems, and hardware requirements. The Town strives to stay current with technologies and applications to ensure that optimal customer service is provided to its customers. The new priorities for 2026 include equipment renewal, software and firewall upgrades, and video surveillance equipment for MCC. The total request is \$339,000.

Fire and By-Law Services

Fire and By-Law Services provides protection services to the Town of Pelham residents. Maintaining and supporting the Town in the protection of people and property corresponds to a Town priority within the Strategic Plan. The equipment listed for replacement includes the replacement of bunker gear, training and service vehicles, and incident support trailer. The total request is \$350,000.

Public Works - Facilities

Town facilities and structures are required to support the needs of the community. The two largest projects include, Fire Station 1 expansion and rehabilitation, and Outdoor Pool rehabilitation, totaling \$9.2 million. There are also a total of 4 projects for Old Pelham Town Hall and Quaker house upgrades that are red circled pending grant approval. The total request is \$10,457,000.

Public Works - Park Facilities

Park Facilities provides many services to the Community that enhances the quality of life for its residents. The three largest projects include; East Fonthill Parkland Development, Saffron meadows Park Development and Playground Equipment, totaling \$2.0 million. Two projects (Parks LED light upgrade and Spur Line Trail improvement) are red circled pending grant approval. The total request is \$3,128,000.

Capital Budget Overview



Public Works - Roads

The Roads Department provides services throughout the Town that enhances the quality of life for its residents. One of the priorities is to ensure that the Town's infrastructure is maintained at levels that meet the needs. Major infrastructure projects proposed for 2026 include Merritt Road Urbanization for \$4,976,064; Station Street Urbanization for \$7,100,000; College and Emmett St Urbanization for \$3,653,356; Road Rehabilitation for \$1,250,000; and Stormwater Facility maintenance for \$750,000. Approximately \$11.9 million in approved grant funding is being utilized to fund these projects. The total request is \$18,594,600.

Public Works - Fleet

Vehicles are essential to many of the services that the Town provides including snow clearing, mowing, culvert repairs, asphalt repairs etc. In order to provide these services, the Town must ensure that equipment is in good repair and can support the needs of the community. The largest project in 2026 is a Loader for \$350,000. The total request is \$400,000.

Public Works - Cemeteries

The Town operates two active cemeteries, Hillside and Fonthill and one inactive cemetery, Hansler. The majority of the needs of the cemetery are met within the operating budget annually. However, capital expenditures can arise as a result of changes to the sites or new infrastructure requirements. The total request is \$135,000.

Community Planning and Development

Studies requested within Community Planning and Development provide the framework of all Town development and growth. The only project in 2026 is the Employment & Residential Land Study for \$100,000.

Municipal Drainage

Repairs and Maintenance are regularly required for the Town's drains. Staff has developed a maintenance and repair schedule to forecast when the works will be done. The schedule also highlights when billing will occur for the works. The Town is responsible for any expenses related to lands owned by the Town that benefit from the drain. The total request for 2026 is \$200,000.

Capital Budget Overview



Public Works - Wastewater

Wastewater infrastructure projects are typically tied to roads-related projects. In addition, the Wastewater projects identified correspond to capital items needed to maintain the system to meet legislated requirements. The major projects are for Merritt Rd sewer main and Foss Rd sanitary upgrades, totaling \$6.1 million. The projects are utilizing the HEWSF grant for \$4.4 million. The total request is \$7,037,270.

Public Works - Water

Water infrastructure projects are typically tied to roads-related projects. In addition, the water projects correspond to capital items needed to maintain the system to meet legislated requirements. The major projects are Emmet St & College St new watermain, and Merritt Rd new watermain, totaling \$2.1 million. These projects are utilizing \$1.6 million of HEWSF grant. The total request is \$2,502,827.

Debentures

A new Capital Financing and Debt Management Policy was approved in 2020 and updated in 2024. There are 7 Debt-Related financial indicators in this policy. The Town is at moderate risk with one of the indicators: Debt Servicing Cost as a Percentage of Own Source Revenues. This indicator is flagging the risk that the debt servicing is consuming a higher portion of the operating budget and may constrain the funding that is available for other service delivery. As a result of this moderate risk debt-related indicator, the Town is not able to respond as quickly to other increased expenditure requirements because a higher portion of its revenue is used for debt. The Town's financial indicators have also been provided from 2021 to 2024. A number of the indicators have been improving due to increased transfers to reserves and restraint in taking out new debt. The establishment of the debt repayment reserve also helps the Town better manage its cashflows for new debt issue by minimizing the impact on tax levy.

Capital project FAC 01-26 Fire Station 1 Expansion and rehabilitation, requires the issuance of \$1,871,400 in new DC debt and \$6,128,600 in Tax levy debt (Total \$8,000,000). Although the debt is budgeted in 2026, the actual timing of debt issue will vary based on project completion date and final cost. The DC portion of the debt will be serviced by the DC revenues. The Tax levy portion of the debt will be fully covered by contributions from the debt repayment reserve and will not increase the tax levy.

The graph in the debt section shows the projected Debt Charges as a Percentage of Net Revenues at 9.2% for 2026. With all of the capital projects forecasted, and with

Capital Budget Overview



planned increases in reserve transfers, the percentage will decrease slightly but stay fairly steady in the next 10 years, but it will not exceed the 25% maximum. The Capital Financing and Debt Management Policy was updated in 2024 to further reduced the internal debt limit. The internal debt limit is now 12% (down from 15%) until 2029; and 10% from 2030 onwards (no change). The current projected 10-year capital forecast shows that the Town will remain below its internal debt limit for the remainder of the 10-year forecast. The Town reviews its 10-year capital plan annually and makes adjustments based on new information. Increased reserve contributions and available grant funding in future will help mitigate the risk of increased debt in the future.

Reserves and Reserve Funds

A new Reserve and Reserve Fund policy was approved in 2020. This policy will assist with long-term financial stability and planning. The Town's operating budget includes reserve transfers for operating and capital budgets. The total capital projects funded from reserves for 2026 is \$7,475,457 from the tax levy supported reserves and \$1,417,145 from the rate supported (water and wastewater) reserves.

All 10-year reserve forecasts are included behind the capital sections. The Town has been increasing contributions to the reserve from operating budget to help address the infrastructure funding gap. The long-range reserve forecasts indicated that reserve contributions from the operating budget still need to increase in future years in order to meet the targets set out in the Reserve and Reserve Fund Policy.

In 2026, the Town is contributing approximately \$310,000 more towards capital reserve transfers from the operating budget. Having a steady and predictable increase in these contributions will move the Town towards a sustainable funding model for its infrastructure needs and help reduce debt levels by limiting the future borrowing.

A 10-year reserve forecast summary has been prepared to illustrate the long-range financial planning of the Town.

Conclusion

The Town continues to face the inflationary challenges with regards to certain capital projects. The infrastructure funding gap will continue to increase without a steady increase in contribution to the Reserves.

2026 Capital Budget Summary

	Requested	Funding						
		Grants	Reserve Transfers	Parkland Dedication	Development Charges	Debenture	DC Debenture	Total Funding
Tax Levy Supported								
Information Technology	339,000	-	339,000	-	-	-	-	339,000
Fire & By-Law Services	350,000	-	350,000	-	-	-	-	350,000
Facilities	10,457,000	1,109,100	1,161,200	-	186,700	6,128,600	1,871,400	10,457,000
Park Facilities	3,128,000	1,540,000	398,000	700,000	490,000	-	-	3,128,000
Roads	18,594,600	11,919,967	4,392,257	-	2,282,376	-	-	18,594,600
Fleet	400,000	-	400,000	-	-	-	-	400,000
Cemeteries	135,000	-	135,000	-	-	-	-	135,000
Community Planning & Development	100,000	-	100,000	-	-	-	-	100,000
Municipal Drainage	200,000	-	200,000	-	-	-	-	200,000
Total Tax Levy Capital Requests	33,703,600	14,569,067	7,475,457	700,000	2,959,076	6,128,600	1,871,400	33,703,600

2026 Capital Budget Summary

	Requested	Funding						
		Grants	Reserve Transfers	Parkland Dedication	Development Charges	Debenture	DC Debenture	Total Funding
Water and Wastewater Rate Supported								
Wastewater	7,037,270	4,954,707	859,759	-	1,222,804	-	-	7,037,270
Water	2,502,827	1,571,564	557,386	-	373,877	-	-	2,502,827
Total Water and Wastewater Capital Requests	9,540,097	6,526,271	1,417,145	-	1,596,681	-	-	9,540,097
Total Capital Requests - Tax Levy and Water and Wastewater Rate Supported	43,243,697	21,095,338	8,892,602	700,000	4,555,757	6,128,600	1,871,400	43,243,697



Capital Grants Summary

Project #	Project Name	Total Grants	Approved Grants	Grants Pending	Grant Description	Comments
FAC 05-26	OPTH - 50% Repair and Repointing of Brick	96,250	-	96,250	Rural Ontario Development Grant	Grant pending approval.
FAC 07-26	Replace siding, windows and doors at Quaker house	59,500	-	59,500	Rural Ontario Development Grant	Grant pending approval.
FAC 08-26	Model Railway Building - Woodlanding and Stairs	10,500	-	10,500	Rural Ontario Development Grant	Grant pending approval.
FAC 11-26	OPTH Floors & Windows	26,250	-	26,250	Rural Ontario Development Grant	Grant pending approval.
FAC 14-26	Outdoor Pool Rehabilitation	916,600	916,600	-	ICIP: Community Culture and Recreation Stream.	Renovations to Outdoor Pool
RD 01-26	Merrit Rd Urbanization (HEWSF)	3,632,527	3,632,527	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.



Capital Grants Summary

Project #	Project Name	Total Grants	Approved Grants	Grants Pending	Grant Description	Comments
RD 02-26	Station Street Urbanization - (HEWSF)	5,183,000	5,183,000	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
RD 03-26	College St & Emmett St Urbanization (HEWSF)	1,609,440	1,609,440	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
RD 09-26	Road Rehabilitation Program	900,000	900,000	-	Ontario Community Infrastructure Fund (OCIF)	Long-Term agreement in place and allocation is known.
RD 10-26	Stormwater Facility Maintenance	595,000	595,000	-	Canada Community-Building Fund (CCBF)	Long-Term agreement in place and allocation is known.
PRK 01-26	East Fonthill Parkland Development	1,000,000	-	1,000,000	Nature Infrastructure Fund	Grant pending approval.
PRK 07-26	Parks LED light upgrade - Centennial Park Tennis C	190,000	-	190,000	Search or eligible grants	Search or eligible grants



Capital Grants Summary

Project #	Project Name	Total Grants	Approved Grants	Grants Pending	Grant Description	Comments
PRK 08-26	Pedestrian Bridge - Steve Bauer Trail	150,000	-	150,000	Active Transportation Fund: Housing, Infrastructure and Communities Canada (HICC)	Grant pending approval.
PRK 09-26	Spur Line Trail Improvement	200,000	-	200,000	Active Transportation Fund: Housing, Infrastructure and Communities Canada (HICC)	Grant pending approval.
WST 01-26	Merritt Road New Sewer Main (HEWSF)	1,554,098	1,554,098	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
WST 04-26	Foss Road Sanitary Upgrades (HEWSF)	2,920,000	2,920,000	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
WST 05-26	College & Emmett new Wastewater (HEWSF)	480,609	480,609	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.



Capital Grants Summary

Project #	Project Name	Total Grants	Approved Grants	Grants Pending	Grant Description	Comments
WTR 01-26	Emmett St & College - New Watermain (HEWSF)	560,710	560,710	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
WTR 02-26	Merritt Rd New Watermain (HEWSF)	1,010,854	1,010,854	-	Housing Enabling Water Systems Fund	Approved \$16.9 million grant, pending final updates to projects.
Total Grants		<u>21,095,338</u>	<u>19,362,838</u>	<u>1,732,500</u>		

Information Technology

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
IT 01-26	Annual Equipment PSAB adds/replacements	Critical: To maintain our computer replacement asset schedule and plan for hardware that will no longer be supported by vendor and software systems.	To maintain our computer replacement schedule and plan for end of life 'EOL' hardware. Latest software requirements are placing more demand on increasing computer processing thresholds.	45,000
IT 02-26	Innovation Technology	An account to support an innovative technological trend or product.	Critical: Possibilities to improve internal efficiencies using software applications or hardware resources.	50,000
IT 03-26	Recreation Management Software - Upgrades	Critical: New add-on modules will increase customer user experience when registering for programs and booking facilities. Application will allow for digital sign in for various programs and events and simplify all registration activities thus decreasing wait-times for those individuals who are registering on-site.	Additional modules to add to our existing Recreation Management Software to increase bookings and enrollments online using our current website and customized mobile app.	30,000

Information Technology

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
IT 01-26	Annual Equipment PSAB adds/replacements	-	45,000	-	-	-	-	45,000
IT 02-26	Innovation Technology	-	50,000	-	-	-	-	50,000
IT 03-26	Recreation Management Software - Upgrades	-	30,000	-	-	-	-	30,000

Information Technology 2026 Approved Capital Budget Summary



				Approved Budget \$
Project #	Project Name	Description	Justification	
IT 04-26	Voice AI	Critical: AI Agent will be able to provide residents with answers to common inquiries that staff would normally have to answer while on the telephone.	Software application to integrate into our current auto-attendant to allow an AI agent to respond to resident inquiries.	55,000
IT 05-26	Microsoft CoPilot AI	Critical: CoPilot will boost productivity by assisting users draft documents in Word, analyze data in Excel, create presentations in PowerPoint, summarize emails in Outlook, and generate meeting summaries in Teams.	AI assistants are integrated into work apps like Word, Outlook, and Teams to enhance productivity and creativity.	12,000

Information Technology

2026 Approved Capital Budget Summary

		Financing						
Project #	Project Name	Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	Total Financing \$
IT 04-26	Voice AI	-	55,000	-	-	-	-	55,000
IT 05-26	Microsoft CoPilot AI	-	12,000	-	-	-	-	12,000

Information Technology

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
IT 06-26	Endpoint Cyber XDR Software upgrade	Critical: A unified cybersecurity platform that collects, correlates, and analyzes data from multiple security layers—such as endpoints, networks, email, cloud workloads, and identities—to provide a complete view of threats across an organization's entire digital infrastructure. By consolidating security information and using AI-powered automation, XDR enhances the detection, investigation, and response to cyberattacks, helping to minimize alert fatigue and accelerate the resolution of security incidents	Add on module (software applications) to our currently deployed XDR solution. The additional module will greatly increase the detection and protection of our endpoint devices by utilizing modern AI enhancements.	50,000

Information Technology

2026 Approved Capital Budget Summary

		Financing						
Project #	Project Name	Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	Total Financing \$
IT 06-26	Endpoint Cyber XDR Software upgrade	-	50,000	-	-	-	-	50,000

Information Technology

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
IT 07-26	Cisco Network Firewall Upgrade at MCC	Critical: Firewalls are equipped with advanced security features that include intrusion prevention, advanced threat protection and deep packet inspection. Protection against new online cyber threats and offers improved performance over the entire network because they are now designed to handle higher data traffic volumes.	Existing network firewall at the MCC will no longer be supported by vendor due to age of equipment. Equipment that is no longer supported will no longer be able to receive firmware updates and software updates.	12,000
IT 08-26	MCC Cameras	Video surveillance camera upgrade.	To improve safety and operational needs at MCC.	85,000
Total 2026 Approved Budget				339,000

Information Technology

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
IT 07-26	Cisco Network Firewall Upgrade at MCC	-	12,000	-	-	-	-	12,000
IT 08-26	MCC Cameras	-	85,000	-	-	-	-	85,000
Total 2026 Approved Budget		-	339,000	-	-	-	-	339,000

Information Technology Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	339,000	134,000	95,000	111,000	103,400
Total Funding Source	339,000	134,000	95,000	111,000	103,400

Information Technology Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	141,000	126,000	116,000	108,000	116,000
Total Funding Source	141,000	126,000	116,000	108,000	116,000

Information Technology Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
100201 - Annual Equipment PSAB adds/replacements	45,000	-	-	-	-
100202 - Innovation Technology	50,000	-	-	-	-
100203 - Annual Equipment PSAB adds/replacements	-	45,000	-	-	-
100204 - Server Replacement	-	16,000	-	-	-
100205 - Main Core Switch	-	8,000	-	-	-
100206 - ActiveNet Upgrade	-	15,000	-	-	-
100207 - Innovation Technology	-	50,000	-	-	-
100209 - Annual Equipment PSAB adds/replacements	-	-	45,000	-	-
100210 - Innovation Technology	-	-	50,000	-	-
100211 - Annual Equipment PSAB adds/replacements	-	-	-	45,000	-
100212 - Server Replacement	-	-	-	16,000	-
100214 - Innovation Technology	-	-	-	50,000	-
100215 - Annual Equipment PSAB adds/replacements	-	-	-	-	45,000
100216 - Main Core Switch - Town Hall	-	-	-	-	8,400
100217 - Innovation Technology	-	-	-	-	50,000

Information Technology Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
100268 - Recreation Management Software - Upgrades	30,000	-	-	-	-
100269 - Voice AI	55,000	-	-	-	-
100270 - Microsoft CoPilot AI	12,000	-	-	-	-
100271 - Endpoint Cyber XDR Software upgrade	50,000	-	-	-	-
100272 - Cisco Network Firewall Upgrade at MCC	12,000	-	-	-	-
100273 - MCC Cameras	85,000	-	-	-	-
Total Expenditure	339,000	134,000	95,000	111,000	103,400

Information Technology Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
100219 - Annual Equipment PSAB adds/replacements	45,000	-	-	-	-
100220 - Server Replacement	16,000	-	-	-	-
100221 - iCity Upgrade	30,000	-	-	-	-
100222 - Innovation Technology	50,000	-	-	-	-
100223 - Annual Equipment PSAB adds/replacements	-	50,000	-	-	-
100224 - Main Core Switch - Firehall Station 2	-	6,000	-	-	-
100225 - Innovation Technology	-	50,000	-	-	-
100226 - ActiveNet Upgrade	-	20,000	-	-	-
100227 - Annual Equipment PSAB adds/replacements	-	-	50,000	-	-
100228 - Server Replacement	-	-	16,000	-	-
100229 - Innovation Technology	-	-	50,000	-	-
100231 - Annual Equipment PSAB adds/replacements	-	-	-	50,000	-
100232 - Innovation Technology	-	-	-	50,000	-
100233 - Main Core Switch - Arena	-	-	-	8,000	-
100234 - Annual Equipment PSAB adds/replacements	-	-	-	-	50,000

Information Technology Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
100235 - Server Replacement	-	-	-	-	16,000
100236 - Innovation Technology	-	-	-	-	50,000
Total Expenditure	141,000	126,000	116,000	108,000	116,000

Information Technology 10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	147,175	33,803	(117,697)	(56,697)	51,303	151,303
Additions to Reserve						
Contribution from Operating Budget	157,500	187,500	195,000	203,000	211,000	219,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(158,000)					
Estimated Prior Year Projects Completed	(112,872)					
Projected Capital Spending		(339,000)	(134,000)	(95,000)	(111,000)	(103,400)
Projected Reserve (Deficit) - End of Year	33,803	(117,697)	(56,697)	51,303	151,303	266,903
Target Minimum Reserve Balance	134,650					
Target Reserve Balance	269,300					
Phased-In Target Minimum Balance					84,226	
Annual percentage increase in operating reserve transfer			4.0 %	4.0 %	4.0 %	4.0 %
Annual dollar increase in operating reserve transfer		\$ 7,500	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000

Information Technology 10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	266,903	353,903	464,903	594,903	742,903
Additions to Reserve					
Contribution from Operating Budget	228,000	237,000	246,000	256,000	266,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(141,000)	(126,000)	(116,000)	(108,000)	(116,000)
Projected Reserve (Deficit) - End of Year	353,903	464,903	594,903	742,903	892,903
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				109,438	
Annual percentage increase in operating reserve transfer	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
Annual dollar increase in operating reserve transfer	\$ 9,000 \$	9,000 \$	9,000 \$	10,000 \$	10,000

Fire & By-Law Services

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
FD 01-26	Car 2	Fire prevention officer vehicle	Replacement of current vehicle which has passed its useful life	70,000
FD 02-26	Bunker Gear	Fire fighter protective equipment	Replacement of current gear older than 10 years OHS requirement	60,000
FD 03-26	Service Vehicle 2	Fire vehicle for station 2 utility	Replacement of the current utility vehicle which has passed its useful life	75,000
FD 04-26	Training Vehicle 1	Training officer vehicle	Replacement of current vehicle which has passed its useful life	75,000
FD 05-26	Incidents Support Trailer	Support for our firefighters at accident scenes.	For our firefighters to have facilities such as a toilet and a shower, along with rehab.	70,000
Total 2026 Approved Budget				350,000

Fire & By-Law Services

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
FD 01-26	Car 2	-	70,000	-	-	-	-	70,000
FD 02-26	Bunker Gear	-	60,000	-	-	-	-	60,000
FD 03-26	Service Vehicle 2	-	75,000	-	-	-	-	75,000
FD 04-26	Training Vehicle 1	-	75,000	-	-	-	-	75,000
FD 05-26	Incidents Support Trailer	-	70,000	-	-	-	-	70,000
Total 2026 Approved Budget		-	350,000	-	-	-	-	350,000

Fire & By-Law Services

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	350,000	60,000	1,360,000	1,060,000	60,000
Transfer from Deferred Revenues	-	-	-	-	-
Total Funding Source	350,000	60,000	1,360,000	1,060,000	60,000

Fire & By-Law Services

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	2,060,000	45,000	60,000	810,000	645,000
Transfer from Deferred Revenues	-	-	-	-	1,000,000
Total Funding Source	2,060,000	45,000	60,000	810,000	1,645,000

Fire & By-Law Services

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
200120 - Car 2	70,000	-	-	-	-
200133 - Bunker Gear	60,000	-	-	-	-
200135 - Bunker Gear	-	60,000	-	-	-
200137 - Bunker Gear	-	-	60,000	-	-
200138 - SCBA	-	-	700,000	-	-
200139 - Bunker Gear	-	-	-	60,000	-
200140 - Pumper 1	-	-	-	1,000,000	-
200142 - Bunker Gear	-	-	-	-	60,000
200146 - Tanker 1	-	-	600,000	-	-
200165 - Service Vehicle 2	75,000	-	-	-	-
200172 - Training Vehicle 1	75,000	-	-	-	-
200175 - Incidents Support Trailer	70,000	-	-	-	-
Total Expenditure	350,000	60,000	1,360,000	1,060,000	60,000

Fire & By-Law Services

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
200143 - Bunker Gear	60,000	-	-	-	-
200144 - Aerial 1	2,000,000	-	-	-	-
200145 - Bunker Gear	-	45,000	-	-	-
200148 - Bunker Gear	-	-	-	60,000	-
200149 - Bunker Gear	-	-	-	-	45,000
200150 - Pumper 2	-	-	-	-	600,000
200166 - Bunker Gear	-	-	60,000	-	-
200170 - Provision for Vehicles/Equipment	-	-	-	-	1,000,000
200173 - Fire Radio Equipment	-	-	-	750,000	-
Total Expenditure	2,060,000	45,000	60,000	810,000	1,645,000

Fire & By-Law Services 10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	145,840	268,471	471,102	1,012,652	290,652	(93,348)
Additions to Reserve						
Contribution from Operating Budget	532,631	552,631	601,550	638,000	676,000	717,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(410,000)					
Estimated Prior Year Projects Completed	-					
Projected Capital Spending		(350,000)	(60,000)	(1,360,000)	(1,060,000)	(60,000)
Projected Reserve (Deficit) - End of Year	268,471	471,102	1,012,652	290,652	(93,348)	563,652
Target Minimum Reserve Balance	540,750					
Target Reserve Balance	1,081,500					
Phased-In Target Minimum Balance					409,995	
Annual percentage increase in operating reserve transfer			6.0 %	6.0 %	6.0 %	6.0 %
Annual dollar increase in operating reserve transfer			\$ 48,919	\$ 36,450	\$ 38,000	\$ 41,000

Fire & By-Law Services 10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	563,652	(736,348)	24,652	818,652	913,652
Additions to Reserve					
Contribution from Operating Budget	760,000	806,000	854,000	905,000	959,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(2,060,000)	(45,000)	(60,000)	(810,000)	(645,000)
Projected Reserve (Deficit) - End of Year	(736,348)	24,652	818,652	913,652	1,227,652
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				475,372	
Annual percentage increase in operating reserve transfer	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
Annual dollar increase in operating reserve transfer	\$ 43,000	\$ 46,000	\$ 48,000	\$ 51,000	\$ 54,000

Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
FAC 01-26	Fire Station #1 - Expansion and Rehabilitation	Reconstruction of Fire Station #1 at 177 Hwy 20	As reported through PW Report #2024-0119 & PW Report 2024-0190 the existing Fire Station #1 has several structural and operational issues resulting in the need for it's replacement.	8,000,000
FAC 02-26	Municipal Building - interior lighting upgrades	Replacement of existing fluorescent light bulbs with LED equivalent. Does not include fixture replacement.	LED bulbs will contribute to lower energy costs.	10,000
FAC 03-26	Fire Station #2 - upgrade lighting to LED	Replacement of existing fluorescent light bulbs with LED equivalent. Does not include fixture replacement.	LED bulbs will contribute to lower energy costs.	22,000
FAC 04-26	Fire Station #2 - Building Automation System (BAS)	Addition of building automation system (BAS) at Fire Station #2. Includes HVAC control only.	Building Automation Systems contribute to lower energy costs and allow for remote operation of environmental controls.	35,000

Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	DC Debenture \$	Debenture \$	
FAC 01-26	Fire Station #1 - Expansion and Rehabilitation	-	-	-	-	1,871,400	6,128,600	8,000,000
FAC 02-26	Municipal Building - interior lighting upgrades	-	10,000	-	-	-	-	10,000
FAC 03-26	Fire Station #2 - upgrade lighting to LED	-	22,000	-	-	-	-	22,000
FAC 04-26	Fire Station #2 - Building Automation System (BAS)	-	35,000	-	-	-	-	35,000

Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
FAC 05-26	OPTH - 50% Repair and Repointing of Brick	Repair and repoint 50% of the brick at OPTH as outlined as in the building assessment.	Prevents water infiltration, which can lead to serious structural damage. It will also maintain the building's appearance, extend its life, and improve insulation. Current infrastructure is deteriorating in areas.	275,000
FAC 06-26	OPTH - Septic Replacement	Replace OPTH septic system as recommended by the septic tile bed inspection and engineer report.	Critical investment in the health and safety of users, and ensures environmental protection of the surrounding area. Septic issues can create costly property and building damage. The existing system although is functioning, can have issues at any time.	100,000
FAC 07-26	Replace siding, windows and doors at Quaker house	Replace various siding, windows and doors in the Quaker House as recommended by consultants and GNMRE.	Increase energy efficiency, security, and weather protection of the space, ensuring the building can function as needed. Current infrastructure has decreased significantly over time.	170,000

Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	DC Debenture \$	Debenture \$	
FAC 05-26	OPTH - 50% Repair and Repointing of Brick	96,250	178,750	-	-	-	-	275,000
FAC 06-26	OPTH - Septic Replacement	-	100,000	-	-	-	-	100,000
FAC 07-26	Replace siding, windows and doors at Quaker house	59,500	110,500	-	-	-	-	170,000

Facilities

2026 Approved Capital Budget Summary



				Approved Budget \$
Project #	Project Name	Description	Justification	
FAC 08-26	Model Railway Building - Woodlanding and Stairs	Replace woodlanding and stairs in the Quaker House as recommended by consultants and GNMRE.	The current woodlanding and stairs are weathered, and renovating these items will increase safety for users and visitors.	30,000
FAC 09-26	MCC Rubber Floor Replacement	Replace the existing rubber floors located in both arenas at the MCC with a more durable and aesthetically appropriate material.	Existing rubber has significant wear and tear, which can result in safety concerns. Rubber should be replaced to maintain cleanliness and protect users' equipment and skates from damage. Typical replacement time is within 5-10 years of heavy use.	90,000
FAC 10-26	Space Needs Study - Town Hall & MCC	Architectural study into office space needs and layout at municipal facilities	This study will provide the required data for long term planning needs for office space and design for current and future administrative staff at municipal buildings.	50,000
FAC 11-26	OPTH Floors & Windows	Upgrade existing floors in the entrance and repair and upgrade necessary windows at OPTH.	Significant weathering of the main entrance floors.	75,000

Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	DC Debenture \$	Debenture \$	
FAC 08-26	Model Railway Building - Woodlanding and Stairs	10,500	19,500	-	-	-	-	30,000
FAC 09-26	MCC Rubber Floor Replacement	-	90,000	-	-	-	-	90,000
FAC 10-26	Space Needs Study - Town Hall & MCC	-	50,000	-	-	-	-	50,000
FAC 11-26	OPTH Floors & Windows	26,250	48,750	-	-	-	-	75,000

Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
FAC 12-26	HBP - Accessibility upgrades	Improvements to the existing building and access to park amenities at Harold Black Park	May include improvements to existing washroom fixtures, addition of an accessible washroom within the current building envelope, and improvements to the sidewalks and pathways that provide access to trails, sports fields, playgrounds and other park amenities.	300,000
FAC 13-26	Park Signage	Replace existing signage and add new signage throughout the Town.	Current signs are not consistent throughout the Town, and some signage is missing.	30,000
FAC 14-26	Outdoor Pool Rehabilitation	Update and replace the pool, deck and filtration system.	Aging infrastructure as the pool is 60 years old and requires building code and health and safety upgrades.	1,250,000
FAC 15-26	Fonthill Library AC Condenser	Replace two air condition condensers at Fonthill Library.	These assets have reached their end of life and have been assessed to be in poor condition.	20,000
Total 2026 Approved Budget				10,457,000

Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	DC Debenture \$	Debenture \$	
FAC 12-26	HBP - Accessibility upgrades	-	300,000	-	-	-	-	300,000
FAC 13-26	Park Signage	-	30,000	-	-	-	-	30,000
FAC 14-26	Outdoor Pool Rehabilitation	916,600	146,700	-	186,700	-	-	1,250,000
FAC 15-26	Fonthill Library AC Condenser	-	20,000	-	-	-	-	20,000
Total 2026 Approved Budget		1,109,100	1,161,200	-	186,700	1,871,400	6,128,600	10,457,000

Facilities

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	1,161,200	486,000	225,000	80,000	229,000
Grants-Provincial	609,100	-	-	-	-
Grants-Federal	500,000	-	-	-	-
Transfer from Deferred Revenues	186,700	-	888,000	-	-
Unfinanced Capital - Debenture/Lease	6,128,600	-	1,112,000	2,968,000	-
Unfinanced Capital - DC Debt	1,871,400	-	-	2,332,000	-
Total Funding Source	10,457,000	486,000	2,225,000	5,380,000	229,000

Facilities

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	133,000	225,000	-	-	73,000
Grants-Provincial	-	-	-	-	-
Grants-Federal	-	-	-	-	-
Transfer from Deferred Revenues	-	-	-	-	-
Unfinanced Capital - Debenture/Lease	-	-	-	-	-
Unfinanced Capital - DC Debt	-	-	-	-	1,200,000
Total Funding Source	133,000	225,000	-	-	1,273,000

Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300525 - Fire Station #1 - Expansion and Rehabilitation	8,000,000	-	-	-	-
300545 - Municipal Building - interior lighting upgrades	10,000	-	-	-	-
300546 - Tice Road Operations Centre Addition	-	-	-	5,300,000	-
300547 - Concrete & Asphalt Repairs - Various Facilities	-	50,000	-	-	-
300549 - Fire Station #2 - upgrade lighting to LED	22,000	-	-	-	-
300557 - Concrete & Asphalt Repairs-Variou Facilities	-	-	50,000	-	-
300558 - Fire Station #2 - Building Automation System (BAS)	35,000	-	-	-	-
300564 - Concrete & Asphalt Repairs-Variou Facilities	-	-	-	50,000	-
301096 - OPTH - 50% Repair and Repointing of Brick	275,000	-	-	-	-
301098 - OPTH - Septic Replacement	100,000	-	-	-	-
301101 - Replace siding, windows and doors at Quaker house	170,000	-	-	-	-
301113 - Operations Centre - Property Acquisition Place Hol	-	-	2,000,000	-	-
301120 - Operations Centre - Architectural Design	-	250,000	-	-	-

Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
301121 - Town Hall - Carpet Replacement	-	110,000	-	-	-
301123 - 33 Park Lane - Overhead Door Replacement	-	46,000	-	-	-
301124 - Operations Centre - Fence and Gate Replacement	-	-	110,000	-	-
301131 - HBP - Parking Lot Fence Replacement	-	-	35,000	-	-
301140 - Town Hall - TPO Roof Replacement	-	-	-	-	60,000
301141 - 33 Park Lane - Metal Siding Replacement	-	-	-	-	50,000
301144 - Fire Station #2 - On Demand Hot Water Heaters	-	-	-	-	10,000
301146 - Fire Station #2 - Training room AC Unit Replacement	-	-	-	-	9,000
301158 - Model Railway Building - Woodland and Stairs	30,000	-	-	-	-
301170 - Concrete & Asphalt Repairs - Various Facilities	-	-	-	-	50,000
301175 - MCC Rubber Floor Replacement	90,000	-	-	-	-
301181 - Space Needs Study - Town Hall & MCC	50,000	-	-	-	-
301218 - MCC Gym Maintenance	-	-	-	-	20,000
301222 - OPTH Floors & Windows	75,000	-	-	-	-

Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
301235 - HBP - Accessibility upgrades	300,000	-	-	-	-
301236 - Park Signage	30,000	-	-	-	-
301244 - Outdoor Pool Rehabilitation	1,250,000	-	-	-	-
301245 - Park Signage	-	30,000	-	-	-
301246 - Park Signage	-	-	30,000	-	-
301247 - Park Signage	-	-	-	30,000	-
301248 - Park Signage	-	-	-	-	30,000
301266 - Fonthill Library AC Condenser	20,000	-	-	-	-
Total Expenditure	10,457,000	486,000	2,225,000	5,380,000	229,000

Facilities

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300561 - Centennial Park Bldg., (washrooms, Pavilion, chang	-	-	-	-	1,200,000
301151 - Town Hall - Exterior Paint	40,000	-	-	-	-
301152 - Fire Station #2 - Radiant Tube Heater Replacement	20,000	-	-	-	-
301157 - Fire Station #2 - Air Make Up & Ventilator System	10,000	-	-	-	-
301162 - Fire Station #2 - Modified Bitumen Roof Replacemen	-	150,000	-	-	-
301165 - 55 Park Lane - Overhead Door Replacement	-	15,000	-	-	-
301167 - OPTH - Electric Panel Replacement	-	10,000	-	-	-
301171 - Concrete & Asphalt Repairs - Various Facilities	50,000	-	-	-	-
301172 - Concrete & Asphalt Repairs - Various Facilities	-	50,000	-	-	-
301219 - MCC Gym Maintenance	-	-	-	-	25,000
301267 - MCC Refrigeration Plant Main Pump	13,000	-	-	-	-
301268 - MCC Heat Exchanger	-	-	-	-	48,000
Total Expenditure	133,000	225,000	-	-	1,273,000

Facilities

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	310,066	195,243	(343,735)	(223,135)	200,865	814,865
Additions to Reserve						
Contribution from Operating Budget	572,222	622,222	606,600	649,000	694,000	743,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(177,000)					
Estimated Prior Year Projects Completed	(510,045)					
Projected Capital Spending		(1,161,200)	(486,000)	(225,000)	(80,000)	(229,000)
Projected Reserve (Deficit) - End of Year	195,243	(343,735)	(223,135)	200,865	814,865	1,328,865
Target Minimum Reserve Balance	692,000					
Target Reserve Balance	1,384,000					
Phased-In Target Minimum Balance					417,311	
Annual percentage increase in operating reserve transfer			7.0 %	7.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer			\$ (15,622)	\$ 42,400	\$ 45,000	\$ 49,000

Facilities

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	1,328,865	1,990,865	2,616,865	3,527,865	4,502,865
Additions to Reserve					
Contribution from Operating Budget	795,000	851,000	911,000	975,000	1,043,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(133,000)	(225,000)			(73,000)
Projected Reserve (Deficit) - End of Year	1,990,865	2,616,865	3,527,865	4,502,865	5,472,865
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				554,655	
Annual percentage increase in operating reserve transfer	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer	\$ 52,000	\$ 56,000	\$ 60,000	\$ 64,000	\$ 68,000

Roads

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
RD 01-26	Merritt Rd Urbanization (HEWSF)	Complete a Class Environmental Assessment for Merritt Road between Line Ave and Rice Road to determine the preferred road cross section.	Required under the Municipal Class Environmental Assessment legislation and the Municipal Engineers Association	4,976,064
RD 02-26	Station Street Urbanization - (HEWSF)	Full urbanization of Station Street to including new storm sewer, curb and gutter, sidewalks, and pedestrian facilities.	The road requires urbanization as it is within the urban boundary.	7,100,000
RD 03-26	College St & Emmett St Urbanization (HEWSF)	Full urbanization of College St and Emmett St to including new storm sewer, curb and gutter, sidewalks, and pedestrian facilities.	The road requires urbanization as it is within the urban boundary. Pelham St to Station St	3,653,536

Roads

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
RD 01-26	Merrit Rd Urbanization (HEWSF)	3,632,527	403,061	-	940,476	-	-	4,976,064
RD 02-26	Station Street Urbanization - (HEWSF)	5,183,000	575,100	-	1,341,900	-	-	7,100,000
RD 03-26	College St & Emmett St Urbanization (HEWSF)	1,609,440	2,044,096	-	-	-	-	3,653,536

Roads

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
RD 04-26	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 2024	35,000
RD 05-26	Concrete Repair & Replacement Program	This is an annual program to complete repairs to concrete sidewalks within the municipality in accordance with the Town's annual sidewalk inspection program including the removal of trip hazards.	Required to ensure the Town's sidewalks are safe and meet the condition requirements as determined by the Minimum Maintenance Standards.	150,000
RD 06-26	Culvert Replacement Program	Annual program to replace failed culverts in the Town	Maintaining a safe and reliable road network.	100,000

Roads

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
RD 04-26	Bridge/Culvert Appraisal (legislated)	-	35,000	-	-	-	-	35,000
RD 05-26	Concrete Repair & Replacement Program	-	150,000	-	-	-	-	150,000
RD 06-26	Culvert Replacement Program	-	100,000	-	-	-	-	100,000

Roads

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
RD 07-26	Pavement Condition Assessment	This Project is to develop a Pavement Condition Rating and Future Investment needs forecast to initiate an action to maintain or improve the condition of the pavement.	A formal study to allow staff to plan for road rehabilitation and reconstruction projects in the 10 year Capital Plan, based on solid data. The data is compiled to generate a structured inventory of all roads and there condition, including age and rehabilitation history.	50,000
RD 08-26	Road Base and Surface Repair Program	Annual program to complete asphalt patch repairs to roadways within the Town.	Required to extend the useful life of the pavement, maintain the current network PCI and ensure the roads meet the minimum maintenance standards.	300,000
RD 09-26	Road Rehabilitation Program	Annual program to rehabilitate the Road Network in accordance with the Road Needs Study (PCI)	The Roads Needs Study provides a Pavement Condition Index for the existing Road Network and provides the basis for the rehab program.	1,250,000

Roads

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
RD 07-26	Pavement Condition Assessment	-	50,000	-	-	-	-	50,000
RD 08-26	Road Base and Surface Repair Program	-	300,000	-	-	-	-	300,000
RD 09-26	Road Rehabilitation Program	900,000	350,000	-	-	-	-	1,250,000

Roads

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
RD 10-26	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.	750,000
RD 11-26	GPS Unit	This new technology will assist with fieldwork.	This GPS unit will help staff locate and map out the Town's assets along with general surveys to establish grades and elevations.	35,000

Roads

2026 Approved Capital Budget Summary

		Financing						
Project #	Project Name	Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	Total Financing \$
RD 10-26	Stormwater Facility Maintenance	595,000	155,000	-	-	-	-	750,000
RD 11-26	GPS Unit	-	35,000	-	-	-	-	35,000

Roads

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
RD 12-26	Stormwater CLI ECA Requirements	To monitor and inspect the Stormwater network.	This is to assist the Town with its responsibility to monitor, maintain and inspect the Stormwater network and report back to the Ministry.	150,000
RD 13-26	Asset Management Plan Update	To update the Town's Asset Management Plan.	This will reflect the additional updates to the AMP to include information from recent Condition Assessments and surveys.	20,000
RD 14-26	Traffic Calming	Annual program for traffic calming measures.	Annual Traffic Calming Measure throughout the Town.	25,000
Total 2026 Approved Budget				18,594,600

Roads

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
RD 12-26	Stormwater CLI ECA Requirements	-	150,000	-	-	-	-	150,000
RD 13-26	Asset Management Plan Update	-	20,000	-	-	-	-	20,000
RD 14-26	Traffic Calming	-	25,000	-	-	-	-	25,000
Total 2026 Approved Budget		11,919,967	4,392,257	-	2,282,376	-	-	18,594,600

Roads

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	4,392,257	3,196,748	3,888,000	4,348,200	3,676,200
Grants-Provincial	11,324,967	900,000	900,000	900,000	900,000
Grants-Federal	595,000	595,000	595,000	595,000	595,000
Grants- Municipal	-	-	150,000	-	-
Unfinanced Capital - DC Debt	-	-	-	-	2,240,000
Other Revenues	-	1,000,000	-	-	-
Transfer from Deferred Revenues	2,282,376	495,500	-	-	-
Unfinanced Capital - Debenture/Lease	-	-	-	3,800,000	-
Contributions from Developers	-	607,752	-	-	-
Total Funding Source	18,594,600	6,795,000	5,533,000	9,643,200	7,411,200

Roads

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	1,684,000	2,361,571	6,168,000	1,845,000	1,450,000
Grants-Provincial	900,000	900,000	900,000	900,000	900,000
Grants-Federal	595,000	595,000	595,000	595,000	-
Grants- Municipal	-	-	-	-	-
Unfinanced Capital - DC Debt	-	-	-	-	-
Other Revenues	-	-	-	-	-
Transfer from Deferred Revenues	-	1,323,000	747,000	2,450,000	360,000
Unfinanced Capital - Debenture/Lease	-	-	-	-	-
Contributions from Developers	-	-	-	-	-
Total Funding Source	3,179,000	5,179,571	8,410,000	5,790,000	2,710,000

Roads

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300188 - Smart Technology for Street Lights	-	-	-	-	100,000
300583 - Road Rehabilitation - Effingham St: 500m South of	-	485,000	-	-	-
300584 - Burying hydro highway 20 - East Fonthill	-	2,000,000	-	-	-
300588 - Design - Lorimer St: Hurricane to South Limit	-	-	63,000	-	-
300610 - Merrit Rd Urbanization (HEWSF)	4,976,064	-	-	-	-
300619 - Foss Road - Regional Forcemain Sani - Culvert Repl	-	-	-	-	200,000
300635 - Road Reconstruction - Pancake Ln: Pelham St to Hai	-	-	-	3,800,000	-
300642 - Station Street Urbanization - (HEWSF)	7,100,000	-	-	-	-
300647 - Summersides Blvd secondary servicing/landscaping -	-	-	500,000	-	-
300655 - Summersides Blvd secondary servicing/landscaping -	-	-	-	763,200	-
300665 - Road Reconstruction - Canboro: Haist St to Pelham	-	-	-	-	3,200,000
300666 - College St & Emmett St Urbanization (HEWSF)	3,653,536	-	-	-	-

Roads

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300667 - Road Reconstruction - Station St: Hurricane Rd to	-	-	-	-	850,000
300676 - Summersides Blvd secondary servicing/landscaping -	-	-	-	-	763,200
300690 - Bridge/Culvert Appraisal (legislated)	35,000	-	-	-	-
300692 - Concrete Repair & Replacement Program	150,000	-	-	-	-
300693 - Culvert Replacement Program	100,000	-	-	-	-
300697 - Pavement Condition Assessment	50,000	-	-	-	-
300699 - Road Base and Surface Repair Program	300,000	-	-	-	-
300702 - Road Rehabilitation Program	1,250,000	-	-	-	-
300704 - Sign Retro-Reflectivity Assessment	-	30,000	-	-	-
300705 - Stormwater Facility Maintenance	750,000	-	-	-	-
300708 - Concrete Repair & Replacement Program	-	150,000	-	-	-
300709 - Culvert Replacement Program	-	100,000	-	-	-
300710 - Design - Hurricane Rd: Chestnut to Hwy 20	-	250,000	-	-	-
300712 - Road Base and Surface Repair Program	-	300,000	-	-	-
300716 - Road Rehabilitation Program	-	1,250,000	-	-	-
300719 - Stormwater Facility Maintenance	-	300,000	-	-	-
300723 - Concrete Repair & Replacement Program	-	-	150,000	-	-

Roads

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300727 - Road Resurfacing - Top course asphalt on Port Robi	-	500,000	-	-	-
300728 - Culvert Replacement Program	-	-	100,000	-	-
300731 - Road Base and Surface Repair Program	-	-	300,000	-	-
300733 - Road Rehabilitation Program	-	-	1,250,000	-	-
300735 - Sign Retro-Reflectivity Assessment	-	-	30,000	-	-
300736 - Stormwater Facility Maintenance	-	-	300,000	-	-
300742 - Concrete Repair & Replacement Program	-	-	-	150,000	-
300743 - Culvert Replacement Program	-	-	-	100,000	-
300746 - Road Base and Surface Repair Program	-	-	-	300,000	-
300748 - Road Rehabilitation Program	-	-	-	1,250,000	-
300750 - Sign Retro-Reflectivity Assessment	-	-	-	30,000	-
300751 - Stormwater Facility Maintenance	-	-	-	300,000	-
300755 - Concrete Repair & Replacement Program	-	-	-	-	150,000
300756 - Culvert Replacement Program	-	-	-	-	100,000
300759 - Road Base and Surface Repair Program	-	-	-	-	300,000
300761 - Road Rehabilitation Program	-	-	-	-	1,250,000
300763 - Sign Retro-Reflectivity Assessment	-	-	-	-	30,000
300767 - Stormwater Facility Maintenance	-	-	-	-	300,000

Roads

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
301067 - Pelham Street & Highway 20 Intersection Street Sca	-	-	350,000	-	-
301069 - RD 12-25 Design - Stella St/John St/Vera Ave Urban	-	-	250,000	-	-
301128 - Maple Street Parking Lot Repaving	-	-	125,000	-	-
301132 - HBP - Asphalt Parking Lot Repaving (20%)	-	-	15,000	-	-
301143 - OPTH - Asphalt Parking Lot Repaving	-	-	-	-	18,000
301187 - Road Rehabilitation - Effingham St: Highway 20 to	-	-	1,250,000	-	-
301237 - Stormwater Master Plan	-	-	-	100,000	-
301238 - Slope Stabilization Center St	-	1,200,000	-	-	-
301239 - Slope Stabilization River Rd 1 Design	-	80,000	-	-	-
301240 - GPS Unit	35,000	-	-	-	-
301241 - Stormwater CLI ECA Requirements	150,000	-	-	-	-
301242 - Asset Management Plan Update	20,000	-	-	-	-
301243 - Traffic Calming	25,000	-	-	-	-
301252 - Slope Stabilization Spencer Lane	-	-	350,000	-	-
301253 - Slope Stabilization River Rd 1 Construction	-	-	-	1,200,000	-
301254 - Slope Stabilization River Rd 2	-	-	350,000	-	-

Roads

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
301255 - Stormwater CLI ECA Requirements	-	150,000	-	-	-
301256 - Stormwater CLI ECA Requirements	-	-	150,000	-	-
301257 - Stormwater CLI ECA Requirements	-	-	-	150,000	-
301258 - Stormwater CLI ECA Requirements	-	-	-	-	150,000
301265 - Churchill St Rd Reconsturction	-	-	-	1,500,000	-
Total Expenditure	18,594,600	6,795,000	5,533,000	9,643,200	7,411,200

Roads

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300582 - Design - Welland: Canboro Rd to E of Balfour	-	124,571	-	-	-
300609 - Road Reconstruction - Balfour, Canboro to Welland	219,000	-	-	-	-
300644 - Pelham St Quaker Rd Reg Rd 20 traffic control - Me	-	-	-	-	400,000
300695 - Road Reconstruction - Lorimer St: Hurricane to Sou	630,000	-	-	-	-
300713 - Road Reconstruction - Hurricane Rd: Chestnut to Hw	-	-	2,190,000	-	-
300737 - Road Reconstruction - Haist Crt: Haist St to limit	-	260,000	-	-	-
300738 - Road Reconstruction - Orchard Pl: Haist St to limi	-	450,000	-	-	-
300771 - Concrete Repair & Replacement Program	150,000	-	-	-	-
300772 - Culvert Replacement Program	100,000	-	-	-	-
300774 - Pavement Condition Assessment	30,000	-	-	-	-
300776 - Road Base and Surface Repair Program	300,000	-	-	-	-
300778 - Road Rehabilitation Program	1,250,000	-	-	-	-
300780 - Rural Transportation Network Safety Review	20,000	-	-	-	-
300781 - Sign Retro-Reflectivity Assessment	30,000	-	-	-	-

Roads

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300782 - Stormwater Facility Maintenance	300,000	-	-	-	-
300786 - Concrete Repair & Replacement Program	-	150,000	-	-	-
300787 - Culvert Replacement Program	-	100,000	-	-	-
300790 - Road Base and Surface Repair Program	-	300,000	-	-	-
300792 - Road Rehabilitation Program	-	1,250,000	-	-	-
300794 - Sign Retro-Reflectivity Assessment	-	30,000	-	-	-
300795 - Stormwater Facility Maintenance	-	300,000	-	-	-
300799 - Concrete Repair & Replacement Program	-	-	150,000	-	-
300800 - Culvert Replacement Program	-	-	60,000	-	-
300803 - Road Base and Surface Repair Program	-	-	300,000	-	-
300805 - Road Rehabilitation Program	-	-	1,250,000	-	-
300807 - Sign Retro-Reflectivity Assessment	-	-	30,000	-	-
300808 - Stormwater Facility Maintenance	-	-	300,000	-	-
300812 - Concrete Repair & Replacement Program	-	-	-	150,000	-
300813 - Culvert Replacement Program	-	-	-	60,000	-
300816 - Road Base and Surface Repair Program	-	-	-	300,000	-
300818 - Road Rehabilitation Program	-	-	-	1,250,000	-
300820 - Sign Retro-Reflectivity Assessment	-	-	-	30,000	-
300821 - Stormwater Facility Maintenance	-	-	-	300,000	-

Roads

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300825 - Concrete Repair & Replacement Program	-	-	-	-	150,000
300826 - Culvert Replacement Program	-	-	-	-	60,000
300828 - Residential Traffic Calming Initiative	-	-	-	-	20,000
300829 - Road Base and Surface Repair Program	-	-	-	-	300,000
300831 - Road Rehabilitation Program	-	-	-	-	1,250,000
300833 - Sign Retro-Reflectivity Assessment	-	-	-	-	30,000
300834 - Stormwater Facility Maintenance	-	-	-	-	300,000
301070 - Road Reconstruction - Stella/John/Vera	-	-	-	3,500,000	-
301161 - Fire Station #2 - Asphalt Parking Lot Repaving	-	175,000	-	-	-
301194 - Canboro Road - Garner Ave to Balfour St semi urban	-	-	900,000	-	-
301195 - Canboro Road - Garner Ave to Balfour St traffic co	-	-	230,000	-	-
301198 - Balfour Street	-	1,890,000	-	-	-
301217 - Welland: Canboro Rd to E of Balfour - Recons	-	-	2,800,000	-	-
301249 - Concrete & Asphalt Repairs - Various Facilities	-	-	50,000	-	-

Roads

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
301250 - Concrete & Asphalt Repairs - Various Facilities	-	-	-	50,000	-
301251 - Concrete & Asphalt Repairs - Various Facilities	-	-	-	-	50,000
301259 - Stormwater CLI ECA Requirements	150,000	-	-	-	-
301260 - Stormwater CLI ECA Requirements	-	150,000	-	-	-
301261 - Stormwater CLI ECA Requirements	-	-	150,000	-	-
301262 - Stormwater CLI ECA Requirements	-	-	-	150,000	-
301263 - Stormwater CLI ECA Requirements	-	-	-	-	150,000
Total Expenditure	3,179,000	5,179,571	8,410,000	5,790,000	2,710,000

Roads

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	2,039,953	367,146	(1,068,811)	(1,102,559)	(1,574,559)	(2,267,759)
Additions to Reserve						
Contribution from Operating Budget	2,866,300	2,956,300	3,163,000	3,416,000	3,655,000	3,911,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(2,499,251)					
Estimated Prior Year Projects Completed	(2,039,856)					
Projected Capital Spending		(4,392,257)	(3,196,748)	(3,888,000)	(4,348,200)	(3,676,200)
Projected Reserve (Deficit) - End of Year	367,146	(1,068,811)	(1,102,559)	(1,574,559)	(2,267,759)	(2,032,959)
Target Minimum Reserve Balance	2,891,000					
Target Reserve Balance	5,782,000					
Phased-In Target Minimum Balance					1,629,073	
Annual percentage increase in operating reserve transfer			7.0 %	8.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer			\$ 206,700	\$ 253,000	\$ 239,000	\$ 256,000

Roads

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	(2,032,959)	507,041	2,665,470	1,379,470	4,758,470
Additions to Reserve					
Contribution from Operating Budget	4,224,000	4,520,000	4,882,000	5,224,000	5,590,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(1,684,000)	(2,361,571)	(6,168,000)	(1,845,000)	(1,450,000)
Projected Reserve (Deficit) - End of Year	507,041	2,665,470	1,379,470	4,758,470	8,898,470
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				2,260,036	
Annual percentage increase in operating reserve transfer	8.0 %	7.0 %	8.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer	\$ 313,000	\$ 296,000	\$ 362,000	\$ 342,000	\$ 366,000

Fleet

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
VEH 01-26	48" Zero Turn Mower (Replaces Unit 505 - 2011 Kubo)	Purchase of a 48" Zero Turn Turf Mower to replace Unit 505 (2011 Kubota)	The existing unit has reached the end of it's useful life and the replacement is based on it's age and condition.	25,000
VEH 02-26	60" Zero Turn Mower (Replaces Unit 506 - 2011 Kubo)	Purchase of a 48" Zero Turn Turf Mower to replace Unit 506 (2011 Kubota)	The existing unit has reached the end of it's useful life and the replacement is based on it's age and condition. A 48" mower deck provides the greatest operational flexibility for use at all locations.	25,000
VEH 03-26	Loader - (Replaces Unit 523 - 2006 Cat 924)	Replacement of an existing fleet unit at the end of it's life	High hour unit with several mechanical issues and very poor over all condition	350,000
Total 2026 Approved Budget				400,000

Fleet

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
VEH 01-26	48" Zero Turn Mower (Replaces Unit 505 - 2011 Kubo	-	25,000	-	-	-	-	25,000
VEH 02-26	60" Zero Turn Mower (Replaces Unit 506 - 2011 Kubo	-	25,000	-	-	-	-	25,000
VEH 03-26	Loader - (Replaces Unit 523 - 2006 Cat 924)	-	350,000	-	-	-	-	350,000
Total 2026 Approved Budget		-	400,000	-	-	-	-	400,000

Fleet

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	400,000	772,000	805,000	292,000	205,000
Transfer from Deferred Revenues	-	-	201,000	190,000	370,000
Total Funding Source	400,000	772,000	1,006,000	482,000	575,000



Fleet

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	110,000	115,000	75,500	623,000	8,000
Transfer from Deferred Revenues	-	-	-	-	500,000
Total Funding Source	110,000	115,000	75,500	623,000	508,000

Fleet

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300891 - Wood Chipper (Replaces unit 708 - 2010 Vermeer BC1	-	65,000	-	-	-
300897 - Tractor with Snow Plow and Salt Spreader (growth r	-	-	-	190,000	-
300906 - Small SUV Replaces 105 - 2012 Ford Super Cab	-	-	-	62,000	-
300909 - Leaf Vacuum Trailer (Replaces 2014 Trac-Vac)	-	5,000	-	-	-
300910 - Tandem Axle Combination Snow Plow & Spreader (Repl	-	475,000	-	-	-
300920 - Hydro-Vac Trailer (Replaces unit 714 - 2010 Vermeer	-	-	100,000	-	-
300922 - 48" Zero Turn Mower (Replaces Unit 505 - 2011 Kubo	25,000	-	-	-	-
300923 - 60" Zero Turn Mower (Replaces Unit 506 - 2011 Kubo	25,000	-	-	-	-
300924 - Park Maintenance Tractor 4x4 (Replaces Unit 507 -	-	60,000	-	-	-
300925 - Loader - (Replaces Unit 523 - 2006 Cat 924)	350,000	-	-	-	-
300926 - Backhoe (Replaces unit 504 - 2010 John Deere 310J)	-	-	250,000	-	-

Fleet Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300931 - Van with Utility Body - (Replaces unit 225 - 2012	-	150,000	-	-	-
300933 - Lawn Mower (Replaces unit 530 - 2015 John Deere X7	-	17,000	-	-	-
300936 - Small SUV Replaces unit 004 - 2017 Ford Escape	-	-	60,000	-	-
300937 - Small SUV - Building Department Replaces unit 005	-	-	60,000	-	-
300938 - Van with utility shelving Replacement unit 133 - 2	-	-	60,000	-	-
300939 - Turf Mower (Replaces unit 526 - Kubota GF1800 48")	-	-	25,000	-	-
300940 - Turf Mower (Replaces unit 527 - Kubota GF1800 60")	-	-	25,000	-	-
300941 - Ice Resurfacer (Replaces Unit 712 - 2018 Unit) Sch	-	-	200,000	-	-
300942 - Slip In Poly Tank (Replaces 2016 Purchase)	-	-	25,000	-	-
300945 - Small SUV - Building Department (end of 2018 lease	-	-	-	60,000	-
300946 - Small SUV - Facilities Department (end of 2018 lea	-	-	-	60,000	-

Fleet Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
300947 - Work Truck with Landscape Box (end of 2018 lease)	-	-	-	110,000	-
300952 - Work Truck Facilities (end of 2019 lease)	-	-	-	-	65,000
300953 - Work Truck Facilities (end of 2019 lease)	-	-	-	-	65,000
300955 - Pick Up Truck	-	-	-	-	65,000
300957 - Compact SUV	-	-	-	-	65,000
300959 - Work Truck 4x4 Roads (end of 2019 lease)	-	-	-	-	75,000
301202 - 60" Mower - New Crew required due to growth	-	-	25,000	-	-
301203 - 48" Mower - New crew due to growth	-	-	25,000	-	-
301204 - Landscape Trailer - New crew due to growth	-	-	13,000	-	-
301205 - Pickup Truck - New crew due to growth	-	-	57,000	-	-
301206 - 16FT Mower Deck - New crew required due to growth	-	-	26,000	-	-
301207 - 50 hp Tractor for bulk mowing - New crew due to gr	-	-	55,000	-	-
301209 - Small Compactor Truck (Garbage Pick-up) Due to Gro	-	-	-	-	240,000
Total Expenditure	400,000	772,000	1,006,000	482,000	575,000

Fleet

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300904 - Crew-Cab Truck with Landscape Box (replaces unit 1	-	-	-	75,000	-
300905 - Wood Chipper (Replaces Unit 708 - 2010 Vermeer BC1	-	-	-	50,000	-
300911 - Shoring Box Trailer (Replaces unit 717 - 2009 Dave	-	11,000	-	-	-
300951 - Baseball Diamond Grooming Machine (Replaces 2022 P	-	-	-	28,000	-
300954 - Small Grader for Shouldering and snow removal (Add	-	-	-	-	200,000
300956 - Street Sweeper with Hydro-Vac Capability (addition	-	-	-	-	300,000
300962 - Small SUV Building (Replaces Unit 104 - 2009 Ford	55,000	-	-	-	-
300963 - Small SUV By-Law (Replaces Unit 101 - 2009 Ford Ra	55,000	-	-	-	-
300966 - 60" Turf Mower (Replaces 2020 Purchase)	-	17,000	-	-	-
300967 - 72" Turf Mower (Replaces 2020 Purchase)	-	17,000	-	-	-
300969 - Road Patrol Vehicle (Replaces 2019 Purchase)	-	70,000	-	-	-

Fleet Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
300972 - Vehicle Pressure Washer - Replaces 2018 unit Repla	-	-	10,500	-	-
300973 - Combination Snow Plow & Spreader Unit Replaces Tr	-	-	-	350,000	-
300976 - Work Truck (Replaces Truck 129 - 2008 Dodge 1500)	-	-	-	65,000	-
300977 - Work Truck (Replaces Truck 127 - 2006 Ford F-150)	-	-	65,000	-	-
300981 - Small SUV Replaces 105 - 2012 Ford Super Cab	-	-	-	50,000	-
300983 - Leaf Vacuum Trailer (Replaces 2024 Purchase)	-	-	-	5,000	-
300991 - Landscape Trailer (Replaces 2020 Purchase)	-	-	-	-	8,000
Total Expenditure	110,000	115,000	75,500	623,000	508,000

Fleet

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	1,639,952	373,462	529,472	352,472	184,472	574,472
Additions to Reserve						
Contribution from Operating Budget	536,010	556,010	595,000	637,000	682,000	730,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(723,000)					
Estimated Prior Year Projects Completed	(1,079,500)					
Projected Capital Spending		(400,000)	(772,000)	(805,000)	(292,000)	(205,000)
Projected Reserve (Deficit) - End of Year	373,462	529,472	352,472	184,472	574,472	1,099,472
Target Minimum Reserve Balance	668,600					
Target Reserve Balance	1,337,200					
Phased-In Target Minimum Balance					521,031	
Annual percentage increase in operating reserve transfer			7.0 %	7.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer		\$ 38,990	\$ 42,000	\$ 45,000	\$ 48,000	

Fleet

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	1,099,472	1,770,472	2,491,472	3,310,972	3,645,972
Additions to Reserve					
Contribution from Operating Budget	781,000	836,000	895,000	958,000	1,025,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(110,000)	(115,000)	(75,500)	(623,000)	(8,000)
Projected Reserve (Deficit) - End of Year	1,770,472	2,491,472	3,310,972	3,645,972	4,662,972
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				594,815	
Annual percentage increase in operating reserve transfer	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %
Annual dollar increase in operating reserve transfer	\$ 51,000	\$ 55,000	\$ 59,000	\$ 63,000	\$ 67,000

Cemeteries

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
CEM 01-26	Fonthill and Hillside Cemeteries - entry features	Entry Features for Cemetery	In accordance with the Cemetery Master Plan 2010	65,000
CEM 02-26	Fonthill Cemetery Columbarium	Construction of an additional Columbarium at the Fonthill Cemetery	The existing Columbarium is nearing full capacity and a new Columbarium is required to continue providing internments of this nature.	70,000
Total 2026 Approved Budget				135,000

Cemeteries

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
CEM 01-26	Fonthill and Hillside Cemeteries - entry features	-	65,000	-	-	-	-	65,000
CEM 02-26	Fonthill Cemetery Columbarium	-	70,000	-	-	-	-	70,000
Total 2026 Approved Budget		-	135,000	-	-	-	-	135,000

Cemeteries

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	135,000	62,000	120,000	75,000	-
Total Funding Source	135,000	62,000	120,000	75,000	-



Cemeteries

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	50,000	35,000	90,000	-	-
Total Funding Source	50,000	35,000	90,000	-	-



Cemeteries

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
400016 - Hillside Cemetery - cremation garden, pedestrian I	-	-	120,000	-	-
400018 - Hillside Cemetery - yard buffering / reflective ar	-	39,000	-	-	-
400019 - Fonthill and Hillside Cemeteries - entry features	65,000	-	-	-	-
400020 - Fonthill Cemetery - Mausoleum Crypt repairs - FCA	-	23,000	-	-	-
400021 - Fonthill Cemetery - roof replacement Mausoleum - F	-	-	-	75,000	-
400026 - Fonthill Cemetery Columbarium	70,000	-	-	-	-
Total Expenditure	135,000	62,000	120,000	75,000	-

Cemeteries

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
400023 - Cemeteries Master Plan Update	50,000	-	-	-	-
400024 - Hillside Cemetery Section Expansion (North/West Co	-	35,000	-	-	-
400028 - Fonthill Cemetery Columbarium	-	-	90,000	-	-
Total Expenditure	50,000	35,000	90,000	-	-

Cemeteries

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	295,750	260,076	155,076	124,076	36,076	(5,924)
Additions to Reserve						
Contribution from Operating Budget	30,000	30,000	31,000	32,000	33,000	34,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(42,000)					
Estimated Prior Year Projects Completed	(23,674)					
Projected Capital Spending		(135,000)	(62,000)	(120,000)	(75,000)	
Projected Reserve (Deficit) - End of Year	260,076	155,076	124,076	36,076	(5,924)	28,076
Target Minimum Reserve Balance	54,150					
Target Reserve Balance	108,300					
Phased-In Target Minimum Balance					108,300	
Annual percentage increase in operating reserve transfer			4.0 %	4.0 %	3.0 %	4.0 %
Annual dollar increase in operating reserve transfer		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

Cemeteries

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	28,076	13,076	14,076	(38,924)	(924)
Additions to Reserve					
Contribution from Operating Budget	35,000	36,000	37,000	38,000	40,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(50,000)	(35,000)	(90,000)		
Projected Reserve (Deficit) - End of Year	13,076	14,076	(38,924)	(924)	39,076
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				108,300	
Annual percentage increase in operating reserve transfer	3.0 %	3.0 %	4.0 %	3.0 %	4.0 %
Annual dollar increase in operating reserve transfer	\$ 1,000 \$	1,000 \$	1,000 \$	1,000 \$	2,000

Park Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
PRK 01-26	East Fonthill Parkland Development	Develop the detailed design and plans for East Fonthill Park.	Creating an intentional design plan for this new proposed park is important to ensure it meets the surrounding community's need and that it is safe and welcoming.	1,150,000
PRK 02-26	Saffron Meadows Park Development	Develop and implement Saffron Meadows Park.	Developing and implementing Saffron Meadows Park is essential to meet the growing community needs and provides an opportunity for neighbors to meet and connect with one another.	500,000
PRK 03-26	North Pelham Multi Purpose Court redevelopment	Redevelop the existing multipurpose court in North Pelham Park for additional recreational opportunities.	The current multipurpose court has vegetation growing through the concrete and multiple cracks. Equipment is rusting and rundown, and the court itself is not heavily utilized in its current state.	400,000

Park Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
PRK 01-26	East Fonthill Parkland Development	1,000,000	-	-	150,000	-	-	1,150,000
PRK 02-26	Saffron Meadows Park Development	-	-	500,000	-	-	-	500,000
PRK 03-26	North Pelham Multi Purpose Court redevelopment	-	200,000	200,000	-	-	-	400,000

Park Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
PRK 04-26	Peace Park Bandshell - upgrade lighting	Replacement of existing lighting fixtures & LED upgrade in the Peace Park Bandshell.	Planned replacement based on the condition of the lighting fixtures within the Peace Park Bandshell building envelope. Upgrading to LED lighting will also contribute to lower energy costs. FCA Critical 2024.	5,000
PRK 05-26	General Park Furniture (Benches/Picnic Tables/Rece	Annual replacement and implementation of park furniture.	Replace existing damaged/weathered furniture for safety and new for new areas/development.	20,000
PRK 06-26	Playground Equipment - Saffron Meadows park	Playground design/development (DC Study)	Playground design/development for Saffron Meadows Park required for new community.	350,000
PRK 07-26	Parks LED light upgrade - Centennial Park Tennis C	Upgrade and replace lights at Centennial Park	Replace lights and upgrade to LED for energy efficiency/sustainability. Continuous operational issues with the existing lights and require replacement.	190,000
PRK 08-26	Pedestrian Bridge - Steve Bauer Trail	Repair/replace the pedestrian bridge along Steve Bauer Trail	Bridge is currently in poor condition and requires repair/replacement.	150,000

Park Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
PRK 04-26	Peace Park Bandshell - upgrade lighting	-	5,000	-	-	-	-	5,000
PRK 05-26	General Park Furniture (Benches/Picnic Tables/Rece	-	20,000	-	-	-	-	20,000
PRK 06-26	Playground Equipment - Saffron Meadows park	-	10,000	-	340,000	-	-	350,000
PRK 07-26	Parks LED light upgrade - Centennial Park Tennis C	190,000	-	-	-	-	-	190,000
PRK 08-26	Pedestrian Bridge - Steve Bauer Trail	150,000	-	-	-	-	-	150,000

Park Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
PRK 09-26	Spur Line Trail Improvement	Trail will allow for a connection to the Great Circle Route.	2026 Budget Open House request by Active Transportation Committee.	200,000
PRK 10-26	Centennial Park Baseball Diamond 3	To convert the current baseball diamond to a full size regulation diamond.	2026 Budget Open House request by Pelham Minor baseball.	40,000
PRK 11-26	Dog Molocks	Purchase and installation of dog waste receptacles at 3 municipal locations.	The strategic installation and operation of dog waste containers will contribute to the diversion of organic waste from area landfills. Collected dog waste is converted to energy at a waste to energy facility. Dog waste represents the largest percentage of waste by weight collected from municipal waste receptacles.	30,000
PRK 12-26	MCC Blinds	Replacement of blinds in Community Rooms.	Damage to blinds from programs/activities and needs replacing.	25,000

Park Facilities

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
PRK 09-26	Spur Line Trail Improvement	200,000	-	-	-	-	-	200,000
PRK 10-26	Centennial Park Baseball Diamond 3	-	40,000	-	-	-	-	40,000
PRK 11-26	Dog Molocks	-	30,000	-	-	-	-	30,000
PRK 12-26	MCC Blinds	-	25,000	-	-	-	-	25,000

Park Facilities

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
PRK 13-26	Fencing - North Pelham & Centennial Park	Install fencing around North Pelham Park and Centennial Park Diamond 1.	Fencing is required to secure the fields and to limit damage and usage during non-permitted hours. The fence is essential to maintaining operational efficiency, safeguarding the diamonds from animals, vehicles, and unauthorized access, and preserving their overall integrity.	68,000
Total 2026 Approved Budget				3,128,000



Park Facilities
2026 Approved Capital Budget Summary

		Financing						
Project #	Project Name	Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	Total Financing \$
PRK 13-26	Fencing - North Pelham & Centennial Park	-	68,000	-	-	-	-	68,000
Total 2026 Approved Budget		1,540,000	398,000	700,000	490,000	-	-	3,128,000



Park Facilities

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	398,000	189,000	60,000	350,000	340,000
Grants-Provincial	390,000	835,000	-	-	201,000
Grants-Federal	1,150,000	-	40,000	-	-
Transfer from Deferred Revenues	490,000	240,000	-	665,000	-
Transfer from Deferred Revenues - Parkland Dedicat	700,000	460,000	560,000	160,000	135,000
Total Funding Source	3,128,000	1,724,000	660,000	1,175,000	676,000

Park Facilities Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	60,000	20,000	20,000	35,000	54,000
Grants-Provincial	-	-	-	-	-
Grants-Federal	-	-	-	-	-
Transfer from Deferred Revenues	-	-	-	-	-
Transfer from Deferred Revenues - Parkland Dedicat	310,000	160,000	-	-	-
Total Funding Source	370,000	180,000	20,000	35,000	54,000

Park Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
500197 - East Fonthill Parkland Development	1,150,000	-	-	-	-
500205 - Saffron Meadows Park Development	500,000	-	-	-	-
500211 - Design Build - Harold Black Park Diamond 2 Lightin	-	300,000	-	-	-
500213 - Installation of Community Bulletin Boards	-	-	40,000	-	-
500216 - North Pelham Multi Purpose Court redevelopment	400,000	-	-	-	-
500227 - Centennial Park Cenotaph Restoration	-	-	40,000	-	-
500230 - Hurleston Park - Playground Retrofit	-	-	-	-	160,000
500231 - Harold Black Park Playground Retrofit	-	-	-	-	160,000
500235 - Peace Park Bandshell - upgrade lighting	5,000	-	-	-	-
500236 - North Pelham Park - Playground retrofit	-	-	-	160,000	-
500237 - Centennial Park Playground Retrofit	-	-	-	160,000	-
500238 - Forest Park Development	-	-	400,000	-	-
500239 - General Park Furniture (Benches/Picnic Tables/Rece	20,000	-	-	-	-
500246 - General Park Furniture (Benches/Picnic Tables/Rece	-	20,000	-	-	-
500247 - Woodstream Park Playground Retrofit	-	160,000	-	-	-

Park Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
500250 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	20,000	-	-
500252 - Marlene Stewart Streit Park Playground Retrofit	-	-	160,000	-	-
500253 - Cherry Ridge Park Playground Retrofit	-	-	-	160,000	-
500256 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	-	20,000	-
500260 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	-	-	20,000
500262 - Deferred Project: Skate Park/MSSP Parking Lot Ligh	-	-	-	-	135,000
500300 - OPTH Cenotaph Cleaning and UV Coating	-	9,000	-	-	-
500301 - Civic Square - Design	-	150,000	-	-	-
500511 - MSSP Playground	-	-	-	250,000	-
500519 - Playground Equipment - Forest park	-	-	-	350,000	-
500520 - Playground Equipment - Saffron Meadows park	350,000	-	-	-	-
500523 - Parks LED light upgrade - Centennial Park Soccer #	-	150,000	-	-	-
500524 - Parks LED light upgrade - Centennial Park Pickleba	-	125,000	-	-	-

Park Facilities

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
500525 - Parks LED light upgrade - Centennial Park Tennis C	190,000	-	-	-	-
500527 - Parks LED light upgrade - Centennial Park Ball Dia	-	180,000	-	-	-
500528 - Parks LED light upgrade - Harold Black Park Soccer	-	150,000	-	-	-
500529 - Parks LED light upgrade - Harold Black Park Ball D	-	230,000	-	-	-
500530 - Woodstream Park	-	250,000	-	-	-
500531 - Cherry Ridge Mister	-	-	-	75,000	-
500532 - MSSP Skatepark LED lighting	-	-	-	-	201,000
500537 - Pedestrian Bridge - Steve Bauer Trail	150,000	-	-	-	-
500541 - Spur Line Trail Improvement	200,000	-	-	-	-
500542 - Centennial Park Baseball Diamond 3	40,000	-	-	-	-
500543 - Dog Molocks	30,000	-	-	-	-
500544 - MCC Blinds	25,000	-	-	-	-
500545 - Fencing - North Pelham & Centennial Park	68,000	-	-	-	-
Total Expenditure	3,128,000	1,724,000	660,000	1,175,000	676,000

Park Facilities

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
500215 - Rail Trail Connection to Church St	-	-	-	-	25,000
500223 - Peace Park - roof replacement - FCA Critical 2024	-	-	-	15,000	-
500244 - Rolling Meadows Park - Playground Retrofit	160,000	-	-	-	-
500249 - Pelham Corners Park - Playground Retrofit	-	160,000	-	-	-
500263 - Peace Park Cenotaph Restoration	40,000	-	-	-	-
500264 - General Park Furniture (Benches/Picnic Tables/Rece	20,000	-	-	-	-
500265 - Lookout Park Pavilion	150,000	-	-	-	-
500267 - General Park Furniture (Benches/Picnic Tables/Rece	-	20,000	-	-	-
500269 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	20,000	-	-
500270 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	-	20,000	-
500272 - Cenotaphs - Maintenance and Conservation Treatment	-	-	-	-	9,000
500273 - General Park Furniture (Benches/Picnic Tables/Rece	-	-	-	-	20,000
Total Expenditure	370,000	180,000	20,000	35,000	54,000

Park Facilities

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	338,916	486,212	453,812	652,812	1,003,812	1,089,812
Additions to Reserve						
Contribution from Operating Budget	265,600	365,600	388,000	411,000	436,000	462,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(64,000)					
Estimated Prior Year Projects Completed	(54,304)					
Projected Capital Spending		(398,000)	(189,000)	(60,000)	(350,000)	(340,000)
Projected Reserve (Deficit) - End of Year	486,212	453,812	652,812	1,003,812	1,089,812	1,211,812
Target Minimum Reserve Balance	293,600					
Target Reserve Balance	587,200					
Phased-In Target Minimum Balance					536,706	
Annual percentage increase in operating reserve transfer			6.0 %	6.0 %	6.0 %	6.0 %
Annual dollar increase in operating reserve transfer		\$ 22,400	\$ 23,000	\$ 25,000	\$ 26,000	

Park Facilities

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	1,211,812	1,641,812	2,140,812	2,670,812	3,185,812
Additions to Reserve					
Contribution from Operating Budget	490,000	519,000	550,000	550,000	550,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(60,000)	(20,000)	(20,000)	(35,000)	(54,000)
Projected Reserve (Deficit) - End of Year	1,641,812	2,140,812	2,670,812	3,185,812	3,681,812
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				561,953	
Annual percentage increase in operating reserve transfer	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
Annual dollar increase in operating reserve transfer	\$ 28,000	\$ 29,000	\$ 31,000	-	\$ -

Community Planning & Development 2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
PLN 01-26	Employment & Residential Land Study	Review of the Town's current employment lands and opportunities for future growth	The province has set minimum growth targets for residential and employment. This work will identify the current land base and guide future growth to ensure we are achieving the targets that have been allocated.	100,000
Total 2026 Approved Budget				<u>100,000</u>

Community Planning & Development

2026 Approved Capital Budget Summary

		Financing						
Project #	Project Name	Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	Total Financing \$
PLN 01-26	Employment & Residential Land Study	-	100,000	-	-	-	-	100,000
Total 2026 Approved Budget		-	100,000	-	-	-	-	100,000

Community Planning & Development Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	100,000	100,000	-	-	87,500
Transfer from Deferred Revenues	-	-	-	-	87,500
Total Funding Source	100,000	100,000	-	-	175,000

Community Planning & Development Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	100,000	-	-	100,000	-
Transfer from Deferred Revenues	-	-	60,000	-	-
Total Funding Source	100,000	-	60,000	100,000	-

Community Planning & Development Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
600128 - Official Plan Review and Update	-	-	-	-	175,000
600154 - Employment & Residential Land Study	100,000	-	-	-	-
600157 - Downtown Masterplan	-	100,000	-	-	-
Total Expenditure	100,000	100,000	-	-	175,000

Community Planning & Development Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
600129 - Zoning By-law Review and Update	100,000	-	-	-	-
600131 - Zoning By-law Review and Update	-	-	-	100,000	-
600153 - Development Charge Background Study	-	-	60,000	-	-
Total Expenditure	100,000	-	60,000	100,000	-

Community Planning & Development

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	235,811	14,042	(5,958)	(22,958)	63,042	152,042
Additions to Reserve						
Contribution from Operating Budget	80,000	80,000	83,000	86,000	89,000	93,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(100,000)					
Estimated Prior Year Projects Completed	(201,769)					
Projected Capital Spending		(100,000)	(100,000)			(87,500)
Projected Reserve (Deficit) - End of Year	14,042	(5,958)	(22,958)	63,042	152,042	157,542
Target Minimum Reserve Balance	80,400					
Target Reserve Balance	160,800					
Phased-In Target Minimum Balance					47,221	
Annual percentage increase in operating reserve transfer			4.0 %	4.0 %	4.0 %	4.0 %
Annual dollar increase in operating reserve transfer		\$	3,000 \$	3,000 \$	3,000 \$	4,000

Community Planning & Development

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	157,542	154,542	255,542	360,542	369,542
Additions to Reserve					
Contribution from Operating Budget	97,000	101,000	105,000	109,000	113,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(100,000)			(100,000)	
Projected Reserve (Deficit) - End of Year	154,542	255,542	360,542	369,542	482,542
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				63,811	
Annual percentage increase in operating reserve transfer	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
Annual dollar increase in operating reserve transfer	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000

Municipal Drainage

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
DRN 01-26	Municipal Drain condition assessment	Municipal Drain condition assessment	Condition assessments are carried out on Municipal drains every 5-10 years.	75,000
DRN 02-26	Municipal drain Repairs	Municipal drain Repairs	Spot Repairs on Drains if required.	125,000
Total 2026 Approved Budget				200,000

Municipal Drainage

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
DRN 01-26	Municipal Drain condition assessment	-	75,000	-	-	-	-	75,000
DRN 02-26	Municipal drain Repairs	-	125,000	-	-	-	-	125,000
Total 2026 Approved Budget		-	200,000	-	-	-	-	200,000

Municipal Drainage

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	200,000	-	40,000	-	-
Total Funding Source	200,000	-	40,000	-	-

Municipal Drainage Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	-	40,000	-	-	-
Total Funding Source	-	40,000	-	-	-

Municipal Drainage Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
600135 - Replace Culverts	-	-	40,000	-	-
600155 - Municipal Drain condition assessment	75,000	-	-	-	-
600156 - Municipal drain Repairs	125,000	-	-	-	-
Total Expenditure	200,000	-	40,000	-	-

Municipal Drainage Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
600136 - Replace Culverts	-	40,000	-	-	-
Total Expenditure	-	40,000	-	-	-

Municipal Drainage 10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	91,360	66,360	(113,640)	(92,640)	(110,640)	(87,640)
Additions to Reserve						
Contribution from Operating Budget	20,000	20,000	21,000	22,000	23,000	24,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(40,000)					
Estimated Prior Year Projects Completed	(5,000)					
Projected Capital Spending		(200,000)		(40,000)		
Projected Reserve (Deficit) - End of Year	66,360	(113,640)	(92,640)	(110,640)	(87,640)	(63,640)
Target Minimum Reserve Balance	28,150					
Target Reserve Balance	56,300					
Phased-In Target Minimum Balance					56,300	
Annual percentage increase in operating reserve transfer			4.0 %	3.0 %	3.0 %	4.0 %
Annual dollar increase in operating reserve transfer		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

Municipal Drainage 10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	(63,640)	(38,640)	(52,640)	(25,640)	2,360
Additions to Reserve					
Contribution from Operating Budget	25,000	26,000	27,000	28,000	29,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending		(40,000)			
Projected Reserve (Deficit) - End of Year	(38,640)	(52,640)	(25,640)	2,360	31,360
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance				56,300	
Annual percentage increase in operating reserve transfer	3.0 %	3.0 %	4.0 %	4.0 %	3.0 %
Annual dollar increase in operating reserve transfer	\$ 1,000 \$	1,000 \$	1,000 \$	1,000 \$	1,000

Wastewater

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
WST 01-26	Merritt Road New Sewer Main (HEWSF)	New sanitary for development.	New sanitary sewer to accommodate future development along Merritt.	2,128,902
WST 02-26	Wastewater CLI ECA Requirements	This is an annual project that is used to inspect our sanitary and Storm sewer systems.	The Town's networks are inspected annually to ensure that there are no major deficiencies with our sanitary or storm system.	150,000
WST 03-26	Sanitary Sewer Capital Construction Adjustments an	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.	100,000

Wastewater

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
WST 01-26	Merritt Road New Sewer Main (HEWSF)	1,554,098	-	-	574,804	-	-	2,128,902
WST 02-26	Wastewater CLI ECA Requirements	-	150,000	-	-	-	-	150,000
WST 03-26	Sanitary Sewer Capital Construction Adjustments an	-	100,000	-	-	-	-	100,000

Wastewater

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
WST 04-26	Foss Road Sanitary Upgrades (HEWSF)	Replacement and upsizing of existing sanitary sewer on Foss Road from Church Street to the pumping station	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 Blue Plan 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.	4,000,000
WST 05-26	College & Emmett new Wastewater (HEWSF)	Sanitary upgrade for development.	Update & replace existing sanitary sewer and allow for intensification.	658,368
Total 2026 Approved Budget				7,037,270

Wastewater

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
WST 04-26	Foss Road Sanitary Upgrades (HEWSF)	2,920,000	432,000	-	648,000	-	-	4,000,000
WST 05-26	College & Emmett new Wastewater (HEWSF)	480,609	177,759	-	-	-	-	658,368
Total 2026 Approved Budget		4,954,707	859,759	-	1,222,804	-	-	7,037,270

Wastewater Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	859,759	250,000	250,000	732,500	450,000
Grants-Provincial	4,954,707	-	-	-	-
Transfer from Deferred Revenues	1,222,804	-	-	203,500	-
Unfinanced Capital - DC Debt	-	-	-	-	-
Total Funding Source	7,037,270	250,000	250,000	936,000	450,000

Wastewater Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	250,000	250,000	1,804,500	250,000	1,488,000
Grants-Provincial	-	-	-	-	3,500,000
Transfer from Deferred Revenues	140,000	528,000	786,000	-	1,482,000
Unfinanced Capital - DC Debt	-	-	1,259,500	-	-
Total Funding Source	390,000	778,000	3,850,000	250,000	6,470,000

Wastewater Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
700188 - Merritt Road New Sewer Main (HEWSF)	2,128,902	-	-	-	-
700196 - Concord upgrade existing	-	-	-	370,000	-
700213 - Wastewater CLI ECA Requirements	150,000	-	-	-	-
700214 - Sanitary Sewer Capital Construction Adjustments an	100,000	-	-	-	-
700217 - Wastewater CLI ECA Requirements	-	150,000	-	-	-
700218 - Sanitary Sewer Capital Construction Adjustments an	-	100,000	-	-	-
700221 - Wastewater CLI ECA Requirements	-	-	150,000	-	-
700222 - Sanitary Sewer Capital Construction Adjustments an	-	-	100,000	-	-
700225 - Wastewater CLI ECA Requirements	-	-	-	150,000	-
700226 - Sanitary Sewer Capital Construction Adjustments an	-	-	-	100,000	-
700229 - Wastewater CLI ECA Requirements	-	-	-	-	150,000
700231 - Sanitary Sewer Capital Construction Adjustments an	-	-	-	-	100,000
700232 - Sanitary Sewer Model - Development Update	-	-	-	-	200,000
700358 - Foss Road Sanitary Upgrades (HEWSF)	4,000,000	-	-	-	-

Wastewater Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
700389 - College & Emmett new Wastewater (HEWSF)	658,368	-	-	-	-
700391 - Churchill St - Wastewater	-	-	-	316,000	-
Total Expenditure	7,037,270	250,000	250,000	936,000	450,000

Wastewater Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
700183 - Deerpark phase 2 upgrade from 350 mm to 450 mm	-	-	-	-	1,200,000
700184 - Welland Road / Deerpark Sanitary Trenchless Rehabi	-	-	-	-	1,270,000
700191 - Welland Rd upgrade existing sewer from 200mm to 30	-	-	1,310,000	-	-
700195 - Hurricane Rd upgrade existing Station to Hwy 20	-	-	2,290,000	-	-
700212 - Provision for potential oversizing	140,000	-	-	-	-
700235 - Wastewater CLI ECA Requirements	150,000	-	-	-	-
700237 - Sanitary Sewer Capital Construction Adjustments an	100,000	-	-	-	-
700240 - Wastewater CLI ECA Requirements	-	150,000	-	-	-
700242 - Sanitary Sewer Capital Construction Adjustments an	-	100,000	-	-	-
700245 - Wastewater CLI ECA Requirements	-	-	150,000	-	-
700247 - Sanitary Sewer Capital Construction Adjustments an	-	-	100,000	-	-
700250 - Wastewater CLI ECA Requirements	-	-	-	150,000	-
700251 - Sanitary Sewer Capital Construction Adjustments an	-	-	-	100,000	-

Wastewater Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
700254 - Wastewater CLI ECA Requirements	-	-	-	-	150,000
700255 - Sanitary Sewer Capital Construction Adjustments an	-	-	-	-	100,000
700377 - Haist Street new sani	-	528,000	-	-	-
700378 - Maple St - Memorial Sanitary Design	-	-	-	-	250,000
700382 - Maple Street and Memorial Drive Sanitary Sewer Ins	-	-	-	-	3,500,000
Total Expenditure	390,000	778,000	3,850,000	250,000	6,470,000

Wastewater 10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	1,911,330	917,453	363,233	807,233	1,549,233	2,145,733
Additions to Reserve						
Contribution from Operating Budget	305,539	305,539	694,000	992,000	1,329,000	1,714,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(210,000)					
Estimated Prior Year Projects Completed	(1,089,416)					
Projected Capital Spending		(859,759)	(250,000)	(250,000)	(732,500)	(450,000)
Projected Reserve (Deficit) - End of Year	917,453	363,233	807,233	1,549,233	2,145,733	3,409,733
Target Minimum Reserve Balance						
Target Reserve Balance	933,839	1,003,877	1,079,167	1,160,105		
Phased-In Target Minimum Balance						
Annual percentage increase in operating reserve transfer			127.0 %	43.0 %	34.0 %	29.0 %
Annual dollar increase in operating reserve transfer			\$ 388,461	\$ 298,000	\$ 337,000	\$ 385,000

Wastewater

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	3,409,733	4,959,733	6,599,733	6,780,233	8,614,233
Additions to Reserve					
Contribution from Operating Budget	1,800,000	1,890,000	1,985,000	2,084,000	2,188,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(250,000)	(250,000)	(1,804,500)	(250,000)	(1,488,000)
Projected Reserve (Deficit) - End of Year	4,959,733	6,599,733	6,780,233	8,614,233	9,314,233
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance					
Annual percentage increase in operating reserve transfer	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
Annual dollar increase in operating reserve transfer	\$ 86,000	\$ 90,000	\$ 95,000	\$ 99,000	\$ 104,000

Water

2026 Approved Capital Budget Summary



Project #	Project Name	Description	Justification	Approved Budget \$
WTR 01-26	Emmett St & College - New Watermain (HEWSF)	Full urbanization of College St and Emmett St to including new storm sewer, curb and gutter, sidewalks, and pedestrian facilities.	The road requires urbanization as it is within the urban boundary.	768,096
WTR 02-26	Merritt Rd New Watermain (HEWSF)	New watermain for development.	New watermain sewer to accommodate future development along Merritt.	1,384,731
WTR 03-26	Watermain Cast Iron replacement Design ph. 1	Watermain Cast Iron replacement Design ph. 1	Various locations of cast iron watermains need replacing throughout the Town.	250,000
WTR 04-26	Water Model Update	Water Model Update	The water model update will include all new watermains installed over the previous years and ensure the assets are all accounted for.	100,000
Total 2026 Approved Budget				2,502,827

Water

2026 Approved Capital Budget Summary

Project #	Project Name	Financing						Total Financing \$
		Grants \$	Reserve Transfers \$	Parkland Dedication \$	Development Charges \$	Other \$	Debenture \$	
WTR 01-26	Emmett St & College - New Watermain (HEWSF)	560,710	207,386	-	-	-	-	768,096
WTR 02-26	Merritt Rd New Watermain (HEWSF)	1,010,854	-	-	373,877	-	-	1,384,731
WTR 03-26	Watermain Cast Iron replacement Design ph. 1	-	250,000	-	-	-	-	250,000
WTR 04-26	Water Model Update	-	100,000	-	-	-	-	100,000
Total 2026 Approved Budget		1,571,564	557,386	-	373,877	-	-	2,502,827

Water

Capital Project Summary - 10 Years



Funding Source	2026	2027	2028	2029	2030
Transfer from Reserve	557,386	740,000	1,380,000	1,492,000	2,076,245
Grants-Provincial	1,571,564	-	-	-	-
Transfer from Deferred Revenues	373,877	-	-	44,000	-
Unfinanced Capital - Debenture/Lease	-	-	-	1,500,000	-
Total Funding Source	2,502,827	740,000	1,380,000	3,036,000	2,076,245

Water

Capital Project Summary - 10 Years



Funding Source	2031	2032	2033	2034	2035
Transfer from Reserve	2,215,000	772,750	436,000	40,000	40,000
Grants-Provincial	-	-	-	-	-
Transfer from Deferred Revenues	-	-	-	-	714,000
Unfinanced Capital - Debenture/Lease	-	-	-	-	-
Total Funding Source	2,215,000	772,750	436,000	40,000	754,000

Water

Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
700282 - Merritt: Pelham St to Line Ave, Watermain Replacem	-	-	-	-	211,245
700285 - Construction: Pancake: Pelham St to Haist St, Wate	-	-	-	1,500,000	-
700291 - Emmett St & College - New Watermain (HEWSF)	768,096	-	-	-	-
700355 - WTR 03-25 Design: Welland: Canboro Rd to E of Balf	-	-	-	55,000	-
700368 - Water Meter Replacement Project - Phase 1	-	-	-	1,000,000	-
700369 - Water Meter Replacement Project - Phase 2	-	-	-	-	1,000,000
700371 - Annual Watermain Replacement 2027	-	490,000	-	-	-
700372 - Annual Watermain Replacement 2028	-	-	1,380,000	-	-
700373 - Annual Watermain Replacement 2029	-	-	-	236,000	-
700379 - Annual Watermain Replacement 2030	-	-	-	-	865,000
700383 - Merritt Rd New Watermain (HEWSF)	1,384,731	-	-	-	-
700386 - Watermain Cast Iron replacement Design ph. 1	250,000	-	-	-	-

Water Capital Project Summary - 10 Years



Expenditure	2026	2027	2028	2029	2030
700387 - Water Model Update	100,000	-	-	-	-
700388 - Watermain Cast Iron replacement Design ph. 2	-	250,000	-	-	-
700390 - Churchill St - Watermain	-	-	-	245,000	-
Total Expenditure	2,502,827	740,000	1,380,000	3,036,000	2,076,245

Water

Capital Project Summary - 10 Years



Expenditure	2031	2032	2033	2034	2035
700278 - Welland: Canboro Rd to E of Balfour, Watermain Rep	-	-	396,000	-	-
700280 - Lorimer Street: Hurricane to South Limit, Watermai	-	171,750	-	-	-
700322 - Hydrant Replacement Projects	-	-	40,000	-	-
700326 - Hydrant Replacement Projects	-	-	-	40,000	-
700328 - Water Meter Replacement Project - Phase 3	1,000,000	-	-	-	-
700331 - Hydrant Replacement Projects	-	-	-	-	40,000
700370 - Line Ave watermain upgrade	-	-	-	-	714,000
700380 - Annual Watermain Replacement 2031	1,215,000	-	-	-	-
700381 - Annual Watermain Replacement 2032	-	601,000	-	-	-
Total Expenditure	2,215,000	772,750	436,000	40,000	754,000

Water

10 Year Projected Reserve Balance



	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	281,767	(299,494)	234,968	815,968	901,968	1,022,968
Additions to Reserve						
Contribution from Operating Budget	1,091,848	1,091,848	1,321,000	1,466,000	1,613,000	1,774,000
Reduction in Reserve						
Estimated 2025 Projects Completed	(662,764)					
Estimated Prior Year Projects Completed	(1,010,345)					
Projected Capital Spending		(557,386)	(740,000)	(1,380,000)	(1,492,000)	(2,076,245)
Projected Reserve (Deficit) - End of Year	(299,494)	234,968	815,968	901,968	1,022,968	720,723
Target Minimum Reserve Balance	269,300					
Target Reserve Balance	1,432,407	1,539,838	1,655,326	1,779,475		
Phased-In Target Minimum Balance						
Annual percentage increase in operating reserve transfer			21.0 %	11.0 %	10.0 %	10.0 %
Annual dollar increase in operating reserve transfer			\$ 229,152	\$ 145,000	\$ 147,000	\$ 161,000

Water

10 Year Projected Reserve Balance



	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	720,723	368,723	1,551,973	3,169,973	5,286,973
Additions to Reserve					
Contribution from Operating Budget	1,863,000	1,956,000	2,054,000	2,157,000	2,265,000
Reduction in Reserve					
Estimated 2025 Projects Completed					
Estimated Prior Year Projects Completed					
Projected Capital Spending	(2,215,000)	(772,750)	(436,000)	(40,000)	(40,000)
Projected Reserve (Deficit) - End of Year	368,723	1,551,973	3,169,973	5,286,973	7,511,973
Target Minimum Reserve Balance					
Target Reserve Balance					
Phased-In Target Minimum Balance					
Annual percentage increase in operating reserve transfer	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
Annual dollar increase in operating reserve transfer	\$ 89,000	\$ 93,000	\$ 98,000	\$ 103,000	\$ 108,000



Debentures and Debt

The Town of Pelham currently has external debt in the form of debentures, issued by the Regional Municipality of Niagara, the upper-tier municipality. The Town has also borrowed short-term funds from the bank.

Existing Debentures

As of December 31, 2025, the Town expects to have outstanding debentures of \$22,199,977. The 2026 Debenture Schedule outlines the projected balance for those debentures at December 31, 2026 as well as the related projects.

Proposed Debentures

The 2026 budget includes \$1.87 million in new DC debt and \$6.13 million in tax levy debt for FAC 01-26 Fire Station 1 expansion and rehabilitation. Although this debt is forecasted for 2026, actual timing of debt issuance will coincide with project completion and determination of final project cost. Principal and Interest payments for DC debt will be covered from development charges revenue and will not impact the tax levy, unless there aren't sufficient DC collections to cover the existing principal and interest payments. The tax levy portion of the debt is fully covered by contributions from the debt repayment reserve and will also not have an impact on tax levy in 2026.

The \$1.0 million debt for the Hospital contribution is an operating debt, and is included in the 2026 operating budget. The principal and interest payments are \$90,571 for 15 years. This amount will appear in the Annual Repayment Limit calculation when this debt is actually issued (anticipated in 2027).

The Town of Pelham's debt servicing costs, as a percentage of net revenues, are not projected to exceed the provincial annual repayment limit is 25% or the Town's internal annual repayment limit of 12%.

Sources of Funding for Debentures

The Town uses different revenue sources to pay for the principal and interest payments on debentures.

Operating Debt is paid for by the tax levy and the principal and interest payments are included in the operating budget.

MCC Donation Pledge Debt will be paid in part by donation pledges for the Meridian Community Centre (MCC), but will become operating debt and be paid for by the tax levy at the point when debt payments exceed pledges, which is anticipated in 2026.

Parkland Dedication Debt is paid for by the parkland dedication obligatory reserve fund



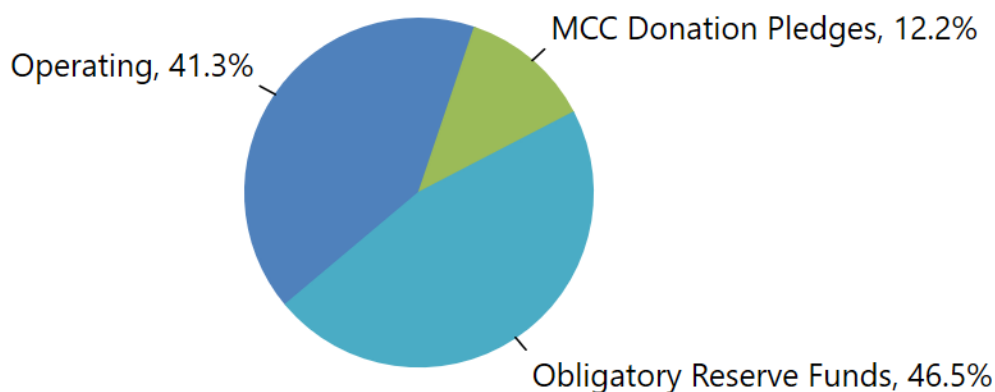
Debentures and Debt

and the principal and interest payments are not included in the operating budget. The projection of the reserve balance over the next ten years is found in the Reserve and Reserve Fund section of the budget.

Development Charge Debt is paid for by the development charge obligatory reserve fund and the principal and interest payments are not included in the operating budget. The projection of the reserve balance over the next ten years is found in the Reserve and Reserve Fund section of the budget.

As of the beginning of 2026, \$9,167,490, or 41.3% of the existing debentures will be paid for by the tax levy, \$10,322,012, or 46.5% of the existing debentures are paid for by development charges reserve funds, and \$2,710,475 or 12.2% will be paid for by pledged donations to the Meridian Community Centre until the donations are no longer sufficient (estimated in 2025), at which time it will be paid for by the tax levy. Total long-term debt is expected to be \$22,199,977.

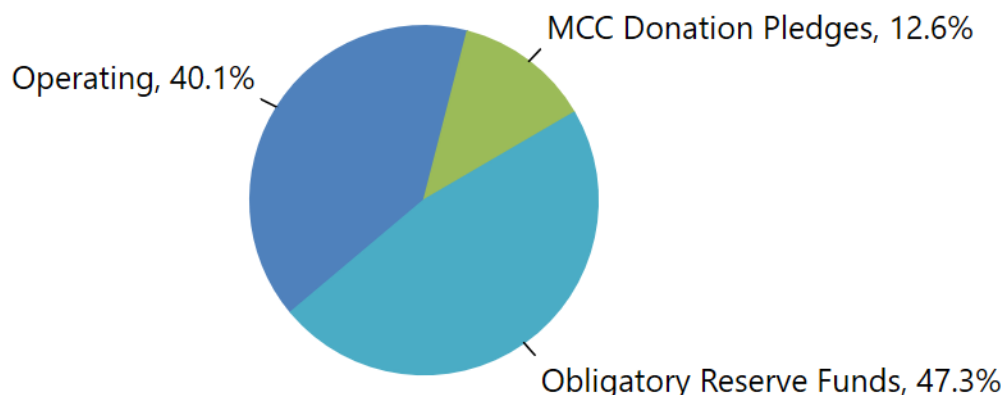
Sources of Funding for Long-Term Debt
as at December 31, 2025



At the end of 2026, \$8,133,390, or 40.1% of the existing debentures will be paid for by the tax levy, \$9,581,091, or 47.3% of the existing debentures are paid for by development charges reserve funds, and \$2,553,625 or 12.6% will be paid for by pledged donations to the Meridian Community Centre. Total long-term debt is expected to be \$20,268,106.



Sources of Funding for Long-Term Debt
as at December 31, 2026



Long-term Debt and the Annual Repayment Limit

Provincial limits on municipal debt are set based on a maximum percentage of "own-source revenues" that may be used to service debt costs (e.g. interest and principal payments) on an annual basis. In Ontario, municipalities may incur long-term debt for municipal infrastructure as long as annual debt payments do not exceed 25% of "own-source" revenues without prior approval of the Ontario Municipal Board (OMB). This is referred to as the Annual Repayment Limit (ARL). The ARL is essentially the maximum amount that a municipality can pay in principal and interest payments in the year for new long-term debt without first obtaining approval from the OMB.

"Own-source" revenues (or "Net Revenues") are determined by the ministry and include items such as property taxes, user fees and investment income. It excludes revenue such as grants, gain/loss on sale of tangible capital assets, and revenue from obligatory reserve funds such as development charges and parkland dedication.

This means that while a significant amount of Pelham's debt is paid for by development charges, the revenue from those development charges is not included in the calculation of the ARL. This helps minimize the amount of risk the municipality can take with respect to debt payments. Because development charge revenue can fluctuate and is not guaranteed, it is not factored into the calculation.

There are two important steps in the ARL process.

First, the Ministry of Municipal Affairs determines each municipalities' limit annually using a formula in the regulation based on the most recent Financial Information Return



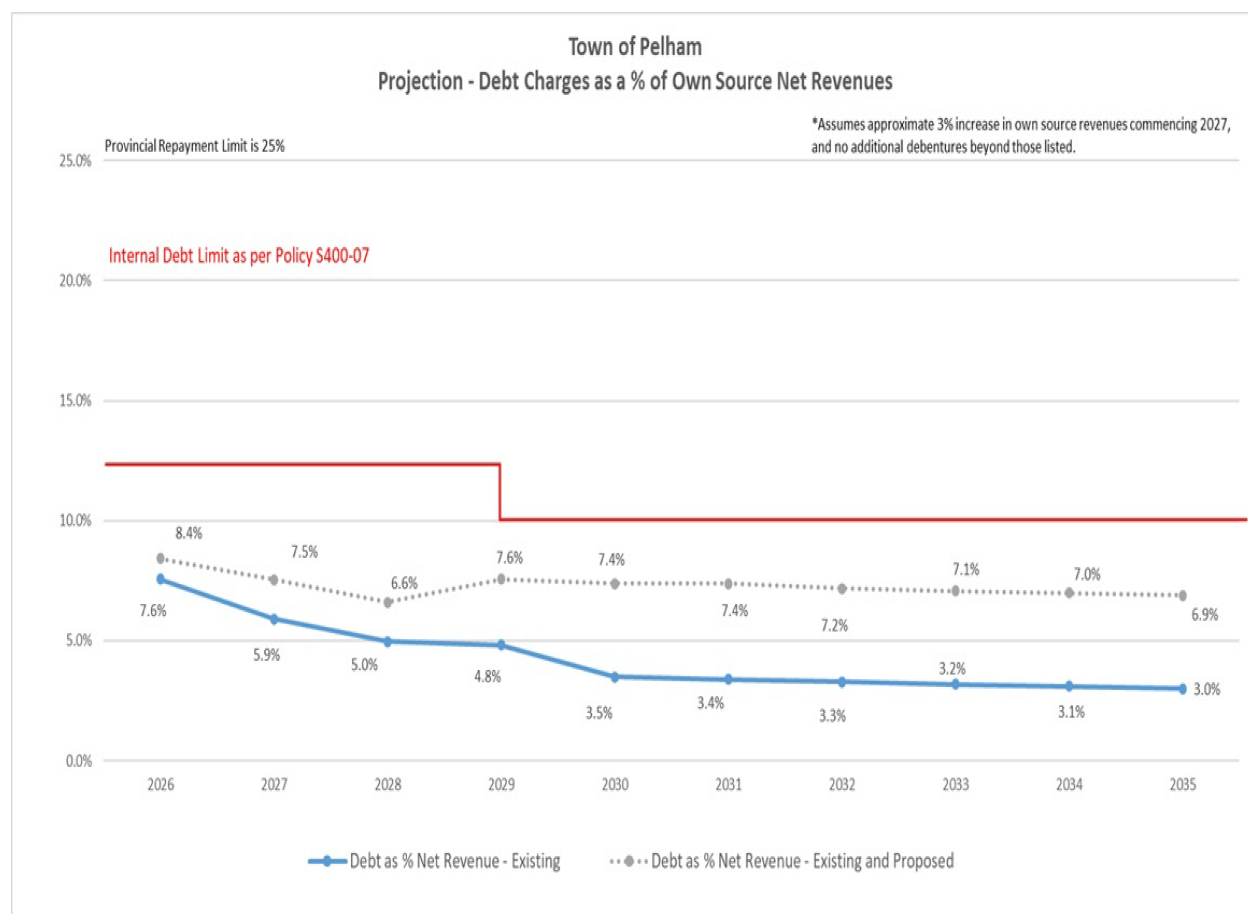
Debentures and Debt

(FIR) available at that time. The Province provides an annual statement for municipalities known as the Annual Repayment Limit Statement, under Ontario Regulation 403/02, outlining the revenue and debt servicing calculations. It calculates 25% of annual "own-source" revenues, subtracts existing debt servicing costs, and the remaining amount is the estimated ARL.

The Town of Pelham's 2025 Annual Repayment Limit Statement, which is based on the 2023 FIR, is found on page 160 . It shows the Town was using \$3.0 million, or 10.2% of Net Revenues to service debt. This calculation was based on existing revenue and debt at that time, and did not include future proposed debt. The estimated ARL, which is the additional amount of principal and interest payments the municipality could incur without OMB approval, was almost \$4.5 million.

Second, according to Section 401(5) of the Municipal Act, the Council of the municipality shall have the Treasurer calculate an updated ARL for any additional approved debt payments and disclose it to Council before any new debt issuance is approved in order to assist Council with decisions regarding capital programs and debt. The ARL must also be updated prior to the undertaking of significant lease agreements, contractual obligations, or liabilities for which payment will be required beyond the term of the present Council. A projected update of the ARL is presented below.

Debentures and Debt



This projection is based on a number of assumptions based on the best information available at this time. For 2026, the estimated net revenues are taken from the FIR based on the expected results of the 2026 Annual Repayment Limit Statement. Interest rates on debt are estimated at an average of 4.5%.

The projection assumes a half-year principal and interest payment in the year the debenture is issued because debentures have historically been issued mid-year.

For 2026, the projected net revenues take into consideration the incremental tax revenue increase and a 3% increase in own source revenues is assumed thereafter.

The dotted line at the top of the graph is a projection of debt as a percentage of net revenues if the 10-year budget forecast were carried out in the future. This is provided for information purposes, and none of these capital projects, nor the associated debt



Debentures and Debt

have been approved by Council. The Treasurer recommends grants and other sources of funding as an alternative to debt wherever possible.

In 2024, Pelham Town Council approved amendments to Policy S400-07, which establishes guiding principles, primary objectives, key management and administrative responsibilities, and standards of care for the prudent financing of the Town's operating and capital needs. The original policy included an internal debt limit, which is lower than the provincial limit. The internal limit is lowered to 12% from 2025-2029 and 10% from 2030 and onwards. These limits are also depicted on the graph.

The 2026 capital plan is compliant with Policy S400-07 because future year projects beyond 2026 have not been approved by Council, and future forecasted debt remains below the allowable limit. The Town is actively working on aligning the Asset Management Plan to the 10-year capital forecast and will be able to better evaluate the timing of capital projects and associated funding as they approach.

Short-term Borrowing

The Town has a line of credit with a \$11.5 million limit, however there is currently no outstanding balance.

Operating Leases

The Town currently has no Lease Financing Agreements as defined in Policy S400-07. The existing leases, while operating in nature, are listed in the Fleet Capital Budget. They are for five summer vehicles, two tractors with snowplows, two sport utility vehicles, and a heavy duty work truck.

Capital Forecast

The current capital forecast indicates the following debt will be taken out in the next five years (assuming debt is issued in the budget year when the project is completed)

2026	\$8.00 Million
2028	\$1.10 Million
2029	\$10.60 Million
2030	\$2.24 Million
2032	\$1.26 Million



Debentures and Debt

None of this debt has been approved by Council, nor is it being approved in the 2026 capital budget; it is forecast from 2026 to 2035 based on capital requirements in excess of reserves and reserve funds available in the future. As part of the capital budget exercise, all projects will be reviewed annually for required timing and alternative funding options.

Financial Indicators

It is required under Policy S400-07 that the budget include a report on financial indicators, including those listed in Appendix B of the Policy. Details regarding the indicators and how they are calculated can be found in the policy.

The financial indicators are included at the end of this report. In addition to the comparison to other Niagara municipalities, the indicators have been presented for Pelham from 2021 to 2024 for trend analysis.

The Town's Debt Servicing Cost as a percentage of Own-Source Revenues is 9%, which is classified as moderate risk and is significantly higher than other Niagara municipalities. The current capital forecast estimates that the Town's debt will remain fairly steady, peaking at 9.9% in 2029. The debt would exceed the Internal Debt Limit throughout the 10 year forecast.

Pelham's Debt Service Coverage Ratio, which measures its ability to service debt with recurrent operating cash flows, is 2.37 which is listed as low, and is an improvement over the prior year ratio of 2.24. In 2018 the ratio was 1.01 which was almost in the high risk category. This means that the Town improved its flexibility to adjust to changing expenditure needs because a lower portion of its cash flows are needed to pay for debt. If the Town takes out additional debt in the future at a faster rate than its revenues are increasing, the ratio will decrease and become higher risk. Alternatively, if the Town can increase its revenues at a faster rate than its debt payments, the ratio will increase and become lower risk.

The Town's Debt to Reserve Ratio compares the amount of debt taken out which will need to be funded in the future versus the amount that has been put into reserves to provide for the future. Pelham's ratio is over 2.24, which means that debt to be funded in the future is over two times higher than reserves available for the future. This is a slight improvement over last year's ratio of 2.65. The current capital plan is not expected to improve this ratio, because more debt would be taken out, from 2026 onwards, while the reserves are not expected to increase significantly. Most other Niagara municipalities are below 1, which means they have more reserves than debt, and three of them have a debt to reserve ratio of approximately 1 to 2.



Debentures and Debt

Pelham's Debt per Capita is \$1,334, which is higher than the other lower tier municipalities in Niagara, with an average of \$629 (excluding Pelham). This is an improvement from last year's ratio however, the current capital forecast includes increasing debt in the next few years, so the per capita debt will likely increase if the current plan is followed.

The Town's Net Financial Assets (Net Debt) as a percentage of Own-Source Revenues is -23% which means that the Town will need future revenues to pay for existing debt. This is partially because almost half of the Town's debt is funded by development charges, which are based on future growth paying for infrastructure that is needed presently. The Town is in the low risk category, similar to most other Niagara municipalities. The percentage has improved from the prior year, which was -33%. The current capital plan would not improve this percentage significantly because additional debt is required.

Pelham's Reserves and Reserve Funds as a Percentage of Operating Expenditures is 34% which is considered low risk, and all other Niagara lower tier municipalities are in the low risk category. This ratio is unchanged from last year. This percentage measures the amount of funds that have been set aside for future needs and contingencies.

The Town's Asset Consumption Ratio is 41%, which is in the low risk category along with most Niagara municipalities. However, this ratio is impacted by the MCC, which is a new asset with significant cost, and is not representative of the consumption ratio of other Town assets. For example, the Town's linear assets, which include roads, water, storm sewer and sanitary sewer distribution networks have a consumption ratio of 53% which would be considered moderate risk.

Vehicles have a consumption ratio of 77% which is in the high risk category. Machinery, equipment, furniture and fixtures are at 65% consumption. Because the capital forecast involves increased capital spending (for which debt is required), it would likely improve the asset consumption ratio.

Overall, the Town of Pelham has higher risk debt-related financial indicators than other lower tier municipalities in the Niagara Region.

The impact of the capital forecast on these indicators in the future is dependent on a number of factors, including grant funding from upper levels of government, as well as growth within the Town which would contribute to higher property tax income and improved ratios. There are a number of steps the Town is taking to help address the needs of the capital forecast as well as the associated funding:

1. Policies regarding Reserves and Reserve Funds as well as Capital Financing and Debt Management were approved by Council in 2020. These policies will help



Debentures and Debt

guide the funding allocation of the capital forecast. The Debt Management policy was updated in 2024.

2. The Town has completed its Asset Management Plan which includes all assets, sets services levels and recommends a lifecycle financing strategy. This plan allow the Town to better evaluate the required timing and estimated costs of capital projects and their associated funding. This will inform the required funding from the reserves as well as potential debt requirements.
3. The Town is researching and applying for grants which would alleviate the burden on the reserves and requirements for debt.



Municipal Treasurer's Adjustment of Annual Repayment Projected Limit 2026

Estimated Annual Repayment Limit (ARL), based on submitted 2024 Financial Information Return

2024 Net Revenues	\$ 31,662,459
25% of Net Revenues	7,915,615
Less: 2024 Net Debt charges	(2,972,073)
Unadjusted Estimated ARL	<u>\$ 4,943,542</u>

2024 Net Revenues above	\$ 31,662,459
Add: 2025 Incremental Tax Increase	937,977
Add: Budgeted Incremental Water & Wastewater Increase	720,581
Estimated 2025 Net Revenues for 2027 ARL	<u>\$ 33,321,017</u>

2025 Net Revenues above	\$ 33,321,017
Add: 2026 Incremental Tax Increase	1,373,894
Add: Incremental Water & Wastewater Revenue as per Budget	720,581
Estimated 2026 Net Revenues for 2028 ARL	<u>\$ 35,415,492</u>



Municipal Treasurer's Adjustment of Annual Repayment Projected Limit 2026

	2026 Debt Charges as % Net Revenues	2026	2027	2028	2029	2030
Estimated Net Revenues		\$ 31,662,459	\$ 33,321,017	\$ 35,415,492	\$ 36,477,957	\$ 37,572,296
25% of Net Revenues above		7,915,615	8,330,254	8,853,873	9,119,489	9,393,074
Existing Debt Charges						
Operating	3.70 %	(1,170,830)	(1,134,051)	(925,427)	(925,127)	(476,342)
Development Charges	3.21 %	(1,016,562)	(629,222)	(629,065)	(628,903)	(628,737)
MCC Pledges	0.66 %	(208,325)	(208,297)	(208,268)	(208,239)	(208,209)
Future Potential Debt Charges						
Capital Forecast, Tax Levy Supported	0.65 %	(206,653)	(413,307)	(450,803)	(727,571)	(966,843)
Capital Forecast, DC Supported	0.20 %	(63,103)	(126,205)	(126,205)	(213,528)	(384,728)
Capital Forecast, Rate Supported	- %	-	-	-	(56,168)	(112,336)
Estimated Adjusted ARL		\$ 5,250,142	\$ 5,819,172	\$ 6,514,105	\$ 6,359,953	\$ 6,615,879
Debt Charges as % Net Revenues		8.42 %	7.54 %	6.61 %	7.56 %	7.39 %
Estimated Allowable Borrowing						
7%, 10 years (Illustration Only)		\$ 38,127,000	\$ 42,260,000	\$ 47,306,000	\$ 46,187,000	\$ 48,045,000
5%, 20 years (Illustration Only)		\$ 39,574,000	\$ 43,864,000	\$ 49,102,000	\$ 47,940,000	\$ 49,869,000



Municipal Treasurer's Adjustment of Annual Repayment Projected Limit 2026

	2031	2032	2033	2034	2035
Estimated Net Revenues	\$ 38,699,465	\$39,860,449	\$ 41,056,262	\$ 42,287,950	\$ 43,556,589
25% of Net Revenues above	9,674,866	9,965,112	10,264,066	10,571,988	10,889,147
Existing Debt Charges					
Operating	(476,192)	(476,036)	(475,876)	(475,876)	(475,876)
Development Charges	(628,564)	(628,386)	(628,203)	(628,203)	(628,203)
MCC Pledges	(208,178)	(208,147)	(208,116)	(208,116)	(208,116)
Future Potential Debt Charges					
Capital Forecast, Tax Levy Supported	(966,843)	(966,843)	(966,843)	(966,843)	(966,843)
Capital Forecast, DC Supported	(468,606)	(468,606)	(515,768)	(562,931)	(607,865)
Capital Forecast, Rate Supported	(112,336)	(112,336)	(112,336)	(112,336)	(112,336)
Estimated Adjusted ARL	\$ 6,814,147	\$ 7,104,758	\$ 7,356,924	\$ 7,617,683	\$ 7,889,908
Debt Charges as % Net Revenues	7.39 %	7.18 %	7.08 %	6.99 %	6.89 %
Estimated Allowable Borrowing					
7%, 10 years (Illustration Only)	\$ 49,485,000	\$51,596,000	\$ 53,427,000	\$ 55,321,000	\$ 57,298,000
5%, 20 years (Illustration Only)	\$ 51,364,000	\$53,554,000	\$ 55,455,000	\$ 57,420,000	\$ 59,472,000

Debentures and Debt



Ministry of Municipal Affairs and Housing
777 Bay Street,
Toronto, Ontario M5G 2E5

Ministère des affaires municipales et du logement
777 rue Bay,
Toronto (Ontario) M5G 2E5

2025 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	18405
MUNID:	26028
MUNICIPALITY:	Pelham T
UPPER TIER:	Niagara R
REPAYMENT LIMIT:	\$ 4,455,331

FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

5% Interest Rate		
(a)	20 years @ 5% p.a.	\$ 55,523,275
(a)	15 years @ 5% p.a.	\$ 46,244,815
(a)	10 years @ 5% p.a.	\$ 34,402,887
(a)	05 years @ 5% p.a.	\$ 19,289,253
7% Interest Rate		
(a)	20 years @ 7% p.a.	\$ 47,199,843
(a)	15 years @ 7% p.a.	\$ 40,578,774
(a)	10 years @ 7% p.a.	\$ 31,292,382
(a)	05 years @ 7% p.a.	\$ 18,267,738

Debentures and Debt



DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT (UNDER ONTARIO REGULATION 403/02)			
MUNICIPALITY:	Pelham T	MMAH CODE:	18405
Debt Charges for the Current Year			1 \$
0210	Principal (SLC 74 3099 01)		2,248,375
0220	Interest (SLC 74 3099 02)		806,497
0299		Subtotal	3,054,872
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)		0
9910	Total Debt Charges		3,054,872
Amounts Recovered from Unconsolidated Entities			1 \$
1010	Electricity - Principal (SLC 74 3030 01)		0
1020	Electricity - Interest (SLC 74 3030 02)		0
1030	Gas - Principal (SLC 74 3040 01)		0
1040	Gas - Interest (SLC 74 3040 02)		0
1050	Telephone - Principal (SLC 74 3050 01)		0
1060	Telephone - Interest (SLC 74 3050 02)		0
1099		Subtotal	0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)		0
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)		0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)		0
1420	Total Debt Charges to be Excluded		0
9920	Net Debt Charges		3,054,872
Excluded Revenue Amounts			1 \$
1610	Total Revenue (SLC 10 9910 01)		39,152,827
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)		0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)		2,305,837
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)		926,649
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)		0
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)		355,707
2230	Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)		710,380
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)		-224,003
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)		3,284,682
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)		370,936
2256	Deferred revenue earned (Community Benefits) (SLC 10 1815 01)		0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)		578,758
2253	Other Deferred revenue earned (SLC 10 1814 01)		0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)		164,718
2255	Other Revenue (SLC 10 1890 01 + SLC 10 1891 01 + SLC 10 1892 01 + SLC 10 1893 01 + SLC 10 1894 01 + SLC 10 1895 01 + SLC 10 1896 01 + SLC 10 1897 01 + SLC 10 1898 01)		638,350
2299		Subtotal	9,112,014
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged		0
2610	Net Revenues		30,040,813
2620	25% of Net Revenues		7,510,203
9930	ESTIMATED ANNUAL REPAYMENT LIMIT (25% of Net Revenues less Net Debt Charges)		4,455,331

* SLC denotes Schedule, Line Column.

Page: 02 of 02

Date Prepared:

16-Jun-25



2026 Debenture Schedule

Project	2026 Beginning Year Balance	2026 Debt Proposed	Principal	Interest	2026 Year End Balance	Year Debt Completed
Operating Debt						
Fire Station 1 expansion and rehabilitation	\$ -	\$ 6,128,600	\$ 137,520	\$ 275,787	\$ 5,991,080	2051
Roads - Fenwick Downtown Revitalization	173,648	-	173,647	2,169	-	2026
Facilities - Meridian Community Center	7,215,286	-	241,811	235,084	6,973,475	2046
Facilities - Predevelopment Costs	425,689	-	102,812	8,996	322,877	2028
Roads - East Fonthill Roads Construction	67,987	-	67,986	849	-	2026
Roads - Wellspring Way/Shaw Ave	466,705	-	112,718	9,862	353,987	2029
Roads - Summersides East to Rice Rd	746,664	-	180,333	15,779	566,331	2029



2026 Debenture Schedule

Project	2026 Beginning Year Balance	2026 Debt Proposed	Principal	Interest	2026 Year End Balance	Year Debt Completed
Roads - Summersides Station to Wellspring	71,513	-	17,272	1,511	54,241	2029
Total Operating Debt	\$ 9,167,492	\$ 6,128,600	\$ 1,034,099	\$ 550,037	\$14,261,991	
Debt funded by Development Charges (DC; non-operating)						
Fire Station 1 expansion and rehabilitation	-	1,871,400	41,992	84,213	1,829,408	2051
Roads - Fenwick Downtown Revitalization	260,471	-	260,471	3,203	-	2026
Roads - Port Robinson Reconstruction	95,420	-	95,420	1,173	-	2026
Facilities - Meridian Community Center	9,939,601	-	316,518	312,855	9,623,083	2047
Wastewater - Port Robinson Reconstruction	26,520	-	26,520	326	-	2025
Total Development Charge Debt	\$ 10,322,012	\$ 1,871,400	\$ 740,921	\$ 401,770	\$11,452,491	
Debt funded by MCC Donation Pledges (non-operating)						
Facilities - Meridian Community Center	\$ 2,710,475	\$ -	\$ 156,850	\$ 51,475	\$ 2,553,625	2040



2026 Debenture Schedule

Project	2026 Beginning Year Balance	2026 Debt Proposed	Principal	Interest	2026 Year End Balance	Year Debt Completed
Total MCC Donation Pledge Debt	\$ 2,710,475	\$ -	\$ 156,850	\$ 51,475	\$ 2,553,625	
2026 Total Debt Obligations	\$ 22,199,979	\$ 8,000,000	\$ 1,931,870	\$ 1,003,282	\$28,268,107	

Note 1: The revolving line of credit has been excluded as there is currently no balance outstanding.

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 2026.

Note 3: Fire Station 1 expansion and rehabilitation debt will be issued in 2026, and the full year principal and interest payments are shown above. The actual principal and interest will vary based on the timing of the debt issuance.



Debentures and Debt

Debentures and Debt

Debt-Related Financial Indicators As at December 31, 2024

	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
Moderate Risk	5% to 10%	M	1 to 1.49	M					-50% to -100%	M	10% to 20%	M	0.5 to 0.75
High Risk	Greater than 10%	H	Less than 1	H					Less than -100%	H	Less than 10%	H	Greater than 0.75
Pelham	9%	M	2.37	L	2.24	\$	1,334	-23%	L	34%	L	0.41	
Fort Erie	2%	L	16.27	L	0.14	\$	282	116%	L	108%	L	0.42	
Grimsby	1%	L	7.64	L	0.17	\$	300	154%	L	118%	L	0.33	
Niagara Falls **	4%	L	4.83	L	1.21	\$	755	65%	L	31%	L	0.38	
N-O-T-L	4%	L	4.74	L	0.30	\$	440	87%	L	62%	L	0.36	
Port Colborne **	5%	L	2.27	L	1.00	\$	1,310	-23%	L	60%	L	0.44	
St. Catharines**	9%	M	2.67	L	1.36	\$	766	44%	L	52%	L	0.41	
Thorold	0%	L	42.49	L	0.00	\$	13	76%	L	119%	L	0.30	
Wainfleet	4%	L	5.49	L	0.80	\$	794	1%	L	61%	L	0.40	
Welland**	12%	H	-0.07	H	0.85	\$	1,095	44%	L	64%	L	0.42	
West Lincoln **	7%	M	1.68	L	1.17	\$	1,249	22%	L	87%	L	0.33	

** Used FIR from 2023

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



Debentures and Debt

Debt-Related Financial Indicators Town of Pelham - 2021 Through 2024														
	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 - 2024	9%	M	2.37	L	2.24	\$	1,334	-23%	L	34%	L	0.41	L	
Pelham - 2023	10%	H	2.24	L	2.65	\$	1,457	-33%	L	34%	L	0.42	L	
Pelham - 2022	12%	H	1.96	L	2.19	\$	1,580	-38%	L	47%	L	0.41	L	
Pelham - 2021	14%	H	1.85	L	2.24	\$	1,706	-49%	L	55%	L	0.41	L	
Note: For details behind all calculations please refer to Appendix B in the "Capital Financing and Debt Management Policy"														

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

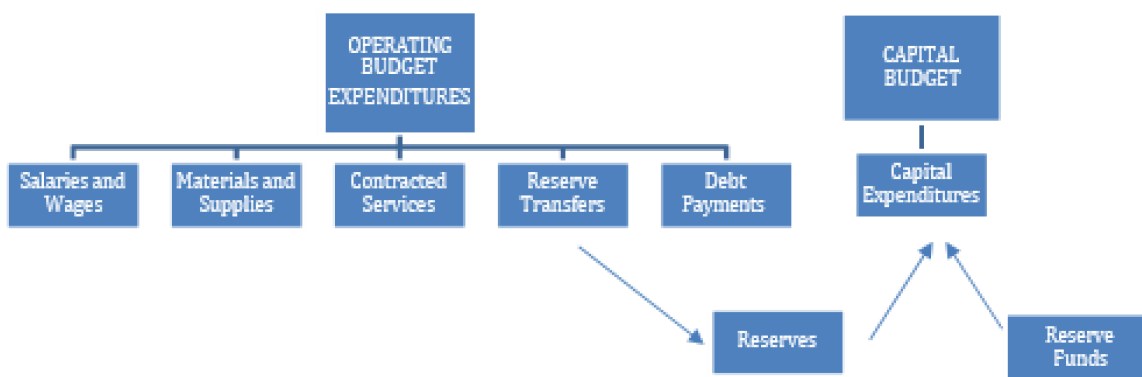


Reserves and Reserve Funds

The Reserve and Reserve Fund Policy establishes guiding principles, primary objectives, key management and administrative responsibilities, and standards of care for Reserves and Reserve Funds managed by the Town.

Reserves and Reserve Funds are established by Council to assist with long-term financial stability and planning. By maintaining reserves, the Town can accumulate funds for future expenditures or contingent liabilities.

The Town operating budget includes reserve transfers, which are used to fund operating projects, capital projects and other significant expenditures.



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. A reserve is generally used to mitigate the impact of fluctuations in operating costs and revenue.

Discretionary Reserve Funds are similar to reserves as described above, but they require the physical segregation of cash and liquid assets. Some discretionary reserve funds are "rate- supported" because they receive revenues and incur expenses on their own without support from the general tax levy. Examples of rate- supported discretionary reserve funds are the Building Department Reserve Fund, Water Reserve, and Wastewater Reserve.



Reserves and Reserve Funds

The Town of Pelham has established the following reserves and discretionary reserve funds:

- | | |
|------------------------------------|--|
| • Building Department | • Meridian Community Centre |
| • Cemetery | • Municipal Building Facility |
| • Community Improvement Plan | • Municipal Drainage |
| • Debt Repayment | • Parks and Recreation |
| • Elections | • Physician Recruitment |
| • Fire Equipment | • Planning |
| • Fleet | • Roads |
| • Human Resource Capacity Building | • Volunteer firefighter life insurance |
| • Information Technology | • Wastewater |
| • Insurance and Claims | • Water |
| • Invasive Species Management | • Working Capital |
| • Land Acquisition | • |

The airport and library reserves are proportionately consolidated in the financial statements and is not controlled by the Town.

Discretionary reserves generally do not earn interest. Interest is allocated to discretionary reserve funds at the Town's average rate of interest for the year as determined by the Treasurer. The Town's reserves and discretionary reserve funds at December 31, 2024 are found in Note 9 to the financial statements.

Obligatory Reserve Funds are segregated and restricted for a specific purpose. They represent monies set aside either by a by-law of the municipality, an external agreement, or the requirement of provincial legislation. Interest earned on obligatory reserve funds must be allocated to the specific reserve fund that earned it and used for that purpose. Obligatory reserve funds are included in deferred revenue, and the revenue is recognized when eligible expenditures are made using those funds. The Town's obligatory reserve funds at December 31, 2024 are found in Note 5 to the financial statements.



Reserves and Reserve Funds

The Town of Pelham has the following obligatory reserve funds:

- Development Charges
- Parkland Dedication
- Canada Community Building Fund (CCBF)
- Ontario 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. Many of the balances can be difficult to predict as their use is affected by uncertain future events, interest rates, and the timing of capital projects. However, the following table illustrates projections based on the current capital plan, with reserve transfers from the operating budget increasing each year in most cases, to meet the phased-in minimum reserve targets as outlined in the Reserve and Reserve Fund Policy, and provide for future expenditures. Should the approved transfers to reserve differ from those in the projection, or additional expenditures be incurred, the balances will be reduced. This forecast has assumed that some projects will be debentured beginning in 2026, in accordance with the 10-year capital forecast.



10-Year Reserve Forecast Summary

Reserves and Reserve Funds	December 31, 2024 Balance	December 31, 2025 Projected	December 31, 2026 Projected	December 31, 2027 Projected	December 31, 2028 Projected	December 31, 2029 Projected
Airport	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357
Building Department	1,645,608	1,645,608	1,645,608	1,645,608	1,645,608	1,645,608
Cemetery	295,750	260,076	155,076	124,076	36,076	(5,924)
Community Improvement Plan	256,496	256,496	323,697	323,697	323,697	323,697
Debt Repayment	150,350	303,989	94,655	460,319	788,488	850,000
Elections	98,170	98,170	98,170	98,170	98,170	98,170
Fire Equipment	145,840	380,271	848,352	1,389,902	667,902	283,902
Fleet	1,639,952	373,462	529,472	352,472	184,472	574,472
Human Resource Capacity Building	364,116	164,116	104,116	104,116	104,116	104,116
Information Technology	147,175	33,803	(117,697)	(56,697)	51,303	151,303
Insurance and Claims	114,911	164,911	204,911	254,911	254,911	254,911
Invasive Species Management	240,000	240,000	240,000	240,000	240,000	240,000
Land Acquisition	(390,296)	(390,296)	(323,095)	(323,095)	(323,095)	(323,095)
Library	232,842	232,842	232,842	232,842	232,842	232,842
Meridian Community Centre	141,406	141,406	208,607	208,607	208,607	208,607
Municipal Building Facility	310,066	195,243	(343,735)	(223,135)	200,865	814,865
Municipal Drainage	91,360	66,360	(113,640)	(92,640)	(110,640)	(87,640)



10-Year Reserve Forecast Summary

Reserves and Reserve Funds	December 31, 2024 Balance	December 31, 2025 Projected	December 31, 2026 Projected	December 31, 2027 Projected	December 31, 2028 Projected	December 31, 2029 Projected
Parks and Recreation	338,916	486,212	453,812	652,812	1,003,812	1,089,812
Physician Recruitment	27,705	27,705	94,906	94,906	94,906	94,906
Planning	235,811	14,042	(5,958)	(22,958)	63,042	152,042
Roads	2,039,953	367,146	(1,068,811)	(1,102,559)	(1,574,559)	(2,267,759)
Volunteer Firefighter Life Insurance	62,500	62,500	62,500	62,500	62,500	62,500
Wastewater	1,911,330	917,453	363,233	807,233	1,549,233	2,145,733
Water	281,767	(299,494)	234,968	815,968	901,968	1,022,968
Working Capital	408,460	408,460	475,661	475,661	475,661	475,661
Total Reserves	\$10,818,545	\$ 6,178,838	\$ 4,426,007	\$ 6,551,073	\$ 7,208,242	\$ 8,170,054



10-Year Reserve Forecast Summary

Reserves and Reserve Funds	December 31, 2030 Projected	December 31, 2031 Projected	December 31, 2032 Projected	December 31, 2033 Projected	December 31, 2034 Projected	December 31, 2035 Projected
Airport	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357	\$ 28,357
Building Department	1,645,608	1,645,608	1,645,608	1,645,608	1,645,608	1,645,608
Cemetery	28,076	13,076	14,076	(38,924)	(924)	39,076
Community Improvement Plan	323,697	323,697	323,697	323,697	323,697	323,697
Debt Repayment	1,133,832	1,416,717	1,699,602	1,982,487	2,265,372	2,548,257
Elections	98,170	98,170	98,170	98,170	98,170	98,170
Fire Equipment	940,902	(359,098)	401,902	1,195,902	1,290,902	1,604,902
Fleet	1,099,472	1,770,472	2,491,472	3,310,972	3,645,972	4,662,972
Human Resource Capacity Building	104,116	104,116	104,116	104,116	104,116	104,116
Information Technology	266,903	353,903	464,903	594,903	742,903	892,903
Insurance and Claims	254,911	254,911	254,911	254,911	254,911	254,911
Invasive Species Management	240,000	240,000	240,000	240,000	240,000	240,000
Land Acquisition	(323,095)	(323,095)	(323,095)	(323,095)	(323,095)	(323,095)
Library	232,842	232,842	232,842	232,842	232,842	232,842
Meridian Community Centre	208,607	208,607	208,607	208,607	208,607	208,607
Municipal Building Facility	1,328,865	1,990,865	2,616,865	3,527,865	4,502,865	5,472,865
Municipal Drainage	(63,640)	(38,640)	(52,640)	(25,640)	2,360	31,360



10-Year Reserve Forecast Summary

Reserves and Reserve Funds	December 31, 2030 Projected	December 31, 2031 Projected	December 31, 2032 Projected	December 31, 2033 Projected	December 31, 2034 Projected	December 31, 2035 Projected
Parks and Recreation	1,211,812	1,641,812	2,140,812	2,670,812	3,185,812	3,681,812
Physician Recruitment	94,906	94,906	94,906	94,906	94,906	94,906
Planning	157,542	154,542	255,542	360,542	369,542	482,542
Roads	(2,032,959)	507,041	2,665,470	1,379,470	4,758,470	8,898,470
Volunteer Firefighter Life Insurance	62,500	62,500	62,500	62,500	62,500	62,500
Wastewater	3,409,733	4,959,733	6,599,733	6,780,233	8,614,233	9,314,233
Water	720,723	368,723	1,551,973	3,169,973	5,286,973	7,511,973
Working Capital	475,661	475,661	475,661	475,661	475,661	475,661
Total Reserves	\$11,647,541	\$16,225,426	\$24,295,990	\$28,354,875	\$38,110,760	\$48,587,645



Reserve Fund Projection

A 10-year reserve fund projection has been prepared to illustrate the long-range financial planning of the Town. Many of the balances can be difficult to predict as their use is affected by uncertain future events, interest rates, and the timing of capital projects. Furthermore, the timing of collections is dependent on external factors such as rate of growth and development of the Town, or approval of transfers from the federal and provincial governments. These factors cannot be controlled by the Town and so these estimates will have to be revised as actual collections occur.

The following tables illustrate projections based on the current capital plan, with estimates made concerning the timing of collections. Should the amounts collected differ or additional expenditures be incurred, the balances will be reduced. These projections have assumed that projects will be debentured, in order to maintain a positive balance in the reserve fund.

Development Charge Reserve Fund

The Town approved a new DC by-law on December 4, 2024. The new rates came into effect January 1, 2025. The Town is forecasting significantly lower DC revenue than originally anticipated. This decline is primarily due to two key factors:

1. **Changes to DC legislation**, including Bill 17 (*Protect Ontario by Building Faster and Smarter Act, 2025*), which has delayed the timing of DC collection until occupancy, introduced exemptions for certain developments such as long-term care homes, and placed limits on indexing and interest provisions for deferred payments.
2. **A slowdown in housing development** within the Town, which has directly impacted the level of DC revenue.

DC revenue for 2025 is projected to be approximately \$1.0 million. In comparison, the Town collected an average of \$4.69 million annually over the past five years. DC revenues are consistently difficult to forecast, as there is often a lag between projected growth and actual materialization. Recent legislative changes further complicate this challenge, adding another layer of uncertainty to long-term revenue projections, particularly for 2026 and beyond. Staff are using a conservative approach by assuming future DC revenues will remain at 2025 levels—\$1.0 million annually, plus indexing. This is a cautious estimate, especially when compared to Pelham's five-year average collection of approximately \$4.7 million (from 2020 to 2024)



Reserve Fund Projection

The projected expenditures are based on debenture schedules and the 10-year capital budget. The DC reserve fund will not have sufficient funds to meet all obligations in 2026. In addition, the 2026 10-year capital forecast includes several future projects that are DC-eligible; however, based on current collection levels, the reserve is not expected to be replenished enough to fund these projects.

The Town was the successful recipient of the Housing Enabling Water Systems Fund (HEWSF) grant in 2025 and will receive approximately \$16.9 million in grant funding from Provincial and Federal Governments. In order to fully utilize this funding, staff will shift approximately \$1.6 million of DC eligible projects to the Water and Wastewater reserve funds. This amount will be repaid to the Water and Wastewater reserve through future DC collections. This will be treated as internal borrowing and the Water and Wastewater reserve fund will receive interest based on the Town's average rate of interest earned. The timing of this payback remains uncertain. The shift is necessary to meet the Town's commitments under the HEWSF grant.

Although the DC reserve fund forecast shows significant deficits in future year, staff will review the eligible projects, cashflows and other factors before committing any further spending from the DC reserve fund beyond 2026.

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 \$350,000.

The projected expenditures are based on debenture schedules and the 10-year capital budget. Assumptions have been made regarding the projects that will qualify for funding from the Parkland Dedication Reserve Fund, but this may be subject to change depending on the scope of the project.



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2024	107,109	297,006	3,559,777	936,807	235,955
Additions					
Estimated Collections	18,333	26,779	515,437	170,734	38,791
Estimated Interest (2.5%)	2,678	7,425	88,994	23,420	5,899
Total Additions	21,011	34,204	604,431	194,154	44,690
Expenditures					
Debenture principal and interest	69,031	-	423,601	33,180	-
Capital commitments carrying forward	-	56,000	4,507,440	150,000	-
Total Expenditures	69,031	56,000	4,931,041	183,180	-
Projected Balance at Dec. 31, 2025	59,089	275,210	(766,833)	947,781	280,645



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2024	(320,183)	2,639,542	24,134	7,480,147
Additions				
Estimated Collections	72,210	157,581	136	1,000,001
Estimated Interest (2.5%)	(8,005)	65,989	603	187,003
Total Additions	64,205	223,570	739	1,187,004
Expenditures				
Debenture principal and interest	25,382	26,866	-	1,207,580
Capital commitments carrying forward	-	-	-	4,713,440
Total Expenditures	25,382	26,866	-	5,921,020
Projected Balance at Dec. 31, 2025	(281,360)	2,836,246	24,873	2,746,131



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2025	\$ 59,089	\$ 275,210	\$ (766,833)	\$ 947,781	\$ 280,645
Additions					
Estimated Collections	18,700	27,314	525,746	174,149	39,566
Estimated Interest (2.5%)	1,477	6,880	(19,171)	23,695	7,016
Total Additions	20,177	34,194	506,575	197,844	46,582
Expenditures					
Debenture principal and interest	-	126,205	360,267	-	-
Projected Capital Spending	-	-	2,469,076	490,000	-
DC Debt Projection	-	-	63,103	-	-
Total Expenditures	-	126,205	2,892,446	490,000	-
Projected Balance at Dec. 31, 2026	79,266	183,199	(3,152,704)	655,625	327,227



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2025	\$ (281,360)	\$ 2,836,246	\$ 24,873	\$ 2,746,131
Additions				
Estimated Collections	73,654	160,733	139	1,020,001
Estimated Interest (2.5%)	(7,034)	70,906	622	68,653
Total Additions	66,620	231,639	761	1,088,654
Expenditures				
Debenture principal and interest	-	26,846	-	1,142,691
Projected Capital Spending	373,877	1,222,804	-	4,555,757
DC Debt Projection	-	-	-	63,103
Total Expenditures	373,877	1,249,650	-	5,761,551
Projected Balance at Dec. 31, 2026	(588,617)	1,818,235	25,634	(1,926,766)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2026	\$ 79,266	\$ 183,199	\$ (3,152,704)	\$ 655,625	\$ 327,227
Additions					
Estimated Collections	19,074	27,860	536,261	177,632	40,357
Estimated Interest (2.5%)	1,982	4,580	(78,818)	16,391	8,181
Total Additions	21,056	32,440	457,443	194,023	48,538
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	495,500	240,000	-
DC Debt Projection	-	-	126,205	-	-
Total Expenditures	-	126,205	621,705	240,000	-
Projected Balance at Dec. 31, 2027	100,322	89,434	(3,316,966)	609,648	375,765



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2026	\$ (588,617)	\$ 1,818,235	\$ 25,634	\$ (1,926,766)
Additions				
Estimated Collections	75,127	163,948	142	1,040,401
Estimated Interest (2.5%)	(14,715)	45,456	641	(48,168)
Total Additions	60,412	209,404	783	992,233
Expenditures				
Debenture principal and interest	-	-	-	755,426
Projected Capital Spending	-	-	-	735,500
DC Debt Projection	-	-	-	126,205
Total Expenditures	-	-	-	1,617,131
Projected Balance at Dec. 31, 2027	(528,205)	2,027,639	26,417	(2,551,664)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2027	\$ 100,322	\$ 89,434	\$ (3,316,966)	\$ 609,648	\$ 375,765
Additions					
Estimated Collections	19,455	28,417	546,986	181,185	41,164
Estimated Interest (2.5%)	2,508	2,236	(82,924)	15,241	9,394
Total Additions	21,963	30,653	464,062	196,426	50,558
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	1,089,000	-	-
DC Debt Projection	-	-	126,205	-	-
Total Expenditures	-	126,205	1,215,205	-	-
Projected Balance at Dec. 31, 2028	122,285	(6,118)	(4,068,109)	806,074	426,323



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2027	\$ (528,205)	\$ 2,027,639	\$ 26,417	\$ (2,551,664)
Additions				
Estimated Collections	76,630	167,227	145	1,061,209
Estimated Interest (2.5%)	(13,205)	50,691	660	(63,792)
Total Additions	63,425	217,918	805	997,417
Expenditures				
Debenture principal and interest	-	-	-	755,270
Projected Capital Spending	-	-	-	1,089,000
DC Debt Projection	-	-	-	126,205
Total Expenditures	-	-	-	1,970,475
Projected Balance at Dec. 31, 2028	(464,780)	2,245,557	27,222	(3,524,722)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2028	\$ 122,285	\$ (6,118)	\$ (4,068,109)	\$ 806,074	\$ 426,323
Additions					
Estimated Collections	19,844	28,985	557,926	184,809	41,987
Estimated Interest (2.5%)	3,057	(153)	(101,703)	20,152	10,658
Total Additions	22,901	28,832	456,223	204,961	52,645
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	190,000	665,000	-
DC Debt Projection	-	-	213,528	-	-
Total Expenditures	-	126,205	403,528	665,000	-
Projected Balance at Dec. 31, 2029	145,186	(103,491)	(4,015,414)	346,035	478,968



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2028	\$ (464,780)	\$ 2,245,557	\$ 27,222	\$ (3,524,722)
Additions				
Estimated Collections	78,163	170,572	148	1,082,434
Estimated Interest (2.5%)	(11,620)	56,139	681	(88,118)
Total Additions	66,543	226,711	829	994,316
Expenditures				
Debenture principal and interest	-	-	-	755,108
Projected Capital Spending	44,000	203,500	-	1,102,500
DC Debt Projection	-	-	-	213,528
Total Expenditures	44,000	203,500	-	2,071,136
Projected Balance at Dec. 31, 2029	(442,237)	2,268,768	28,051	(4,601,542)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2029	\$ 145,186	\$ (103,491)	\$ (4,015,414)	\$ 346,035	\$ 478,968
Additions					
Estimated Collections	20,241	29,565	569,085	188,505	42,827
Estimated Interest (2.5%)	3,630	(2,587)	(100,385)	8,651	11,974
Total Additions	23,871	26,978	468,700	197,156	54,801
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	87,000	-	370,000	-	-
DC Debt Projection	-	-	384,729	-	-
Total Expenditures	87,000	126,205	754,729	-	-
Projected Balance at Dec. 31, 2030	82,057	(202,718)	(4,301,443)	543,191	533,769



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2029	\$ (442,237)	\$ 2,268,768	\$ 28,051	\$ (4,601,542)
Additions				
Estimated Collections	79,726	173,983	151	1,104,083
Estimated Interest (2.5%)	(11,056)	56,719	701	(115,038)
Total Additions	68,670	230,702	852	989,045
Expenditures				
Debenture principal and interest	-	-	-	754,942
Projected Capital Spending	-	-	-	457,000
DC Debt Projection	-	-	-	384,729
Total Expenditures	-	-	-	1,596,671
Projected Balance at Dec. 31, 2030	(373,567)	2,499,470	28,903	(5,209,168)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2030	\$ 82,057	\$ (202,718)	\$ (4,301,443)	\$ 543,191	\$ 533,769
Additions					
Estimated Collections	20,646	30,156	580,467	192,275	43,684
Estimated Interest (2.5%)	2,051	(5,068)	(107,536)	13,580	13,344
Total Additions	22,697	25,088	472,931	205,855	57,028
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	-	-	-
DC Debt Projection	-	-	468,607	-	-
Total Expenditures	-	126,205	468,607	-	-
Projected Balance at Dec. 31, 2031	104,754	(303,835)	(4,297,119)	749,046	590,797



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2030	\$ (373,567)	\$ 2,499,470	\$ 28,903	\$ (5,209,168)
Additions				
Estimated Collections	81,321	177,463	154	1,126,166
Estimated Interest (2.5%)	(9,339)	62,487	723	(130,229)
Total Additions	71,982	239,950	877	995,937
Expenditures				
Debenture principal and interest	-	-	-	754,769
Projected Capital Spending	-	140,000	-	140,000
DC Debt Projection	-	-	-	468,607
Total Expenditures	-	140,000	-	1,363,376
Projected Balance at Dec. 31, 2031	(301,585)	2,599,420	29,780	(5,576,607)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2031	\$ 104,754	\$ (303,835)	\$ (4,297,119)	\$ 749,046	\$ 590,797
Additions					
Estimated Collections	21,059	30,759	592,076	196,121	44,558
Estimated Interest (2.5%)	2,619	(7,596)	(107,428)	18,726	14,770
Total Additions	23,678	23,163	484,648	214,847	59,328
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	1,323,000	-	-
DC Debt Projection	-	-	468,607	-	-
Total Expenditures	-	126,205	1,791,607	-	-
Projected Balance at Dec. 31, 2032	128,432	(406,877)	(5,604,078)	963,893	650,125



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2031	\$ (301,585)	\$ 2,599,420	\$ 29,780	\$ (5,576,607)
Additions				
Estimated Collections	82,947	181,012	157	1,148,689
Estimated Interest (2.5%)	(7,540)	64,986	745	(139,415)
Total Additions	75,407	245,998	902	1,009,274
Expenditures				
Debenture principal and interest	-	-	-	754,591
Projected Capital Spending	-	528,000	-	1,851,000
DC Debt Projection	-	-	-	468,607
Total Expenditures	-	528,000	-	3,074,198
Projected Balance at Dec. 31, 2032	(226,178)	2,317,418	30,682	(7,641,531)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2032	\$ 128,432	\$ (406,877)	\$ (5,604,078)	\$ 963,893	\$ 650,125
Additions					
Estimated Collections	21,480	31,374	603,918	200,043	45,449
Estimated Interest (2.5%)	3,211	(10,172)	(140,102)	24,097	16,253
Total Additions	24,691	21,202	463,816	224,140	61,702
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	60,000	-	747,000	-	-
DC Debt Projection	-	-	468,607	-	-
Total Expenditures	60,000	126,205	1,215,607	-	-
Projected Balance at Dec. 31, 2033	93,123	(511,880)	(6,355,869)	1,188,033	711,827



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2032	\$ (226,178)	\$ 2,317,418	\$ 30,682	\$ (7,641,531)
Additions				
Estimated Collections	84,606	184,632	160	1,171,662
Estimated Interest (2.5%)	(5,654)	57,935	767	(191,039)
Total Additions	78,952	242,567	927	980,623
Expenditures				
Debenture principal and interest	-	-	-	754,407
Projected Capital Spending	-	786,000	-	1,593,000
DC Debt Projection	-	47,162	-	515,769
Total Expenditures	-	833,162	-	2,863,176
Projected Balance at Dec. 31, 2033	(147,226)	1,726,823	31,609	(9,524,084)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2033	\$ 93,123	\$ (511,880)	\$ (6,355,869)	\$ 1,188,033	\$ 711,827
Additions					
Estimated Collections	21,910	32,001	615,996	204,044	46,358
Estimated Interest (2.5%)	2,328	(12,797)	(158,897)	29,701	17,796
Total Additions	24,238	19,204	457,099	233,745	64,154
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	-	2,450,000	-	-
DC Debt Projection	-	-	468,607	-	-
Total Expenditures	-	126,205	2,918,607	-	-
Projected Balance at Dec. 31, 2034	117,361	(618,881)	(8,817,377)	1,421,778	775,981



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2033	\$ (147,226)	\$ 1,726,823	\$ 31,609	\$ (9,524,084)
Additions				
Estimated Collections	86,298	188,325	163	1,195,095
Estimated Interest (2.5%)	(3,681)	43,171	790	(238,102)
Total Additions	82,617	231,496	953	956,993
Expenditures				
Debenture principal and interest	-	-	-	754,407
Projected Capital Spending	-	-	-	2,450,000
DC Debt Projection	-	94,324	-	562,931
Total Expenditures	-	94,324	-	3,767,338
Projected Balance at Dec. 31, 2034	(64,609)	1,863,995	32,562	(12,334,429)



10-Year Projected Development Charge Reserve Fund

	General Government	Fire Protection	Public Works	Recreation	Library Services
Projected Balance at Dec. 31, 2034	\$ 117,361	\$ (618,881)	\$ (8,817,377)	\$ 1,421,778	\$ 775,981
Additions					
Estimated Collections	22,348	32,641	628,316	208,125	47,285
Estimated Interest (2.5%)	2,934	(15,472)	(220,434)	35,544	19,400
Total Additions	25,282	17,169	407,882	243,669	66,685
Expenditures					
Debenture principal and interest	-	126,205	-	-	-
Projected Capital Spending	-	1,000,000	860,000	-	-
DC Debt Projection	-	-	468,607	44,934	-
Total Expenditures	-	1,126,205	1,328,607	44,934	-
Projected Balance at Dec. 31, 2035	142,643	(1,727,917)	(9,738,102)	1,620,513	842,666



10-Year Projected Development Charge Reserve Fund

	Water	Wastewater	Stormwater	Total
Projected Balance at Dec. 31, 2034	\$ (64,609)	\$ 1,863,995	\$ 32,562	\$ (12,334,429)
Additions				
Estimated Collections	88,024	192,092	166	1,218,997
Estimated Interest (2.5%)	(1,615)	46,600	814	(308,360)
Total Additions	86,409	238,692	980	910,637
Expenditures				
Debenture principal and interest	-	-	-	754,407
Projected Capital Spending	714,000	1,482,000	-	4,056,000
DC Debt Projection	-	94,324	-	607,865
Total Expenditures	714,000	1,576,324	-	5,418,272
Projected Balance at Dec. 31, 2035	(692,200)	526,363	33,542	(16,842,064)



Parkland Dedication Reserve Fund 10-Year Projection

	2025	2026	2027	2028	2029	2030
Projected Reserve (Deficit) - Start of Year	1,061,613	1,088,153	415,357	315,741	113,635	306,476
Additions to Reserve						
Estimated Collections (Note 1)	350,000	350,000	350,000	350,000	350,000	350,000
Interest (Note 2)	26,540	27,204	10,384	7,894	2,841	7,662
Reductions in Reserve						
Collection Receivable	(350,000)	(350,000)	-	-	-	-
Projected Capital Spending	-	(700,000)	(460,000)	(560,000)	(160,000)	(135,000)
Projected Reserve Fund (Deficit) - End of Year	1,088,153	415,357	315,741	113,635	306,476	529,138
Note 2: Estimated interest rate	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %



Parkland Dedication Reserve Fund 10-Year Projection

	2031	2032	2033	2034	2035
Projected Reserve (Deficit) - Start of Year	529,138	582,366	786,925	1,156,598	1,535,513
Additions to Reserve					
Estimated Collections (Note 1)	350,000	350,000	350,000	350,000	350,000
Interest (Note 2)	13,228	14,559	19,673	28,915	38,388
Reductions in Reserve					
Collection Receivable	-	-	-	-	-
Projected Capital Spending	(310,000)	(160,000)	-	-	-
Projected Reserve Fund (Deficit) - End of Year	582,366	786,925	1,156,598	1,535,513	1,923,901
Note 2: Estimated interest rate	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %



Reserves Funds for Grants

Canada Community-Building Fund Reserve Fund

The Town has an agreement with the Association of Municipalities of Ontario pertaining to Canada Community- Building Fund (CCBF) grant funding. Certain capital projects are eligible for funding and the 20-year capital budget has been prepared on the assumption that all gas tax funds will be applied toward roads capital projects in the year the funds are received. The CCBF amount for 2026 is \$595,000.

Ontario Community Infrastructure Fund (OCIF) Reserve Fund

The Town has an agreement with the provincial government pertaining to OCIF funding. The amount of funding that was received in 2025 is \$818,001, however the Town reviewed the OCIF funding formula and completed an analysis in 2024 to provide the ministry with more up to date asset replacement values to help increase the Town's share of OCIF funding. As a result of these efforts, OCIF allocation funding for the Town was increased again by \$82,000 from 2025. The 2026 capital budget includes OCIF funding in the amount of \$900,000. All of OCIF funds will be spent within the year, therefore there is no projected balance for this reserve fund.

Due to the uncertainty of the amount of future funding, OCIF grant funding has been projected at the same amount past 2026 until amounts can be estimated. The projected expenditures are based on the 10-year capital budget.

Reserve and Reserve Fund Targets

The Town's Reserve and Reserve Fund Policy outlines general and minimum reserve targets based on the capital forecast. A phased strategy has been put in place to meet these minimum reserve targets, with specific milestones set for 2020-2024, 2025-2029, 2030-2034, and 2035-2039. The aim is for each reserve to reach its minimum target balance by 2039.

These targets are temporary estimates to provide long-term planning strategies based on the current asset management plan and the capital forecast. The Asset management Plan was updated in 2025 with service levels and financial strategies for lifecycle costing. The reserve fund targets will be reviewed in the future to align to the completed Asset Management Plan.

The graph below shows the projected 2025 year-end balances for the capital reserve and capital discretionary reserve fund, compared to the targets set by the Reserve and Reserve Fund Policy. For many reserves, there is a significant gap between the projected balance and the target. The roads reserve, in particular, has the highest demand for capital funding and needs to be built up to meet future capital needs while



Reserves Funds for Grants

minimizing the debt required for those projects. It is important to note that these projected balances include commitments, and may differ from the figures in the 2024 consolidated financial statements if funds are being carried over due to ongoing projects at year-end.

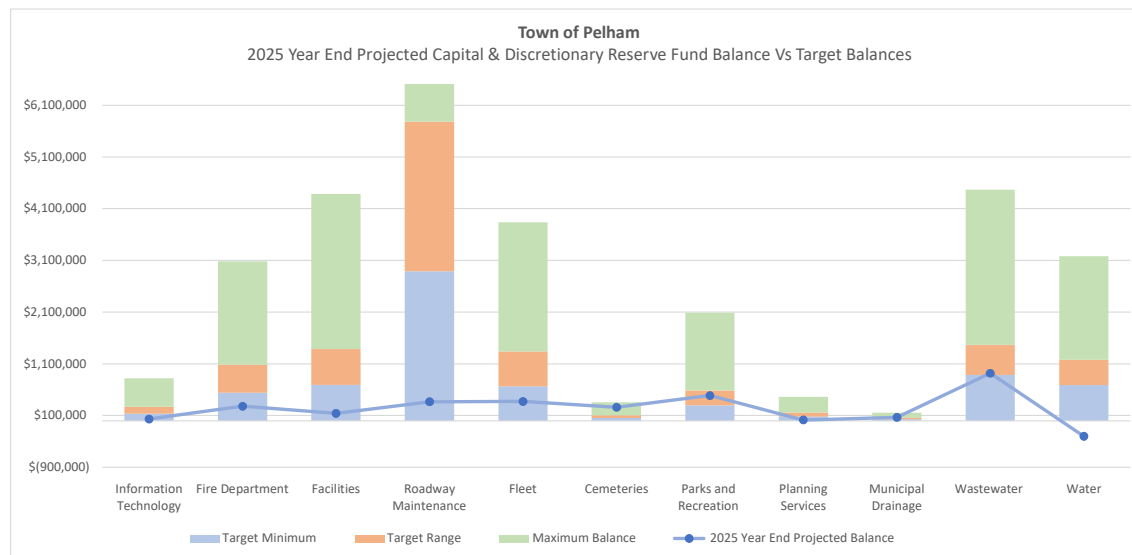
The 2026 Capital Budget includes ten years of reserve forecasts, along with the Target Minimum Reserve Balance and Target Reserve Balance for each reserve and reserve fund. It is beneficial to look at the trend of each reserve and reserve fund over time in order to determine whether the balance is gradually improving toward the phased-in targets. Balance fluctuations are a necessary and planned characteristic of the reserves and reserve funds. The Town uses them to "save up" for planned expenditures, and then as the capital projects are carried out, the balance in the reserves will decrease again and need to be built back up.

It should also be noted that building up reserves, reducing debt, and considering the tax levy impact can be competing goals. For the 2026 forecast, effort has been made where possible to evenly distribute planned capital expenditures, and debt has been minimized as a first priority. As a result, the forecast for the Town's debt as a percentage of own source net revenues has decreased from the 2025 forecast, but reserve balances will only increase slightly over time.

The table following the graph, Summary of Capital Reserve Transfers and Forecast Tax Levy Impact depicts the capital reserve transfers that are needed in the next five years to fund the current capital forecast and meet the internal debt limit in policy S400-07. It includes forecasted debt payments on future debt as per the current capital forecast. The table shows that in order to complete the projects in the current capital forecast and meet the internal debt limit, a steady increase in tax levy funded reserve transfers is needed over the next 5 years. This increase ranges from \$310,000 in 2026 to \$434,000 by 2029 in the current forecast. The total cost of funding capital as a percentage of tax levy ranges from 1.5% in 2025 to 3.6% in 2029. This forecast is based on several assumptions such as future cost and timing of projects, interest rates and availability of grant funding. Any changes to these variables can significantly impact this forecast. The Town is actively pursuing grant funding and seeking cost-saving measures to minimize the impact on the tax levy.



Reserve and Reserve Fund Targets





Summary of Capital Reserve Transfers and Forecast Tax Levy Impact

	2025 Budget	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Capital - Information Services	157,500	187,500	195,000	203,000	211,000	219,000
Capital - Fire department	543,400	563,400	601,550	638,000	676,000	717,000
Capital - Facilities	519,600	569,600	606,600	649,000	694,000	743,000
Capital - Roadway Maintenance	2,866,300	2,956,300	3,163,000	3,416,000	3,655,000	3,911,000
Capital - Fleet	536,010	556,010	595,000	637,000	682,000	730,000
Capital - Fonthill/Hillside Cemeteries	30,000	30,000	31,000	33,000	33,000	34,000
Capital - Parks - Passive	265,600	365,600	388,000	411,000	436,000	462,000
Capital - Planning Services	80,000	80,000	83,000	86,000	89,000	93,000
Capital - Municipal Drainage	20,000	20,000	21,000	22,000	23,000	24,000
Tax Levy Supported Capital Reserve Transfers	5,018,410	5,328,410	5,684,150	6,095,000	6,499,000	6,933,000
Capital - Wastewater Distribution System	305,539	305,539	694,000	992,000	1,329,000	1,714,000
Capital - Water Distribution System	1,091,848	1,091,848	1,321,000	1,466,000	1,613,000	1,774,000
Waster/Wastewater Rate Supported Capital Reserve Transfers	1,397,387	1,397,387	2,015,000	2,458,000	2,942,000	3,488,000
Grand Total Capital Reserve Transfers	6,415,797	6,725,797	7,699,150	8,553,000	9,441,000	10,421,000



Summary of Capital Reserve Transfers and Forecast Tax Levy Impact

	2025 Budget	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Estimated Tax Levy Supported Debt Payments on Newly Issued Debt			413,307	450,803	727,571	966,843
Increase in Tax Levy Supported Capital Reserve Transfers		310,000	355,740	410,850	404,000	434,000
Increase in Tax Levy Supported Debt Payments - (Note 1)		-	413,307	37,496	276,768	239,272
Estimated Tax Levy Increase from Capital - \$		310,000	769,047	448,346	680,768	673,272
Estimated Tax Levy Increase from Capital - % - (Note 2)		1.5 %	3.7 %	2.2 %	3.3 %	3.3 %

Note 1: The 2026 forecasted debt for Fire Station 1 expansion does not impact the tax levy since the non-DC portion of the debt is covered by the Debt Repayment Reserve. The DC debt for Fire Station 1 expansion will be paid by DC revenues.

Note: 2 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.