

Pelham Audit Committee Meeting Agenda

PAC-04/2019

October 16, 2019

4:00 pm

Town of Pelham Municipal Office - Council Chambers

20 Pelham Town Square, Fonthill

	Pages
1. Call to Order and Declaration of Quorum	
2. Approval of Agenda	
3. Declaration of Pecuniary Interest and General Nature	
4. Approval of Minutes	3 - 6
September 11, 2019	
5. Business Arising From Minutes	
6. Audit	
7. Operating Financial Report	7 - 10
8. MCC Operating Financial Report	11 - 16
9. Transit Operating Financial Report	17 - 17
10. Capital Report	
11. Reserves	18 - 25

12. New Business

13. Unfinished Business

13.1 Development of Committee's Goals and Priorities

14. Next Meeting

15. Adjournment

Pelham Audit Committee

Minutes

Meeting #: PAC-03/2019
Date: Wednesday, September 11, 2019
Location: Town of Pelham Municipal Office - Council Chambers
20 Pelham Town Square, Fonthill

Members Present John Wink, Chair
Marianne Stewart
Ron Kore
Michael Cottenden
Bill Crum

Staff Present David Cribbs
Teresa Quinlin
Charlotte Tunikaitis
Holly Willford

Other Bea Clark and other interested parties

1. Call to Order and Declaration of Quorum

Noting that a quorum was present, Chair Wink called the meeting to order at approximately 4:00 p.m.

2. Approval of Agenda

Moved By Ron Kore
Seconded By Bill Crum

THAT the agenda for the September 11th, 2019 regular meeting of the Pelham Audit Committee be adopted, as circulated.

Carried

3. Declaration of Pecuniary Interest and General Nature

None.

4. Approval of Minutes

Moved By Marianne Stewart

Seconded By Michael Cottenden

THAT the minutes of the July 15th, 2019, Pelham Audit Committee be approved.

Carried

4.1 PAC-02/2019 Audit Committee Minutes of July 15, 2019

5. Business Arising From Minutes

None.

6. Audit

None.

7. Operating Financial Report

The Committee reviewed the Operating Financial Report dated July 31st, 2019.

The Committee requested further explanation regarding supplemental tax bills and other tax revenue. David Cribbs, CAO and Teresa Quinlin, Treasurer explained the supplemental tax bill process to the Committee and how the Town receives tax revenue from new development.

Through discussion, the Committee requested the Treasurer provide a separate Grant Report to be brought to the Committee for review.

8. MCC Operating Financial Report

The Committee reviewed the Meridian Community Centre (“MCC”) Financial Report dated July 31st, 2019.

Teresa Quinlin, Treasurer indicated the MCC utilities expenses are currently under budget and the Town received a credit in the amount of \$66,000.00 from Hydro One.

The Committee discussed Development Changes (“DC”) and the role in which DC are going to assist in paying down the Town’s debt. David Cribbs, CAO explained to the Committee the Province is changing how DC may be collected by the municipality. Community Benefit Charges may be collected instead of DC.

Member, Crum left the meeting.

9. Transit Operating Financial Report

The Committee reviewed the Transit Operating Financial Report dated July 31st, 2019.

The Committee discussed briefly how the Town of Pelham transit system operates and that the Town will be tendering for a second bus in the near future.

10. Capital Report

The Committee reviewed the 2019 Capital Projects – Second Quarter Report to the end of June, 2019. Teresa Quinlin, Treasurer indicated the majority of the 2019 projects have been procured (only three (3) projects currently going through the procurement process) or deferred.

11. Reserves

The Committee requested information regarding the Reserves for the next meeting.

12. New Business

None.

13. Unfinished Business

13.1 Review Terms of Reference

Bea Clark indicated her and Michael Cottenden reviewed Committee’s current Terms of Reference and revised the Terms of Reference to be shorter and more concise. Ms. Clark indicated the review focused primarily on the Committee’s mandate.

Moved By Marianne Stewart

Seconded By Michael Cottenden

THAT the Committee recommend the revised Terms of Reference be adopted by Council

Carried

13.2 Development of Committee's Goals and Priorities

Bea Clark suggested she come back to the next meeting to discuss the Committee's Goals and Priorities.

Moved By Marianne Stewart

Seconded By Ron Kore

THAT the creation of the Pelham Audit Committee's Goals and Priorities are deferred until the next meeting

Carried

14. Next Meeting

15. Adjournment

Moved By Michael Cottenden

Seconded By Marianne Stewart

THAT this Regular Meeting of the Pelham Audit Committee be adjourned.

Carried

Chair, John Wink

Deputy Clerk, Holly Willford



Monthly Revenue Report at August 31, 2019 (67% of time lapsed)

	2019				2018	
	Budget	Actual at Aug 31	Actual as a % of Budget	Notes	Budget	Actual at Dec 31
Taxation						
General Tax Levy	\$ 13,674,386	\$ 9,161,839	67 %		\$ 12,530,619	\$ 12,530,627
Payments in Lieu	300,471	201,316	67 %		300,471	299,576
Total Taxation	13,974,857	9,363,155	67 %	(1)	12,831,090	12,830,203
Finance Department						
Penalties and Interest	270,000	194,284	72 %		340,000	268,465
Supplemental Revenues	200,000	211,625	106 %	(2)	300,000	172,853
Transfer from Building Department	77,938	51,959	67 %		77,938	77,938
Ontario Unconditional Grants	39,800	30,317	76 %	(3)	39,800	39,800
Miscellaneous	15,000	13,855	92 %		10,000	80,029
Investment Income	10,000	84,153	842 %	(4)	5,000	52,756
Total Finance Department	612,738	586,193	96 %		772,738	691,841
Clerk's Department						
Committee of Adjustment	50,000	29,198	58 %		50,000	37,829
Miscellaneous	16,750	9,157	55 %		16,750	15,141
Total Clerk's Department	66,750	38,355	57 %	(5)	66,750	52,970
Fire and By-law Services						
Fire Department Revenues	35,450	30,555	86 %	(6)	34,700	37,086
By-law and Parking Enforcement	14,300	17,805	125 %	(7)	14,300	22,809
Provincial Offences Act Revenue	10,000	13,910	139 %	(8)	10,000	43,474
Total Fire and By-law Services	59,750	62,270	104 %		59,000	103,369
Public Works						
Facilities and Beautification	676,219	410,347	61 %		530,506	499,763
Aggregate Resource Grant	25,000	-	- %	(9)	25,000	23,147
Transfer from Reserve	425,500	283,667	67 %		-	78,836
Miscellaneous	80,500	21,215	26 %	(10)	18,000	26,902
Fonthill/Hillside Cemeteries	78,500	42,553	54 %	(5)	71,600	95,850
Total Public Works	1,285,719	757,782	59 %		645,106	724,498
Recreation, Culture and Wellness						
Recreation and Wellness	347,450	336,952	97 %	(11)	225,423	256,881
Special Events and Festivals	150,150	144,749	96 %	(11)	150,250	197,521
Culture and Community Enhancement	78,500	54,926	70 %	(11)	66,000	78,824
Public Transit	211,953	73,632	35 %	(12)	165,000	80,576
Total Recreation, Culture and Wellness	788,053	610,259	77 %		606,673	613,802
Community Planning and Development						
Building Department Revenues	500,500	523,572	105 %		500,500	655,957
Planning Fees	65,340	128,326	196 %		65,340	196,913
Municipal Drainage	-	-	- %		12,000	-
Total Community Planning and Development	565,840	651,898	115 %	(13)	577,840	852,870
Water and Wastewater						
Water Revenues	2,761,884	1,753,752	63 %		2,477,727	2,512,226
Wastewater Revenues	2,014,104	1,292,992	64 %		1,708,694	1,796,919
Total Water and Wastewater	4,775,988	3,046,744	64 %	(14)	4,186,421	4,309,145
GRAND TOTAL	\$ 22,129,695	\$ 15,116,656	68 %		\$ 19,745,618	\$ 20,178,698



Monthly Revenue Report at August 31, 2019 (67% of time lapsed)

Explanatory Notes:

- (1) Taxation revenue based on budget; final tax bills were sent out in June.
- (2) Supplemental revenue is collected June through November, and has exceeded budget for 2019.
- (3) Budget of \$39,800 pertained to Ontario Municipal Partnership Fund (OMPF). OMPF payments for Q1-Q3 have been received, and new Municipal Modernization grant of \$725,000 has been deferred until it can be applied to expenditures approved by Council. Approximately \$520k has been approved to be applied to capital projects in order to allocate Federal Gas Tax to the Pelham St. project. These grants are considered unconditional because they are not dependent upon a specific project being completed.
- (4) Interest will be allocated to non-discretionary and obligatory reserves at year-end.
- (5) Uncertain timing of certain revenue streams.
- (6) \$5,000 Grant received from Enbridge for fire equipment which has been purchased.
- (7) Increased fees for permits and parking fines.
- (8) Q2 POA received in August, and year-to-date received is tracking higher than budget.
- (9) Aggregate resource grant received in September each year.
- (10) Payments expected for federal grant related to climate change and innovation.
- (11) Most recreation camp and special event activity occurs in Q2 and Q3.
- (12) Significant portion of transit grants pertain to the second bus and therefore have not yet been received.
- (13) Increased revenue due to growth within the Town. At year-end, any Building Department surplus is transferred to its reserve.
- (14) Water and wastewater have been billed for January to August. Consumption tends to be higher in the summer, therefore revenue appears to be slightly lower than budget due to lower consumption than anticipated.



Monthly Expenditure Report at August 31, 2019 (67% of time lapsed)

	2019				2018	
	Budget	Actual at Aug 31	Actual as a % of Budget	Notes	Budget	Actual at Dec 31
Administration Services						
Members of Council	\$ 217,409	\$ 157,161	72 %	(1)	\$ 184,643	\$ 189,270
CAO's Office	257,512	85,717	33 %	(2)	269,326	251,004
Human Resources	86,145	66,256	77 %	(3)	201,180	178,811
Total Administration Services	561,066	309,134	55 %		655,149	619,085
Clerk's Department						
Clerk's Department	357,814	258,938	72 %	(4)	413,943	414,959
Marketing and Communication	125,975	69,292	55 %		107,761	102,750
Committee of Adjustment	6,650	694	10 %	(5)	6,650	3,167
Total Clerk's Department	490,439	328,924	67 %		528,354	520,876
Corporate Services						
Finance Department	809,394	553,383	68 %		844,232	823,910
Shared Administrative Overhead	835,015	712,266	85 %	(6)	620,250	933,824
Shared Information Technology	448,848	319,149	71 %	(7)	455,702	431,258
Total Corporate Services	2,093,257	1,584,798	76 %		1,920,184	2,188,992
Fire and By-law Services						
Fire Services	1,329,511	706,145	53 %	(8)	1,297,766	1,303,643
By-law and Parking Enforcement	126,146	80,799	64 %		114,791	124,848
Health and Safety	7,955	7,898	99 %	(9)	88,434	26,459
Crossing Guards	42,563	25,510	60 %		41,508	44,482
Animal Control	36,000	18,300	51 %	(10)	39,868	39,868
Total Fire and By-law Services	1,542,175	838,652	54 %		1,582,367	1,539,300
Public Works						
General Administration	1,183,229	833,445	70 %	(11)	940,037	898,545
Roadway Maintenance	3,810,707	2,594,217	68 %		3,474,595	3,492,779
Facilities and Beautification	3,703,562	2,039,350	55 %	(12)	2,921,217	2,911,042
Street Lighting	224,789	116,243	52 %	(13)	224,789	175,896
Fonthill and Hillside Cemeteries	128,322	78,249	61 %		127,396	116,583
Niagara Central Airport	20,844	20,844	100 %	(14)	46,566	42,816
Total Public Works	9,071,453	5,682,348	63 %		7,734,600	7,637,661
Recreation, Culture and Wellness						
General Administration	357,669	248,171	69 %		413,502	356,848
Recreation and Wellness	379,270	306,410	81 %	(15)	275,835	306,276
Special Events and Festivals	270,601	217,787	80 %	(15)	257,976	339,723
Culture and Community Enhancement	158,046	104,932	66 %	(15)	167,064	147,714
Public Transit	442,390	244,753	55 %	(16)	218,850	259,054
Libraries	814,218	542,812	67 %		814,218	814,218
Total Recreation, Culture and Wellness	2,422,194	1,664,865	69 %		2,147,445	2,223,833
Community Planning and Development						
Building Department	500,500	298,420	60 %	(17)	500,500	655,956
Planning and Zoning	633,487	416,091	66 %		475,573	469,295
Municipal Drainage	39,136	21,357	55 %		15,025	14,556
Total Community Planning and Development	1,173,123	735,868	63 %		991,098	1,139,807
Water and Wastewater						
Water	2,761,884	1,660,404	60 %	(18)	2,477,727	2,512,226
Wastewater	2,014,104	1,341,624	67 %		1,708,694	1,796,918
Total Water and Wastewater	4,775,988	3,002,028	63 %		4,186,421	4,309,144
GRAND TOTAL	\$ 22,129,695	\$ 14,146,617	64 %		\$ 19,745,618	\$ 20,178,698



Monthly Expenditure Report at August 31, 2019 (67% of time lapsed)

Explanatory Notes:

- (1) Some expenditures have been paid in full for the year, such as memberships and the strategic plan. Additional costs incurred related to Haist arena surveys.
- (2) Budget variance due to organizational changes.
- (3) Increased contracted services required.
- (4) Some fees have been paid in full for the year, such as Joint Access Advisory Committee.
- (5) Honorariums are paid at the end of the year.
- (6) WSIB expense is higher than budget and some will be allocated to water, wastewater, and building. Postage fees are higher than budget due to mailout of Haist arena survey. Insurance premiums have been paid in full for the year.
- (7) Some software licenses and support fees have been paid in full for the year.
- (8) Volunteer firefighter stipends are paid in Q4.
- (9) Health and safety interdepartmental transfers will be recorded at year-end to allocate to departments.
- (10) Animal control payments have been made for Q1 and Q2.
- (11) Some debenture principal and interest payments made for the full year.
- (12) Hydro savings at the MCC due to work of Utility Sustainability Committee; half of the debenture principal and interest payments for facilities will be made in December.
- (13) Hydro savings on streetlights from increased use of LED lighting.
- (14) Operating contribution to Niagara Central Dorothy Rungeling Airport Commission has been paid.
- (15) Most recreation camp and special event activity occurs in Q2 and Q3.
- (16) Addition of second bus will occur in September.
- (17) WSIB and insurance expenses still to be allocated.
- (18) WSIB and interdepartmental transfers to be recorded at year-end. Reduced costs for meter flushing due to development.

Meridian Community Centre
Actual Results to Budget
as at August 31, 2019 (67% of time lapsed)

		Budget 2019	Actual 2019 YTD Total	Actual as a % of Budget	Notes	Actual January 2019	Actual February 2019	Actual March 2019	Actual April 2019	Actual May 2019	Actual June 2019	Actual July 2019	Actual August 2019
Revenues													
Arena Revenues		\$ 539,219	\$ 322,668	60%	(1)	\$ 88,354	\$ 78,269	\$ 38,411	\$ 30,032	\$ 15,590	\$ 17,618	\$ 20,679	\$ 33,715
Multi-Purpose Space Revenues		63,000	46,656	74%		7,271	5,128	6,629	7,283	7,651	4,912	4,264	3,518
Gymnasium		61,000	42,668	70%	(2)	1,175	6,628	7,400	5,788	6,687	3,932	5,956	5,102
Programming Revenues		114,800	132,375	115%	(3)	1,921		12,861	(71)			62,079	55,585
Grants		42,700	58,216	136%	(4)	3,558	3,558	3,559	3,558	28,308	8,558	3,558	3,558
Other Revenues - Miscellaneous		55,550	40,793	73%		11,404	6,758	3,081	6,190	4,352	2,686	4,168	2,154
Advertising		30,000	7,500	25%	(5)				7,500				
Total Revenues	(a)	\$ 906,269	\$ 650,876	72%		\$ 113,683	\$ 100,341	\$ 71,941	\$ 60,280	\$ 62,588	\$ 37,706	\$ 100,705	\$ 103,632
Expenditures													
Salaries and Benefits		\$ 1,068,127	\$ 658,505	62%		\$ 99,114	\$ 74,407	\$ 75,126	\$ 51,819	\$ 64,537	\$ 68,789	\$ 84,759	\$ 139,953
Professional Development		10,900	7,164	66%		6,752		102				310	
Associations/Memberships		7,000	3,368	48%		3,013	305					50	
Travel		4,500	2,401	53%						2,401			
Hydro		542,140	173,310	32%	(6)	37,634	36,695	(26,028)	18,015	22,329	22,919	32,468	29,280
Natural Gas		95,072	33,202	35%	(7)	6,462	7,282	5,699	4,121	2,261	1,868	2,196	3,313
Water		45,212	23,329	52%	(8)		6,237		5,305		4,451		7,336
Telephone		4,200	7,516	179%	(9)	618	618	1,193	1,160	1,189	1,161	881	697
Office Supplies		6,150	2,490	40%		89	316	187	167	160	635	677	259
Material and Supplies		48,000	47,242	98%	(10)	8,067	8,207	7,285	1,836	1,869	6,337	11,600	2,041
Furniture & Equipment		1,000	16,497	1650%	(10)		81		9,111	7,305			
Material and Supplies-Janitorial		34,488	12,199	35%		1,415	1,117	1,177	400	3,186	757	1,710	2,438
Fuel		4,850	2,674	55%		622	529	431	153	290	138	24	487
Internet		12,000	6,594	55%		824	824	825	824	824	824	824	825
Insurance		30,000	43,716	146%	(11)		3,597		15,303				24,816
Contract Services-Janitorial		135,968	60,249	44%	(12)	15,205	17,036	15,205	15,500		(2,697)		
Contract Services-Other		118,950	76,347	64%		7,014	5,733	7,296	7,081	15,113	3,982	18,241	11,886
Repairs and Maintenance		11,500	4,572	40%			34	2,410	80	246	1,297	504	
Total Expenditures before Debt and Other Items	(b)	\$ 2,180,057	\$ 1,181,373	54%		\$ 186,829	\$ 163,018	\$ 90,907	\$ 130,875	\$ 121,708	\$ 110,460	\$ 154,245	\$ 223,330
Net Surplus (Deficit) before Debt and Other Items	(c) = (a) - (b)	\$ (1,273,788)	\$ (530,497)	42%		\$ (73,146)	\$ (62,677)	\$ (18,966)	\$ (70,595)	\$ (59,120)	\$ (72,754)	\$ (53,541)	\$ (119,697)
Debt Activity													
Tax Levy Debenture Interest		\$ (288,500)	\$ (144,779)	50%	(13)						\$ (144,779)		
Tax Levy Debenture Principal		(191,768)	(95,090)	50%	(13)						(95,090)		
Development Charge Revenue		630,310	630,310	100%		317,023						313,287	
Development Charge Debenture Interest		(377,212)	(377,212)	100%	(14)	(191,485)						(185,727)	
Development Charge Debenture Principal		(253,098)	(253,098)	100%	(14)	(125,538)						(127,560)	
Pre-MCC RCW and Facility Net Costs		893,531	595,687	67%		74,461	74,461	74,461	74,461	74,461	74,461	74,461	74,461
One-time Transfer from MCC Reserve		425,500	283,667	67%		35,458	35,458	35,458	35,458	35,458	35,459	35,459	35,459
Net Debt and Other Items	(d)	\$ 838,763	\$ 639,485	76%		\$ 109,919	\$ 109,919	\$ 109,919	\$ 109,919	\$ 109,919	\$ (129,949)	\$ 109,920	\$ 109,920
NET SURPLUS (DEFICIT)	(e) = (c) + (d)	\$ (435,025)	\$ 108,988	-25%		\$ 36,773	\$ 47,242	\$ 90,953	\$ 39,324	\$ 50,799	\$ (202,704)	\$ 56,379	\$ (9,778)

**Actual Results to Budget
as at August 31, 2019 (67% of time lapsed)**

Explanatory Notes:

- (1) Higher ice rental revenue during hockey season; expected to be lower in the summer. Additional rink flooded at the end of August.
- (2) Revenue for January 2019 has been adjusted to reflect changes made within the recreation software permit system related to bookings held during 2018 but adjusted in 2019. Permits are now being set up monthly to ensure more accuracy in monthly reporting.
- (3) Due to popularity and high demand for camp programs, additional spaces were added resulting in additional revenue.
- (4) New Horizons for Seniors Program Grant monies received for approximately \$25,000 subsequent to budget approval.
- (5) Advertising payments will be received in September and December. Total anticipated advertising revenue should be close to budget for 2019.
- (6) A credit of \$66,858 was received for the period of Nov 22, 2017 to March 25, 2019. A lower rate is now being charged. There should be a minimum of \$150,000 savings on this budget line for 2019.
- (7) Natural gas usage will be higher in the fall and winter months.
- (8) Water is billed bi-monthly.
- (9) Telephone costs for the MCC are coming in above budget and are now estimated at \$15,000 for the year, due to dedicated analog lines required for the elevators as well as handheld devices for staff which were budgeted in facilities - general. Budget savings are expected in general facilities expense to offset.
- (10) Costs incurred for puck boards, equipment hooks and cable covers. Purchase of floor equipment, including floor scrubbers. Savings in Contract-Services-Janitorial expected to offset the cost.
- (11) Insurance exceeding budget based on rates renewed in July 2019. 2020 budget will be adjusted to reflect higher premiums.
- (12) Expenses for Contracted Services - Janitorial ended on April 30, 2019. Staff have taken on the janitorial duties.
- (13) Tax levy debenture payments for the MCC occur in June and December.
- (14) Development charge debenture payments for the MCC occur in January and July.

**Meridian Community Centre
Revenue by Major Customer & Activity
for the month ended August 31, 2019**

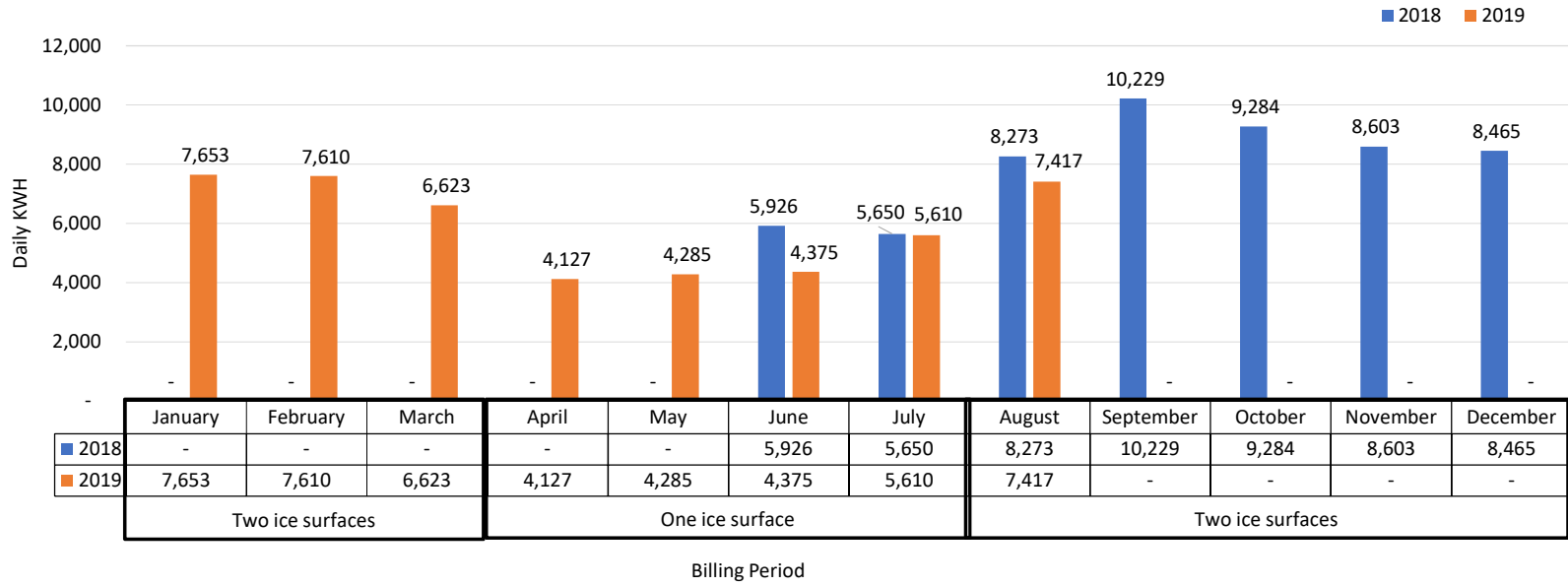
Appendix 2 (3 of 6)

	Hours	Amount
Arena Revenues		
Pelham Minor Hockey Association (PMHA)	6.0	\$ 4,236
Niagara Centre Skating Club (NCSC)	54.5	7,536
Pelham Junior Hockey Club	385.0	5,522
Southern Tier Admirals AAA Hockey	16.5	2,214
Pelham Raiders Minor Lacrosse Association	30.0	603
Public Ice	91.5	11,561
School Ice		
Recreation & Wellness Programming	66.0	2,042
Arena Revenues Subtotal	649.5	\$ 33,715
Multi-Purpose Space Revenues		
Room Rentals	58.5	\$ 1,884
Recreation Programming (hours included in categories below)		1,634
Multi-Purpose Space Revenues Subtotal	58.5	\$ 3,518
Gymnasium Revenues		
Pelham Panthers Basketball	241.0	\$ 3,325
Other	44.0	1,777
Gymnasium Revenues Subtotal	285.0	\$ 5,102
Camp and Multi-Space Program Revenue	348.0	\$ 55,585
Grants		\$ 3,558
Other Revenues		
Advertising Revenues		-
Miscellaneous Revenues		2,154
Other Revenues Subtotal	-	\$ 2,154
TOTAL REVENUES	633.0	\$ 103,632

Town of Pelham			
Meridian Community Centre Facility Usage Statistics Internal Activities			
For the month ended August 31, 2019			
Facility Name	Description	Days Reserved	Hours Reserved
211 and 212-Kinsmen Community Room	Full Room	22	242
228 and 229-Dr Gary & Mall Accursi Rm.	Full Room	6	19
228-Dr Gary & Mall Accursi Community RmA	1/2 Room	17	47
229-Dr Gary & Mall Accursi Community RmB	1/2 Room	17	42
230-Dr & Mrs Accursi Special Function Rm	Special function room (add on)	3	8
Duliban Insurance Arena	Arena	22	63
Accipiter Arena	Arena	3	3
MCC Lucchetta Gymnasium 1 - Full Gym	Full Gym	16	46
MCC Lucchetta Gymnasium 1 - No.1A	1/4 Gym	18	50
MCC Lucchetta Gymnasium 2 - Full Gym	Full Gym	26	127
MCC Lucchetta Gymnasium 2 - No.2	1/4 Gym	4	12
MCC Lucchetta Gymnasium 2 - No.2A	1/4 Gym	5	14
Total		159	671
*Internal Activities revenue comes from programming.			

Town of Pelham			
Meridian Community Centre Facility Usage Statistics External Activities			
For the month ended August 31, 2019			
Facility Name	Description	Days Reserved	Hours Reserved
211 and 212-Kinsmen Community Room	Full Room		
211-Kinsmen Community Room	1/2 Room	1	2
212-Kinsmen Community Room	1/2 Room	1	4
218-Dr Gary & Mall Accursi Rm Kitchen	Kitchen (add on)	2	21
228 and 229-Dr Gary & Mall Accursi Rm.	Full Room	1	11
228-Dr Gary & Mall Accursi Community RmA	1/2Room	9	16
229-Dr Gary & Mall Accursi Community RmB	1/2 Room	8	26
Accipiter Arena	Arena	9	35
Accipiter Arena - Pad (no ice surface)	Arena	5	30
Duliban Insurance Arena	Arena	29	204
MCC Lucchetta Gymnasium 1 - No. 1	1/4 Gym	27	127
MCC Lucchetta Gymnasium 1 - Full Gym	Full Gym	24	66
MCC Lucchetta Gymnasium 1 - No.1A	1/4 Gym	4	5
MCC Lucchetta Gymnasium 2 - Full Gym	Full Gym	22	70
MCC Lucchetta Gymnasium 2 - No.2A	1/4 Gym	1	1
Total		143	617
*External Activities revenue comes from room and gym.			

Meridian Community Centre Hydro Usage



**Town of Pelham - Transit
Actual Results to Budget
as at August 31, 2019 (67% of time lapsed)**

Appendix 3

	Budget 2019	Actual 2019 YTD Total	Actual as a % of Budget	Notes	Actual January 2019	Actual February 2019	Actual March 2019	Actual April 2019	Actual May 2019	Actual June 2019	Actual July 2019	Actual August 2019	Total YTD
Revenues													
Grants - Provincial	\$ 121,953	\$ 51,334	42%	(1)	\$ 38,501				\$ 12,833				\$ 51,334
Grants - Other	62,500	-	0%	(2)									-
Other Revenues	20,000	13,548	68%	(3)	7,866	342	638	1,086	810	655	1,040	1,111	13,548
Sponsorships	7,500	8,750	117%	(4)	5,250	3,000	250	-			250		8,750
													-
Total Revenues	\$ 211,953	\$ 73,632	35%		\$ 51,617	\$ 3,342	\$ 888	\$ 1,086	\$ 13,643	\$ 655	\$ 1,290	\$ 1,111	\$ 73,632
Expenditures													
Salaries and Benefits	\$ 107,196	\$ 72,671	68%		\$ 3,628	\$ 9,149	\$ 8,391	\$ 12,355	\$ 8,932	\$ 9,197	\$ 8,657	\$ 12,362	\$ 72,671
Material and Supplies	5,570	1,887	34%	(5)	570		30		93	36		1,158	1,887
Contract Services-Bus	325,124	170,207	52%	(5)	21,397	21,600	20,162	21,238	21,011	19,828	22,401	22,570	170,207
Interdepartmental Transfers	4,500	-	0%	(6)									-
Total Expenditures	\$ 442,390	\$ 244,765	55%		\$ 25,595	\$ 30,749	\$ 28,583	\$ 33,593	\$ 30,036	\$ 29,061	\$ 31,058	\$ 36,090	\$ 244,765
NET SURPLUS (DEFICIT)	\$ (230,437)	\$ (171,133)	74%		\$ 26,022	\$ (27,407)	\$ (27,695)	\$ (32,507)	\$ (16,393)	\$ (28,406)	\$ (29,768)	\$ (34,979)	\$ (171,133)
Ridership 2019					453	464	594	786	559	783	671	797	5,107
Ridership 2018					437	420	574	544	511	527	538	467	4,018

Explanatory Notes:

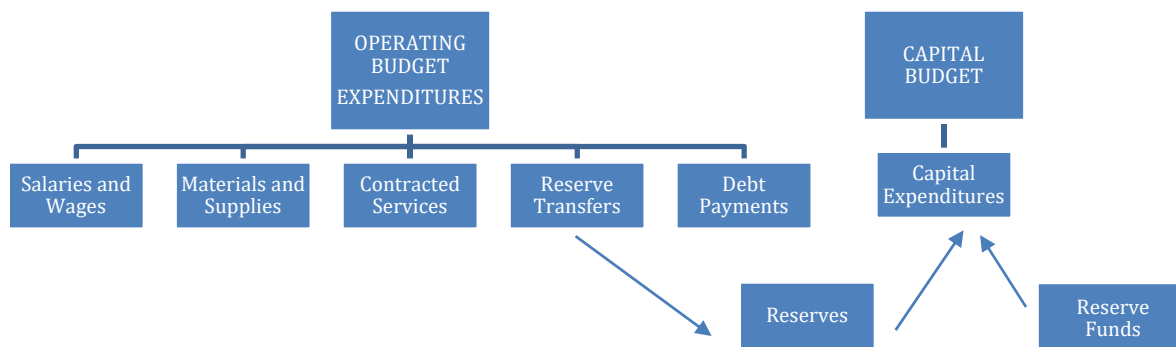
- (1) The Town has been notified that our most recent provincial gas tax allocation is \$51,334. The remaining approximate \$70,000 relates to the Ministry of Transportation Grant of \$500,000 over 5 years, and is for start-up and operating costs related to the second bus.
- (2) Region contribution to link not yet received.
- (3) Niagara College and Brock uPass paid in advance for the first half of the year; Ticket revenues not dispersed evenly through the year because they are sometimes purchased in a blocks of tickets.
- (4) Sponsorships are often paid in advance for the full year of advertising.
- (5) Expenses below budget because the second bus is not yet in operation. The budget was based on the first bus operating for a full year and the second bus operating from approximately September to December.
- (6) Interdepartmental transfers are allocations of costs from other department, such as facilities. These are recorded at year-end based on actual results.

RESERVES AND RESERVE FUNDS

2020 BUDGET

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. The Town of Pelham has established the following reserves:

- Building Department
- Cemetery
- Meridian Community Centre
- Community Improvement Plan
- Elections
- Fire Equipment
- Fleet
- Future Subdivision Projects
- Information Technology
- Land Acquisition
- Library
- Municipal Building Facility
- Municipal Drainage
- Parks and Recreation
- Physician Recruitment
- Planning
- Roads
- Wastewater
- Water
- Working Capital

The airport reserve is proportionately consolidated in the financial statements and is not controlled by the Town.

Discretionary reserves do not earn interest. The Building Department, Water, and Wastewater reserves are noted as non-discretionary on the annual reserve summary prepared by the Treasurer because these are supported by sources of revenue other than the tax levy, and the Town allocates interest to those reserves. The Town's reserves at December 31, 2018 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 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, 2018 are found in Note 5 to the financial statements.

The Town of Pelham has the following obligatory reserve funds:

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

RESERVE FORECAST

A 5-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 bring about a positive balance within 3 to 5 years 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 2021, in accordance with the 10-year capital forecast.

Reserves Forecast (\$)							
Reserves	December 31, 2018 Balance	December 31, 2019 Projected Balance	December 31, 2020 Projected Balance	December 31, 2021 Projected Balance	December 31, 2022 Projected Balance	December 31, 2023 Projected Balance	
Airport	2,955	2,955	2,955	2,955	2,955	2,955	Note 1
Building Department	1,178,592	1,328,592	1,328,592	1,262,162	1,199,054	1,139,102	Note 2
Cemetery	(68,061)	(70,561)	(53,561)	(41,561)	(3,561)	(68,561)	
Meridian Community Centre	762,080	15,304	-	-	-	-	Note 3
Community Improvement Plan	204,269	66,870	57,997	47,194	39,764	30,269	Note 4
Elections	8,367	23,367	38,367	51,367	4,367	19,367	Note 5
Fire Equipment	453,423	333,423	475,423	510,423	(288,577)	89,423	
Fleet	586,289	661,729	616,102	133,628	(58,446)	68,480	
Future Subdivision Projects	362,613	362,613	362,613	362,613	362,613	362,613	Note 6
Information Technology	(46,482)	(137,009)	(73,009)	(22,509)	(14,509)	491	
Land Acquisition	(1,470,452)	(1,470,452)	(1,470,452)	(1,470,452)	(1,470,452)	(1,470,452)	Note 7
Library	93,310	90,308	90,308	90,308	90,308	90,308	
Municipal Building Facility	(460,563)	(462,462)	(457,977)	(639,977)	(110,977)	288,023	
Municipal Drainage	(117,669)	(107,669)	(97,169)	(36,169)	(30,169)	68,831	
Parks and Recreation	(217,936)	(268,603)	(274,603)	(299,103)	(152,853)	(169,353)	
Physician Recruitment	21,704	21,704	21,704	21,704	21,704	21,704	Note 8
Planning	(87,847)	(92,670)	12,330	54,330	4,580	(1,170)	
Roads	(279,492)	(564,437)	(825,963)	(959,272)	(330,510)	(291,245)	
Wastewater	804,825	806,728	489,343	572,361	558,478	126,407	
Water	1,224,458	177,336	546,942	655,943	795,752	587,429	
Working Capital	(12,974)	(12,974)	-	-	-	-	Note 9
Total Reserves	2,941,409	704,092	789,942	295,945	619,521	894,621	

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

Note 2: Estimated slight increase in Building Department reserve in 2019 and 2020 due to higher revenues than budget, then begin to decline.

Note 3: Reserve was established to cover borrowing costs associated with construction of the MCC. Anticipated that funds will be used as needed and then balance transferred to working capital reserve.

Note 4: Estimate based on report presented to Council July 16, 2018, adjusted for actual results that differ from estimate and a slight reduction in reserve transfers from projection.

Note 5: Assumed approximately \$13,000 to \$15,000 contribution per year, with most of the balance used in election years.

Note 6: The Future Subdivision Project reserve has been unchanged for several years.

Note 7: In years where there is an operating budget surplus, a report will be brought to Council to determine whether some should be transferred to replenish the Land Acquisition Reserve.

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

Note 9: Assumed MCC reserve balance transferred in and operating revenues equal operating expenditures for all years.

RESERVE FUND PROJECTION

A 5-year reserve fund projection 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. 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.

Development Charge Reserve Fund

The projected collections for the Development Charge (DC) Reserve Fund are based on the estimates of the anticipated amount, type, and location of residential development within the Town of Pelham between 2019 to 2029 that are found in the DC Background Study. It has been assumed that the number of dwellings would be spread evenly over the 10 years, with a decrease in 2019 and 2020 based on collections year-to-date.

The projected expenditures are based on debenture schedules and the 10-year capital budget. The *More Homes, More Choice Act, 2019* and its potential impact on development charges has been discussed in the 2020 Capital Overview. The service areas that will be removed from the DC reserve will be adjusted in the projection when the regulations with respect to the *More Homes, More Choice Act* have been released.

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 \$348,000 however there has been significant growth in recent years so the projection has been adjusted down as the rate of development slows.

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.

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

	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Balance at Dec. 31, 2018	(51,871)	153,890	(231,426)	1,605,067	(149,869)	(54,519)	(333,482)	1,160,706	21,674	2,120,170	
Additions											
Collections for 2019	58,597	29,690	799,390	113,470	80,930	37,808	88,514	209,939	-	1,418,337	
Estimated Interest	(1,297)	3,847	(5,786)	40,127	(3,747)	(1,363)	(8,337)	29,018	542	53,004	2.50%
Total additions	57,300	33,537	793,604	153,596	77,183	36,445	80,177	238,957	542	1,471,341	
Expenditures											
Debenture principal and interest	69,501	34,118	606,808	33,405	630,310		189,720	26,979	-	1,590,841	
Capital expenditures carried forward	12,412			342,000			250,000	42,984		647,396	
Capital expenditures 2019 Budget										-	
Library Collection						42,750				42,750	
Total Expenditures	81,913	34,118	606,808	375,405	630,310	42,750	439,720	69,963	-	2,280,987	
Projected Balance at Dec. 31, 2019	(76,483)	153,309	(44,630)	1,383,258	(702,996)	(60,824)	(693,025)	1,329,700	22,216	1,310,524	
Additions											
Collections for 2020	58,597	29,690	799,390	113,470	80,930	37,808	88,514	209,939	-	1,418,337	
Estimated Interest	(1,912)	3,833	(1,116)	34,581	(17,575)	(1,521)	(17,326)	33,242	555	32,763	2.50%
Total additions	56,685	33,522	798,274	148,051	63,355	36,287	71,188	243,182	555	1,451,100	
Expenditures											
Debenture principal and interest	69,423	34,009	605,711	33,368	630,188		188,974	26,949		1,588,622	
Capital expenditures in 20-year budget			105,431					480,000		585,431	
Library Collection						42,750				42,750	
Total Expenditures	69,423	34,009	711,142	33,368	630,188	42,750	188,974	506,949	-	2,216,803	
Projected Balance at Dec. 31, 2020	(89,221)	152,822	42,502	1,497,942	(1,269,829)	(67,287)	(810,811)	1,065,933	22,771	544,821	
Additions											
Collections for 2021	85,699	43,559	1,171,109	175,446	125,026	58,397	137,858	326,930	-	2,124,024	
Estimated Interest	(2,231)	3,821	1,063	37,449	(31,746)	(1,682)	(20,270)	26,648	569	13,621	2.50%
Total additions	83,468	47,379	1,172,172	212,895	93,280	56,715	117,588	353,578	569	2,137,644	
Expenditures											
Debenture principal and interest	69,361	34,189	604,761	33,338	630,063		188,625	26,931		1,587,268	
Capital expenditures in 20-year budget		50,000	280,431	427,500						757,931	
Debt - Capital expenditures in 20-yr budget										-	
Library Collection						42,750				42,750	
Water/Wastewater Master Plan	75,000									75,000	
Stormwater Master Plan	75,000									75,000	
Pelham Transportation Master Plan	100,000									100,000	
Total Expenditures	319,361	84,189	885,192	460,838	630,063	42,750	188,625	26,931	-	2,637,949	
Projected Balance at Dec. 31, 2021	(325,114)	116,012	329,482	1,249,998	(1,806,612)	(53,322)	(881,849)	1,392,580	23,341	44,517	

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

	General Government	Fire Protection	Public Works	Outdoor Recreation	Indoor Recreation	Library Services	Water	Sewer	Stormwater	Total	
Additions											
Collections for 2022	85,699	43,559	1,171,109	175,446	125,026	58,397	137,858	326,930	-	2,124,024	
Estimated Interest	(9,753)	3,480	9,884	37,500	(54,198)	(1,600)	(26,455)	41,777	700	1,335	3.00%
Total additions	75,945	47,039	1,180,994	212,946	70,827	56,798	111,403	368,707	700	2,125,359	
Expenditures											
Debenture principal and interest	69,304	33,929	453,229	33,311	629,934		136,116	26,912		1,382,735	
Capital expenditures in 20-year budget	101,250			33,750						135,000	
Debt - Capital expenditures in 20-yr budget								132,596		132,596	
Library Collection						42,750				42,750	
Total Expenditures	170,554	33,929	453,229	67,061	629,934	42,750	136,116	159,508	-	1,693,081	
Projected Balance at Dec. 31, 2022	(419,723)	129,122	1,057,247	1,395,883	(2,365,719)	(39,275)	(906,562)	1,601,780	24,041	476,795	
Additions											
Collections for 2023	85,699	43,559	1,171,109	175,446	125,026	58,397	137,858	326,930	-	2,124,024	
Estimated Interest	(12,592)	3,874	31,717	41,877	(70,972)	(1,178)	(27,197)	48,053	721	14,304	3.00%
Total additions	73,107	47,432	1,202,827	217,323	54,054	57,219	110,661	374,983	721	2,138,328	
Expenditures											
Debenture principal and interest	69,244		452,538	33,282	629,800		77,672	26,895		1,289,431	
Capital expenditures in 20-year budget	92,250									92,250	
Debt - Capital expenditures in 20-yr budget		64,756	27,799				114,508	434,606		641,668	
Library Collection						42,750				42,750	
Total Expenditures	161,494	64,756	480,337	33,282	629,800	42,750	192,180	461,501	-	2,066,099	
Projected Balance at Dec. 31, 2023	(508,110)	111,799	1,779,737	1,579,924	(2,941,464)	(24,806)	(988,081)	1,515,262	24,762	549,023	
Additions											
Collections for 2024	85,699	43,559	1,171,109	175,446	125,026	58,397	137,858	326,930	-	2,124,024	
Estimated Interest	(17,784)	3,913	62,291	55,297	(102,951)	(868)	(34,583)	53,034	867	19,216	3.50%
Total additions	67,915	47,472	1,233,400	230,744	22,075	57,529	103,275	379,964	867	2,143,240	
Expenditures											
Debenture principal and interest	69,016		423,842	33,172	629,663		25,376	26,885		1,207,954	
Capital expenditures in 20-year budget	-						156,800			156,800	
Debt - Capital expenditures in 20-yr budget		129,511	239,042				229,016	694,932		1,292,500	
Library Collection						42,750				42,750	
Total Expenditures	69,016	129,511	662,884	33,172	629,663	42,750	411,192	721,817	-	2,700,004	
Projected Balance at Dec. 31, 2024	(509,211)	29,760	2,350,253	1,777,496	(3,549,053)	(10,027)	(1,295,998)	1,173,410	25,629	(7,742)	



**Parkland Dedication
5 Year Projected Reserve Fund Balance**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Projected Reserve Fund (Deficit) - Start of Year	1,303,682	1,311,605	1,044,395	865,505	1,470	1,514
Additions to Reserve						
Estimated Collections	250,000	238,000	238,000	227,000	227,000	216,000
Interest	32,608	32,790	26,110	25,965	44	53
Reductions in Reserve						
Collection of Receivable	(250,000)	(238,000)	(238,000)	(227,000)	(227,000)	(216,000)
Estimated Prior Year Projects Completed						
Estimated Projects Committed from Reserve						
Debenture Principal and Interest	(24,685)					
Capital Spending (from 20 Year Summary)		(300,000)	(205,000)	(890,000)	-	-
Projected Reserve Fund (Deficit) - End of Year	1,311,605	1,044,395	865,505	1,470	1,514	1,567

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

-5.0% 0.0% -5.0% 0.0% -5.0%

Note 2: Estimated interest rate

2.5% 2.5% 2.5% 3.0% 3.0% 3.5%

RESERVE FUND PROJECTION, CONTINUED

Federal Gas Tax Reserve Fund

The Town has an agreement with the Association of Municipalities of Ontario pertaining to Federal Gas Tax 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, therefore there is no projected balance for this reserve fund.

To continue receiving this funding, it is required that the Town continue to spend over and above the “base amount”, which is essentially the Town’s own spending on capital infrastructure from 2000 to 2004.

The projected expenditures are based on the 10-year capital budget.

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 is expected for 2020 is still unknown, therefore the capital budget has been prepared on the assumption that funding for 2020 will equal 2019, and all 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 a reduced amount past 2020 until amounts can be estimated.

The projected expenditures are based on the 10-year capital budget.