



The Corporation of the Town of Fort Erie

By-law 23-2024

Being a By-law to Establish a Development Charges Exemption Reserve

Whereas By-law No. 93-12, being a by-law to adopt a Reserve Policy for the Town of Fort Erie and to repeal By-law No. 148-06, as amended, was passed by the Municipal Council of the Town of Fort Erie on the 24th day of September, 2012; and

Whereas Report CS-13-01-2023 was approved at the Regular Council Meeting held on January 29, 2024 authorizing the establishment of a Development Charges Exemption Reserve aimed at supporting the financing of discretionary exemptions permitted by the existing Development Charges By-law; and

Whereas it is deemed necessary to further amend By-law No. 93-12 to establish the new Reserve Fund accordingly;

Now therefore the Municipal Council of The Corporation of the Town of Fort Erie enacts as follows:

- 1. That** the Development Charges Exemption Reserve is established.
- 2. That** the By-law No. 93-12, as amended, is further amended by repealing Appendix "1" to Schedule "A" thereto and replacing it with Schedule "A" attached hereto and forming part of this by-law.
- 3. That** the Clerk of the Town is authorized to affect any minor modifications, corrections or omissions, solely of an administrative, numerical, grammatical, semantical or descriptive nature to this by-law or its schedules after the passage of this by-law.

Read a first, second and third time and finally passed this 26th day of February 2024.

Mayor

Clerk

Reserve Name	Purpose	Source of Funding	Establishing By-law	Basis for Target Reserve Balance	Target Balance	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution
Discretionary Reserves							
Working Capital Reserve	Working capital	General Levy		One months equivalent of tax revenues	\$ 1,500,000	n/a	n/a
Discretionary Reserve Funds							
Operating							
General Levy Rate Stabilization	Fund tax revenue shortfalls, one time expenditures, as well as other contingencies such as costs associated with major OMB hearings	Annual general levy operating budget surpluses	1996-042	5%-10% of previous years tax levy	\$ 1,000,000	n/a	n/a
Sewer Rate Stabilization	Fund revenue shortfalls, one time expenditures, as well as other contingencies	Established annual utility operating budget contribution	1988-067	5% - 10% of previous years gross sewer revenue	\$ 430,000	Current allocation	\$ 77,100
Water Rate Stabilization	Fund revenue shortfalls, one time expenditures, as well as other contingencies	Established annual utility operating budget contribution	2009-153	5% -10% of previous years gross water revenue	\$ 380,000	Current allocation	\$ 64,500
Self Insurance	To offset cost of insurance claims and deductibles	Established annual operating budget contribution	1998-197	One year's insurance budget	\$ 500,000	Current allocation	\$ 20,000
Emergency Mgmt	Emergency measures including inclement weather	Established annual operating budget contribution	2004-251	One year's winter control budget	\$ 750,000	Current allocation	\$ 10,000
Municipal Election	To mitigate the increase in operating budget every 4 years associated with election and strategic plan	Established annual operating budget contribution	1989-211	Election and strat plan budget	\$ 130,000	Current allocation	\$ 33,000
Building Permit Surplus	To offset cost of administration and enforcement of the Building code when fee revenues are less than costs of delivering building services	Year end surpluses from Building and Inspection services net of year end deficits funded from General Levy	2008-051	One year's Building Permit budget	\$ 360,000	Budget surplus allocation net of deficits	n/a
Community Health & Wellness	Community Health and Wellness purposes	Operating budget contribution	2004-256, 2009-074	One doctor retention commitment	\$ 60,000	Budget surplus allocation	\$ 20,000
Community Improvement Plan Financial Incentives	Funding of financial incentives in accordance with approved Community Improvement Plans	Annual operating budget surplus of BCIP annual budget allocation	2006-148, 2012-067	Estimate of cost of incentives	\$ 200,000	CIP grant surplus allocation	n/a

Reserve Name	Purpose	Source of Funding	Establishing By-law	Basis for Target Reserve Balance	Target Balance	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution
<u>Discretionary Reserve Funds</u>							
Operating continued							
Affordable Housing Community Improvement Plan	Funding of financial incentives in accordance with approved Affordable Housing programs	Operating budget contribution	2022-112	Estimate of cost of incentives	n/a	Current allocation	\$ 400,000
South Niagara Hospital Reserve Fund	To accumulate the pledged funds of the new South Niagara Hospital.	Operating budget contribution	2014-023	\$3m commitment per July 15, 2013 Council Meeting Resolution #13	\$ 3,000,000	Current allocation	\$ 200,000
Heritage Reserve	Funding of financial incentives in accordance with approved Designated Heritage Property Grant Program	Operating budget contribution	2022-150	n/a	n/a	n/a	n/a
Climate Change Reserve	To fund Climate Change studies and initiatives savings	Operating budget contribution	2022-150	n/a	n/a	n/a	n/a
Encumbrance Reserve Fund	To allow for the transfer of budgeted funding for projects not yet completed	Operating project budget surpluses	2020-15		n/a	n/a	n/a

Reserve Name	Purpose	Source of Funding	Establishing By-law	Basis for Target Minimum Annual Contribution	Target Minimum Annual Contribution	Basis for Target Optimal Annual Contribution	Target Optimal Annual Contribution
<u>Discretionary Reserve Funds</u>							
Capital							
Fire Equipment Replacement	Replacement of fire apparatus	Established annual operating budget contribution	1985-090	Amortization	\$ 288,000	10% of estimated replacement cost	\$ 580,000
Fleet Equipment Replacement	Acquisition of vehicles and equipment	Established annual operating budget contribution, proceeds of sale and insurance claims	1985-90	Amortization	\$ 263,600	10% of estimated replacement cost	\$ 400,000
Office Furniture and Equipment	New and replacement Municipal Centre office equipment	Established annual operating budget contribution	2007-46	Amortization	\$ 6,400	10% of estimated replacement cost	\$ 100,000
IT Equipment	New and replacement IT equipment	Established annual operating budget contribution	2012-93	Amortization	\$ 87,000	20% of estimated replacement cost	\$ 200,000
Major Capital Expenditure	New land and facility acquisition	Net proceeds of land sales in excess of Land Acquisition and Disposal dept net expenditure budget	1979-1077	n/a	\$ -	n/a	\$ -
Industrial Land Development	To finance the servicing and/or purchasing of industrial lands in the Town of Fort Erie.	Established annual operating budget contribution	2020-15	n/a	\$ -	n/a	\$ -
Facilities Maintenance	Facility upgrades and improvements	Established annual operating budget contribution	2006-148	Amortization	\$ 1,129,200	3% of estimated replacement cost	\$ 1,753,800
Cemetery Improvements	Cemetery improvements and beautification	Operating budget contribution	1989-207	Amortization	\$ 1,900	long term cemetery strategy pending	TBD
Zamboni Replacement	Life-cycle replacement of Zambonis	Facilities rental user surcharge	2004-157	Amortization	\$ 10,400	10% of estimated replacement cost	\$ 27,000
Waterfront & Tourism Development	Waterfront land acquisition and construction of related tourism infrastructure	Annual fee received for encroachments on Waterfront Road Allowances	2000-046	n/a	\$ -	n/a	\$ -
Museum	Museum Services Capital and extraordinary operating expenses	Donations	2002-189, 2010-054	Amortization	\$ 12,000	3% of estimated replacement cost	\$ 45,000
Storm Drainage Refurbishing	Storm drainage and municipal drain system refurbishing and expansion	Established annual operating budget contribution	1986-077	Amortization	\$ 481,800	2% of estimated replacement cost	\$ 2,020,000
Municipal Drain	Municipal drainage projects	Established annual operating budget contribution	98-2020	n/a	\$ -	n/a	\$ -
Road Refurbishing	Refurbishing and expansion of road, sidewalk and streetlight system	Established annual operating budget contribution	1994-012	Amortization	\$ 3,209,300	2% of estimated replacement cost	\$ 6,000,000

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<u>Discretionary Reserve Funds</u>							
Capital continued							
Bridges & Culverts Refurbishing	Refurbishing and expansion of bridge and culvert infrastructure	Established annual operating budget contribution	2009-153	Amortization	\$ 46,000	2% of estimated replacement cost	\$ 290,000
Parking	Parking lot acquisition and improvements	Annual net parking revenues	1971-105	Amortization	\$ 3,100	2% of estimated replacement cost	\$ 2,200
Sanitary Sewer Refurbishing	Refurbishing and expansion of the sanitary sewer system	Established annual utility operating budget contribution	1984-010	Amortization	\$ 544,300	2% of estimated replacement cost	\$ 2,040,000
Water Refurbishing	Refurbishing and expansion of the water system	Established annual utility operating budget contribution	1984-011	Amortization	\$ 516,200	2% of estimated replacement cost	\$ 1,940,000
Dedicated Water Meter Replacement	Replacement of commercial and residential water meters	Established annual utility operating budget contribution	2006-148	Amortization	\$ 67,000	10% of estimated replacement cost	\$ 480,000
Development Charges Exemption	To supporting the financing of discretionary exemptions permitted by the existing Development Charges By-law	Established annual operating budget contribution	20-2024	n/a	\$ -	n/a	\$ -
<u>Discretionary Reserve Funds</u>							
Specific use							
Wayfinding Implementation	Signage initiatives of the Wayfinding study	Surplus capital funds	2006-148	n/a		included with Roads	\$ -

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<u>Obligatory Reserve Funds</u>							
Operating							
Ridgeway BIA	Improvement, beautification, maintenance, advertising and special events of the Ridgeway BIA	Annual BIA operating budget surplus	2010-012	n/a	\$ -	n/a	\$ -
Bridgeburg BIA	Improvement, beautification, and maintenance activities of the Bridgeburg BIA	Annual BIA operating budget surplus	2005-023	n/a	\$ -	n/a	\$ -
Museum Memorial	Museum artifacts perpetual care reserve, to provide for interest allocations to fund museum operations	Donations	2002-188	n/a	\$ -	n/a	\$ -
Provincial Gas Tax	For transit operations in accordance with Provincial Gas Tax Agreement	Quarterly contributions from Province (MTO) as established on an annual basis	2006-148	n/a	\$ -	n/a	\$ -

<u>Obligatory Reserve Funds</u>							
Capital							
Parklands	For park or other public recreational purposes	Cash payments in lieu of the conveyance of lander under a plan of subdivision	1979-1074	Amortization	\$ 504,300	5% of estimated replacement cost	\$ 685,000
Development Charges	To fund growth related capital projects as identified in the DC Background Study	Direct allocation of development charges collected in accordance with by-law	1991-243	See DC background study	\$ -	n/a	\$ -
Community Benefit Charge	To fund growth related capital projects as identified in the CBC Strategy	Direct allocation of CBC collected in accordance with by-law	2023-134	See CBC Strategy	\$ -	n/a	\$ -
Major Capital-Garrison Village	Drainage improvements in the Garrison Village area	Developer contribution	2006-148	n/a	\$ -	n/a	\$ -
Canada Community Building Fund (formerly Federal Gas Tax)	Infrastructure supporting cleaner water, cleaner air or reduced greenhouse gas emissions in accordance with Canada Community Building Fund Agreement (formerly Federal Gas Tax)	Quarterly contributions from the Federal government as established in the agreement. Cannot exceed three years contributions	2004-247	n/a	\$ -	n/a	\$ -