

DEVELOPMENT CHARGES BACKGROUND STUDY

Town of Penetanguishene



HEMSON Consulting Ltd.

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EXECUTIVE SUMMARY

The *Development Charges Act, 1997 (DCA)* and its associated *Ontario Regulation 82/98 (O. Reg. 82/98)* allow municipalities to recover development-related capital costs from new development. This 2019 Town of Penetanguishene Development Charges Background Study is presented as part of a process to establish a development charges by-law that complies with this legislation.

A. PURPOSE OF THE 2019 DEVELOPMENT CHARGES (DC) BACKGROUND STUDY

1. Legislative Context

The Town of Penetanguishene 2019 Development Charges Background Study is presented as part of the process to lead to the approval of a new DC by-law in compliance with the *DCA*. The study is prepared in accordance with the *DCA* and associated regulations, including the amendments that came into force on January 1, 2016.

2. Key Steps in Determining Future Development-Related Projects

In accordance with the *DCA* and associated regulations, several key steps are required to calculate development charges. This includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs, attribution to development types (i.e. residential and non-residential) and the final adjustment to the calculated rate of a cash flow analysis.

3. DC Eligible and Ineligible Costs

Development charges are intended to pay for the initial round of capital costs needed to service new development over an identified planning period. This is based on the overarching principle that “growth pays for growth”. However, the *DCA* and associated regulation includes several statutory adjustments and deductions that prevent these costs from fully being recovered by growth. Such adjustments include, but are not limited to: ineligible costs, including operating and maintenance costs; ineligible services, including tourism facilities, parkland acquisition, etc.; a statutory 10 per cent discount for “soft” or general services; deductions for costs that exceed historical service level caps; and statutory exemptions for specific uses (i.e. industrial expansions).

4. The Development-Related Capital Program is Subject to Change

It is recommended that Council adopt the development-related capital program developed for the purposes of the 2019 DC Background Study. However, it is recognized that the DC Background Study is a point-in-time analysis and there may be changes to project timing, scope and costs through the Town's normal annual budget process.

B. DEVELOPMENT FORECAST

The table below provides a summary of the anticipated residential and non-residential growth over the 2019-2028 and 2019-2031 planning periods. Details on the development forecast are provided in Appendix A.

| Growth Forecast | 2018 Estimate | General Services Planning Period 2019 - 2028 | | Engineered Services Planning Period 2019 - 2031 | |
|--|---------------|---|---------------|--|---------------|
| | | Growth | Total at 2028 | Growth | Total at 2031 |
| Residential | | | | | |
| Total Occupied Dwellings | 3,786 | 510 | 4,296 | 663 | 4,449 |
| Total Population | | | | | |
| Census | 9,223 | 1,250 | 10,473 | 1,627 | 10,850 |
| <i>Population In New Dwellings</i> | | 1,206 | | 1,569 | |
| Non-Residential | | | | | |
| Employment | 4,883 | 860 | 5,743 | 1,117 | 6,000 |
| Non-Residential Building Space (m ²) | | 51,670 | | 67,100 | |

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the Town-wide development charges for residential and non-residential development based on the aforementioned forecast.

| Service | Residential Charge (Per Unit) | | | Non-Residential Charge (Per Square Metre) |
|---------------------|-------------------------------|------------------------------|-----------------|---|
| | Singles & Semis | Townhouses & Other Multiples | Apartment Units | |
| General Services | \$6,983 | \$5,586 | \$4,748 | \$27.36 |
| Engineered Services | \$8,192 | \$6,554 | \$5,570 | \$54.32 |
| Total Charge | \$15,175 | \$12,140 | \$10,318 | \$81.68 |

D. LONG-TERM CAPITAL AND OPERATING COSTS

An overview of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the DC by-law is provided in the study. This examination is required by the *DCA*. Additional details on the long-term capital and operating impact analysis are found in Appendix E. By 2028, the Town's net operating costs arising from the development-related infrastructure are estimated at about \$409,600.

About \$32.6 million of development-related project costs will need to be funded from non-development charges sources over the next 10 years. This includes about \$638,500 in respect of the 10 per cent discount required by the *DCA* for general services and about \$31.9 million for shares of projects related to capital replacement and for non-growth shares of projects that provide benefit to the existing community. In addition, \$25.1 million in interim financing may be required for projects related to both general and engineered services that provide benefit post-2028 and 2031.

E. THE ANNUAL FUNDING REQUIREMENTS FROM NON-DEVELOPMENT CHARGE SOURCES FOR ENGINEERED SERVICES IS EXCLUDED FROM THE CALCULATION AS THE TIMING OF INFRASTRUCTURE PROJECTS IS UNCLEAR

A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle. The DC recoverable annual asset management contributions for the 2019-2028 and 2019-2031 planning periods have been calculated. The years 2029 and 2032 have been included to calculate the annual contribution for the 2019-2028 and 2019-2031 periods as the expenditures in 2028 and 2031 will not trigger asset management contributions until 2029 and 2032.

By 2029, the Town will need to fund an additional \$183,233 per annum in order to properly fund the full life cycle costs of the general services assets supported under the 2019 Development Charges By-law.

By 2032, the Town will need to fund an additional \$265,236 per annum to properly fund the full life cycle costs of the engineered services assets supported under the by-law.

F. TOWN'S DEVELOPMENT CHARGES BY-LAW TO BE RELEASED UNDER SEPARATE COVER

The Town's proposed DC by-law will be made available, under separate cover, a minimum of two weeks in advance of the statutory public meeting.

I INTRODUCTION

The *Development Charges Act, 1997 (DCA)* and its associated *Ontario Regulation 82/98 (O. Reg. 82/98)* allow municipalities to recover development-related capital costs from new development. The Town of Penetanguishene Development Charges Background Study is presented as part of a process to establish a development charges by-law that complies with this legislation.

Anticipated growth in the Town of Penetanguishene will increase the demand on all services. The Town wishes to implement development charges to fund capital projects related to growth in Penetanguishene so that development continues to be serviced in a fiscally responsible manner.

When a development charges by-law is proposed, the *DCA* and *O. Reg. 82/98* require that a development charges background study be prepared in support of the proposed changes with reference to:

- A forecast of the amount, type and location of development anticipated in the Town;
- The average capital service levels provided in the Town over the 10-year period immediately preceding the preparation of the background study;
- A review of future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred, or to be incurred, by the Town or its local boards to provide for the expected development, including the determination of the growth and non-development related components of the capital projects;
- An asset management plan that demonstrates that all assets are financially sustainable over their full life cycle; and
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate.

The study identifies the development-related net capital costs attributable to development that is forecast to occur in the Town. The costs are apportioned to types of development (residential and non-residential) in a manner that reflects the increase in the need for each service attributable to each type of development.

The *DCA* provides for a period of public review and comment regarding the calculated development charges. This process includes considering and responding to comments received by members of the public about the calculated charges. Following completion of this process, and in accordance with the *DCA* and Council's review of this study, it is intended that Council will pass new development charges for the Town.

The remainder of this study sets out the information and analysis upon which the calculated development charges are based.

Section II designates the services for which the development charges are calculated and the areas within the Town to which the development charges will apply. It also briefly reviews the methodologies that have been used in this background study.

Section III presents a summary of the forecast residential and non-residential development which is expected to occur within the Town over a 10-year planning period from 2019 to 2028, and the longer-term planning horizon of 2019 to 2031.

Section IV summarizes the 10-year historical average capital service levels that have been attained in the Town, which form the basis for the development charges calculations.

In Section V, the development-related capital program that has been developed by various Town departments is reviewed.

Section VI summarizes the calculation of applicable development charges and the resulting calculated development charges by class and type of development.

Section VII provides an examination of the long term capital and operating costs for each service included in the development charge calculation.

Section VIII presents an Asset Management Plan for the Town, demonstrating the financial sustainability of assets over the life cycle of the 2019 Development Charges By-law and satisfying the requirements of the recent amendments to the *DCA*.

Section IX provides a review of development charges administrative matters, consideration of area rating and the Town's local service definitions.

II THE METHODOLOGY USES A TOWN-WIDE APPROACH TO ALIGN DEVELOPMENT-RELATED COSTS AND BENEFITS

Several key steps are required when calculating any development charge. However, specific circumstances arise in each municipality which must be reflected in the calculation. In this study, we have tailored our approach to accommodate the Town of Penetanguishene. The approach to the calculated development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them. This study uses a Town-wide approach for all services provided by the Town of Penetanguishene. The Background Study provides an update to the historical service levels and the cost of providing future development-related capital infrastructure.

A. TOWN-WIDE DEVELOPMENT CHARGES ARE PROPOSED

The *DCA* provides municipalities with flexibility to define services that to be included in development charges by-laws, provided that the other provisions of the *DCA*, as well as those of *O. Reg. 82/98*, are met. The *DCA* also requires that the by-laws designate the areas within which DCs shall be imposed. The development charges may apply to all lands in a municipality or to specific areas set out in the by-laws.

For both general and engineered services, a range of capital infrastructure is available throughout the Town, and all Penetanguishene residents and employees have access to this infrastructure. As new development occurs, new infrastructure will be needed in order to maintain overall service levels in the Town. A widely accepted method of sharing the development-related capital costs for such Town services is to apportion them over all anticipated growth.

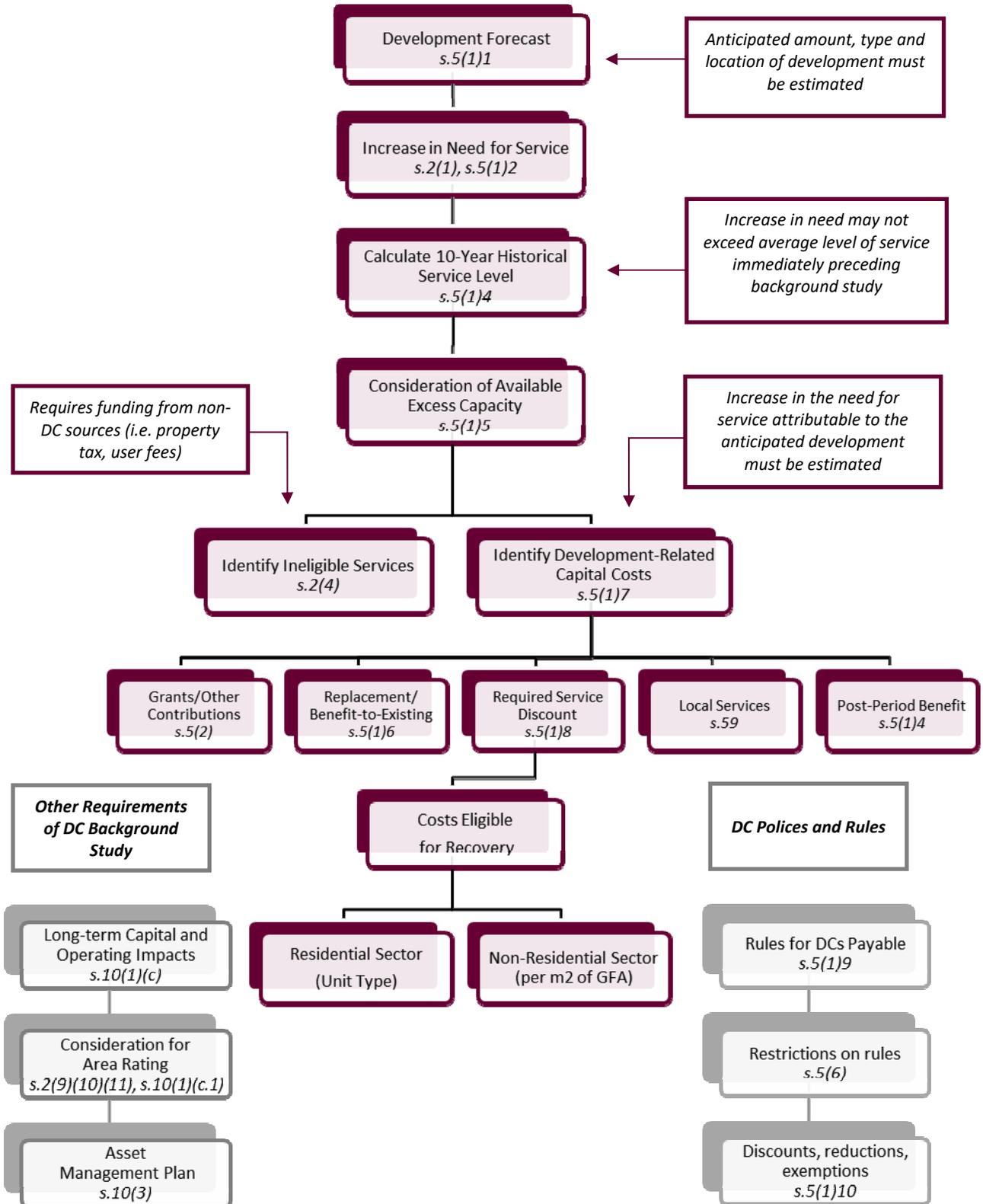
The following services are included in the Town-wide development charges calculations:

- General Government
- Library Board
- Fire Department
- Police
- Parks & Recreation
- Public Works
- Roads & Related
- Sewer
- Water

B. KEY STEPS WHEN DETERMINING DEVELOPMENT CHARGES FOR FUTURE DEVELOPMENT-RELATED PROJECTS

Several key steps are required in calculating development charges for future development-related projects. These are summarized in Figure 1 and discussed further in the following sections.

Figure 1 – Key Steps in Calculating Development Charges



1. Development Forecast

The first step in the methodology requires that a development forecast be prepared for the 10-year study period from 2019 to 2028, and to build out or ultimate development in 2031. The forecast of future residential and non-residential development used in this study is anchored on the Schedule 7 population and employment targets contained in Amendment 1 of the Provincial *Growth Plan for the Greater Golden Horseshoe (Growth Plan)*.

For the residential part of the forecast, total change in Census population determines the need for additional facilities and provides the foundation for the development-related capital program.

The non-residential part of the forecast projects the increase in employment and the anticipated amount of new building space required to accommodate the employment over the planning periods.

2. Service Categories and Historical Service Levels

The *DCA* states that the increase in the need for service attributable to anticipated development:

... must not include an increase that would result in the level of service exceeding the average level of that service provided in the Town over the 10-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical 10 year average service levels thus form the basis for the development charges calculation. A review of the Town's capital service levels for buildings, land, vehicles, equipment and others has therefore been prepared as a reference for the calculation so that the portion of future capital projects that may be included in the development charges can be determined. The historical service levels used in this study have been calculated based on the period from 2009 to 2018.

For the engineered services of water and sanitary sewer services, historical service levels are less applicable and reference is made to the Town's engineering standards as well as Provincial health or environmental requirements.

3. Development-Related Capital Forecast and Analysis of Net Capital Costs to Be Included in the Development Charges

A development-related capital program has been prepared by Town staff as part of the study. The forecast identifies development-related projects and their gross and net costs, after allowing for capital grants, subsidies or other contributions as required by the *DCA s.5.(2)*. The capital program provides another cornerstone upon which development charges are based. The *DCA* requires that the increase in the need for service attributable to the anticipated development may include an increase:

... only if the council of the Town has indicated that it intends to ensure that such an increase in need will be met. (s. 5. (1) 3.

S. 5. (1) 4. and *s. 5. (2).* of the *DCA* require that the development charges be calculated on the lesser of the historical 10-year average service levels or the service levels embodied in the future plans of the Town. The development-related capital program prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98, s. 3* states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

For some projects in the development-related capital program, a portion of the project may confer benefits to existing residents. As required by the *DCA, s. 5. (1) 6.*, these portions of projects and their associated net costs are the funding responsibility of the Town from non-development charges sources. The amount of financing for such non-growth shares of projects is also identified as part of the preparation of the development-related capital program.

There is also a requirement in the *DCA* to reduce the applicable development charges by the amount of any “uncommitted excess capacity” that is available for a service. Such capacity is available to partially meet future servicing requirements. Adjustments are made to the analysis to meet this requirement of the *Act*.

Finally, when calculating development charges, the development-related net capital costs must be reduced by 10 per cent for all services except engineered services and protection services, such as Fire Department, Police and Public Works (*DCA, s. 5. (1) 8*). The 10 per cent discount is applied to the other services, e.g. General Government, Library Board and Parks & Recreation, and the resulting financing responsibility from non-development charges sources is identified.

4. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and the non-residential sectors. In the Town of Penetanguishene, the allocation is based on the projected changes in population in new housing and employment over the planning periods.

The residential development charges are imposed on different housing types based on average occupancy factors. The non-residential development charges are applied uniformly on the basis of new building gross floor area (GFA).

5. Final Adjustment

The final determination of the development charges results from adjustments made to development-related net capital costs for each service and sector resulting from a cash flow analysis that takes account of the timing of projects and receipt of development charges. Interest earnings or borrowing costs are accounted for in the calculation as allowed under the *DCA*.

III DEVELOPMENT FORECAST

The *DCA* requires the Town to estimate “the anticipated amount, type and location of development” for which development charges may be imposed. The development forecast must cover both residential and non-residential development and be specific enough with regards to quantum, type, location and timing of development to allow the Town to prepare a reasonable development-related capital program.

The forecast is primarily based upon the Schedule 7 targets contained in Amendment 1 to the Provincial *Growth Plan*. The Town is required to conform to the growth targets as contained in the policies.

A 10 year development forecast, from mid-year 2019 to mid-year 2028, has been used for all development charges eligible general services in the Town. A planning period, from mid-year 2019 to mid-year 2031, has been used for the engineered services of Roads & Related, Water, and Sewer.

It is anticipated that the Town will add approximately 51 new dwelling units per year between 2019 and 2028. The new units will accommodate a population of 1,206. Total GFA of new non-residential buildings is anticipated to be 51,670 square metres over the same period. The new GFA will accommodate 860 new jobs in the Town.

Over the longer-term planning horizon to 2031 the Town is anticipated to add 663 new dwelling units which will accommodate a population of 1,569 persons. In terms of non-residential development, the Town is forecast to add 1,117 new employees that will generate an additional 67,100 square metres of new non-residential building space.

Table 1 summarizes the residential and non-residential development forecast used in this analysis.

TABLE 1

**TOWN OF PENETANGUISHENE
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
DEVELOPMENT FORECAST**

| Growth Forecast | 2018 Estimate | General Services Planning Period 2019 - 2028 | | Engineered Services Planning Period 2019 - 2031 | |
|--|------------------|--|---------------|---|---------------|
| | | Growth | Total at 2028 | Growth | Total at 2031 |
| Residential | | | | | |
| Total Occupied Dwellings | 3,786 | 510 | 4,296 | 663 | 4,449 |
| Total Population | | | | | |
| Census | 9,223 | 1,250 | 10,473 | 1,627 | 10,850 |
| <i>Population In New Dwellings</i> | | 1,206 | | 1,569 | |
| Non-Residential | | | | | |
| Employment | 4,883 | 860 | 5,743 | 1,117 | 6,000 |
| Non-Residential Building Space (sq.m.) | | 51,670 | | 67,100 | |

IV HISTORICAL CAPITAL SERVICE LEVELS

The *DCA* and *O. Reg. 82/98* require that the development charges be set at a level no higher than the average service level provided in the Town over the 10-year period immediately preceding the preparation of the background study, on a service-by-service basis.

For non-engineered services (Library Board, Parks & Recreation, etc.) the legislative requirement is met by documenting service levels for the preceding 10 years: in this case for the period from 2009 to 2018. Typically, service levels are measured as a ratio of inputs per capita or inputs per capita and employment. With engineered services such as water and sanitary sewer, engineering standards are used in lieu of inputs per capita.

O. Reg. 82/98 requires that, when defining and determining historical service levels, both the quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet per unit. The qualitative aspect is introduced by considering the monetary value of a facility or service. In the case of buildings, for example, the cost would be shown in terms of dollars per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be charged to new growth reflect not only the quantity (number and size) but also the quality (value or cost) of services provided by the Town in the past. Both the quantitative and qualitative aspects of service levels used in the current analysis are based on information provided by Town staff. This information is generally based on historical records and the Town's and surrounding municipalities' experience with costs to acquire or construct similar facilities, equipment and infrastructure.

Table 2 summarizes service levels for all services included in the development charges calculations. Appendix B provides detailed historical inventory data upon which the calculation of service levels is based for all general services.

TABLE 2

**TOWN OF PENETANGUISHENE
SUMMARY OF AVERAGE HISTORICAL SERVICE LEVELS 2009 - 2018**

| Service | 2009 - 2018 Service Level Indicator |
|-----------------------------------|---|
| 1.0 LIBRARY BOARD | \$830.32 per capita |
| Buildings | \$329.77 per capita |
| Land | \$127.73 per capita |
| Materials | \$313.26 per capita |
| Furniture & Equipment | \$59.56 per capita |
| 2.0 FIRE DEPARTMENT | \$566.11 per population & employment |
| Buildings | \$273.61 per population & employment |
| Land | \$66.89 per population & employment |
| Personal Fire Fighter Equipment | \$15.27 per population & employment |
| Vehicles | \$210.34 per population & employment |
| 3.0 POLICE | \$77.97 per population & employment |
| Buildings | \$56.40 per population & employment |
| Land | \$2.93 per population & employment |
| Vehicle & Officer Equipment | \$18.64 per population & employment |
| 4.0 PARKS & RECREATION | \$3,208.48 per capita |
| Indoor Recreation Facilities | \$1,881.83 per capita |
| Parkland Development | \$827.21 per capita |
| Park Facilities | \$339.43 per capita |
| Park Vehicles & Equipment | \$160.01 per capita |
| 5.0 PUBLIC WORKS | \$632.56 per population & employment |
| Buildings | \$195.84 per population & employment |
| Land | \$145.19 per population & employment |
| Furniture & Equipment | \$27.22 per population & employment |
| Fleet & Equipment | \$264.31 per population & employment |

V DEVELOPMENT-RELATED CAPITAL FORECAST

The *DCA* requires that the Council of a Town express its intent to provide future capital facilities at the level incorporated in the development charges calculation. As noted above in Section II, *Ontario Regulation 82/98, s. 3* states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a Town has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

A. DEVELOPMENT-RELATED CAPITAL FORECAST IS PROVIDED FOR COUNCIL'S APPROVAL

Based on the growth forecasts summarized in Section III and detailed in Appendix A, Town staff, in collaboration with the consultant have established a development-related capital forecast which sets out those projects that are required to service anticipated development. For all general services, the capital plan covers the 10-year period from 2019 to 2028. As permitted by the *DCA s. 5(1) 4.*, the development charge for the engineered services is based on a longer planning horizon to 2031.

One of the recommendations contained in this background study is for Council to adopt the development-related capital forecast developed for the purposes of the development charges calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the capital projects presented here as they will be needed to service the anticipated development in the Town. It is, however, acknowledged that changes to the forecast may occur through the Town's normal capital budget process.

B. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR GENERAL SERVICES

A summary of the development-related capital forecast for general services is presented in Table 3.

TOWN OF PENETANGUISHENE
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR GENERAL SERVICES 2019 - 2028
(in \$000)

| Service | Gross Cost | Grants/ Subsidies | Municipal Cost | Total Net Capital Program | | | | | | | | | |
|---|------------------|----------------------|------------------|---------------------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| 1.0 GENERAL GOVERNMENT | \$706.8 | \$0.0 | \$706.8 | \$395.3 | \$22.5 | \$85.0 | \$10.0 | \$44.0 | \$10.0 | \$10.0 | \$10.0 | \$10.0 | \$110.0 |
| 1.1 Studies | \$595.5 | \$0.0 | \$595.5 | \$284.0 | \$22.5 | \$85.0 | \$10.0 | \$44.0 | \$10.0 | \$10.0 | \$10.0 | \$10.0 | \$110.0 |
| 1.2 Recovery of Negative Reserve Fund Balance | \$111.3 | \$0.0 | \$111.3 | \$111.3 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 2.0 LIBRARY BOARD | \$1,717.8 | \$150.0 | \$1,567.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$1,227.8 |
| 2.1 Buildings, Land & Furnishings | \$1,340.0 | \$150.0 | \$1,190.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1,190.0 | \$0.0 |
| 2.2 Material Acquisitions | \$377.8 | \$0.0 | \$377.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 |
| 3.0 FIRE DEPARTMENT | \$1,453.6 | \$0.0 | \$1,453.6 | \$909.7 | \$335.6 | \$173.6 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$22.1 |
| 3.1 Recovery of Fire Hall and Aerial Debt | \$826.3 | \$0.0 | \$826.3 | \$321.3 | \$333.5 | \$171.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 3.2 Recovery of Committed Excess Capacity | \$586.2 | \$0.0 | \$586.2 | \$586.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 3.3 Equipment & Other | \$41.0 | \$0.0 | \$41.0 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$2.1 | \$22.1 |
| 4.0 POLICE | \$18.0 | \$0.0 | \$18.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$18.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 4.1 Personal Equipment | \$6.0 | \$0.0 | \$6.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$6.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 4.2 Vehicle Equipment | \$12.0 | \$0.0 | \$12.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$12.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 5.0 PARKS & RECREATION | \$2,154.0 | \$25.0 | \$2,129.0 | \$100.0 | \$179.0 | \$580.0 | \$325.0 | \$380.0 | \$145.0 | \$105.0 | \$105.0 | \$105.0 | \$105.0 |
| 5.1 Parkland & Park Facilities | \$750.0 | \$0.0 | \$750.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$75.0 |
| 5.2 New Park Development | \$795.0 | \$0.0 | \$795.0 | \$0.0 | \$0.0 | \$300.0 | \$220.0 | \$275.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 5.3 New Trail Development | \$519.0 | \$25.0 | \$494.0 | \$25.0 | \$54.0 | \$205.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 |
| 5.4 Plans and Studies | \$90.0 | \$0.0 | \$90.0 | \$0.0 | \$50.0 | \$0.0 | \$0.0 | \$0.0 | \$40.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 6.0 PUBLIC WORKS | \$1,750.0 | \$0.0 | \$1,750.0 | \$600.0 | \$300.0 | \$0.0 | \$640.0 | \$0.0 | \$210.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 6.1 Buildings and Land | \$1,140.0 | \$0.0 | \$1,140.0 | \$500.0 | \$0.0 | \$0.0 | \$640.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 6.2 Fleet and Equipment | \$610.0 | \$0.0 | \$610.0 | \$100.0 | \$300.0 | \$0.0 | \$0.0 | \$0.0 | \$210.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| TOTAL - 10 YEAR GENERAL SERVICES | \$7,800.1 | \$175.0 | \$7,625.1 | \$2,042.7 | \$874.9 | \$876.4 | \$1,014.9 | \$463.9 | \$422.9 | \$154.9 | \$154.9 | \$1,344.9 | \$274.9 |

The table shows that the gross cost of the Town's capital forecast is estimated to be \$7.8 million. Subsidies in the amount of \$175,000 have been identified to offset the cost of Library buildings and trail development in the Parks & Recreation program. This has the effect of netting down the total capital program cost. The remaining \$7.6 million represents the total cost of the program to the Town and is brought forward to the development charge calculation.

Of this \$7.6 million net capital cost, 28 per cent, or \$2.1 million is related Parks & Recreation projects, including new trail and park development, studies, and a playground upgrade program.

The capital program for Public Works includes a new salt/sand dome, additional public works building space, and three additions to the fleet. The net capital cost of the program is \$1.8 million.

The capital program for the Library Board totals \$1.6 million and includes the finishing of the basement of the library, additional parking spaces, and the ongoing acquisition of collection materials.

The Fire Department capital program provides for the recovery of debt and committed excess capacity associated with a prior fire hall expansion and vehicle purchases, as well as new equipment acquisitions. The program amounts to \$1.5 million.

The capital program associated with General Government includes provisions for development-related studies and amounts to \$706,800 over the next 10 years. These studies include development charges studies, secondary plans, an Official Plan update, a Zoning By-law update and a Brownfield Study. It also recovers for the current negative DC reserve fund balance.

The remainder of the Town's development-related capital program consists of nominal Police services expansion (\$18,000).

This capital program incorporates those projects identified to be related to development anticipated in the next 10 years. It is not implied that all of these costs are to be recovered from new development by way of development charges (see Section VI for the method and determination of net municipal costs attributable to development). Portions of this capital program may relate to providing servicing for development which has occurred prior to 2019 (for which development charge reserve fund balances exist), for replacement of existing capital facilities, or for

development anticipated to occur beyond 2028. In addition, the amounts shown in Table 3 have not been reduced by 10 per cent for various general services as mandated by *s.5(1)8.* of the *DCA*.

After these reductions, the remaining development-related capital costs are brought forward to the development charges calculation. Further details on the capital plans for each individual service category are available in Appendix B.

C. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR ENGINEERED SERVICES

Table 4 provides the development-related capital recoveries for engineered services. The development-related costs associated with these services are recovered on a Town-wide basis.

In Penetanguishene, the total engineered services capital program from 2019 to 2031 is \$78.3 million. The Sewer projects total nearly \$43.7 million. This program provides for the recovery of a portion of the Main Street wastewater plant and related sanitary sewers, including financing costs, an upgrade and expansion to the Fox Street sewage treatment plant and related sanitary sewers, sewer mains associated with the extension of Thompsons Road, and pumping station upgrades to the Fox Street sewage treatment plant. Developer contributions in the amount of \$13.2 million have been identified to help fund a portion of the sewer projects and have been removed from the DC calculation.

Roads & Related projects account for 28 per cent, or \$22.2 million, of the total engineered capital program. Scheduled roads projects in the Town include road extensions, reconstructions and upgrades, intersection improvements, and other road-related projects such as bike lanes, sidewalks and a provision for two transportation master plans. Developer contributions in the amount of \$1.8 million have been identified to help fund a portion of the roads projects and have been removed from the DC calculation.

Finally, Water services add another \$12.4 million to the forecast. The Water program comprises two water storage and supply projects, water distribution projects such as the Main Street water main upgrade, and studies. Developer contributions in the amount of \$150,000 have been identified to help fund a portion of the water projects and have been removed from the DC calculation.

Details of the engineered services capital program are included in Appendix C.

TABLE 4

TOWN OF PENETANGUISHENE
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR ENGINEERED SERVICES 2019 - 2031
(in \$000)

| Service | Gross Cost | Grants / Subsidies | Net Municipal Cost |
|--|-------------------|-----------------------|-----------------------|
| 1.0 ROADS & RELATED | \$22,177.5 | \$1,796.7 | \$20,380.8 |
| 1.1 Road Extension and Reconstruction Projects | \$20,527.5 | \$1,538.3 | \$18,989.2 |
| 1.2 Intersection Projects | \$600.0 | \$258.3 | \$341.7 |
| 1.3 Related Road Works | \$1,050.0 | \$0.0 | \$1,050.0 |
| 2.0 SEWER | \$43,667.5 | \$13,171.4 | \$30,496.1 |
| 2.1 Sewer Treatment Plants | \$37,489.8 | \$13,021.4 | \$24,468.4 |
| 2.2 Sanitary Sewers | \$3,326.3 | \$150.0 | \$3,176.3 |
| 2.3 Sewage Pumping Stations | \$2,500.0 | \$0.0 | \$2,500.0 |
| 2.4 Recovery of Uncommitted Reserve Fund Balance | \$351.4 | \$0.0 | \$351.4 |
| 3.0 WATER | \$12,445.5 | \$150.0 | \$12,295.5 |
| 3.1 Water Storage and Supply | \$7,894.2 | \$0.0 | \$7,894.2 |
| 3.2 Water Distribution | \$4,451.3 | \$150.0 | \$4,301.3 |
| 3.3 Studies | \$100.0 | \$0.0 | \$100.0 |
| TOTAL - ENGINEERED SERVICES CAPITAL PROGRAM | \$78,290.4 | \$15,118.1 | \$63,172.4 |

VI DEVELOPMENT CHARGES ARE CALCULATED IN ACCORDANCE WITH THE *DCA*

This section summarizes the calculation of development charges for each service and the resulting total development charge by type of development. For all services, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) charges is reviewed. Adjustments to these amounts resulting from a cash flow analysis that accounts for interest earnings and borrowing costs are also discussed.

For residential development, an adjusted total per capita amount is then converted to a variable charge by housing unit type using unit occupancy factors. The calculated non-residential charges are based on gross floor area (GFA) of building space.

It is noted that the calculation of the Town-wide development charges does not include any provision for exemptions required under the *DCA* such as the exemption for enlargements of up to 50 per cent on existing industrial buildings. Such legislated exemptions, or other exemptions or reductions which Council chooses to provide, will result in a loss of development charges revenue for the affected types of development. Any such revenue loss may not be made up, however, by offsetting increases in other portions of the calculated charge.

A. UNADJUSTED DEVELOPMENT CHARGES CALCULATION

A summary of the “unadjusted” residential and non-residential development charges for the Town-wide general services is presented in Table 5. Further details of the calculation for each individual general service category are available in Appendix B.

1. General Services

The capital program for general services incorporates those projects identified to be related to development anticipated in the next 10 years. However, not all of the capital costs are to be recovered from new development by way of development charges. Table 5 shows that \$1.1 million of the capital program relates to the replacement of existing capital facilities or to shares of projects that provide benefit to the existing community. These portions of capital costs would have to be funded from property taxes and other non-development charges revenue sources.

The *DCA, s. 5 (1) 8*, requires that development-related net capital costs for general services be reduced by 10 per cent in calculating the applicable development charge. The discount does not apply to Fire Department and Police services. The 10 per cent share of development-related net capital costs not included in the development charges calculations must be funded from non-development charges sources. In total, approximately \$355,500 is identified as the required 10 per cent reduction.

An additional share of \$859,600 has been identified as available DC reserves and represents the revenues collected from previous DC by-laws. This portion has been netted out of the chargeable capital costs. Another share of the forecast, \$993,200, is either attributable to growth beyond the 2028 period, which may be considered for recovery in future development charges studies, subject to service level restrictions.

The total costs eligible for recovery through development charges is \$4.3 million for the general services. This amount is allocated between the residential and non-residential sectors to derive the unadjusted development charges. The Library Board and Parks & Recreation services are deemed to benefit residential development only, while the other services are allocated between both sectors based on shares of population in new units and employment growth.

Approximately \$3.1 million of the recoverable development charges is deemed to benefit residential development. When this amount is divided by the 10-year population growth in new units (1,206), an unadjusted charge of \$2,576.28 per capita is derived.

The non-residential share of the capital program totals \$1.2 million. This amount is divided by the 10 year growth in new employment space (51,670 square metres), resulting in an unadjusted charge of \$24.01 per square metre.

2. Engineered Services

Table 6 displays the development-related capital forecast for Roads & Related, Water, and Sewer services from 2019 to 2031. The net cost of the capital program amounts to \$63.2 million. However, \$990,800 has been identified as funds available in the DC reserves and is removed from the development charges calculation. In addition, \$30.2 million of the works is deemed to benefit the existing population and, as such, is also removed from the development charges calculation. Another portion of the program that is not included in the DC calculation is the share of the works that is considered to provide benefit to development beyond the DC Study's planning horizon; \$23.1 million is identified as this post-period benefit share.

The net capital cost after the discounts is \$8.8 million, of which \$5.1 million is allocated to benefit the future residential population and \$3.7 million is allocated to non-residential development. The resulting development charge is \$3,276.55 per capita and \$54.32 per square metre.

TOWN OF PENETANGUISENE
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
10-YEAR CAPITAL PROGRAM FOR GENERAL SERVICES

| | |
|---|--------|
| 10 Year Growth in Population in New Units | 1,206 |
| 10 Year Growth in Square Metres | 51,670 |

| Service | Development-Related Capital Program (2019 - 2028) | | | | | | Residential Share | | Non-Residential Share | |
|---|---|-----------------------------------|---------------------------|-----------------------|-------------------|--------------------------------------|-------------------|-------------------|-----------------------|------------------|
| | Net Municipal Cost | Replacement & Benefit to Existing | Required Service Discount | Available DC Reserves | Post-2028 Benefit | Total DC Eligible Costs for Recovery | % | (\$000) | % | (\$000) |
| | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | | | | |
| 1.0 LIBRARY BOARD | \$1,567.8 | \$0.0 | \$156.8 | \$257.5 | \$749.7 | \$403.8 | 100% | \$403.8 | 0% | \$0.00 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$334.84 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$0.00 |
| 2.0 FIRE DEPARTMENT | \$1,453.6 | \$192.3 | \$0.0 | \$0.0 | \$66.8 | \$1,194.5 | 58% | \$697.3 | 42% | \$497.23 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$578.17 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$9.62 |
| 3.0 POLICE | \$18.0 | \$0.0 | \$0.0 | \$5.0 | \$0.0 | \$13.0 | 58% | \$7.6 | 42% | \$5.43 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$6.31 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$0.11 |
| 4.0 PARKS & RECREATION | \$2,129.0 | \$504.4 | \$162.5 | \$498.6 | \$0.0 | \$963.5 | 100% | \$963.5 | 0% | \$0.00 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$798.95 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$0.00 |
| 5.0 PUBLIC WORKS | \$1,750.0 | \$140.0 | \$0.0 | \$98.5 | \$176.8 | \$1,334.7 | 58% | \$779.1 | 42% | \$555.58 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$646.03 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$10.75 |
| 6.0 GENERAL GOVERNMENT | \$706.8 | \$232.5 | \$36.3 | \$0.0 | \$0.0 | \$438.0 | 58% | \$255.659 | 42% | \$182.31 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$211.99 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$3.53 |
| TOTAL 10 YEAR GENERAL SERVICES | \$7,625.1 | \$1,069.3 | \$355.5 | \$859.6 | \$993.2 | \$4,347.5 | | \$3,107.0 | | \$1,240.6 |
| Unadjusted Development Charge Per Capita | | | | | | | | \$2,576.28 | | |
| Unadjusted Development Charge Per Sq.M | | | | | | | | | | \$24.01 |

**TOWN OF PENETANGUISHENE
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CAPITAL PROGRAM FOR ENGINEERED SERVICES**

| | |
|---|--------|
| Ultimate Year Growth in Population in New Units | 1,569 |
| Employment Growth | 1,117 |
| Ultimate Growth in Square Meters | 67,380 |

| Service | Development-Related Capital Program (2019 - 2031) | | | | | Residential Share | | Non-Residential Share | |
|----------------------------------|---|-----------------------------------|-----------------------|---------------------|--------------------------------------|-------------------|-------------------|-----------------------|------------------|
| | Net Municipal Cost | Replacement & Benefit to Existing | Available DC Reserves | Post-Period Benefit | Total DC Eligible Costs for Recovery | % | (\$000) | % | (\$000) |
| | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | | | | |
| 1.0 ROADS & RELATED | \$20,380.8 | \$6,879.2 | \$320.4 | \$10,285.0 | \$2,896.2 | 58% | \$1,691.8 | 42% | \$1,204.43 |
| Development Charge Per Capita | | | | | | | \$1,078.27 | | |
| Development Charge Per Sq.M | | | | | | | | | \$17.88 |
| 2.0 SEWER | \$30,496.1 | \$13,860.5 | \$0.0 | \$12,647.4 | \$3,988.2 | 58% | \$2,329.7 | 42% | \$1,658.55 |
| Development Charge Per Capita | | | | | | | \$1,484.82 | | |
| Development Charge Per Sq.M | | | | | | | | | \$24.61 |
| 3.0 WATER | \$12,295.5 | \$9,507.9 | \$670.3 | \$200.8 | \$1,916.3 | 58% | \$1,119.4 | 42% | \$796.94 |
| Development Charge Per Capita | | | | | | | \$713.46 | | |
| Development Charge Per Sq.M | | | | | | | | | \$11.83 |
| TOTAL ENGINEERED SERVICES | \$63,172.4 | \$30,247.6 | \$990.8 | \$23,133.2 | \$8,800.8 | | \$5,140.9 | | \$3,659.9 |
| Development Charge Per Capita | | | | | | | \$3,276.55 | | |
| Development Charge Per Sq.M | | | | | | | | | \$54.32 |

The total unadjusted charge for residential development is \$5,852.84 per capita, while the total unadjusted non-residential charge totals \$78.33 per square metre.

B. ADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES

Final adjustments to the “unadjusted” development charge rates summarized above are made through a cash flow analysis. The analysis, details of which are included in the appendices, considers the borrowing cost and interest earnings associated with the timing of expenditures and development charge receipts for each service. Given the exact timing of the engineered services projects is unknown, the development charges for these services have not been cash flowed.

Table 7 summarizes the results of the adjustment for the residential development charge rates. The adjusted per capita rate increases from \$5,852.84 to \$6,069.55 after cash flow analysis.

Residential Town-wide development charges are proposed to vary by dwelling unit type to reflect their different occupancy factors and resulting demand for services. As shown in Table 7, the calculated residential charge ranges from \$10,318 for apartment units to \$15,175 for single and semi-detached units. The calculated charge for townhouses and other multiples is \$12,140.

The calculated non-residential development charge rates are presented in Table 8. The calculated adjusted rate for new non-residential development is \$81.68 per square metre, which is an increase of \$3.35 from the unadjusted rate of \$78.33 per square metre.

C. COMPARISON OF 2019 NEWLY CALCULATED DEVELOPMENT CHARGES WITH CHARGES CURRENTLY IN FORCE IN PENETANGUISHENE

Tables 9 and 10 present a comparison of the newly calculated residential and non-residential development charges with those currently imposed in Penetanguishene. Table 9 demonstrates that the residential development charge rate for single and semi-detached units increases by \$1,018 per unit, or 7 per cent from the Town’s current imposed charge.

The current development charges rate for non-residential development represents an increase of \$2.47 per square metre, from \$79.21 to \$81.68 per square metre, or 3 per cent.

TABLE 7

**TOWN OF PENETANGUIHENE
TOWN-WIDE DEVELOPMENT CHARGES
RESIDENTIAL DEVELOPMENT CHARGES BY UNIT TYPE**

| Service | Unadjusted Charge Per Capita | Adjusted Charge Per Capita | Residential Charge By Unit Type (1) | | | Percentage of Charge |
|---------------------------------------|------------------------------|----------------------------|-------------------------------------|------------------------------|-----------------|----------------------|
| | | | Singles & Semis | Townhouses & Other Multiples | Apartment Units | |
| General Government | \$212 | \$232 | \$580 | \$464 | \$394 | 3.8% |
| Library Board | \$335 | \$322 | \$804 | \$643 | \$547 | 5.3% |
| Fire Department | \$578 | \$686 | \$1,715 | \$1,372 | \$1,166 | 11.3% |
| Police | \$6 | \$7 | \$16 | \$13 | \$11 | 0.1% |
| Parks & Recreation | \$799 | \$829 | \$2,073 | \$1,658 | \$1,409 | 13.7% |
| Public Works | \$646 | \$718 | \$1,795 | \$1,436 | \$1,221 | 11.8% |
| Subtotal - General Services | \$2,576 | \$2,793 | \$6,983 | \$5,586 | \$4,748 | 46.0% |
| Roads & Related | \$1,078 | \$1,078 | \$2,696 | \$2,157 | \$1,833 | 17.8% |
| Sewer | \$1,485 | \$1,485 | \$3,712 | \$2,970 | \$2,524 | 24.5% |
| Water | \$713 | \$713 | \$1,784 | \$1,427 | \$1,213 | 11.8% |
| Subtotal - Engineered Services | \$3,277 | \$3,277 | \$8,192 | \$6,554 | \$5,570 | 54.0% |
| TOTAL CHARGE PER UNIT | \$5,853 | \$6,070 | \$15,175 | \$12,140 | \$10,318 | 100.0% |
| (1) Based on Persons Per Unit Of: | | | 2.50 | 2.00 | 1.70 | |

TABLE 8

**TOWN OF PENETANGUISHENE
TOWN-WIDE DEVELOPMENT CHARGES
NON-RESIDENTIAL DEVELOPMENT CHARGES PER SQUARE METRE**

| Service | Non-Residential | | Percentage of Charge |
|---------------------------------------|------------------------------------|----------------------------------|----------------------|
| | Unadjusted Charge per Square Metre | Adjusted Charge per Square Metre | |
| General Government | \$3.53 | \$3.85 | 4.7% |
| Library Board | \$0.00 | \$0.00 | 0.0% |
| Fire Department | \$9.62 | \$11.45 | 14.0% |
| Police | \$0.11 | \$0.11 | 0.1% |
| Parks & Recreation | \$0.00 | \$0.00 | 0.0% |
| Public Works | \$10.75 | \$11.95 | 14.6% |
| Subtotal - General Services | \$24.01 | \$27.36 | 33.5% |
| Roads & Related | \$17.88 | \$17.88 | 21.9% |
| Sewer | \$24.61 | \$24.61 | 30.1% |
| Water | \$11.83 | \$11.83 | 14.5% |
| Subtotal - Engineered Services | \$54.32 | \$54.32 | 66.5% |
| TOTAL CHARGE PER SQUARE METRE | \$78.33 | \$81.68 | 100.0% |

TABLE 9

**TOWN OF PENETANGUISHENE
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES**

| Service | Current Residential Charge / SDU | Calculated Residential Charge / SDU | Difference in Charge | |
|---------------------------------------|----------------------------------|-------------------------------------|----------------------|-------------|
| | | | | |
| General Government | \$567 | \$580 | \$13 | 2% |
| Library Board | \$1,036 | \$804 | (\$232) | -22% |
| Fire Department | \$926 | \$1,715 | \$789 | 85% |
| Police | \$28 | \$16 | (\$12) | -42% |
| Parks & Recreation | \$0 | \$2,073 | \$2,073 | 0% |
| Public Works | \$876 | \$1,795 | \$919 | 105% |
| Subtotal - General Services | \$3,433 | \$6,983 | \$3,550 | 103% |
| Roads & Related | \$3,294 | \$2,696 | (\$598) | -18% |
| Sewer | \$6,259 | \$3,712 | (\$2,547) | -41% |
| Water | \$1,171 | \$1,784 | \$613 | 52% |
| Subtotal - Engineered Services | \$10,724 | \$8,192 | (\$2,532) | -24% |
| TOTAL CHARGE PER UNIT | \$14,157 | \$15,175 | \$1,018 | 7% |

TABLE 10

**TOWN OF PENETANGUISHENE
COMPARISON OF CURRENT AND CALCULATED
NON-RESIDENTIAL DEVELOPMENT CHARGES**

| Service | Non-Residential (\$/Square Metre) | | | |
|---------------------------------------|--------------------------------------|---|----------------------|-------------|
| | Current Non-Residential Charge | Calculated Non-Residential Charge | Difference in Charge | |
| General Government | \$ 3.40 | \$3.85 | \$0.45 | 13% |
| Library Board | \$ - | \$0.00 | \$0.00 | 0% |
| Fire Department | \$ 6.39 | \$11.45 | \$5.06 | 79% |
| Police | \$ 0.17 | \$0.11 | (\$0.06) | -37% |
| Parks & Recreation | \$ - | \$0.00 | \$0.00 | 0% |
| Public Works | \$ 5.23 | \$11.95 | \$6.72 | 128% |
| Subtotal - General Services | \$ 15.19 | \$27.36 | \$12.17 | 80% |
| Roads & Related | \$ 19.67 | \$17.88 | (\$1.79) | -9% |
| Sewer | \$ 37.36 | \$24.61 | (\$12.74) | -34% |
| Water | \$ 6.99 | \$11.83 | \$4.84 | 69% |
| Subtotal - Engineered Services | \$ 64.02 | \$54.32 | (\$9.70) | -15% |
| TOTAL CHARGE PER SQUARE METRE | \$79.21 | \$81.68 | \$2.47 | 3% |

VII LONG-TERM CAPITAL AND OPERATING COSTS

This section examines the long-term capital and operating costs for the capital facilities and infrastructure to be included in the development charges by-law. This examination is required as one of the features of the *DCA*.

A. NET OPERATING COSTS FOR THE TOWN'S SERVICES ESTIMATED TO INCREASE OVER THE FORECAST PERIOD

Table 11 summarizes the estimated increase in net operating costs that the Town will experience for additions associated with the planned capital program. These estimates are based on historical average costs (additional details are included in Appendix E).

As shown in Table 11, by 2028 the Town's net operating costs for tax-supported services are estimated to increase by \$350,300. This does not include the annual non-DC funding requirement for engineered services as the timing of infrastructure projects for these services is unclear. A significant portion of this increase relates to roads infrastructure and park development.

B. LONG-TERM CAPITAL FINANCING FROM NON-DEVELOPMENT CHARGE SOURCES TOTALS \$32.6 MILLION

Table 11 also summarizes the components of the development-related general services capital program that will require funding from non-development charges sources. Of the \$77.0 million net capital program, about \$32.6 million will need to be financed from non-development charges sources over the next 10 years. This includes about \$638,500 in respect of the 10 per cent discount required by the *DCA* for general services and about \$31.9 million for shares of projects related to capital replacement and for non-growth shares of projects that provide benefit to the existing community. In addition, \$25.1 million in interim financing may be required for projects related to general service level increases and to growth in the post-2028 period. It is likely that most of these monies could be recovered from future development charges as the by-laws are revisited at least every 5 years.

The annual funding requirements from non-development charge sources for engineered services is excluded from the calculation as the timing of infrastructure projects is unclear.

TABLE 11

TOWN OF PENETANGUISHENE
SUMMARY OF LONG TERM CAPITAL AND
OPERATING COST IMPACTS FOR GENERAL SERVICES
(in thousands of constant dollars)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| Net Operating Impacts (1) | | | | | | | | | | | |
| Library Board | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$10.3 | \$10.3 | |
| Fire Department | \$3.3 | \$13.3 | \$13.3 | \$23.3 | \$23.3 | \$33.3 | \$33.3 | \$33.3 | \$33.3 | \$33.3 | |
| Police | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | |
| Parks & Recreation | \$5.0 | \$14.0 | \$43.0 | \$59.2 | \$78.2 | \$85.5 | \$90.7 | \$96.0 | \$101.2 | \$106.5 | |
| Public Works | \$5.0 | \$10.0 | \$10.0 | \$16.0 | \$16.0 | \$21.0 | \$21.0 | \$21.0 | \$21.0 | \$21.0 | |
| Roads & Related | \$17.9 | \$35.7 | \$53.6 | \$71.4 | \$89.3 | \$107.1 | \$125.0 | \$142.8 | \$160.7 | \$178.5 | |
| NET OPERATING IMPACTS | \$31.2 | \$73.0 | \$119.8 | \$170.0 | \$206.8 | \$247.6 | \$270.7 | \$293.8 | \$327.2 | \$350.3 | n/a |
| GENERAL SERVICES | | | | | | | | | | | |
| Long-term Capital Impact (1) | | | | | | | | | | | |
| Total Net Cost | \$1,647.5 | \$852.4 | \$791.4 | \$1,004.9 | \$419.9 | \$412.9 | \$144.9 | \$144.9 | \$1,334.9 | \$164.9 | \$6,918.4 |
| Net Cost From Development Charges | \$1,163.8 | \$630.6 | \$396.8 | \$840.1 | \$249.6 | \$49.3 | \$41.2 | \$72.2 | \$393.5 | \$72.2 | \$3,909.5 |
| Prior Growth Share from DC Reserve Balances (2) | \$186.4 | \$114.0 | \$245.9 | \$92.4 | \$92.4 | \$97.4 | \$31.0 | \$0.0 | \$0.0 | \$0.0 | \$859.6 |
| Portion for Post-2028 Development (3) | \$0.0 | \$0.0 | \$46.8 | \$0.0 | \$0.0 | \$176.8 | \$0.0 | \$0.0 | \$749.7 | \$20.0 | \$993.2 |
| Funding From Non-DC Sources | | | | | | | | | | | |
| Discount Portion | \$8.8 | \$16.7 | \$56.3 | \$31.3 | \$36.8 | \$13.3 | \$9.3 | \$9.3 | \$128.3 | \$9.3 | \$319.2 |
| Replacement | \$297.3 | \$100.0 | \$54.4 | \$50.0 | \$50.0 | \$85.0 | \$50.0 | \$50.0 | \$50.0 | \$50.0 | \$836.8 |
| FUNDING FROM NON-DC SOURCES (GENERAL SERVICES) | \$306.1 | \$116.7 | \$110.8 | \$81.3 | \$86.8 | \$98.3 | \$59.3 | \$59.3 | \$178.3 | \$59.3 | \$1,156.0 |
| ENGINEERED SERVICES (4) | | | | | | | | | | | |
| Long-term Capital Impact (1) | | | | | | | | | | | |
| Total Net Cost | | | | | | | | | | | \$63,172.4 |
| Net Cost From Development Charges | | | | | | | | | | | \$8,800.8 |
| Prior Growth Share from DC Reserve Balances (2) | | | | | | | | | | | \$990.8 |
| Portion for Post-2031 Development (3) | | | | | | | | | | | \$23,133.2 |
| Funding From Non-DC Sources | | | | | | | | | | | |
| Discount Portion | | | | | | | | | | | \$0.0 |
| Replacement | | | | | | | | | | | \$30,247.6 |
| FUNDING FROM NON-DC SOURCES (ENGINEERED SERVICES) | | | | | | | | | | | \$30,247.6 |
| TOTAL NET OPERATING & CAPITAL IMPACTS (5) | \$337.3 | \$189.7 | \$230.6 | \$251.3 | \$293.6 | \$345.9 | \$330.0 | \$353.1 | \$505.5 | \$409.6 | n/a |

Notes:

(1) See Appendix E

(2) Existing development charge reserve fund balances collected from growth prior to 2018 are applied to fund initial projects in development-related capital forecast.

(3) Post Period development-related net capital costs may be eligible for development charge funding in future DC by-laws.

(4) Interim years for Roads & Related, Sewer and Water are unknown as timing of infrastructure projects is unclear.

(5) Does not include non-DC source funding for engineered services.

VIII ASSET MANAGEMENT PLAN

The *DCA* now requires that municipalities complete an Asset Management Plan before passing a development charges by-law. A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle. Further details relating to the Asset Management Plan are discussed in Appendix F.

A. ANNUAL CAPITAL PROVISIONS WILL REACH \$183,233 BY 2029 AND \$265,236 BY 2032

Tables 12 and 13 summarize the annual capital provisions required to replace the development eligible and ineligible costs associated with the capital infrastructure identified in the DC Background Study. This estimate is based on information obtained through discussions with municipal staff regarding useful life assumptions and the capital cost of acquiring and/or replacing each asset.

Table 12 illustrates that by 2029 the Town will need to fund an additional \$183,233 per annum in order to properly fund the full life cycle costs of the new general services assets supported under the proposed Development Charges By-law. Table 13 illustrates that by 2032, the Town will be required to fund approximately \$265,236 per annum in order to fund the full life cycle costs of the engineered services assets. The years 2029 and 2032 have been included to calculate the annual contribution for the 2019-2028 and 2019-2031 periods as the expenditures in 2028 and 2031 will not trigger asset management contributions until 2029 and 2032.

The calculated annual funding provision should be considered in the context of the Town's projected growth. Over the next 10 years, the Town is projected to increase by 1,250 people. By 2031, the Town's population will increase by approximately 1,627 people. In addition, the Town will add 860 new employees by 2028 and 1,117 employees by 2031. This results in approximately 51,670 square metres and 67,100 square metres of additional non-residential building space by 2028 and 2031 respectively.

This growth will have the effect of increasing the overall assessment base and additional user fee and charges revenues to offset the capital asset provisions required to replace the infrastructure to be funded under the proposed Development Charges By-law.

The calculated annual provisions identified are considered to be financially sustainable as it is expected that the increased capital asset requirements can be absorbed by the tax and user base over the long-term.

| Table 12 | | | | |
|---|--|----------------------|--|-----------------------|
| Calculated Annual Provision by 2029 for General Services | | | | |
| Service | 2019 - 2028 Capital Program | | Calculated AMP Annual Provision by 2029 | |
| | DC Recoverable | Non-DC Funded | DC Related | Non-DC Related |
| General Government | \$474,272 | \$232,500 | \$0 | \$0 |
| Library Board | \$734,790 | \$983,000 | \$65,708 | \$31,993 |
| Fire Department | \$1,194,492 | \$259,087 | \$2,996 | \$0 |
| Police | \$18,000 | \$0 | \$2,835 | \$0 |
| Parks & Recreation | \$1,624,556 | \$529,444 | \$61,858 | \$37,130 |
| Public Works | \$1,433,204 | \$316,796 | \$49,837 | \$22,902 |
| Total | \$5,479,314 | \$2,320,827 | \$183,233 | \$92,025 |

| Table 13 | | | | |
|--|--|----------------------|--|-----------------------|
| Calculated Annual Provision by 2032 for Engineered Services | | | | |
| Service | 2019 - 2031 Capital Program | | Calculated AMP Annual Provision by 2032 | |
| | DC Recoverable | Non-DC Funded | DC Related | Non-DC Related |
| Roads & Related | \$3,216,625 | \$18,960,867 | \$167,839 | \$1,144,917 |
| Sewer | \$3,988,214 | \$39,679,266 | \$62,961 | \$888,148 |
| Water | \$2,586,688 | \$9,858,762 | \$34,437 | \$132,600 |
| Total | \$9,791,527 | \$68,498,896 | \$265,236 | \$2,165,665 |

IX DEVELOPMENT CHARGES ADMINISTRATION AND CONSIDERATIONS

A. DEVELOPMENT CHARGES ADMINISTRATION

Many of the administrative requirements of the *DCA* will be similar to those presently followed by the Town in terms of collection practices. However, changes will likely be required in the use of and reporting on the new development charges. In this regard:

- It is recommended that the current practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the *DCA*, the Town should codify any rules regarding application of the by-laws and any exemptions within the development charges by-laws proposed for adoption;
- It is recommended that the Town continue to report policies consistent with the requirements of the *DCA*;
- It is recommended that the by-laws permit the payment of a development charge in cash or through services-in-lieu agreements. The municipality is not obligated to enter services-in-lieu agreements; and
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Town's normal capital budget process.

B. TOWN-WIDE VS. AREA SPECIFIC DEVELOPMENT CHARGES

1. Consideration of Area Rating

In accordance with the *DCA*, Council must give consideration to the use of area rating, also known as area-specific development charges, as part of the DC Background Study. As part of the Town's 2019 DC update, the appropriateness of implementing area-specific development charges for various Town services was examined.

The *DCA* permits the Town to designate, in its DC by-law, the areas where development charges shall be imposed. The charges may apply to all lands in the Town or to other designated development areas as specified in the DC by-law.

The following was considered with respect to area-specific development charges:

- Is the use of area-specific charges appropriate for some or all services?
- Are there any data limitations with calculating an area-specific development charge?

Area-specific development charges are typically considered when there is a clear benefit to a particular area (including the population or population and employment), and have been implemented in mostly stand alone greenfield developments.

2. Consistent with Historical Practices, Town-wide DCs are Proposed

Based on discussions with staff, Council, and an analysis of the delivery of services, it is proposed that the Town continue to calculate and collect DCs on a uniform, Town-wide basis. The Town is a relatively self-contained urban area where most residents have access to municipal services. The following table provides a description of the servicing needs for general and engineered services.

| Town Services Considered | Servicing Needs |
|--------------------------|--|
| General Services | <p>Services such as Library Board and Parks & Recreation are open and accessible to all residents in the Town and are driven and planned for based on Town-wide population growth.</p> <p>General Government, Fire Department, Police and Public Works are provided to all residents and employees in the Town and are driven and planned for based on Town-wide population or population and employment growth.</p> |
| Engineered Services | <p>Roads & Related, Sewer and Water services are provided through a Town-wide network and are planned based on Town-wide population and employment growth.</p> <p>Most residents are connected to municipal Water and Sewer systems.</p> |

C. LOCAL SERVICE DEFINITIONS

The 2019 DC Background Study also includes definitions to determine the eligible capital costs for inclusion in the development charges calculation for the Town. The local service definitions have been reviewed and updated by Town staff and are set out in Appendix G.

APPENDIX A

DEVELOPMENT FORECAST

APPENDIX A

DEVELOPMENT FORECAST

This appendix summarizes the development forecasts used to prepare the 2019 Development Charges Background Study for the Town of Penetanguishene.

The *Development Charges Act (DCA)* requires the Town to estimate “the anticipated amount, type and location of development” for which development charges may be imposed. The forecast must cover both residential and non-residential development and be specific enough with regards to the quantum, type, location and timing of such development to allow the Town to prepare a reasonable development-related capital program.

The development forecasts are consistent with the long-term population and employment targets established for the Town by Schedule 7 to the *Growth Plan for the Greater Golden Horseshoe*:

- A 2031 population of 11,000, plus 400 persons approved by the County of Simcoe by resolution of 23 June 2015 under Town Official Plan Amendment 27, and confirmed by the Ontario Municipal Board in a decision of 18 August 2015 (Case no. PL110487).
- A 2031 employment of 6,000 jobs.

The forecast results are presented below in the following tables:

| | |
|---------|--|
| Table 1 | Historical Population, Occupied Dwellings & Employment Summary |
| Table 2 | Historical Housing Completions by Unit Type |
| Table 3 | Historical Building Permits for New Units by Unit Type |
| Table 4 | Historical Occupied Dwellings by Period of Construction Showing Household Size |
| Table 5 | Forecast Population, Occupied Dwellings & Employment Forecast Summary |
| Table 6 | Growth in Occupied Dwellings by Unit Type |
| Table 7 | Forecast Population in New Occupied Dwellings by Unit Type |
| Table 8 | Forecast of Place Work Employment and Non-Residential Space |

A. KEY ASSUMPTIONS, DEFINITIONS AND HISTORICAL TRENDS

Historical population and employment set out in this appendix are used to determine the average service levels attained in the Town over the last 10 years (2009-2018).

Population figures shown in the development forecast represent mid-year estimates. Population figures account for population recorded in the Census (“Census population”). This definition does not include the Census net under-coverage (4.82 per cent of the Census population in Simcoe County) which represents those who were missed or double-counted by the Census and is included in the Town’s 2031 population target in the *Growth Plan*.

Historical data indicates that the Town’s population not changed over the last 10 years—the current population of 9,223 is almost the same as it was in 2008. That said, after a long period of population decline, the last 2 years have seen substantial residential development in the Town. Total occupied dwellings increased from 3,537 to 3,786 between 2008 and 2018, of which 42 per cent were in the most recent 2 years (see Table 1).

“Place of Work Employment” figures in the forecasts record where people work rather than their place of residence. It includes all employment with a regular or no fixed place of work. However, work-at-home employment is excluded from the figures as, for development charge purposes, this type of employment is considered not to require building floorspace for its activities.

Employment is divided into 2 land-use based categories:

- Population-related Employment is employment that primarily serves a resident population and includes retail, education, healthcare, and local government. This generally grows in line with population growth but is also influenced by tourism. Jobs under this category typically locate in land zoned for commercial and institutional uses, but may also be located in mixed-use areas.
- Employment Land Employment refers to traditional industrial-type employment primarily accommodated in low-rise industrial buildings in business parks and employment areas. Given the spatial and operational needs of these types of jobs, they are almost exclusively located in lands zoned for industrial employment uses.

Historical employment figures are shown in Table 1. There are currently about 4,883 jobs in the Town. Overall employment fell between 2006 and 2011, in part the result of the 2008 financial crisis and subsequent recession, but job growth has steadily

increased in recent years. As a result, the Town's activity rate (the ratio of employment to population) has risen from 50.0 per cent to 52.9 per cent over the last 10 years.

Details on new housing growth in the Town are provided in Table 2. The overall market share of single and semi-detached units over the last decade has been 82 per cent, though the number of units completed in any given year varies. The market share of row houses and apartments over the same period has been 13 per cent and 5 per cent respectively. As with the single and semi-detached unit types, the number of completions in any given year is variable, though there has been a marked increase in the number of row units constructed in recent years. Table 3 shows that building permits for new housing have followed a similar trend to housing completions.

Table 4 provides details on historical occupancy patterns for permanently occupied dwelling units in Penetanguishene. The overall average occupancy level in the Town for single and semi-detached units is 2.24 persons per housing unit (PPU). Occupancy levels for recently constructed units are generally higher than the overall average though sample sizes, especially for rowhouses and apartments, are small.

B. FORECAST METHOD AND RESULTS

A 10-year development forecast, from 2019 to 2028, has been used for all development charge eligible general services in the Town. For engineered services of Roads & Related, Sewer and Water, a long-term forecast from 2019 to 2031 has been prepared.

Development charges are levied on residential development as a charge per new unit. Therefore, for the residential forecast, a projection of both the *population growth* as well as the *population in new housing units* is required.

- The *population growth*¹ determines the need for additional facilities and provides the foundation for the development-related capital program.
- When calculating the development charge, however, the development-related net capital costs are spread over the total additional population that occupy new housing units. This *population in new units* represents the population from which development charges will be collected.

Development charges are levied on non-residential development as a charge per m² of Gross Floor Area (GFA). As with the residential forecast, the non-residential forecast

¹ Commonly referred to as "net population growth" in the context of development charges.

requires both a projection of *employment growth* as well as a projection of the *employment growth associated with new floorspace* in the Town.

1. Residential Forecast

The residential development forecast incorporates anticipated growth in population and occupied dwellings (permanent and seasonal) by type. As shown in Table 5, the Town's population is forecast to grow from 9,223 in 2018 to 10,473 in 2028. Occupied dwellings are forecast to increase by 510 units over the next 10 years.

In keeping with past trends, the majority of new housing (78 per cent) is anticipated to be single detached dwelling units (see Table 6).

Population growth in the new units is estimated by applying the following PPU's to the housing unit forecast: 2.50 for single and semi-detached units; 2.00 for rows; and 1.70 for apartments. The assumptions are informed by the historical occupancy patterns for permanently occupied units set out in Table 4. However, given the small sample sizes in this data, these assumptions have been modified based on the Hemson's professional judgement and experience with occupancy patterns in similar and surrounding jurisdictions.

The total forecast population in new housing units over the 2019 to 2028 period is 1,206, of which 999 (83 per cent) will be single and semi-detached housing types. The forecast population in new units between 2019 and 2031 is 1,569 (see Table 7).

2. Non-Residential Forecast

Employment in the Town, after a long period of decline, is forecast to increase steadily between 2019 and 2028, at about 86 jobs per year and above the rate of population growth (these figures exclude work at home employment) (see Table 5). About 66 per cent of new jobs will be population-related, mostly retail, education, healthcare, local government and other jobs that primarily serve the local population (see Table 8).

An assumed floor space per worker (FSW) is applied to the employment forecast in order to project growth in new non-residential space in the Town. The FSWs used are:

- 50 m² per employee for Population-related Employment
- 80 m² per employee for Employment Land Employment

The overall growth in new non-residential building space across the Town between 2019 and 2028 is 51,670 m², of which 28,550 m² will be for population-related activities and 23,120 m² will be on employment lands (Table 8).

The total growth in new non-residential building space between 2019 and 2031 across the Town is 67,100 m², of which 37,100 m² will be for population-related activities and 30,000 m² will be for employment lands.

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APPENDIX A
TABLE 1

**TOWN OF PENETANGUISHENE
HISTORICAL POPULATION, OCCUPIED DWELLINGS & EMPLOYMENT SUMMARY**

| Mid-Year | Census Population | Annual Growth | Occupied Dwellings | Annual Growth | Av. Household Size (PPU) | Place of Work Employment | Annual Growth | Activity Rate |
|--------------------|-------------------|---------------|--------------------|---------------|--------------------------|--------------------------|---------------|---------------|
| 2006 | 9,354 | | 3,489 | | 2.68 | 5,089 | | 54.4% |
| 2007 | 9,305 | -49 | 3,513 | 24 | 2.65 | 4,921 | -168 | 52.9% |
| 2008 | 9,256 | -49 | 3,537 | 24 | 2.62 | 4,759 | -162 | 51.4% |
| 2009 | 9,207 | -49 | 3,561 | 24 | 2.59 | 4,602 | -157 | 50.0% |
| 2010 | 9,159 | -48 | 3,586 | 25 | 2.55 | 4,450 | -152 | 48.6% |
| 2011 | 9,111 | -48 | 3,611 | 25 | 2.52 | 4,304 | -146 | 47.2% |
| 2012 | 9,081 | -30 | 3,625 | 14 | 2.51 | 4,381 | 77 | 48.2% |
| 2013 | 9,051 | -30 | 3,639 | 14 | 2.49 | 4,460 | 79 | 49.3% |
| 2014 | 9,021 | -30 | 3,653 | 14 | 2.47 | 4,540 | 80 | 50.3% |
| 2015 | 8,991 | -30 | 3,667 | 14 | 2.45 | 4,621 | 81 | 51.4% |
| 2016 | 8,962 | -29 | 3,680 | 13 | 2.44 | 4,704 | 83 | 52.5% |
| 2017 | 9,119 | 157 | 3,744 | 64 | 2.44 | 4,812 | 108 | 52.8% |
| 2018 | 9,223 | 104 | 3,786 | 42 | 2.44 | 4,883 | 71 | 52.9% |
| Growth 2009 - 2018 | | -33 | | 249 | | | 124 | |

Source: Statistics Canada, Census of Canada

**APPENDIX A
TABLE 2**

**TOWN OF PENETANGUISHENE
HISTORICAL HOUSING COMPLETIONS BY UNIT TYPE**

| Mid-Year | New Units | | | | Shares By Unit Type | | | |
|----------------------------|---------------|-----------|------------|------------|---------------------|------------|------------|-------------|
| | Singles/Semis | Rows | Apartments | Total | Singles/Semis | Rows | Apartments | Total |
| 2002 | 50 | 0 | 26 | 76 | 66% | 0% | 34% | 100% |
| 2003 | 65 | 0 | 0 | 65 | 100% | 0% | 0% | 100% |
| 2004 | 59 | 4 | 0 | 63 | 94% | 6% | 0% | 100% |
| 2005 | 49 | 5 | 4 | 58 | 84% | 9% | 7% | 100% |
| 2006 | 44 | 4 | 0 | 48 | 92% | 8% | 0% | 100% |
| 2007 | 21 | 15 | 0 | 36 | 58% | 42% | 0% | 100% |
| 2008 | 35 | 15 | 0 | 50 | 70% | 30% | 0% | 100% |
| 2009 | 42 | 14 | 0 | 56 | 75% | 25% | 0% | 100% |
| 2010 | 32 | 6 | 0 | 38 | 84% | 16% | 0% | 100% |
| 2011 | 30 | 0 | 2 | 32 | 94% | 0% | 6% | 100% |
| 2012 | 6 | 0 | 0 | 6 | 100% | 0% | 0% | 100% |
| 2013 | 9 | 0 | 2 | 11 | 82% | 0% | 18% | 100% |
| 2014 | 14 | 0 | 0 | 14 | 100% | 0% | 0% | 100% |
| 2015 | 14 | 0 | 0 | 14 | 100% | 0% | 0% | 100% |
| 2016 | 26 | 0 | 0 | 26 | 100% | 0% | 0% | 100% |
| 2017 | 40 | 24 | 0 | 64 | 63% | 38% | 0% | 100% |
| 2018 | 36 | 7 | 0 | 42 | 85% | 15% | 0% | 100% |
| Total 2009 - 2018 | 572 | 94 | 34 | 699 | 82% | 13% | 5% | 100% |
| <i>Average 2009 - 2018</i> | 25 | 5 | 0 | 30 | 82% | 17% | 1% | 100% |
| <i>Average 2014 - 2018</i> | 26 | 6 | 0 | 32 | 81% | 19% | 0% | 100% |

Source: Canada Mortgage and Housing Corporation (CMHC), Housing Market Information

Note: Completions for 2018 are estimates based on data to end of November.

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TABLE 3

**TOWN OF PENETANGUISHENE
HISTORICAL BUILDING PERMITS FOR NEW UNITS BY UNIT TYPE**

| Mid-Year | New Units | | | | Shares By Unit Type | | | |
|----------------------------|---------------|-----------|------------|------------|---------------------|------------|------------|-------------|
| | Singles/Semis | Rows | Apartments | Total | Singles/Semis | Rows | Apartments | Total |
| 2002 | 43 | 4 | 2 | 49 | 88% | 8% | 4% | 100% |
| 2003 | 63 | 0 | 4 | 67 | 94% | 0% | 6% | 100% |
| 2004 | 59 | 4 | 0 | 63 | 94% | 6% | 0% | 100% |
| 2005 | 49 | 5 | 4 | 58 | 84% | 9% | 7% | 100% |
| 2006 | 44 | 4 | 0 | 48 | 92% | 8% | 0% | 100% |
| 2007 | 24 | 21 | 1 | 46 | 52% | 46% | 2% | 100% |
| 2008 | 48 | 8 | 0 | 56 | 86% | 14% | 0% | 100% |
| 2009 | 48 | 1 | 5 | 54 | 89% | 2% | 9% | 100% |
| 2010 | 26 | 8 | 1 | 35 | 74% | 23% | 3% | 100% |
| 2011 | 28 | 0 | 2 | 30 | 93% | 0% | 7% | 100% |
| 2012 | 10 | 0 | 4 | 14 | 71% | 0% | 29% | 100% |
| 2013 | 11 | 0 | 3 | 14 | 79% | 0% | 21% | 100% |
| 2014 | 15 | 0 | 3 | 18 | 83% | 0% | 17% | 100% |
| 2015 | 9 | 5 | 5 | 19 | 47% | 26% | 26% | 100% |
| 2016 | 22 | 20 | 8 | 50 | 44% | 40% | 16% | 100% |
| 2017 | 72 | 10 | 23 | 105 | 69% | 10% | 22% | 100% |
| 2018 | 27 | 7 | 4 | 37 | 72% | 19% | 9% | 100% |
| Total | 598 | 97 | 69 | 763 | 78% | 13% | 9% | 100% |
| <i>Average 2009 - 2018</i> | 27 | 5 | 6 | 38 | 71% | 14% | 15% | 100% |
| <i>Average 2014 - 2018</i> | 29 | 8 | 9 | 46 | 63% | 18% | 19% | 100% |

Source: Statistics Canada, Building Permits Data

Note: Completions for 2018 are estimates based on data to end of October.

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TABLE 4

TOWN OF PENETANGUISHENE
HISTORICAL OCCUPIED DWELLING UNITS BY PERIOD OF CONSTRUCTION SHOWING HOUSEHOLD SIZE

| Dwelling Unit Type | Period of Construction | | | | | | | Period of Construction Summaries | | |
|--|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------------|-----------|-------|
| | Pre 1980 | 1981-1990 | 1991-1995 | 1996-2000 | 2001-2005 | 2006-2011 | 2011-2015 | Pre 2006 | 2006-2015 | Total |
| Singles & Semis | | | | | | | | | | |
| Household Population | 3,280 | 1,060 | 470 | 535 | 530 | 365 | 115 | 5,875 | 480 | 6,355 |
| Households | 1,385 | 385 | 180 | 200 | 215 | 160 | 45 | 2,365 | 205 | 2,570 |
| Household Size | 2.37 | 2.75 | 2.61 | 2.68 | 2.47 | 2.28 | 2.56 | 2.48 | 2.34 | 2.47 |
| Rows | | | | | | | | | | |
| Household Population | 0 | 0 | 0 | 70 | 0 | 55 | 30 | 70 | 85 | 155 |
| Households | 0 | 10 | 0 | 40 | 10 | 30 | 15 | 60 | 45 | 105 |
| Household Size | 0.00 | 0.00 | 0.00 | 1.75 | 0.00 | 1.83 | 2.00 | 1.17 | 1.89 | 1.48 |
| Apartments (excluding duplexes) | | | | | | | | | | |
| Household Population | 980 | 300 | 100 | 90 | 90 | 40 | 115 | 1,560 | 155 | 1,715 |
| Households | 570 | 155 | 55 | 60 | 45 | 35 | 85 | 885 | 120 | 1,005 |
| Household Size | 1.72 | 1.94 | 1.82 | 1.50 | 2.00 | 1.14 | 1.35 | 1.76 | 1.29 | 1.71 |
| All Units | | | | | | | | | | |
| Household Population | 4,260 | 1,360 | 570 | 695 | 620 | 460 | 260 | 7,505 | 720 | 8,225 |
| Households | 1,955 | 550 | 235 | 300 | 270 | 225 | 145 | 3,310 | 370 | 3,680 |
| Household Size | 2.18 | 2.47 | 2.43 | 2.32 | 2.30 | 2.04 | 1.79 | 2.27 | 1.95 | 2.24 |

Source: Statistics Canada, 2016 Census Special Run

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TABLE 5

**TOWN OF PENETANGUISENE
FORECAST POPULATION, OCCUPIED DWELLINGS & EMPLOYMENT FORECAST SUMMARY**

| Mid-Year | Census Population | Annual Growth | Total Occupied Dwellings | Annual Growth | Av. Household Size (PPU) | Place of Work Employment | Annual Growth | Activity Rate |
|--------------------|-------------------|---------------|--------------------------|---------------|--------------------------|--------------------------|---------------|---------------|
| 2016 | 8,962 | | 3,680 | | 2.44 | 4,704 | | 52.5% |
| 2017 | 9,119 | 157 | 3,744 | 64 | 2.44 | 4,812 | 108 | 52.8% |
| 2018 | 9,223 | 104 | 3,786 | 42 | 2.44 | 4,883 | 71 | 52.9% |
| 2019 | 9,348 | 125 | 3,837 | 51 | 2.44 | 4,969 | 86 | 53.2% |
| 2020 | 9,473 | 125 | 3,888 | 51 | 2.44 | 5,055 | 86 | 53.4% |
| 2021 | 9,598 | 125 | 3,939 | 51 | 2.44 | 5,141 | 86 | 53.6% |
| 2022 | 9,723 | 125 | 3,990 | 51 | 2.44 | 5,227 | 86 | 53.8% |
| 2023 | 9,848 | 125 | 4,041 | 51 | 2.44 | 5,313 | 86 | 54.0% |
| 2024 | 9,973 | 125 | 4,092 | 51 | 2.44 | 5,399 | 86 | 54.1% |
| 2025 | 10,098 | 125 | 4,143 | 51 | 2.44 | 5,485 | 86 | 54.3% |
| 2026 | 10,223 | 125 | 4,194 | 51 | 2.44 | 5,571 | 86 | 54.5% |
| 2027 | 10,348 | 125 | 4,245 | 51 | 2.44 | 5,657 | 86 | 54.7% |
| 2028 | 10,473 | 125 | 4,296 | 51 | 2.44 | 5,743 | 86 | 54.8% |
| 2029 | 10,598 | 125 | 4,347 | 51 | 2.44 | 5,829 | 86 | 55.0% |
| 2030 | 10,723 | 125 | 4,398 | 51 | 2.44 | 5,915 | 86 | 55.2% |
| 2031 | 10,850 | 127 | 4,449 | 51 | 2.44 | 6,000 | 85 | 55.3% |
| Growth 2019 - 2028 | | 1,250 | | 510 | | | 860 | |
| Growth 2019 - 2031 | | 1,627 | | 663 | | | 1,117 | |

Source: Hemson Consulting, 2019

Note: Census population does not include an estimate of net under-coverage. Place of Work Employment does not include work at home employees.

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APPENDIX A
TABLE 6

TOWN OF PENETANGUISHENE
GROWTH IN OCCUPIED DWELLINGS BY UNIT TYPE

| Mid-Year | Occupied Households | | | | Shares By Unit Type | | | |
|--------------------|---------------------|----------|------------|-----------|---------------------|------------|------------|-------------|
| | Singles/Semis | Rows | Apartments | Total | Singles/Semis | Rows | Apartments | Total |
| 2019 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2020 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2021 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2022 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2023 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2024 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2025 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2026 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2027 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2028 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2029 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2030 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| 2031 | 40 | 6 | 5 | 51 | 78% | 13% | 9% | 100% |
| Growth 2019 - 2028 | 399 | 65 | 46 | 510 | | | | |
| Growth 2019 - 2031 | 519 | 84 | 59 | 663 | | | | |

Source: Hemson Consulting, 2019

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APPENDIX A
TABLE 7

TOWN OF PENETANGUISHENE
FORECAST POPULATION IN NEW OCCUPIED DWELLINGS BY UNIT TYPE

| Mid-Year | Persons Per Unit | | | | Population Forecast | | | |
|--------------------|------------------|-------------|-------------|-------------|---------------------|-----------|------------|------------|
| | Singles/Semis | Rows | Apartments | Total | Singles/Semis | Rows | Apartments | Total |
| 2019 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2020 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2021 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2022 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2023 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2024 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2025 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2026 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2027 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2028 | 2.50 | 2.00 | 1.70 | 2.36 | 100 | 13 | 8 | 121 |
| 2029 | 2.50 | 2.00 | 1.70 | 2.37 | 100 | 13 | 8 | 121 |
| 2030 | 2.50 | 2.00 | 1.70 | 2.37 | 100 | 13 | 8 | 121 |
| 2031 | 2.50 | 2.00 | 1.70 | 2.37 | 100 | 13 | 8 | 121 |
| Growth 2019 - 2028 | 2.50 | 2.00 | 1.70 | 2.36 | 999 | 130 | 78 | 1,206 |
| Growth 2019 - 2031 | 2.50 | 2.00 | 1.71 | 2.37 | 1,299 | 169 | 102 | 1,569 |

Source: Hemson Consulting Ltd., 2019

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APPENDIX A
TABLE 8

TOWN OF PENETANGUISHENE
FORECAST OF PLACE OF WORK EMPLOYMENT AND NON-RESIDENTIAL SPACE
(SQUARE METRES OF GROSS FLOOR AREA)

Population-Related Employment 50 m² per employee
Employment Land Employment 80 m² per employee

| Mid-Year | Population-Related Employment | | | Employment Land Employment | | | Total Employment | | |
|--------------------|-------------------------------|-----------|-------------------------|----------------------------|-----------|-------------------------|------------------|-----------|-------------------------|
| | Total | Growth | Space (m ²) | Total | Growth | Space (m ²) | Total | Growth | Space (m ²) |
| 2016 | 3,126 | | | 1,578 | | | 4,704 | | |
| 2017 | 3,198 | 72 | 3,600 | 1,614 | 36 | 2,880 | 4,812 | 108 | 6,480 |
| 2018 | 3,245 | 47 | 2,350 | 1,638 | 24 | 1,920 | 4,883 | 71 | 4,270 |
| 2019 | 3,302 | 57 | 2,850 | 1,667 | 29 | 2,320 | 4,969 | 86 | 5,170 |
| 2020 | 3,359 | 57 | 2,850 | 1,696 | 29 | 2,320 | 5,055 | 86 | 5,170 |
| 2021 | 3,416 | 57 | 2,850 | 1,725 | 29 | 2,320 | 5,141 | 86 | 5,170 |
| 2022 | 3,473 | 57 | 2,850 | 1,754 | 29 | 2,320 | 5,227 | 86 | 5,170 |
| 2023 | 3,531 | 58 | 2,900 | 1,782 | 28 | 2,240 | 5,313 | 86 | 5,140 |
| 2024 | 3,588 | 57 | 2,850 | 1,811 | 29 | 2,320 | 5,399 | 86 | 5,170 |
| 2025 | 3,645 | 57 | 2,850 | 1,840 | 29 | 2,320 | 5,485 | 86 | 5,170 |
| 2026 | 3,702 | 57 | 2,850 | 1,869 | 29 | 2,320 | 5,571 | 86 | 5,170 |
| 2027 | 3,759 | 57 | 2,850 | 1,898 | 29 | 2,320 | 5,657 | 86 | 5,170 |
| 2028 | 3,816 | 57 | 2,850 | 1,927 | 29 | 2,320 | 5,743 | 86 | 5,170 |
| 2029 | 3,873 | 57 | 2,850 | 1,956 | 29 | 2,320 | 5,829 | 86 | 5,170 |
| 2030 | 3,931 | 58 | 2,900 | 1,984 | 28 | 2,240 | 5,915 | 86 | 5,140 |
| 2031 | 3,987 | 56 | 2,800 | 2,013 | 29 | 2,320 | 6,000 | 85 | 5,120 |
| Growth 2019 - 2028 | | 571 | 28,550 | | 289 | 23,120 | | 860 | 51,670 |
| Growth 2019 - 2031 | | 742 | 37,100 | | 375 | 30,000 | | 1,117 | 67,100 |

Source: Hemson Consulting Ltd., 2019

APPENDIX B

GENERAL SERVICES

TECHNICAL APPENDIX

APPENDIX B

GENERAL SERVICES TECHNICAL APPENDIX

This appendix provides the detailed analysis undertaken to establish the development charge rates for each of the general services in the Town of Penetanguishene. The appendix is divided into six sub-sections, with one sub-section for each of the general services:

| | |
|--------------|--------------------|
| Appendix B.1 | General Government |
| Appendix B.2 | Library Board |
| Appendix B.3 | Fire Department |
| Appendix B.4 | Police |
| Appendix B.5 | Parks & Recreation |
| Appendix B.6 | Public Works |

Every sub-section, with the exception of General Government, contains three tables. The tables provide the background data and analysis undertaken to arrive at the calculated development charge rates for that particular service. An overview of the content and purpose of each of the tables is given below.

TABLE 1 HISTORICAL SERVICE LEVELS

Table 1 presents the data used to determine the 10 year historical service level. The *DCA* and *O. Reg. 82/98* require that development charges be set at a level no higher than the average service level provided in the Town over the 10 year period immediately preceding the preparation of the background study, on a service-by-service basis. For the purpose of this study, the historical inventory period has been defined as 2009 to 2018.

O. Reg. 82/98 requires that when defining and determining historical service levels both the quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet. The qualitative aspect is introduced by considering the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of cost per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be funded by new growth reflect not

only the quantity (number and size) but also the quality (replacement value or cost) of service provided by the Town in the past. Both the quantitative and qualitative aspects of service levels used in the current analysis are based on information provided by Town staff in consultation with the consulting team. This information is generally based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure.

The final page of Table 1 shows the calculation of the “maximum allowable funding envelope”, net of uncommitted excess capacity and the legislated 10 per cent reduction (for applicable services). The maximum allowable is defined as the 10 year historical service level (expressed as either \$/capita or \$/population and employment) multiplied by the forecast increase in net population or net population and employment over the planning period. The resulting figure is the value of capital infrastructure that must be constructed for that particular service so that the 10 year historical service level is maintained.

There is also a requirement in the *DCA* to consider “excess capacity” within the Town’s existing infrastructure that may be available to partially meet future servicing requirements. If Council has expressed its intent before or at the time the capacity was created to recoup the cost of providing the capacity from new development, it is considered “committed excess capacity” under the *DCA*, and the associated capital cost is eligible for recovery. Should uncommitted excess capacity exist, it is determined whether or not this capacity will be available to service new development and, if so, appropriate adjustments are made to the calculations.

**TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM &
CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGE**

The *DCA* requires that Council express its intent to provide future capital facilities to support future development. Based on the development forecasts presented in Appendix A, the consulting team in collaboration with Town staff has established a development-related capital program that sets out the projects required to service anticipated development for the 10 year period from 2019 to 2028.

To determine the share of the program that is eligible for recovery through development charges, the project costs are reduced by any anticipated grants, “benefit to existing” shares, and the legislated 10 per cent reduction for prescribed services.

A benefit to existing share represents that portion of a capital project that will benefit the existing community. It could, for example, represent a portion of a new facility that, at least in part, replaces a facility that is demolished, redeployed or will otherwise not be available to serve its former function (a “replacement” share). The benefit to existing share of the capital program is not deemed to be development-related and is therefore removed from the development charge calculation. The capital cost of the benefit to existing share will require funding from non-development charge sources, typically property taxes or user fees.

When calculating development charges, the development-related net capital cost must be reduced by 10 per cent for all services except protection services and engineered services (*DCA* s.5.(1)8.). The 10 per cent reduction is therefore applied to all general services considered in this appendix with the exception of Fire Department, Police and Public Works. As with benefit to existing shares, the 10 per cent reduction must be funded from non-development charge sources.

The capital program less any benefit to existing shares and the 10 per cent reduction yields the development related costs. Although deemed development-related, not all of the net development-related capital program may be recoverable from development charges in the period from 2019 to 2028. For some services, existing development charge reserve funds may be available to fund a share of the costs.

In addition, for some services a portion of the capital program will service development occurring after 2028. This portion of the capital program is deemed “pre-built” service capacity and is considered committed excess capacity to be recovered under future development charges. The capital costs associated with pre-built service capacity are also removed from the development charge calculation.

The remaining portion of the net capital program represents the development-related cost that may be included in the development charge. In all cases, as required, this amount is equal to or less than the maximum allowable capital amount as calculated on the final page of Table 1. The result is the discounted development-related net capital cost that is eligible for recovery against growth over the period from 2019 to 2028.

Calculation of the Unadjusted Development Charge Rates

The section below the capital program displays the calculation of the “unadjusted” development charge rates. The term “unadjusted” development charge is used to distinguish the charge that is calculated prior to cash flow financing considerations. The cash flow analysis is shown in Table 3.

The first step when determining the unadjusted development charge rate is to allocate the development-related net capital cost between the residential and non-residential sectors. For all general services with the exception of the Library Board and Parks & Recreation, the development-related costs have been apportioned as 58 per cent residential and 42 per cent non-residential. This allocation is based on the ratio of population in new units and employment growth over the 10 year forecast period.

The development-related costs associated with the Library Board and Parks & Recreation have been allocated 100 per cent to the residential sector because the need for these services is generally driven by residential development.

The residential share of the 2019-2028 development charge eligible costs are then divided by the forecast population growth in new units. This gives the unadjusted residential development charge per capita. The non-residential growth-related net capital costs are divided by the forecast increase in non-residential gross floor area (GFA). This yields a charge per square metre of new non-residential GFA.

TABLE 3 CASH FLOW ANALYSIS

A cash flow analysis is also undertaken to account for the timing of projects and receipt of development charges. Interest earnings or borrowing costs are accounted for in the calculation as allowed under the *DCA*. Based on the growth forecast, the analysis calculates the development charges rate that is required to finance the net development-related capital spending plan including provisions for any borrowing costs or interest earnings on the reserve funds.

In order to determine appropriate development charges rates reflecting borrowing and earnings necessary to support the net development-related funding requirement, assumptions are used for the inflation rate and interest rate. An inflation rate of 2.0 per cent is used for the funding requirements, an interest rate of 3.5 per cent is used for

positive opening balances, and a rate of 5.5 per cent is used for negative opening balances.

Table 3 displays the results of the cash flow analysis and provides the adjusted or final per capita residential and per square metre (of GFA) non-residential development charges.

APPENDIX B.1

GENERAL GOVERNMENT

APPENDIX B.1

GENERAL GOVERNMENT

The *DCA* allows the cost of development-related studies to be included in the calculation of the development charges as long as they are permitted under the legislation. Consistent with *s.5(1)7* of the *DCA*, the eligible development-related capital costs for the provision of studies and permitted general government expenditures and are reduced by 10 per cent when calculating the development charges.

**TABLE 1 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM AND
CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGES**

As shown on Table 1, the 2019-2028 development-related gross cost for General Government is \$706,772. These studies relate to Secondary Plans in various areas of the Town, 2 Development Charges Studies, a Brownfield Study, a Zoning By-law review and an Official Plan review. The reserve fund balance for General Government is currently in a negative position and the balance is presented in the capital forecast for recovery. The amount to be recovered is \$111,272.

No grants or subsidies will be recovered for these projects. A benefit to existing share of \$232,500 has been applied to the total capital program. The legislated 10 per cent discount is then applied, and amounts to \$36,300. The remaining amount of \$437,972 is eligible for development charges funding in the 10-year planning period. This amount is included in the development charge calculation.

The total costs eligible for DC recovery amounts to \$437,972 and is allocated 58 per cent, or \$255,659 to the residential sector and 42 per cent, or \$182,313 to the non-residential sector based on shares of 10-year growth in population in new units and employment. The resulting unadjusted per capita residential charge is \$211.99 and the non-residential unadjusted charge is \$3.53 per square metre before cash flow adjustments.

TABLE 2 CASH FLOW ANALYSIS

After cash flow analysis, the residential charge increases to \$232.00 per capita and the non-residential charge increases to \$3.85 per square metre. This is a reflection of the timing of the capital program and development charges revenues.

The following table summarizes the calculation of the General Government development charge.

| GENERAL GOVERNMENT SUMMARY | | | | | |
|-------------------------------------|--------------------|--------------------|---------|--------------------|---------------|
| 2019 - 2028 | | Unadjusted | | Adjusted | |
| Development-Related Capital Program | | Development Charge | | Development Charge | |
| Total | Net DC Recoverable | \$/capita | \$/sq.m | \$/capita | \$/sq.m |
| \$706,772 | \$437,972 | \$211.99 | \$3.53 | \$232.00 | \$3.85 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
GENERAL GOVERNMENT

| GENERAL GOVERNMENT | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | | |
|--|---------|--------------------|------------------------------------|--------------------|--------------------------|------------------|-------------------------|-----------------------|-------------------|-------------|--|
| | | | | | Replacement & BTE Shares | 10% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 | |
| 1.0 GENERAL GOVERNMENT | | | | | | | | | | | |
| 1.1 Studies | | | | | | | | | | | |
| 1.1.1 Secondary Plans | Various | \$ 100,000 | \$ - | \$ 100,000 | \$ - | \$ 10,000 | \$ 90,000 | \$ - | \$ 90,000 | \$ - | |
| 1.1.2 Ojibwa Landing Brownfield Study Ph#2 | 2019 | \$ 120,000 | \$ - | \$ 120,000 | \$ 60,000 | \$ 6,000 | \$ 54,000 | \$ - | \$ 54,000 | \$ - | |
| 1.1.3 Development Charges Study | 2019 | \$ 34,000 | \$ - | \$ 34,000 | \$ - | \$ 3,400 | \$ 30,600 | \$ - | \$ 30,600 | \$ - | |
| 1.1.4 Community Improvement Plan | 2019 | \$ 120,000 | \$ - | \$ 120,000 | \$ 60,000 | \$ 6,000 | \$ 54,000 | \$ - | \$ 54,000 | \$ - | |
| 1.1.5 Zoning By-law Review | 2021 | \$ 75,000 | \$ - | \$ 75,000 | \$ 56,250 | \$ 1,875 | \$ 16,875 | \$ - | \$ 16,875 | \$ - | |
| 1.1.6 Joint Business Retention Study | 2020 | \$ 12,500 | \$ - | \$ 12,500 | \$ 6,250 | \$ 625 | \$ 5,625 | \$ - | \$ 5,625 | \$ - | |
| 1.1.7 Development Charges Study | 2023 | \$ 34,000 | \$ - | \$ 34,000 | \$ - | \$ 3,400 | \$ 30,600 | \$ - | \$ 30,600 | \$ - | |
| 1.1.8 Official Plan Review | 2028 | \$ 100,000 | \$ - | \$ 100,000 | \$ 50,000 | \$ 5,000 | \$ 45,000 | \$ - | \$ 45,000 | \$ - | |
| Subtotal Studies | | \$ 595,500 | \$ - | \$ 595,500 | \$ 232,500 | \$ 36,300 | \$ 326,700 | \$ - | \$ 326,700 | \$ - | |
| 1.2 Recovery of Negative Reserve Fund Balance | | | | | | | | | | | |
| 1.2.1 Balance as at December 31, 2018 | 2019 | \$ 111,272 | \$ - | \$ 111,272 | \$ - | \$ - | \$ 111,272 | \$ - | \$ 111,272 | \$ - | |
| Subtotal Recovery of Negative Reserve Fund Balance | | \$ 111,272 | \$ - | \$ 111,272 | \$ - | \$ - | \$ 111,272 | \$ - | \$ 111,272 | \$ - | |
| TOTAL GENERAL GOVERNMENT | | \$ 706,772 | \$ - | \$ 706,772 | \$ 232,500 | \$ 36,300 | \$ 437,972 | \$ - | \$ 437,972 | \$ - | |

| Residential Development Charge Calculation | | |
|--|-----|-----------------|
| Residential Share of 2019 - 2028 DC Eligible Costs | 58% | \$255,659 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$211.99 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 42% | \$182,313 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$3.53 |

| | |
|----------------------------------|-------------|
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | (\$111,272) |

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APPENDIX B.1
TABLE 2

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
GENERAL GOVERNMENT
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| GENERAL GOVERNMENT | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| OPENING CASH BALANCE | \$0.00 | (\$126.52) | (\$113.30) | (\$105.90) | (\$87.19) | (\$86.63) | (\$65.86) | (\$43.45) | (\$19.27) | \$6.76 | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - General Government: Non Inflated | \$151.1 | \$8.5 | \$15.1 | \$5.3 | \$23.1 | \$5.3 | \$5.3 | \$5.3 | \$5.3 | \$31.5 | \$255.7 |
| - General Government: Inflated | \$151.1 | \$8.7 | \$15.7 | \$5.6 | \$25.0 | \$5.8 | \$5.9 | \$6.0 | \$6.2 | \$37.7 | \$267.7 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$28.0 | \$28.5 | \$29.1 | \$29.7 | \$30.3 | \$30.9 | \$31.5 | \$32.1 | \$32.8 | \$33.4 | \$306.4 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$7.0) | (\$6.2) | (\$5.8) | (\$4.8) | (\$4.8) | (\$3.6) | (\$2.4) | (\$1.1) | \$0.2 | (\$35.4) |
| - Interest on In-year Transactions | (\$3.4) | \$0.3 | \$0.2 | \$0.4 | \$0.1 | \$0.4 | \$0.4 | \$0.5 | \$0.5 | (\$0.1) | (\$0.6) |
| TOTAL REVENUE | \$24.6 | \$21.9 | \$23.1 | \$24.3 | \$25.6 | \$26.6 | \$28.3 | \$30.2 | \$32.2 | \$33.6 | \$270.4 |
| CLOSING CASH BALANCE | (\$126.5) | (\$113.3) | (\$105.9) | (\$87.2) | (\$86.6) | (\$65.9) | (\$43.4) | (\$19.3) | \$6.8 | \$2.6 | |

| | |
|--|-----------------|
| 2019 Adjusted Charge Per Capita | \$232.00 |
|--|-----------------|

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate: | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

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APPENDIX B.1
TABLE 2

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
GENERAL GOVERNMENT
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| GENERAL GOVERNMENT | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| OPENING CASH BALANCE | \$0.00 | (\$90.27) | (\$80.90) | (\$75.68) | (\$62.39) | (\$62.18) | (\$47.45) | (\$31.55) | (\$14.40) | \$4.08 | |
| 2019 - 2028 NON-RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - General Government: Non Inflated | \$107.8 | \$6.1 | \$10.8 | \$3.7 | \$16.5 | \$3.7 | \$3.7 | \$3.7 | \$3.7 | \$22.5 | \$182.3 |
| - General Government: Inflated | \$107.8 | \$6.2 | \$11.2 | \$4.0 | \$17.8 | \$4.1 | \$4.2 | \$4.3 | \$4.4 | \$26.9 | \$190.9 |
| NON-RESIDENTIAL SPACE GROWTH | | | | | | | | | | | |
| - Growth in Square Metres | 5,170 | 5,170 | 5,170 | 5,170 | 5,140 | 5,170 | 5,170 | 5,170 | 5,170 | 5,170 | 51,670 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$19.9 | \$20.3 | \$20.7 | \$21.1 | \$21.4 | \$22.0 | \$22.4 | \$22.9 | \$23.3 | \$23.8 | \$217.8 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$5.0) | (\$4.4) | (\$4.2) | (\$3.4) | (\$3.4) | (\$2.6) | (\$1.7) | (\$0.8) | \$0.1 | (\$25.4) |
| - Interest on In-year Transactions | (\$2.4) | \$0.2 | \$0.2 | \$0.3 | \$0.1 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | (\$0.1) | (\$0.4) |
| TOTAL REVENUE | \$17.5 | \$15.6 | \$16.4 | \$17.3 | \$18.1 | \$18.9 | \$20.1 | \$21.5 | \$22.9 | \$23.8 | \$192.0 |
| CLOSING CASH BALANCE | (\$90.3) | (\$80.9) | (\$75.7) | (\$62.4) | (\$62.2) | (\$47.5) | (\$31.5) | (\$14.4) | \$4.1 | \$1.1 | |

2019 Adjusted Charge Per Square Metre **\$3.85**

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX B.2

LIBRARY BOARD

APPENDIX B.2

LIBRARY BOARD

The Penetanguishene Public Library provides library services to the residents of the Town from its Main Library Branch and the John Brown Memorial Branch. The Library provides a wide range of resources in a variety of formats as well as a number of programs to Town residents.

TABLE 1 2009-2018 HISTORICAL SERVICE LEVELS

The Table 1 displays the Library Board 10-year historical inventory for buildings and the associated land, furniture, equipment in addition to the Library materials. Services are provided only through the 2 branches with 8,100 square feet and is valued at \$3.1 million. The branches occupy 1.16 hectares of land worth \$1.2 million. The materials found at the branches, which include all collections, are valued at \$3.3 million and the furniture and equipment is valued at \$613,900.

The 2018 full replacement value of the inventory of capital assets for library services amounts to \$8.2 million and the 10-year historical average service level is \$830.31 per capita. The historical service level multiplied by the 10-year forecast of net population growth of 1,250 results in a 10-year maximum allowable funding envelope of \$1.0 million.

Finally, library services must be reduced by 10 per cent as required under the *DCA*. The resulting net maximum allowable funding envelope brought forward to the development charges calculation is reduced to \$934,099.

TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM & CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGE

The Library capital program is largely focused on recovering for finishing of the existing basement of the library branch, and addition of parking spaces to accommodate future library patrons. The cost of finishing the basement is approximately \$1.2 million. The cost of acquiring land and constructing an additional parking space is estimated at \$140,000. Finally, the Library Board intends to continue to recover for future collection acquisitions through development charges and as such, the capital forecast includes a provision to maintain the historical service levels for

collections materials. An amount of \$377,790 is included in the forecast for collection materials.

A grant of \$150,000 is anticipated to offset the gross cost of finishing the existing basement. No replacement or benefit to existing shares have been deducted from the net municipal cost since the costs of this capital program are deemed to be entirely development-related. Since the capital costs of Library Board services must be reduced by 10 per cent as per the requirements of the *DCA*, \$156,779 is deemed an ineligible cost and this amount must be paid by the Town through revenues other than development charges.

Of the \$1.4 million in DC eligible costs, \$403,806 of the costs are eligible for recovery under the new DC by-law. Another portion of the program, \$257,505, will be funded through available funds in the DC reserves. The remaining DC eligible costs, \$749,700, either relates to development beyond 2028, or represents a future service level increase, and will be considered for recovery in subsequent development charges by-laws.

The 2019-2028 DC costs eligible for recovery amount to \$403,806 which is allocated entirely against future residential development in the Town. This results in an unadjusted development charge of \$334.84 per capita.

TABLE 3 CASH FLOW AND RESERVE FUND ANALYSIS

After cash flow and reserve fund consideration, the residential calculated charge decreases to \$321.50 per capita.

The following table summarizes the calculation of the Library Board development charge:

| LIBRARY BOARD SUMMARY | | | | | | |
|------------------------------|------------------------------|---------------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| 10-year Hist. | 2019 - 2028 | | Unadjusted | | Adjusted | |
| Service Level per capita | Development-Related Total | Capital Program Net DC Recoverable | Development Charge \$/capita | Development Charge \$/sq.m | Development Charge \$/capita | Development Charge \$/sq.m |
| \$830.31 | \$1,717,790 | \$403,806 | \$334.84 | \$0.00 | \$321.50 | \$0.00 |

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APPENDIX B.2
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
LIBRARY BOARD

| BUILDINGS Branch Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq.ft.) | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| 24 Simcoe Street | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | \$380 |
| JBM Branch 101 Thompson Rd | - | - | - | - | - | - | - | 300 | 300 | 300 | | \$380 |
| Total (sq.ft.) | 7,800 | 8,100 | 8,100 | 8,100 | | |
| Total (\$000) | \$2,964.0 | \$3,078.0 | \$3,078.0 | \$3,078.0 | |

| LAND Branch Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| 24 Simcoe Street | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | 1.160 | \$1,000,000 |
| JBM Branch 101 Thompson Rd | - | - | - | - | - | - | - | 0.004 | 0.004 | 0.004 | | \$1,000,000 |
| Total (ha) | 1.160 | 1.164 | 1.164 | 1.164 | | |
| Total (\$000) | \$1,160.0 | \$1,164.2 | \$1,164.2 | \$1,164.2 | | |

| MATERIALS Type of Collection | # of Collection Materials | | | | | | | | | | UNIT COST (\$/item) |
|---------------------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Books | 36,518 | 38,386 | 41,132 | 44,413 | 46,054 | 43,813 | 41,573 | 39,332 | 37,092 | 34,851 | \$50 |
| Periodicals (Serial Titles) | 52 | 53 | 53 | 53 | 53 | 124 | 195 | 267 | 338 | 409 | \$70 |
| CDs, Video Tapes, DVDs | 1,982 | 2,248 | 2,507 | 2,933 | 3,257 | 3,916 | 4,575 | 5,234 | 5,893 | 6,552 | \$50 |
| Audiocassettes | 571 | 649 | 791 | 791 | 819 | 860 | 903 | 948 | 995 | 1,045 | \$80 |
| CD-ROM Software | 16 | 20 | 20 | 22 | 23 | 24 | 25 | 27 | 28 | 29 | \$60 |
| Electronic Database | 7 | 10 | 11 | 12 | 12 | 18 | 18 | 18 | 18 | 18 | \$5,830 |
| EBooks/EAudibooks/Emagazines | - | - | - | - | - | 11,552 | 12,130 | 12,737 | 13,373 | 14,042 | \$70 |
| Other (Games, Devices, etc.) | - | - | - | - | - | 470 | 493 | 518 | 544 | 571 | \$60 |
| JBM Branch | - | - | - | - | - | - | - | 605 | 635 | 667 | \$50 |
| Total (#) | 39,146 | 41,366 | 44,514 | 48,224 | 50,218 | 60,778 | 59,913 | 59,685 | 58,916 | 58,185 | |
| Total (\$000) | \$2,016.1 | \$2,146.8 | \$2,314.3 | \$2,505.6 | \$2,606.1 | \$3,407.2 | \$3,378.5 | \$3,382.2 | \$3,359.7 | \$3,339.7 | |

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APPENDIX B.2
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
LIBRARY BOARD

| FURNITURE & EQUIPMENT Branch Name | Total Value of Furniture and Equipment (\$) | | | | | | | | | |
|--------------------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 24 Simcoe Street | | | | | | | | | | |
| - Shelving | \$63,850 | \$63,850 | \$63,850 | \$63,850 | \$63,850 | \$63,850 | \$64,850 | \$64,850 | \$64,850 | \$65,170 |
| - Library Furniture | \$72,250 | \$72,250 | \$77,650 | \$83,040 | \$88,440 | \$88,440 | \$88,440 | \$106,440 | \$106,440 | \$120,480 |
| - Audio/Visual Equipment | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 | \$15,990 |
| - Office | \$10,730 | \$10,730 | \$10,730 | \$10,730 | \$10,730 | \$12,940 | \$13,940 | \$14,940 | \$15,940 | \$16,940 |
| - Security System for books | \$56,170 | \$56,170 | \$56,170 | \$56,170 | \$56,170 | \$56,548 | \$56,926 | \$57,304 | \$57,682 | \$58,060 |
| - Circulation equipment/software | \$67,680 | \$299,970 | \$299,970 | \$299,970 | \$299,970 | \$300,657 | \$301,344 | \$302,031 | \$302,718 | \$303,405 |
| - Signage | \$13,870 | \$13,870 | \$13,870 | \$13,870 | \$13,870 | \$30,870 | \$31,850 | \$31,850 | \$33,850 | \$33,850 |
| | | | | | | | | | | |
| Total (\$000) | \$300.5 | \$532.8 | \$538.2 | \$543.6 | \$549.0 | \$569.3 | \$573.3 | \$593.4 | \$597.5 | \$613.9 |

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APPENDIX B.2
TABLE 1

**TOWN OF PENETANGUISHENE
CALCULATION OF SERVICE LEVELS
LIBRARY BOARD**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Historical Population | 9,207 | 9,159 | 9,111 | 9,081 | 9,051 | 9,021 | 8,991 | 8,962 | 9,119 | 9,223 |

INVENTORY SUMMARY (\$000)

| | | | | | | | | | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Buildings | \$2,964.0 | \$2,964.0 | \$2,964.0 | \$2,964.0 | \$2,964.0 | \$2,964.0 | \$2,964.0 | \$3,078.0 | \$3,078.0 | \$3,078.0 |
| Land | \$1,160.0 | \$1,160.0 | \$1,160.0 | \$1,160.0 | \$1,160.0 | \$1,160.0 | \$1,160.0 | \$1,164.2 | \$1,164.2 | \$1,164.2 |
| Materials | \$2,016.1 | \$2,146.8 | \$2,314.3 | \$2,505.6 | \$2,606.1 | \$3,407.2 | \$3,378.5 | \$3,382.2 | \$3,359.7 | \$3,339.7 |
| Furniture & Equipment | \$300.5 | \$532.8 | \$538.2 | \$543.6 | \$549.0 | \$569.3 | \$573.3 | \$593.4 | \$597.5 | \$613.9 |
| Total (\$000) | \$6,440.6 | \$6,803.7 | \$6,976.5 | \$7,173.2 | \$7,279.1 | \$8,100.5 | \$8,075.8 | \$8,217.8 | \$8,199.3 | \$8,195.7 |

| SERVICE LEVEL (\$/capita) | | | | | | | | | | | Average Service Level |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------------|
| Buildings | \$321.93 | \$323.62 | \$325.32 | \$326.40 | \$327.48 | \$328.57 | \$329.66 | \$343.45 | \$337.54 | \$333.73 | \$329.77 |
| Land | \$125.99 | \$126.65 | \$127.32 | \$127.74 | \$128.16 | \$128.59 | \$129.02 | \$129.90 | \$127.67 | \$126.23 | \$127.73 |
| Materials | \$218.97 | \$234.40 | \$254.01 | \$275.91 | \$287.94 | \$377.70 | \$375.76 | \$377.40 | \$368.42 | \$362.10 | \$313.26 |
| Furniture & Equipment | \$32.64 | \$58.18 | \$59.07 | \$59.86 | \$60.66 | \$63.11 | \$63.77 | \$66.21 | \$65.52 | \$66.56 | \$59.56 |
| Total (\$/capita) | \$699.54 | \$742.84 | \$765.72 | \$789.91 | \$804.24 | \$897.96 | \$898.21 | \$916.96 | \$899.15 | \$888.62 | \$830.31 |

**TOWN OF PENETANGUISHENE
CALCULATION OF MAXIMUM ALLOWABLE
LIBRARY BOARD**

| | |
|--|------------------|
| 10-Year Funding Envelope Calculation | |
| 10 Year Average Service Level 2009 - 2018 | \$830.31 |
| Net Population Growth 2019 - 2028 | 1,250 |
| Maximum Allowable Funding Envelope | \$1,037,888 |
| Less: 10% Legislated Reduction | \$103,789 |
| Discounted Maximum Allowable Funding Envelope | \$934,099 |

**TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
LIBRARY BOARD**

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|---------|---------------------|------------------------------------|---------------------|--------------------------|-------------------|-------------------------|-----------------------|-------------------|-------------------|
| | | | | | Replacement & BTE Shares | 10% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 2.0 LIBRARY BOARD | | | | | | | | | | |
| 2.1 Buildings, Land & Furnishings | | | | | | | | | | |
| 2.1.1 Finish Existing Basement, With Furnishings | 2027 | \$ 1,200,000 | \$ 150,000 | \$ 1,050,000 | \$ - | \$ 105,000 | \$ 945,000 | \$ - | \$ 283,500 | \$ 661,500 |
| 2.1.2 Additional Parking Space (incl. land & construction) | 2027 | \$ 140,000 | \$ - | \$ 140,000 | \$ - | \$ 14,000 | \$ 126,000 | \$ - | \$ 37,800 | \$ 88,200 |
| Subtotal Buildings, Land & Furnishings | | \$ 1,340,000 | \$ 150,000 | \$ 1,190,000 | \$ - | \$ 119,000 | \$ 1,071,000 | \$ - | \$ 321,300 | \$ 749,700 |
| 2.2 Material Acquisitions | | | | | | | | | | |
| 2.2.1 Additional Collection Materials | Various | \$ 377,790 | \$ - | \$ 377,790 | \$ - | \$ 37,779 | \$ 340,011 | \$ 257,505 | \$ 82,506 | \$ - |
| Subtotal Material Acquisitions | | \$ 377,790 | \$ - | \$ 377,790 | \$ - | \$ 37,779 | \$ 340,011 | \$ 257,505 | \$ 82,506 | \$ - |
| TOTAL LIBRARY BOARD | | \$ 1,717,790 | \$ 150,000 | \$ 1,567,790 | \$ - | \$ 156,779 | \$ 1,411,011 | \$ 257,505 | \$ 403,806 | \$ 749,700 |

| Residential Development Charge Calculation | | |
|--|------|-----------------|
| Residential Share of 2019 - 2028 DC Eligible Costs | 100% | \$403,806 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$334.84 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 0% | \$0 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$0.00 |

| | |
|---|-----------|
| 2019 - 2028 Net Funding Envelope | \$934,099 |
| Uncommitted Reserve Fund Balance Balance as at December 31, 2018 | \$257,505 |

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APPENDIX B.2
TABLE 3

**TOWN OF PENETANGUISENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
LIBRARY BOARD
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| LIBRARY BOARD | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| OPENING CASH BALANCE | \$0.0 | \$39.5 | \$81.1 | \$125.0 | \$171.2 | \$219.9 | \$271.1 | \$301.4 | \$333.2 | (\$20.1) | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Library Services: Non Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$20.6 | \$20.6 | \$341.9 | \$20.6 | \$403.8 |
| - Library Services: Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$23.2 | \$23.7 | \$400.6 | \$24.7 | \$472.2 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$38.8 | \$39.5 | \$40.3 | \$41.1 | \$42.0 | \$42.8 | \$43.7 | \$44.5 | \$45.4 | \$46.3 | \$424.5 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | \$1.4 | \$2.8 | \$4.4 | \$6.0 | \$7.7 | \$9.5 | \$10.5 | \$11.7 | (\$1.1) | \$52.9 |
| - Interest on In-year Transactions | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.4 | \$0.4 | (\$9.8) | \$0.4 | (\$4.4) |
| TOTAL REVENUE | \$39.5 | \$41.6 | \$43.9 | \$46.2 | \$48.7 | \$51.3 | \$53.5 | \$55.5 | \$47.3 | \$45.6 | \$473.0 |
| CLOSING CASH BALANCE | \$39.5 | \$81.1 | \$125.0 | \$171.2 | \$219.9 | \$271.1 | \$301.4 | \$333.2 | (\$20.1) | \$0.8 | |

| | |
|--|-----------------|
| 2019 Adjusted Charge Per Capita | \$321.50 |
|--|-----------------|

| | |
|--------------------------------------|--------|
| Allocation of Capital Program | |
| Residential Sector | 100.0% |
| Non-Residential Sector | 0.0% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX B.3

FIRE DEPARTMENT

APPENDIX B.3

FIRE DEPARTMENT

The Penetanguishene Fire Department provides for fire suppression, emergency preparedness, fire prevention inspections and public education throughout the Town.

TABLE 1 2009-2018 HISTORICAL SERVICE LEVELS

The Fire Department inventory of capital assets includes the headquarters at the new fire hall which is 11,345 square feet and is valued at \$4.0 million. The headquarters occupies roughly 1.01 hectares of land which is valued at \$1.0 million. Communications, other vehicle and station equipment amount to \$600,000 and personal firefighting equipment for 30 equipped staff adds another \$210,000 to the inventory. The department owns 7 vehicles and owns a 25 per cent share of a fire safety house which are shared by Midland, Penetanguishene, Tay and Tiny. The total replacement value of the Town's vehicles amounts to \$3.3 million.

The current value of the capital infrastructure including building, land, vehicles, furniture and equipment is approximately \$9.1 million and has provided the Town with a 10-year average historical service level of \$566.11 per population and employment. The calculated maximum allowable recoverable through development charges is \$1.2 million (2,110 net population and employment growth X historical service level of \$566.11).

No legislated 10 per cent reduction is required for Fire Department services, as such, the full maximum allowable funding envelope of \$1.2 million is therefore brought forward to the development charges calculation.

TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM & CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGE

The 2019 to 2028 development-related capital program consists of the recovery outstanding debt related to the recovery of the fire hall and the aerial. The remaining principal payments, \$826,330, are included in the capital forecast as development-related. The current balance in the Fire Department DC reserve is in a negative position, and is included in the capital forecast for recovery through future DCs. Additionally, a provision for the recovery of a rescue/pumper truck acquired in 2018

has been included in the capital program. These provisions total \$586,249. Additional new projects for the fire department include a Fire Master Plan at a cost of \$20,000 and bunker gear for new firefighters at a cost of \$21,000.

Altogether, the 10-year capital forecast for Fire Department amounts to \$1.5 million. There is \$192,333 in replacement shares or benefit to existing shares identified. Fire protection services is exempt from the 10 per cent reduction of capital costs imposed by the *DCA*. The share that is considered to be post-period benefit amounts to \$66,754 and is not eligible for recovery under this by-law but will be examined for funding in subsequent DC by-laws.

The development-related cost of \$1.2 million is allocated 58 per cent, or \$697,265, against new residential development, and 42 per cent, or \$497,227, against non-residential development. The allocation between residential and non-residential development is based on shares of forecasted population and employment growth. This yields an unadjusted development charge of \$578.17 per capita and \$9.62 per square metre of non-residential gross floor area.

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, the calculated residential charge increases to \$686.00 per capita and the non-residential charge also increases to \$11.45 per square metre. This is a reflection of the timing of the capital program and development charges revenues.

The following table summarizes the calculation of the Fire Department development charge.

| FIRE DEPARTMENT SUMMARY | | | | | | |
|---|------------------------------|---------------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| 10-year Hist. Service Level per pop & emp | 2019 - 2028 | | Unadjusted | | Adjusted | |
| | Development-Related Total | Capital Program Net DC Recoverable | Development Charge \$/capita | Development Charge \$/sq.m | Development Charge \$/capita | Development Charge \$/sq.m |
| \$566.11 | \$1,453,579 | \$1,194,492 | \$578.17 | \$9.62 | \$686.00 | \$11.45 |

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APPENDIX B.3
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
FIRE DEPARTMENT

| BUILDINGS Station Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq. ft.) |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Old Fire Hall | 4,651 | - | - | - | - | - | - | - | - | - | \$350 |
| New Fire Hall | - | 11,345 | 11,345 | 11,345 | 11,345 | 11,345 | 11,345 | 11,345 | 11,345 | 11,345 | \$350 |
| | | | | | | | | | | | |
| Total (sq.ft.) | 4,651 | 11,345 | |
| Total (\$000) | \$1,627.9 | \$3,970.8 |

| LAND Station Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) |
|----------------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Fire Hall | 0.04 | - | - | - | - | - | - | - | - | - | \$1,000,000 |
| New Fire Hall | - | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | \$1,000,000 |
| | | | | | | | | | | | |
| Total (ha) | 0.04 | 1.01 | |
| Total (\$000) | \$40.0 | \$1,010.0 |

| FURNITURE & EQUIPMENT Station Name | Total Value of Furniture & Equipment (\$) | | | | | | | | | |
|---------------------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Communications Equipment | \$59,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Other Vehicle Equipment (SCBA) | \$178,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 |
| Other Station Equipment | \$24,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 |
| | | | | | | | | | | |
| Total (\$000) | \$261.0 | \$600.0 |

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APPENDIX B.3
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
FIRE DEPARTMENT

| PERSONAL FIRE FIGHTER EQUIPMENT Description | # of Equipped Staff | | | | | | | | | | UNIT COST (\$/outfit) |
|--|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Number of Equipped Staff | 28 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | \$7,000 |
| Total (#) | 28 | 30 | |
| Total (\$000) | \$196.0 | \$210.0 |

| VEHICLES Vehicle Type | # of Vehicles | | | | | | | | | | UNIT COST (\$/vehicle) |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Staff Vehicles | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | \$67,500 |
| Tankers | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | \$545,000 |
| Pumpers (heavy duty custom) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | \$750,000 |
| Pumper Telesquirt/Aerial Ladder | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | \$1,050,000 |
| Rescue Vehicle | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | \$313,000 |
| Fire Safety house (1) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | \$80,000 |
| Public Education Vehicle (1) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | - | \$65,000 |
| Argo Rescue Unit and Trailer | - | - | - | - | - | - | - | - | - | 1.00 | \$45,000 |
| Total (#) | 6.50 | 7.25 | |
| Total (\$000) | \$2,829.3 | \$3,295.0 |

(1) Fire Safety House and Public Education Vehicle are shared by Midland, Penetanguishene, Tay and Tiny. A 25% share is allocated to Penetanguishene.

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APPENDIX B.3
TABLE 1

TOWN OF PENETANGUISHENE
CALCULATION OF SERVICE LEVELS
FIRE DEPARTMENT

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Historical Population | 9,207 | 9,159 | 9,111 | 9,081 | 9,051 | 9,021 | 8,991 | 8,962 | 9,119 | 9,223 |
| Historical Employment | <u>4,602</u> | <u>4,450</u> | <u>4,304</u> | <u>4,381</u> | <u>4,460</u> | <u>4,540</u> | <u>4,621</u> | <u>4,704</u> | <u>4,812</u> | <u>4,883</u> |
| Total Historic Population & Employment | 13,809 | 13,609 | 13,415 | 13,462 | 13,511 | 13,561 | 13,612 | 13,666 | 13,931 | 14,106 |

INVENTORY SUMMARY (\$000)

| | | | | | | | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Buildings | \$1,627.9 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 | \$3,970.8 |
| Land | \$40.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 | \$1,010.0 |
| Furniture & Equipment | \$261.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 | \$600.0 |
| Personal Fire Fighter Equipment | \$196.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 | \$210.0 |
| Vehicles | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$2,829.3 | \$3,295.0 |
| Total (\$000) | \$4,954.1 | \$8,620.0 | \$9,085.8 |

SERVICE LEVEL (\$/pop & emp)

Average
Service

Level

| | | | | | | | | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Buildings | \$117.88 | \$291.77 | \$295.99 | \$294.96 | \$293.89 | \$292.81 | \$291.71 | \$290.56 | \$285.03 | \$281.49 | \$273.61 |
| Land | \$2.90 | \$74.22 | \$75.29 | \$75.03 | \$74.75 | \$74.48 | \$74.20 | \$73.91 | \$72.50 | \$71.60 | \$66.89 |
| Personal Fire Fighter Equipment | \$14.19 | \$15.43 | \$15.65 | \$15.60 | \$15.54 | \$15.49 | \$15.43 | \$15.37 | \$15.07 | \$14.89 | \$15.27 |
| Vehicles | \$204.88 | \$207.90 | \$210.90 | \$210.17 | \$209.40 | \$208.63 | \$207.85 | \$207.03 | \$203.09 | \$233.59 | \$210.34 |
| Total (\$/pop & emp) | \$339.86 | \$589.32 | \$597.84 | \$595.75 | \$593.59 | \$591.40 | \$589.19 | \$586.86 | \$575.69 | \$601.57 | \$566.11 |

TOWN OF PENETANGUISHENE
CALCULATION OF MAXIMUM ALLOWABLE
FIRE DEPARTMENT

| 10-Year Funding Envelope Calculation | |
|--|--------------------|
| 10 Year Average Service Level 2009 - 2018 | \$566.11 |
| Net Population & Employment Growth 2019 - 2028 | 2,110 |
| Maximum Allowable Funding Envelope | \$1,194,492 |
| Discounted Maximum Allowable Funding Envelope | \$1,194,492 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
FIRE DEPARTMENT

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|---------|---------------------|------------------------------------|---------------------|--------------------------|--------------|-------------------------|-----------------------|---------------------|------------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 3.0 FIRE DEPARTMENT | | | | | | | | | | |
| 3.1 Recovery of Fire Hall and Aerial Debt | | | | | | | | | | |
| 3.1.1 Principle Payment | 2019 | \$ 321,328 | \$ - | \$ 321,328 | \$ - | \$ - | \$ 321,328 | \$ - | \$ 321,328 | \$ - |
| 3.1.2 Principle Payment | 2020 | \$ 333,523 | \$ - | \$ 333,523 | \$ - | \$ - | \$ 333,523 | \$ - | \$ 333,523 | \$ - |
| 3.1.3 Principle Payment | 2021 | \$ 171,479 | \$ - | \$ 171,479 | \$ - | \$ - | \$ 171,479 | \$ - | \$ 124,725 | \$ 46,754 |
| Subtotal Recovery of Fire Hall and Aerial Debt | | \$ 826,330 | \$ - | \$ 826,330 | \$ - | \$ - | \$ 826,330 | \$ - | \$ 779,576 | \$ 46,754 |
| 3.2 Recovery of Committed Excess Capacity | | | | | | | | | | |
| 3.2.1 Rescue/Pumper Truck | 2019 | \$ 577,000 | \$ - | \$ 577,000 | \$ 192,333 | \$ - | \$ 384,667 | \$ - | \$ 384,667 | \$ - |
| 3.2.2 Recovery of Negative Reserve Fund Balance | 2019 | \$ 9,249 | \$ - | \$ 9,249 | \$ - | \$ - | \$ 9,249 | \$ - | \$ 9,249 | \$ - |
| Subtotal Recovery of Committed Excess Capacity | | \$ 586,249 | \$ - | \$ 586,249 | \$ 192,333 | \$ - | \$ 393,916 | \$ - | \$ 393,916 | \$ - |
| 3.3 Equipment & Other | | | | | | | | | | |
| 3.3.1 Bunker Gear for New Firefighters | Various | \$ 21,000 | \$ - | \$ 21,000 | \$ - | \$ - | \$ 21,000 | \$ - | \$ 21,000 | \$ - |
| 3.3.2 Fire Master Plan | 2028 | \$ 20,000 | \$ - | \$ 20,000 | \$ - | \$ - | \$ 20,000 | \$ - | \$ - | \$ 20,000 |
| Subtotal Equipment & Other | | \$ 41,000 | \$ - | \$ 41,000 | \$ - | \$ - | \$ 41,000 | \$ - | \$ 21,000 | \$ 20,000 |
| TOTAL FIRE DEPARTMENT | | \$ 1,453,579 | \$ - | \$ 1,453,579 | \$ 192,333 | \$ - | \$ 1,261,246 | \$ - | \$ 1,194,492 | \$ 66,754 |

| | | |
|--|-----|-----------------|
| Residential Development Charge Calculation | | |
| Residential Share of 2019 - 2028 DC Eligible Costs | 58% | \$697,265 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$578.17 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 42% | \$497,227 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$9.62 |

| | |
|---|-------------|
| 2019 - 2028 Net Funding Envelope | \$1,194,492 |
| Uncommitted Reserve Fund Balance Balance as at December 31, 2018 | (9,249) |

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APPENDIX B.3
TABLE 3

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
FIRE DEPARTMENT
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| FIRE DEPARTMENT | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| OPENING CASH BALANCE | \$0.0 | (\$359.0) | (\$503.9) | (\$524.3) | (\$465.1) | (\$400.9) | (\$331.4) | (\$256.2) | (\$175.1) | (\$87.5) | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Fire Department: Non Inflated | \$418.7 | \$195.9 | \$74.0 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$697.3 |
| - Fire Department: Inflated | \$418.7 | \$199.8 | \$77.0 | \$1.3 | \$1.3 | \$1.4 | \$1.4 | \$1.4 | \$1.4 | \$1.5 | \$705.3 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$82.7 | \$84.4 | \$86.1 | \$87.8 | \$89.6 | \$91.3 | \$93.2 | \$95.0 | \$96.9 | \$98.9 | \$905.9 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$19.7) | (\$27.7) | (\$28.8) | (\$25.6) | (\$22.1) | (\$18.2) | (\$14.1) | (\$9.6) | (\$4.8) | (\$170.7) |
| - Interest on In-year Transactions | (\$9.2) | (\$3.2) | \$0.2 | \$1.5 | \$1.5 | \$1.6 | \$1.6 | \$1.6 | \$1.7 | \$1.7 | (\$1.0) |
| - Interest on Fire Hall Debt | (\$13.7) | (\$6.5) | (\$1.9) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$22.2) |
| TOTAL REVENUE | \$59.7 | \$54.9 | \$56.6 | \$60.5 | \$65.5 | \$70.9 | \$76.5 | \$82.6 | \$89.0 | \$95.8 | \$712.0 |
| CLOSING CASH BALANCE | (\$359.0) | (\$503.9) | (\$524.3) | (\$465.1) | (\$400.9) | (\$331.4) | (\$256.2) | (\$175.1) | (\$87.5) | \$6.8 | |

| | |
|--|-----------------|
| 2019 Adjusted Charge Per Capita | \$686.00 |
|--|-----------------|

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

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APPENDIX B.3
TABLE 3

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
FIRE DEPARTMENT
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| FIRE DEPARTMENT | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| OPENING CASH BALANCE | \$0.00 | (\$255.80) | (\$358.90) | (\$373.20) | (\$330.75) | (\$285.09) | (\$235.25) | (\$181.36) | (\$123.16) | (\$60.41) | |
| 2019 - 2028 NON-RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Fire Department: Non Inflated | \$298.6 | \$139.7 | \$52.8 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$497.2 |
| - Fire Department: Inflated | \$298.6 | \$142.5 | \$54.9 | \$0.9 | \$0.9 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$502.9 |
| NEW NON-RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Growth in Square Metres | 5,170 | 5,170 | 5,170 | 5,170 | 5,140 | 5,170 | 5,170 | 5,170 | 5,170 | 5,170 | 51,670 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$59.2 | \$60.4 | \$61.6 | \$62.8 | \$63.7 | \$65.4 | \$66.7 | \$68.0 | \$69.4 | \$70.7 | \$647.8 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$14.1) | (\$19.7) | (\$20.5) | (\$18.2) | (\$15.7) | (\$12.9) | (\$10.0) | (\$6.8) | (\$3.3) | (\$121.2) |
| - Interest on In-year Transactions | (\$6.6) | (\$2.3) | \$0.1 | \$1.1 | \$1.1 | \$1.1 | \$1.1 | \$1.2 | \$1.2 | \$1.2 | (\$0.7) |
| - Interest on Fire Hall Debt | (\$9.8) | (\$4.7) | (\$1.3) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$15.8) |
| TOTAL REVENUE | \$42.8 | \$39.4 | \$40.6 | \$43.4 | \$46.6 | \$50.8 | \$54.9 | \$59.2 | \$63.8 | \$68.6 | \$510.1 |
| CLOSING CASH BALANCE | (\$255.8) | (\$358.9) | (\$373.2) | (\$330.8) | (\$285.1) | (\$235.2) | (\$181.4) | (\$123.2) | (\$60.4) | \$7.2 | |

| | |
|--|----------------|
| 2019 Adjusted Charge Per Square Metre | \$11.45 |
|--|----------------|

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX B.4

POLICE

APPENDIX B.4

POLICE

To ensure that the Town a safe place to live, work and play, the Penetanguishene Police Services Board recommends priorities with respect to police in the municipality and monitors police functions to guarantee there is adequate and effective O.P.P. services.

TABLE 1 2009-2018 HISTORICAL SERVICE LEVELS

The 10-year historical inventory of capital assets for Police includes 2,202 square feet of building space with a replacement value of \$770,700. The building occupies 0.04 hectares of land and is valued at \$40,000. The Police inventory also includes \$16,200 of furniture and equipment, and \$254,700 of personal police equipment and vehicle equipment.

The current value of the Police capital infrastructure including building, land, vehicles, and furniture and equipment is valued at approximately \$1.1 million and has provided the Town with a 10-year average historical service level of \$77.97 per capita and employment. The calculated maximum allowable recoverable through development charges is \$164,517 (2,110 net population and employment growth X historical service level of \$77.97 per population and employment). This is a protection service and as identified in the *DCA*, it does not need to be reduced by 10 per cent.

There is no excess capacity identified in this service and as such, the full maximum allowable of \$164,517 can be brought forward to the development charges calculation.

**TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM &
CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGE**

The 2019-2028 development-related capital program is comprised of the outfitting equipment for an additional uniformed officer at \$6,000 and equipment for an additional police vehicle for \$12,000. Altogether, the 10-year capital forecast for Police Service amount to \$18,000.

Police services are not required to be discounted, as per the *DCA*, and the full \$18,000 is included in the development charge calculation. There is \$4,962 available in the

Police DC reserve fund and the remaining \$13,038 is related to development between 2019 and 2028 and is included in the present calculation.

The development-related cost is allocated 58 per cent, or \$7,611, against new residential development, and 42 per cent, or \$5,427, against non-residential development. This yields an unadjusted development charge of \$6.31 per capita and \$0.11 per square metre.

TABLE 3 CASH FLOW AND RESERVE FUND ANALYSIS

After cash flow and reserve fund consideration, the residential calculated charge increases to \$6.50 per capita and the non-residential charge remains unchanged at \$0.11 per square metre. This is a reflection of the timing of the capital program and development charges revenues.

The following table summarizes the calculation of the Police development charge:

| POLICE SUMMARY | | | | | | |
|---|------------------------------|---------------------------------------|--------------------|---------|--------------------|---------------|
| 10-year Hist. Service Level per pop & emp | 2019 - 2028 | | Unadjusted | | Adjusted | |
| | Development-Related Total | Capital Program Net DC Recoverable | Development Charge | | Development Charge | |
| | | | \$/capita | \$/sq.m | \$/capita | \$/sq.m |
| \$77.97 | \$18,000 | \$13,038 | \$6.31 | \$0.11 | \$6.50 | \$0.11 |

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APPENDIX B.4
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
POLICE

| BUILDINGS Facility Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq.ft.) | |
|----------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| 12 Robert St W | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | \$350 |
| Total (sq.ft.) | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | 2,202 | |
| Total (\$000) | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | |

| LAND Facility Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| 12 Robert St W | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | \$1,000,000 |
| Total (ha) | 0.04 | |
| Total (\$000) | \$40.0 | |

| FURNITURE & EQUIPMENT Facility Name | Total Value of Furniture & Equipment (\$) | | | | | | | | | | |
|--|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| 12 Robert St W | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 | \$16,200 |
| Total (\$000) | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 |

| VEHICLE & OFFICER EQUIPMENT Description | # of Vehicles & Officers | | | | | | | | | | UNIT COST (\$/unit) | |
|--|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Outfitting for Uniformed Officers | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | \$6,460 |
| Equipment for Police Vehicles | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | \$13,440 |
| Total (#) | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | 25.6 | |
| Total (\$000) | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | |

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APPENDIX B.4
TABLE 1

TOWN OF PENETANGUISHENE
CALCULATION OF SERVICE LEVELS
POLICE

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Historical Population | 9,207 | 9,159 | 9,111 | 9,081 | 9,051 | 9,021 | 8,991 | 8,962 | 9,119 | 9,223 |
| Historical Employment | 4,602 | 4,450 | 4,304 | 4,381 | 4,460 | 4,540 | 4,621 | 4,704 | 4,812 | 4,883 |
| Total Historic Population & Employment | 13,809 | 13,609 | 13,415 | 13,462 | 13,511 | 13,561 | 13,612 | 13,666 | 13,931 | 14,106 |

INVENTORY SUMMARY (\$000)

| | | | | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Buildings | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 | \$770.7 |
| Land | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 | \$40.0 |
| Furniture & Equipment | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 | \$16.2 |
| Vehicle & Officer Equipment | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 | \$254.7 |
| Total (\$000) | \$1,081.6 |

SERVICE LEVEL (\$/pop & emp)

| | | | | | | | | | | | Average Service Level |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|
| Buildings | \$55.81 | \$56.63 | \$57.45 | \$57.25 | \$57.04 | \$56.83 | \$56.62 | \$56.40 | \$55.32 | \$54.64 | \$56.40 |
| Land | \$2.90 | \$2.94 | \$2.98 | \$2.97 | \$2.96 | \$2.95 | \$2.94 | \$2.93 | \$2.87 | \$2.84 | \$2.93 |
| Vehicle & Officer Equipment | \$18.45 | \$18.72 | \$18.99 | \$18.92 | \$18.85 | \$18.78 | \$18.71 | \$18.64 | \$18.28 | \$18.06 | \$18.64 |
| Total (\$/pop & emp) | \$77.15 | \$78.29 | \$79.42 | \$79.14 | \$78.86 | \$78.57 | \$78.27 | \$77.96 | \$76.48 | \$75.53 | \$77.97 |

TOWN OF PENETANGUISHENE
CALCULATION OF MAXIMUM ALLOWABLE
POLICE

| | |
|--|------------------|
| 10-Year Funding Envelope Calculation | |
| 10 Year Average Service Level 2009 - 2018 | \$77.97 |
| Net Population & Employment Growth 2019 - 2028 | 2,110 |
| Maximum Allowable Funding Envelope | \$164,517 |
| Discounted Maximum Allowable Funding Envelope | \$164,517 |

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APPENDIX B.4
TABLE 2

TOWN OF PENETANGUISENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
POLICE

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|---|--------|--------------------|------------------------------------|--------------------|--------------------------|--------------|-------------------------|-----------------------|------------------|-------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 4.0 POLICE | | | | | | | | | | |
| 4.1 Personal Equipment | | | | | | | | | | |
| 4.1.1 Outfitting for Additional Officer | 2024 | \$ 6,000 | \$ - | \$ 6,000 | \$ - | \$ - | \$ 6,000 | \$ 4,962 | \$ 1,038 | \$ - |
| Subtotal Personal Equipment | | \$ 6,000 | \$ - | \$ 6,000 | \$ - | \$ - | \$ 6,000 | \$ 4,962 | \$ 1,038 | \$ - |
| 4.2 Vehicle Equipment | | | | | | | | | | |
| 4.2.1 Equipment for Vehicle | 2024 | \$ 12,000 | \$ - | \$ 12,000 | \$ - | \$ - | \$ 12,000 | \$ - | \$ 12,000 | \$ - |
| Subtotal Vehicle Equipment | | \$ 12,000 | \$ - | \$ 12,000 | \$ - | \$ - | \$ 12,000 | \$ - | \$ 12,000 | \$ - |
| TOTAL POLICE | | \$ 18,000 | \$ - | \$ 18,000 | \$ - | \$ - | \$ 18,000 | \$ 4,962 | \$ 13,038 | \$ - |

| Residential Development Charge Calculation | | |
|--|-----|---------------|
| Residential Share of 2019 - 2028 DC Eligible Costs | 58% | \$7,611 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$6.31 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 42% | \$5,427 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$0.11 |

| | |
|---|-----------|
| 2019 - 2028 Net Funding Envelope | \$164,517 |
| Uncommitted Reserve Fund Balance Balance as at December 31, 2018 | \$4,962 |

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APPENDIX B.4
TABLE 3

**TOWN OF PENETANGUISENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
POLICE
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| POLICE | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| OPENING CASH BALANCE | \$0.0 | \$0.8 | \$1.6 | \$2.5 | \$3.5 | \$4.4 | (\$3.1) | (\$2.4) | (\$1.6) | (\$0.8) | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Police: Non Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$7.6 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$7.6 |
| - Police: Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$8.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$8.4 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$8.6 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.1 | \$0.2 | (\$0.2) | (\$0.1) | (\$0.1) | (\$0.0) | \$0.0 |
| - Interest on In-year Transactions | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.2) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.1) |
| TOTAL REVENUE | \$0.8 | \$0.8 | \$0.9 | \$0.9 | \$1.0 | \$0.8 | \$0.7 | \$0.8 | \$0.8 | \$0.9 | \$8.5 |
| CLOSING CASH BALANCE | \$0.8 | \$1.6 | \$2.5 | \$3.5 | \$4.4 | (\$3.1) | (\$2.4) | (\$1.6) | (\$0.8) | \$0.1 | |

| | |
|--|---------------|
| 2019 Adjusted Charge Per Capita | \$6.50 |
|--|---------------|

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

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APPENDIX B.4
TABLE 3

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
POLICE
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| POLICE | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| OPENING CASH BALANCE | \$0.00 | \$0.58 | \$1.19 | \$1.83 | \$2.51 | \$3.22 | (\$2.18) | (\$1.65) | (\$1.07) | (\$0.45) | |
| 2019 - 2028 NON-RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Police: Non Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$5.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$5.4 |
| - Police: Inflated | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$6.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$6.0 |
| NEW NON-RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Growth in Square Metres | 5,170 | 5,170 | 5,170 | 5,170 | 5,140 | 5,170 | 5,170 | 5,170 | 5,170 | 5,170 | 51,670 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$0.6 | \$0.6 | \$0.6 | \$0.6 | \$0.6 | \$0.6 | \$0.6 | \$0.7 | \$0.7 | \$0.7 | \$6.2 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.1 | (\$0.1) | (\$0.1) | (\$0.1) | (\$0.0) | \$0.0 |
| - Interest on In-year Transactions | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.1) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) |
| TOTAL REVENUE | \$0.6 | \$0.6 | \$0.6 | \$0.7 | \$0.7 | \$0.6 | \$0.5 | \$0.6 | \$0.6 | \$0.7 | \$6.2 |
| CLOSING CASH BALANCE | \$0.6 | \$1.2 | \$1.8 | \$2.5 | \$3.2 | (\$2.2) | (\$1.6) | (\$1.1) | (\$0.5) | \$0.2 | |

2019 Adjusted Charge Per Square Metre **\$0.11**

Allocation of Capital Program

| | |
|------------------------|-------|
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |

Rates for 2019

| | |
|------------------------------------|------|
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX B.5

PARKS & RECREATION

APPENDIX B.5

PARKS & RECREATION

The Town of Penetanguishene's Recreation and Community Services Department is responsible for the operations and maintenance of indoor recreation facilities and providing recreational programming to the residents of Penetanguishene. This department is also responsible for the outdoor parks and amenities.

TABLE 1 2009-2018 HISTORICAL SERVICE LEVELS

The 10-year historical inventory of capital assets for Indoor Recreation includes 60,010 square feet of indoor recreation building space with a current replacement value of \$15.0 million. The land associated with the buildings amount to 1.74 hectares, and is valued at \$2.0 million. The equipment associated with the facilities has a total value of \$120,600.

The Town has 91.6 hectares of parkland, comprised of municipal, neighbourhood and community parks. The total amount of developed parkland amounts to \$7.3 million, which also includes the value of the walking trails. The department is also responsible for constructing and operating park facilities including baseball diamonds, tennis courts, basketball courts, play equipment, a skate park, a disc golf course, soccer pitch, and a dog park. The facilities have a total value of \$3.9 million. The Parks & Recreation fleet and equipment is valued at \$797,900. Finally, the park buildings are comprised of washrooms, storage sheds, gazebos, a rotary pavilion, and amounts to a total value of \$764,200.

The value of capital assets for Parks & Recreation totals \$29.9 million. The 10-year historical average service level is \$3,208.47 per capita, and this, multiplied by the 10-year forecast growth in net population, results in a maximum allowable funding envelope of \$4.0 million (1,250 net population growth X historical service level of \$3,208.47/capita).

Parks & Recreation is a service for which development-related capital costs must be reduced by 10 per cent under the *DCA*. The resulting net maximum allowable funding envelope brought forward to the development charges calculation is reduced to \$3.6 million.

**TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM &
CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGE**

The 2019-2028 development-related capital program for Parks & Recreation totals to \$2.2 million and is comprised of playground upgrades, new park development, new trail development and plans and studies. The Town will be upgrading playground facilities annually for a total of \$750,000 over the 10-year period. The 3 phases of the Martin Valley Park development are included in the capital program from 2021 to 2023 for a total of \$795,000. New trail development over the 10-year period amounts to \$519,000. The engineering and study portion of the Town's Trailhead Construction is anticipated to receive a grant equal to half of the gross project cost, which equals \$25,000. Lastly, the Town plans to undertake an Arena Feasibility Study in 2020 (\$50,000) and a Recreation Master Plan in 2024 (\$40,000)

In total, the net municipal cost of this program is \$2.1 million. A share of this program is deemed to benefit the existing residents, and \$504,444 is netted off the costs. The benefit to existing share is largely attributed to the playground upgrade program. Another share is related to the 10 per cent reduction and another \$162,456 is netted off the cost. The DC eligible share is therefore reduced to \$1.5 million.

A balance of \$498,584 exists in the Parks & Recreation DC reserve fund and is available to fund part of the DC eligible portion of the program. The 2019-2028 DC costs eligible for recovery amount to \$963,516 which is allocated entirely against future residential development in the Town of Penetanguishene. This results in an unadjusted development charge of \$798.95 per capita.

TABLE 3 CASH FLOW AND RESERVE FUND ANALYSIS

After cash flow and reserve fund consideration, the residential calculated charge increases to \$829.00 per capita. The increase is largely due to the timing of expenditures versus the timing of the receipt of development charges revenues.

The following table summarizes the calculation of the Parks & Recreation development charge:

| PARKS & RECREATION SUMMARY | | | | | | |
|---------------------------------------|-------------------------------------|--------------------|--------------------|---------|--------------------|---------------|
| 10-year Hist. | 2019 - 2028 | | Unadjusted | | Adjusted | |
| Service Level | Development-Related Capital Program | | Development Charge | | Development Charge | |
| per capita | Total | Net DC Recoverable | \$/capita | \$/sq.m | \$/capita | \$/sq.m |
| \$3,208.47 | \$2,154,000 | \$963,516 | \$798.95 | \$0.00 | \$829.00 | \$0.00 |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
INDOOR RECREATION FACILITIES

| BUILDINGS Facility Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq.ft.) | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Penetanguishene Memorial Community Centre | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | 38,010 | \$250 |
| Penetanguishene Curling Club | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | \$250 |
| Total (sq.ft.) | 60,010 | |
| Total (\$000) | \$15,002.5 | |

| LAND Facility Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Penetanguishene Memorial Community Centre | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | 1.24 | \$1,000,000 |
| Penetanguishene Curling Club | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | \$1,500,000 |
| Total (ha) | 1.74 | |
| Total (\$000) | \$1,990.0 | |

| FURNITURE & EQUIPMENT Facility Name | Total Value of Furniture & Equipment (\$) | | | | | | | | | | |
|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Tables | \$10,800 | \$10,800 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 |
| Chairs | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Nets | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 | \$9,600 |
| Sound System | \$24,000 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 |
| Ice Cube Maker | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 | \$7,200 |
| Miscellaneous Small Equipment | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 | \$32,400 |
| Total (\$000) | \$96.0 | \$104.4 | \$120.6 |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARKLAND DEVELOPMENT

| MUNICIPAL PARKS | # of Hectares of Developed Area | | | | | | | | | | UNIT COST (\$/ha) |
|---|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Park Name | | | | | | | | | | | |
| Rotary Champlain Wendat Park (Renamed 2015) | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | 59.90 | \$80,000 |
| Ojibwa Landing Trailer Park | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | - | - | - | - | - | \$80,000 |
| Bayfield | 4.86 | - | - | - | - | - | - | - | - | - | \$80,000 |
| Huronia Park | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | \$80,000 |
| McGuire Park | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | \$80,000 |
| Memorial Park | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | 3.64 | \$80,000 |
| Payette Park | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | 1.94 | \$80,000 |
| | | | | | | | | | | | |
| Total (ha) | 82.01 | 77.15 | 77.15 | 77.15 | 77.15 | 71.15 | 71.15 | 71.15 | 71.15 | 71.15 | |
| Total (\$000) | \$6,561.0 | \$6,172.3 | \$6,172.3 | \$6,172.3 | \$6,172.3 | \$5,692.3 | \$5,692.3 | \$5,692.3 | \$5,692.3 | \$5,692.3 | |

| NEIGHBOURHOOD PARKS | # of Hectares of Developed Area | | | | | | | | | | UNIT COST (\$/ha) |
|----------------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Park Name | | | | | | | | | | | |
| Therrien Park | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | \$80,000 |
| Charles Scott Memorial Park | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | \$80,000 |
| Gendron Park | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | \$80,000 |
| Martin Valley (John Street) Park | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | 1.61 | \$80,000 |
| Dupuis Park | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | \$80,000 |
| Reynolds Point Park | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | - | - | - | - | - | \$80,000 |
| Bob Sullivan (2 Lots) | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | \$80,000 |
| Ecology Gardens (Fox) | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | \$80,000 |
| | | | | | | | | | | | |
| Total (ha) | 7.81 | 7.81 | 7.81 | 7.81 | 7.81 | 7.61 | 7.61 | 7.61 | 7.61 | 7.61 | |
| Total (\$000) | \$624.6 | \$624.6 | \$624.6 | \$624.6 | \$624.6 | \$608.6 | \$608.6 | \$608.6 | \$608.6 | \$608.6 | |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARKLAND DEVELOPMENT

| COMMUNITY PARKS Park Name | # of Hectares of Developed Area | | | | | | | | | | UNIT COST (\$/ha) |
|------------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Marchildon Park | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | \$80,000 |
| Tom Coffin Memorial Park | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | \$80,000 |
| Breithaupt Park | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | \$10,000 |
| CN Park | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | 6.06 | \$80,000 |
| | | | | | | | | | | | |
| Total (ha) | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | 12.79 | |
| Total (\$000) | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 | \$691.9 |

| OTHER Description | \$ Value of Trails | | | | | | | | | |
|---------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Walking Trail Development | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 | \$215,800 |
| Martin Valley Trail | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$58,000 |
| Tom Coffin Trail | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$52,000 | \$52,000 | \$52,000 | \$52,000 |
| | | | | | | | | | | |
| Total (\$000) | \$215.8 | \$215.8 | \$215.8 | \$215.8 | \$215.8 | \$215.8 | \$267.8 | \$267.8 | \$267.8 | \$325.8 |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARK FACILITIES

| BASEBALL DIAMONDS Park Name | # of Baseball Diamonds | | | | | | | | | | UNIT COST (\$/unit) |
|--------------------------------|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| With Lights | | | | | | | | | | | |
| McGuire Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$148,900 |
| Without Lights | | | | | | | | | | | |
| McGuire Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$57,200 |
| Marchildon Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$57,200 |
| Total (#) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| Total (\$000) | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 | \$263.3 |

| TENNIS COURTS Park Name | # of Tennis Courts | | | | | | | | | | UNIT COST (\$/unit) |
|----------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| With Lights | | | | | | | | | | | |
| McGuire Park | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | \$153,200 |
| Memorial Park | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | \$153,200 |
| Total (#) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | |
| Total (\$000) | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 | \$612.8 |

| BASKETBALL COURTS Park Name | # of Basketball Courts | | | | | | | | | | UNIT COST (\$/unit) |
|----------------------------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Dupuis Parkette | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,100 |
| Martin Valley (John Street) Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,100 |
| Rotary Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,100 |
| Total (#) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| Total (\$000) | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 | \$45.3 |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARK FACILITIES

| SKATE PARK Park Name | # of Skate Parks | | | | | | | | | | UNIT COST (\$/unit) |
|-------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Skateboard Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$305,400 |
| Total (#) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| Total (\$000) | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 | \$305.4 |

| PLAY EQUIPMENT Park Name | # of Play Equipment | | | | | | | | | | UNIT COST (\$/unit) |
|----------------------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| McGuire Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$36,700 |
| Gendron Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$64,700 |
| Rotary Playground | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$110,100 |
| Marchildon | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$51,800 |
| Tom Coffin Memorial Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$57,200 |
| Therrien Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$18,300 |
| Scott Memorial Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$121,900 |
| Bayfield Park | 1 | - | - | - | - | - | - | - | - | - | \$22,700 |
| Martin Valley (John Street) Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$22,700 |
| Huron Park | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | \$33,000 |
| Total (#) | 9 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | |
| Total (\$000) | \$506.1 | \$483.4 | \$483.4 | \$483.4 | \$516.4 |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARK FACILITIES

| OTHER Description | # of Other Facilities | | | | | | | | | | UNIT COST (\$/unit) |
|---|-----------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Disc Golf Course | | | | | | | | | | | |
| Rotary Park | - | - | 1 | 1 | 1 | 1 | 1 | 1 | - | - | \$7,600 |
| Soccer Pitch | | | | | | | | | | | |
| Payette Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$69,100 |
| Dog Park | | | | | | | | | | | |
| Rotary Park | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$5,400 |
| Other | | | | | | | | | | | |
| Race Car Track | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$5,400 |
| Rotary Park - Splashpad | - | - | - | - | - | - | - | 1 | 1 | 1 | \$312,760 |
| McGuire Court - Bocce Courts | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$15,500 |
| Rotary Park - Beach Volleyball Court | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,500 |
| Rotary Park - Statue of Champlain & Chief | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$138,200 |
| Rotary Park - Circle of Four Nations | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$48,740 |
| Rotary Park - Statue of Lte. Gov. Simcoe | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$61,970 |
| Rotary Park - Brule & 5 Bronze/Patina Busts | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$180,870 |
| Rotary Park - Fitness Equipment | - | - | - | - | - | - | - | 1 | 1 | 1 | \$21,000 |
| Rotary Park - Huron Canoe | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$83,120 |
| Rotary Park - Astrolabe | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$75,131 |
| Rotary Park - Floating Observation Deck | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$288,100 |
| Wharf | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$800,000 |
| Total (#) | 4 | 4 | 6 | 6 | 6 | 5 | 13 | 15 | 14 | 14 | |
| Total (\$000) | \$890.0 | \$890.0 | \$903.0 | \$903.0 | \$903.0 | \$897.6 | \$1,789.2 | \$2,123.0 | \$2,115.4 | \$2,115.4 | |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARK VEHICLES & EQUIPMENT

| VEHICLES & EQUIPMENT Type | # of Vehicles and Equipment | | | | | | | | | | UNIT COST |
|---|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | (\$/unit) |
| 1981 1 Ton GMC Dump Truck | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$48,600 |
| 1995 ½ Ton Chevrolet | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$37,800 |
| 265 Massey Ferguson | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$60,000 |
| 1997 John Deere Riding Mower | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$21,600 |
| Bannerman Tru Play | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$6,000 |
| York Rake | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$5,000 |
| Picnic Tables & Benches | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$58,000 |
| Mower & Small Equipment | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$21,600 |
| 2000 1 Ton Chevrolet Dump Truck #22 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$50,000 |
| 1994 3/4 Ton 4x4 Chevy w/ Watering System | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$41,000 |
| Trac Vacuum | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$4,000 |
| Aerator | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$4,900 |
| 1992 3/4 Ton Van | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$43,200 |
| 2001 Olympia Ice Resurfacer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | \$70,100 |
| 2000 Gravely Riding Mower | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | \$21,600 |
| John Deere 5420 Tractor / Loader | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$90,000 |
| Snowblower Attachment for J.D. Tractor/Loader | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - | \$5,400 |
| 2006 GMC 2500 3/4T Truck #24 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$45,000 |
| 2005 Ford F250 3/4T Truck #20 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | \$45,400 |
| 2006 Kubota Mower #F3680 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$20,800 |
| 2005 Land & Pride Mower #AFM4016 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$7,600 |
| Kubota Mower/Excavator | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$30,000 |
| 2009 GMC Sierra 3/4 Ton Truck #25 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| 2015 Ford Pick/Up Truck #23 with Plow | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 | \$45,000 |
| 2015 Ford Dump Truck with Box #19 | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 | \$60,000 |
| 2015 Ford F250 Truck #21 | - | - | - | - | - | - | 1 | 1 | 1 | 1 | \$40,000 |
| 2014 John Deere 1445 Riding Mower | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| 2018 John Deere 1570 Riding Mower | - | - | - | - | - | - | - | - | 1 | 1 | \$40,000 |
| 2018 Olympia Ice Resurfacer | - | - | - | - | - | - | - | - | - | 1 | \$90,000 |
| 2018 Chevrolet Silverado 2500 | - | - | - | - | - | - | - | - | - | 1 | \$40,000 |
| Total (#) | 22 | 22 | 23 | 23 | 23 | 20 | 21 | 21 | 20 | 21 | |
| Total (\$000) | \$747.6 | \$747.6 | \$777.6 | \$777.6 | \$777.6 | \$725.0 | \$765.0 | \$765.0 | \$738.0 | \$797.9 | |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
PARKS & RECREATION
PARK VEHICLES & EQUIPMENT

| PARK BUILDINGS Type of Structure | # of Square Feet of Building Space | | | | | | | | | | UNIT COST (\$/sq.ft.) | |
|---|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Rotary Park Washrooms | - | - | - | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | \$400 |
| Wharf Office / Building | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | \$140 |
| <i>Wharf Office / Building Tourist Information Office</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>(300)</i> | <i>\$140</i> |
| Ojibwa Landing Trailer Park | 500 | 500 | 500 | - | - | - | - | - | - | - | - | \$140 |
| Bayfield Park Buildings | 1,200 | - | - | - | - | - | - | - | - | - | - | \$140 |
| Huronia Park Washrooms | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | \$380 |
| McGuire Park Washrooms | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | \$140 |
| Memorial Park Storage Shed | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | \$20 |
| Waterfront Rotary Pavillion | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | \$30 |
| Amphitheatre Hut | - | - | - | - | - | - | 42 | 42 | 42 | 42 | 42 | \$238 |
| Beach Hut | - | - | - | - | - | - | 42 | 42 | 42 | 42 | 42 | \$238 |
| Huronia Park Gazebo | - | - | - | - | - | - | 100 | 100 | 100 | 100 | 100 | \$310 |
| Bob Sullivan Gazebo | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | \$310 |
| Ecology Garden Gazebo 1 | - | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | \$310 |
| Ecology Garden Gazebo 2 | - | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | \$310 |
| T Dock Gazebo | - | - | - | - | - | - | 150 | 150 | 150 | 150 | 150 | \$200 |
| Total (sq.ft.) | 5,080 | 3,976 | 3,976 | 3,956 | 3,956 | 3,956 | 4,290 | 4,290 | 4,290 | 4,290 | 4,290 | |
| Total (\$000) | \$699.4 | \$561.2 | \$561.2 | \$683.2 | \$683.2 | \$683.2 | \$764.2 | \$764.2 | \$764.2 | \$764.2 | \$764.2 | |

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APPENDIX B.5
TABLE 1

TOWN OF PENETANGUISHENE
CALCULATION OF SERVICE LEVELS
PARKS & RECREATION

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Historical Population | 9,207 | 9,159 | 9,111 | 9,081 | 9,051 | 9,021 | 8,991 | 8,962 | 9,119 | 9,223 |

INVENTORY SUMMARY (\$000)

| | | | | | | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Indoor Recreation Facilities | \$17,088.5 | \$17,096.9 | \$17,113.1 | \$17,113.1 | \$17,113.1 | \$17,113.1 | \$17,113.1 | \$17,113.1 | \$17,113.1 | \$17,113.1 |
| Parkland Development | \$8,093.3 | \$7,704.6 | \$7,704.6 | \$7,704.6 | \$7,704.6 | \$7,208.6 | \$7,260.6 | \$7,260.6 | \$7,260.6 | \$7,318.6 |
| Park Facilities | \$2,622.9 | \$2,600.2 | \$2,613.2 | \$2,613.2 | \$2,646.2 | \$2,640.8 | \$3,532.4 | \$3,866.2 | \$3,858.6 | \$3,858.6 |
| Park Vehicles & Equipment | \$1,447.0 | \$1,308.8 | \$1,338.8 | \$1,460.8 | \$1,460.8 | \$1,408.2 | \$1,529.2 | \$1,529.2 | \$1,502.2 | \$1,562.1 |
| Total (\$000) | \$29,251.7 | \$28,710.5 | \$28,769.7 | \$28,891.7 | \$28,924.7 | \$28,370.7 | \$29,435.3 | \$29,769.0 | \$29,734.4 | \$29,852.3 |

SERVICE LEVEL (\$/capita)

Average
Service
Level

| | | | | | | | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Indoor Recreation Facilities | \$1,856.03 | \$1,866.68 | \$1,878.29 | \$1,884.50 | \$1,890.74 | \$1,897.03 | \$1,903.36 | \$1,909.52 | \$1,876.64 | \$1,855.48 | \$1,881.83 |
| Parkland Development | \$879.03 | \$841.20 | \$845.64 | \$848.43 | \$851.24 | \$799.09 | \$807.54 | \$810.15 | \$796.21 | \$793.52 | \$827.21 |
| Park Facilities | \$284.88 | \$283.90 | \$286.82 | \$287.77 | \$292.37 | \$292.74 | \$392.89 | \$431.40 | \$423.14 | \$418.37 | \$339.43 |
| Park Vehicles & Equipment | \$157.16 | \$142.89 | \$146.94 | \$160.86 | \$161.39 | \$156.10 | \$170.08 | \$170.63 | \$164.73 | \$169.37 | \$160.01 |
| Total (\$/capita) | \$3,177.11 | \$3,134.67 | \$3,157.68 | \$3,181.55 | \$3,195.74 | \$3,144.96 | \$3,273.86 | \$3,321.70 | \$3,260.71 | \$3,236.73 | \$3,208.47 |

TOWN OF PENETANGUISHENE
CALCULATION OF MAXIMUM ALLOWABLE
PARKS & RECREATION

| 10-Year Funding Envelope Calculation | |
|--|--------------------|
| 10 Year Average Service Level 2009 - 2018 | \$3,208.47 |
| Net Population Growth 2019 - 2028 | 1,250 |
| Maximum Allowable Funding Envelope | \$4,010,588 |
| Less: 10% Legislated Reduction | \$401,059 |
| Discounted Maximum Allowable Funding Envelope | \$3,609,529 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
PARKS & RECREATION

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|---|--------|--------------------|------------------------------------|--------------------|--------------------------|---------------|-------------------------|-----------------------|------------|-----------|
| | | | | | Replacement & BTE Shares | 10% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 5.0 PARKS & RECREATION | | | | | | | | | | |
| 5.1 Parkland & Park Facilities | | | | | | | | | | |
| 5.1.1 Playground Upgrade Program | 2019 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.2 Playground Upgrade Program | 2020 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.3 Playground Upgrade Program | 2021 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.4 Playground Upgrade Program | 2022 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.5 Playground Upgrade Program | 2023 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.6 Playground Upgrade Program | 2024 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.7 Playground Upgrade Program | 2025 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.1.8 Playground Upgrade Program | 2026 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ - | \$ 22,500 | \$ - |
| 5.1.9 Playground Upgrade Program | 2027 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ - | \$ 22,500 | \$ - |
| 5.1.10 Playground Upgrade Program | 2028 | \$ 75,000 | \$ - | \$ 75,000 | \$ 50,000 | \$ 2,500 | \$ 22,500 | \$ - | \$ 22,500 | \$ - |
| Subtotal Parkland & Park Facilities | | \$ 750,000 | \$ - | \$ 750,000 | \$ 500,000 | \$ 25,000 | \$ 225,000 | \$ 157,500 | \$ 67,500 | \$ - |
| 5.2 New Park Development | | | | | | | | | | |
| 5.2.1 Martin Valley Park (Phase 1 - Engineering & Design) | 2021 | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ 30,000 | \$ 270,000 | \$ - | \$ 270,000 | \$ - |
| 5.2.2 Martin Valley Park (Phase 2 - Buildings, Amenities, Natural Playground) | 2022 | \$ 220,000 | \$ - | \$ 220,000 | \$ - | \$ 22,000 | \$ 198,000 | \$ - | \$ 198,000 | \$ - |
| 5.2.3 Martin Valley Park (Phase 3 - BMX Bike Pump Track) | 2023 | \$ 275,000 | \$ - | \$ 275,000 | \$ - | \$ 27,500 | \$ 247,500 | \$ - | \$ 247,500 | \$ - |
| Subtotal New Park Development | | \$ 795,000 | \$ - | \$ 795,000 | \$ - | \$ 79,500 | \$ 715,500 | \$ - | \$ 715,500 | \$ - |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
PARKS & RECREATION

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|--------|---------------------|------------------------------------|---------------------|--------------------------|-------------------|-------------------------|-----------------------|-------------------|-------------|
| | | | | | Replacement & BTE Shares | 10% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 5.0 PARKS & RECREATION | | | | | | | | | | |
| 5.3 New Trail Development | | | | | | | | | | |
| 5.3.1 Trailhead Construction (Engineering & Study) | 2019 | \$ 50,000 | \$ 25,000 | \$ 25,000 | \$ - | \$ 2,500 | \$ 22,500 | \$ 22,500 | \$ - | \$ - |
| 5.3.2 Copeland Creek Trail Connection | 2020 | \$ 24,000 | \$ - | \$ 24,000 | \$ - | \$ 2,400 | \$ 21,600 | \$ 21,600 | \$ - | \$ - |
| 5.3.3 Extension of Trail System and Related Investments | 2020 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 27,000 | \$ - | \$ - |
| 5.3.4 Trailhead Construction | 2021 | \$ 175,000 | \$ - | \$ 175,000 | \$ 4,444 | \$ 17,056 | \$ 153,500 | \$ 153,500 | \$ - | \$ - |
| 5.3.5 Extension of Trail System and Related Investments | 2021 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 27,000 | \$ - | \$ - |
| 5.3.6 Extension of Trail System and Related Investments | 2022 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 27,000 | \$ - | \$ - |
| 5.3.7 Extension of Trail System and Related Investments | 2023 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 27,000 | \$ - | \$ - |
| 5.3.8 Extension of Trail System and Related Investments | 2024 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 27,000 | \$ - | \$ - |
| 5.3.9 Extension of Trail System and Related Investments | 2025 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ 8,484 | \$ 18,516 | \$ - |
| 5.3.10 Extension of Trail System and Related Investments | 2026 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ - | \$ 27,000 | \$ - |
| 5.3.11 Extension of Trail System and Related Investments | 2027 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ - | \$ 27,000 | \$ - |
| 5.3.12 Extension of Trail System and Related Investments | 2028 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | \$ 3,000 | \$ 27,000 | \$ - | \$ 27,000 | \$ - |
| Subtotal New Trail Development | | \$ 519,000 | \$ 25,000 | \$ 494,000 | \$ 4,444 | \$ 48,956 | \$ 440,600 | \$ 341,084 | \$ 99,516 | \$ - |
| 5.4 Plans and Studies | | | | | | | | | | |
| 5.4.1 Arena Feasibility Study | 2020 | \$ 50,000 | \$ - | \$ 50,000 | \$ - | \$ 5,000 | \$ 45,000 | \$ - | \$ 45,000 | \$ - |
| 5.4.2 Recreation Master Plan | 2024 | \$ 40,000 | \$ - | \$ 40,000 | \$ - | \$ 4,000 | \$ 36,000 | \$ - | \$ 36,000 | \$ - |
| Subtotal Plans and Studies | | \$ 90,000 | \$ - | \$ 90,000 | \$ - | \$ 9,000 | \$ 81,000 | \$ - | \$ 81,000 | \$ - |
| TOTAL PARKS & RECREATION | | \$ 2,154,000 | \$ 25,000 | \$ 2,129,000 | \$ 504,444 | \$ 162,456 | \$ 1,462,100 | \$ 498,584 | \$ 963,516 | \$ - |

| Residential Development Charge Calculation | | |
|--|------|-----------------|
| Residential Share of 2019 - 2028 DC Eligible Costs | 100% | \$963,516 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$798.95 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 0% | \$0 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$0.00 |

| | |
|----------------------------------|-------------|
| 2019 - 2028 Net Funding Envelope | \$3,609,529 |
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | \$498,584 |

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APPENDIX B.5
TABLE 3

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PARKS & RECREATION
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| PARKS & RECREATION | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|----------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|
| OPENING CASH BALANCE | \$0.00 | \$101.73 | \$162.34 | (\$13.73) | (\$121.37) | (\$292.12) | (\$236.32) | (\$155.98) | (\$105.56) | (\$51.19) | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Parks And Recreation: Non Inflated | \$0.0 | \$45.0 | \$270.0 | \$198.0 | \$247.5 | \$36.0 | \$18.5 | \$49.5 | \$49.5 | \$49.5 | \$963.5 |
| - Parks & Recreation: Inflated | \$0.0 | \$45.9 | \$280.9 | \$210.1 | \$267.9 | \$39.7 | \$20.9 | \$56.9 | \$58.0 | \$59.2 | \$1,039.4 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$100.0 | \$102.0 | \$104.0 | \$106.1 | \$108.2 | \$110.4 | \$112.6 | \$114.8 | \$117.1 | \$119.5 | \$1,094.7 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | \$3.6 | \$5.7 | (\$0.8) | (\$6.7) | (\$16.1) | (\$13.0) | (\$8.6) | (\$5.8) | (\$2.8) | (\$44.5) |
| - Interest on In-year Transactions | \$1.7 | \$1.0 | (\$4.9) | (\$2.9) | (\$4.4) | \$1.2 | \$1.6 | \$1.0 | \$1.0 | \$1.1 | (\$3.4) |
| TOTAL REVENUE | \$101.7 | \$106.5 | \$104.8 | \$102.5 | \$97.2 | \$95.6 | \$101.2 | \$107.3 | \$112.4 | \$117.7 | \$1,046.8 |
| CLOSING CASH BALANCE | \$101.7 | \$162.3 | (\$13.7) | (\$121.4) | (\$292.1) | (\$236.3) | (\$156.0) | (\$105.6) | (\$51.2) | \$7.4 | |

| | |
|--|-----------------|
| 2019 Adjusted Charge Per Capita | \$829.00 |
|--|-----------------|

| | |
|--------------------------------------|--------|
| Allocation of Capital Program | |
| Residential Sector | 100.0% |
| Non-Residential Sector | 0.0% |
| Rates for 2019 | |
| Inflation Rate: | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX B.6

PUBLIC WORKS

APPENDIX B.6

PUBLIC WORKS

The Town of Penetanguishene Public Works Department is responsible for the operation and maintenance of Town infrastructure including roads and related infrastructure and utilities infrastructure.

TABLE 1 2009-2018 HISTORICAL SERVICE LEVELS

The 10-year historical inventory of capital assets for Public Works includes 19,869 square feet of building space with a replacement value of \$2.7 million. The 2.48 hectares of land associated with the Public Works buildings are valued at \$2.0 million. The furniture and equipment associated with the buildings is valued at \$402,200. Finally, the Public Works fleet adds an additional \$3.8 million to the value of the capital assets.

The total value of the Public Works capital infrastructure is estimated to be \$8.9 million. The 10-year historical average service level is \$632.55 per population and employment and this, multiplied by the 10-year forecast net population and employment growth (2,110), results in a 10-year maximum allowable of \$1.3 million. Under the *DCA*, services related to a highway as defined in subsection 1(1) of the *Municipal Act, 2001*, need not to be reduced by the legislated 10 per cent (as with other general services). The services and capital assets of the Public Works department are considered to be related to a highway, and as such, the maximum allowable of \$1.3 million is not required to be reduced by 10 per cent.

**TABLE 2 2019 – 2028 DEVELOPMENT-RELATED CAPITAL PROGRAM AND
CALCULATION OF THE UNADJUSTED DEVELOPMENT CHARGES**

The 10-year development-related capital plan for Public Works provides for the recovery of a Salt Dome, and for the provision for additional public works space. Altogether, the buildings and land add up to a gross cost of \$1.1 million. An additional three vehicles are included in the capital program for a total cost of \$610,000.

Replacement or benefit to existing shares of \$140,000 have been identified for the three new vehicles being acquired. The 10 per cent reduction does not apply to this

service. Therefore, the DC eligible amount carried forward to the DC calculations is \$1.6 million. Of this amount, \$98,523 will be funded through the existing DC reserves, and another share, \$176,796 is considered to be post-period benefit.

The remaining \$1.3 million is considered to be the 2019-2028 development-related DC eligible costs. This amount is allocated 58 percent, or \$779,097, to the residential sector and 42 per cent, or \$555,583, to the non-residential sector. This yields an unadjusted charge of \$646.03 per capita and \$10.75 per square metre.

TABLE 3 CASH FLOW ANALYSIS

After cash flow analysis, the residential charge increases to \$718.00 per capita and the non-residential charge increases to \$11.95 per square metre.

The following table summarizes the calculation of the Public Works development charge.

| PUBLIC WORKS SUMMARY | | | | | | |
|-----------------------------|-------------------------------------|--------------------|--------------------|---------|--------------------|----------------|
| 10-year Hist. | 2019 - 2028 | | Unadjusted | | Adjusted | |
| Service Level | Development-Related Capital Program | | Development Charge | | Development Charge | |
| per pop & emp | Total | Net DC Recoverable | \$/capita | \$/sq.m | \$/capita | \$/sq.m |
| \$632.55 | \$1,750,000 | \$1,334,681 | \$646.03 | \$10.75 | \$718.00 | \$11.95 |

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APPENDIX B.6
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PUBLIC WORKS

| BUILDINGS Facility Name | # of Square Feet | | | | | | | | | | UNIT COST (\$/sq.ft.) | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Public Works Office 24 Centennial Drive | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | \$190 |
| Public Works Storage Building 24 Centennial Dr. | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | 2,019 | \$190 |
| Public Works Sand Dome | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | 7,850 | \$50 |
| Water Building 22 Centennial (1) | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | \$190 |
| <i>Water Building 22 Centennial (1) - Non-PW Space</i> | <i>(5,300)</i> | \$190 |
| | | | | | | | | | | | | |
| Total (#) | 19,869 | |
| Total (\$000) | \$2,676.1 | |

(1) Space was formerly utilized by the PUC for the provision of municipal services and is now owned and operated by the Town.

| LAND Facility Name | # of Hectares | | | | | | | | | | UNIT COST (\$/ha) | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Public Works Buildings 24 Centennial | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | 2.37 | \$800,000 |
| Water Building 22 Centennial (1) | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | \$800,000 |
| <i>Water Building 22 Centennial (1) - Non-PW Space</i> | <i>(0.39)</i> | \$800,000 |
| | | | | | | | | | | | | |
| Total (ha) | 2.48 | |
| Total (\$000) | \$1,984.0 | |

| FURNITURE & EQUIPMENT Facility Name | Total Value of Furniture & Equipment (\$) | | | | | | | | | |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Public Works Office 24 Centennial Drive | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 | \$222,200 |
| Misc. Furniture and Equipment | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 |
| Generator | \$0 | \$0 | \$0 | \$0 | \$0 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| | | | | | | | | | | |
| Total (\$000) | \$342.2 | \$342.2 | \$342.2 | \$342.2 | \$342.2 | \$402.2 | \$402.2 | \$402.2 | \$402.2 | \$402.2 |

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APPENDIX B.6
TABLE 1

TOWN OF PENETANGUISENE
INVENTORY OF CAPITAL ASSETS
PUBLIC WORKS

| FLEET & EQUIPMENT Description | # of Fleet | | | | | | | | | | UNIT COST (\$/unit) | |
|---|------------|------|------|------|------|------|------|------|------|------|------------------------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | |
| 1952 Massey Ferguson Tractor (Model 1538) | 1 | 1 | - | - | - | - | - | - | - | - | - | \$42,500 |
| (29) 1975 Case Roller (Model STW15) | 1 | 1 | - | - | - | - | - | - | - | - | - | \$10,000 |
| (30) 1975 Massey Ferguson Tractor (Model MF20) | 1 | 1 | - | - | - | - | - | - | - | - | - | \$68,000 |
| (42) 2010 Western Star Single Axle Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$250,000 |
| (44) 2013 Trackless Sidewalk Plow | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$95,000 |
| (48) Leaf Vacuum | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | \$50,000 |
| (49) 1989 Ford L8000 Truck | 1 | 1 | - | - | - | - | - | - | - | - | - | \$125,000 |
| (51) 1991GMC Dump truck | - | - | - | - | - | - | - | - | - | - | - | \$165,000 |
| (58) 2015 Freightliner w/ snow plow | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$230,000 |
| (60) 2017 Volvo Loader | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$200,000 |
| (61) 2011 Rayco Wood Chipper | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| (62) Leaf Vacuum | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | \$50,000 |
| (64) 1996 GM 4x4 | - | - | - | - | - | - | - | - | - | - | - | \$49,000 |
| (65) 2008 Chevrolet Half Ton | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$30,000 |
| (66) John Deere 410 E Loader Backhoe (water division) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$125,000 |
| (51) 2015 One Ton Dump | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$65,000 |
| (52) 2016 One Ton Dump | - | - | - | - | - | - | - | - | 1 | 1 | 1 | \$110,000 |
| (68) 2017 Falcon Hot box | - | - | - | - | - | - | - | - | - | 1 | 1 | \$95,000 |
| (69) 2001 Freightliner Dump Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$175,000 |
| (70) 1998 Freightliner Bucket Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$140,000 |
| (71) 2011 Chev 3500 (Water Division) Service Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$70,000 |
| (73) 2017 Global sweeper | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$180,000 |
| (75) 2006 SUV - Water Meter Vehicle (water division) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| (76) 2004 Sterling | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$230,000 |
| (77) 2018 Trackless | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$140,000 |
| (80) 2006 Volvo Loader | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$285,000 |

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APPENDIX B.6
TABLE 1

TOWN OF PENETANGUISHENE
INVENTORY OF CAPITAL ASSETS
PUBLIC WORKS

| FLEET & EQUIPMENT Description | # of Fleet | | | | | | | | | | UNIT COST |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | (\$/unit) |
| (82) 2006 Sterling | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$230,000 |
| (83) 2006 Ford F-150 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$35,000 |
| (85) 2007 Freightliner | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$265,000 |
| (72) Half Ton (Sewage Plant) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$35,000 |
| (84) 2008 Ford Ranger 1/2 Ton Pick-up Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$25,000 |
| (86) Vermeer Hydro Vac Trailer | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | - | \$100,000 |
| (87) 2008 Ford Ranger 1/2 Ton Pick-up Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| (88) 2008 ODI Leaf Collector | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$60,000 |
| (89) CAT 430 E Rubber Tire Backhoe | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$125,000 |
| (90) Chev Silverado Ext Pick Up | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$30,000 |
| (8) 2013 1/2 Ton Pick-up Truck | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 | \$40,000 |
| Fire Rescue Truck - Utility Vehicle for Roads Division | - | - | - | - | - | - | - | - | - | 1 | \$85,000 |
| Frink Sander Boxes, Plows ect | - | - | - | - | - | - | - | - | - | - | \$260,000 |
| Viking Blade for Volvo Loader | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,000 |
| Radio Equipment | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$25,000 |
| Spreader for Volvo Loaders | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,000 |
| Broom for Volvo Loaders | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$18,000 |
| Broom for Trackless | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | \$10,000 |
| Sander for Trackless | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | \$10,000 |
| Water Tank for Trackless | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$10,000 |
| Plow for Trackless | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | \$10,000 |
| Blower for Trackless | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | \$10,000 |
| Generator for Trackless | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,000 |
| Boom Flail for Trackless | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | \$10,000 |
| Valve Turner | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$30,000 |
| Utility Trailer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | \$15,000 |
| Cold Patcher (55) | - | - | - | - | - | - | - | - | - | 1 | \$15,000 |
| (37) Half Ton (Sewage Plant) | - | - | - | - | - | - | - | - | 1 | 1 | \$40,000 |
| Arrow Board Trailer | - | - | - | - | - | - | - | - | 1 | 1 | \$5,000 |
| | | | | | | | | | | | |
| Total (#) | 45 | 45 | 42 | 43 | 48 | 49 | 48 | 48 | 50 | 52 | |
| Total (\$000) | \$3,673.5 | \$3,673.5 | \$3,438.0 | \$3,468.0 | \$3,603.0 | \$3,643.0 | \$3,543.0 | \$3,603.0 | \$3,693.0 | \$3,793.0 | |

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APPENDIX B.6
TABLE 1

TOWN OF PENETANGUISENE
CALCULATION OF SERVICE LEVELS
PUBLIC WORKS

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Historic Population | 9,207 | 9,159 | 9,111 | 9,081 | 9,051 | 9,021 | 8,991 | 8,962 | 9,119 | 9,223 |
| Historic Employment | <u>4,602</u> | <u>4,450</u> | <u>4,304</u> | <u>4,381</u> | <u>4,460</u> | <u>4,540</u> | <u>4,621</u> | <u>4,704</u> | <u>4,812</u> | <u>4,883</u> |
| Total Historic Population & Employment | 13,809 | 13,609 | 13,415 | 13,462 | 13,511 | 13,561 | 13,612 | 13,666 | 13,931 | 14,106 |

INVENTORY SUMMARY (\$000)

| | | | | | | | | | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Buildings | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 | \$2,676.1 |
| Land | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 | \$1,984.0 |
| Furniture & Equipment | \$342.2 | \$342.2 | \$342.2 | \$342.2 | \$342.2 | \$402.2 | \$402.2 | \$402.2 | \$402.2 | \$402.2 |
| Fleet & Equipment | \$3,673.5 | \$3,673.5 | \$3,438.0 | \$3,468.0 | \$3,603.0 | \$3,643.0 | \$3,543.0 | \$3,603.0 | \$3,693.0 | \$3,793.0 |
| Total (\$000) | \$8,675.8 | \$8,675.8 | \$8,440.3 | \$8,470.3 | \$8,605.3 | \$8,705.3 | \$8,605.3 | \$8,665.3 | \$8,755.3 | \$8,855.3 |

SERVICE LEVEL (\$/pop & emp)

| | | | | | | | | | | | Average Service Level |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|
| Buildings | \$193.79 | \$196.64 | \$199.49 | \$198.79 | \$198.07 | \$197.34 | \$196.60 | \$195.82 | \$192.10 | \$189.71 | \$195.84 |
| Land | \$143.67 | \$145.79 | \$147.89 | \$147.38 | \$146.84 | \$146.30 | \$145.75 | \$145.18 | \$142.42 | \$140.65 | \$145.19 |
| Furniture & Equipment | \$24.78 | \$25.15 | \$25.51 | \$25.42 | \$25.33 | \$29.66 | \$29.55 | \$29.43 | \$28.87 | \$28.51 | \$27.22 |
| Fleet & Equipment | \$266.02 | \$269.93 | \$256.28 | \$257.61 | \$266.67 | \$268.64 | \$260.29 | \$263.65 | \$265.09 | \$268.89 | \$264.31 |
| Total (\$/pop & emp) | \$628.27 | \$637.51 | \$629.17 | \$629.20 | \$636.91 | \$641.94 | \$632.19 | \$634.08 | \$628.48 | \$627.77 | \$632.55 |

TOWN OF PENETANGUISENE
CALCULATION OF MAXIMUM ALLOWABLE
PUBLIC WORKS

| | |
|--|--------------------|
| 10-Year Funding Envelope Calculation | |
| 10 Year Average Service Level 2009 - 2018 | \$632.55 |
| Net Population & Employment Growth 2019 - 2028 | 2,110 |
| Maximum Allowable Funding Envelope | \$1,334,681 |
| Discounted Maximum Allowable Funding Envelope | \$1,334,681 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
PUBLIC WORKS

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|--------|---------------------|------------------------------------|---------------------|--------------------------|--------------|-------------------------|-----------------------|---------------------|-------------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2028 | Post 2028 |
| 6.0 PUBLIC WORKS | | | | | | | | | | |
| 6.1 Buildings and Land | | | | | | | | | | |
| 6.1.1 Salt Dome | 2019 | \$ 500,000 | \$ - | \$ 500,000 | \$ - | \$ - | \$ 500,000 | \$ 98,523 | \$ 401,477 | \$ - |
| 6.1.2 Provision for Additional Public Works Facilities | 2022 | \$ 640,000 | \$ - | \$ 640,000 | \$ - | \$ - | \$ 640,000 | \$ - | \$ 640,000 | \$ - |
| Subtotal Buildings and Land | | \$ 1,140,000 | \$ - | \$ 1,140,000 | \$ - | \$ - | \$ 1,140,000 | \$ 98,523 | \$ 1,041,477 | \$ - |
| 6.2 Fleet and Equipment | | | | | | | | | | |
| 6.2.1 New Dump Truck | 2019 | \$ 100,000 | \$ - | \$ 100,000 | \$ 55,000 | \$ - | \$ 45,000 | \$ - | \$ 45,000 | \$ - |
| 6.2.2 Tandem Sander | 2020 | \$ 300,000 | \$ - | \$ 300,000 | \$ 50,000 | \$ - | \$ 250,000 | \$ - | \$ 250,000 | \$ - |
| 6.2.3 New Dump Truck | 2024 | \$ 210,000 | \$ - | \$ 210,000 | \$ 35,000 | \$ - | \$ 175,000 | \$ - | \$ (1,796) | \$ 176,796 |
| Subtotal Fleet and Equipment | | \$ 610,000 | \$ - | \$ 610,000 | \$ 140,000 | \$ - | \$ 470,000 | \$ - | \$ 293,204 | \$ 176,796 |
| TOTAL PUBLIC WORKS | | \$ 1,750,000 | \$ - | \$ 1,750,000 | \$ 140,000 | \$ - | \$ 1,610,000 | \$ 98,523 | \$ 1,334,681 | \$ 176,796 |

| Residential Development Charge Calculation | | |
|--|-----|-----------------|
| Residential Share of 2019 - 2028 DC Eligible Costs | 58% | \$779,097 |
| 10-Year Growth in Population in New Units | | 1,206 |
| Unadjusted Development Charge Per Capita | | \$646.03 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2028 DC Eligible Costs | 42% | \$555,583 |
| 10-Year Growth in Square Metres | | 51,670 |
| Unadjusted Development Charge Per Square Metre | | \$10.75 |

| | |
|----------------------------------|-------------|
| 2019 - 2028 Net Funding Envelope | \$1,334,681 |
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | \$98,523 |

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APPENDIX B.6
TABLE 3

**TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PUBLIC WORKS
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

| PUBLIC WORKS | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|
| OPENING CASH BALANCE | \$0.00 | (\$178.82) | (\$250.85) | (\$172.98) | (\$495.44) | (\$427.32) | (\$352.37) | (\$272.53) | (\$186.31) | (\$93.33) | |
| 2019 - 2028 RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Public Works: Non Inflated | \$260.6 | \$145.9 | \$0.0 | \$373.6 | \$0.0 | (\$1.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$779.1 |
| - Public Works: Inflated | \$260.6 | \$148.9 | \$0.0 | \$396.5 | \$0.0 | (\$1.2) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$804.8 |
| NEW RESIDENTIAL DEVELOPMENT | | | | | | | | | | | |
| - Population Growth in New Units | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 1,206 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$86.6 | \$88.3 | \$90.1 | \$91.9 | \$93.7 | \$95.6 | \$97.5 | \$99.5 | \$101.5 | \$103.5 | \$948.1 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$9.8) | (\$13.8) | (\$9.5) | (\$27.2) | (\$23.5) | (\$19.4) | (\$15.0) | (\$10.2) | (\$5.1) | (\$133.6) |
| - Interest on In-year Transactions | (\$4.8) | (\$1.7) | \$1.6 | (\$8.4) | \$1.6 | \$1.7 | \$1.7 | \$1.7 | \$1.8 | \$1.8 | (\$2.9) |
| TOTAL REVENUE | \$81.8 | \$76.8 | \$77.9 | \$74.0 | \$68.1 | \$73.8 | \$79.8 | \$86.2 | \$93.0 | \$100.2 | \$811.6 |
| CLOSING CASH BALANCE | (\$178.8) | (\$250.8) | (\$173.0) | (\$495.4) | (\$427.3) | (\$352.4) | (\$272.5) | (\$186.3) | (\$93.3) | \$6.8 | |

| | |
|--|-----------------|
| 2019 Adjusted Charge Per Capita | \$718.00 |
|--|-----------------|

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate: | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

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APPENDIX B.6
TABLE 3

TOWN OF PENETANGUISHENE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PUBLIC WORKS
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)

| PUBLIC WORKS | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| OPENING CASH BALANCE | \$0.00 | (\$127.48) | (\$178.81) | (\$123.24) | (\$353.15) | (\$304.92) | (\$251.45) | (\$194.48) | (\$132.97) | (\$66.63) | |
| 2019 - 2028 NON-RESIDENTIAL FUNDING REQUIREMENTS | | | | | | | | | | | |
| - Public Works: Non Inflated | \$185.9 | \$104.1 | \$0.0 | \$266.4 | \$0.0 | (\$0.7) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$555.6 |
| - Public Works: Inflated | \$185.9 | \$106.1 | \$0.0 | \$282.7 | \$0.0 | (\$0.8) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$573.9 |
| NON-RESIDENTIAL SPACE GROWTH | | | | | | | | | | | |
| - Growth in Square Metres | 5,170 | 5,170 | 5,170 | 5,170 | 5,140 | 5,170 | 5,170 | 5,170 | 5,170 | 5,170 | 51,670 |
| REVENUE | | | | | | | | | | | |
| - DC Receipts: Inflated | \$61.8 | \$63.0 | \$64.3 | \$65.6 | \$66.5 | \$68.2 | \$69.6 | \$71.0 | \$72.4 | \$73.8 | \$676.1 |
| INTEREST | | | | | | | | | | | |
| - Interest on Opening Balance | \$0.0 | (\$7.0) | (\$9.8) | (\$6.8) | (\$19.4) | (\$16.8) | (\$13.8) | (\$10.7) | (\$7.3) | (\$3.7) | (\$95.3) |
| - Interest on In-year Transactions | (\$3.4) | (\$1.2) | \$1.1 | (\$6.0) | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.3 | \$1.3 | (\$2.1) |
| TOTAL REVENUE | \$58.4 | \$54.8 | \$55.6 | \$52.8 | \$48.2 | \$52.6 | \$57.0 | \$61.5 | \$66.3 | \$71.5 | \$578.7 |
| CLOSING CASH BALANCE | (\$127.5) | (\$178.8) | (\$123.2) | (\$353.1) | (\$304.9) | (\$251.4) | (\$194.5) | (\$133.0) | (\$66.6) | \$4.8 | |

2019 Adjusted Charge Per Square Metre **\$11.95**

| | |
|--------------------------------------|-------|
| Allocation of Capital Program | |
| Residential Sector | 58.4% |
| Non-Residential Sector | 41.6% |
| Rates for 2019 | |
| Inflation Rate | 2.0% |
| Interest Rate on Positive Balances | 3.5% |
| Interest Rate on Negative Balances | 5.5% |

APPENDIX C

ENGINEERING INFRASTRUCTURE

TECHNICAL APPENDIX

APPENDIX C

ENGINEERED SERVICES TECHNICAL APPENDIX

The Public Works Department is responsible for the design, construction and maintenance of the Town's roads, water systems, and sewer systems. The department also provides review and inspection services to facilitate new development and to maintain service standards for existing infrastructure.

This appendix provides a brief outline of the engineered services that are included in the Development Charges Study: Roads & Related, Water, and Sewer. The following tables set out the capital forecast and the calculation of the development charges for these services. The cost, quantum and description of the projects included in the forecast are based upon the Town's capital development forecasts.

The development-related engineering infrastructure is required to meet the increase in need for services from 2019 to 2031. The benefits of this infrastructure are deemed to relate to the entire Town, except in areas where water and sewer services are not provided. The Town's engineered capital programs do not contain detailed timing estimates; therefore a cash flow analysis was not undertaken.

APPENDIX C.1

ROADS & RELATED

APPENDIX C.1

ROADS & RELATED

TABLE 1 2019-2031 DEVELOPMENT-RELATED CAPITAL PROGRAM

Table 1 summarizes the development-related capital program for the Roads & Related infrastructure service.

The program includes \$22.2 million of capital works, including \$20.5 million of road extension and reconstruction works, \$600,000 of intersection improvements, and \$1.1 million of related works such as new bikelanes, sidewalks, realignments and curb cuts, and master plans.

Subsidies in the amount of \$1.8 million have been identified to offset the cost of some projects. The subsidies represent direct developer contributions towards the projects and have been established through subdivision agreements and orders of the Ontario Municipal Board. The net cost of the program, less the subsidies, is \$20.4 million.

Of the \$20.4 million net cost, \$6.9 million has been identified as a benefit to the existing community and has been removed from the development charge calculation. These costs include a substantial portion of the costs to reconstruct, upgrade, or otherwise expand the capacity of existing main streets to accommodate increased traffic flow. The remaining \$13.5 million, including the cost of the phased extension of Thompsons Road and extension of Lucy Street, is related to development in the Town.

Existing development charge reserve funds of \$320,415 have been allocated to the early phases of the Thompsons Road extension. A further \$10.3 million of the development-related costs relate to works that will benefit development after 2031. These costs will be examined for development charge recovery in subsequent Background Studies. This leaves \$2.9 million that can be carried forward to the development charge calculation.

Calculation of Development Charges

The development charge eligible costs of \$2.9 million is allocated 58 per cent, or \$1.7 million, to residential development, and 42 per cent, or \$1.2 million, to non-residential development based on the ratio of forecast growth in population in new dwellings and employment in new floor space.

This yields development charge rates of \$1,078.27 per capita and \$17.88 per square metre respectively. The following table summarizes the calculation of the Roads & Related development charge:

| ROADS & RELATED SUMMARY | | | |
|-------------------------------------|--------------------|--------------------|---------|
| 2019 - 2031 | | Unadjusted | |
| Development-Related Capital Program | | Development Charge | |
| Total | Net DC Recoverable | \$/capita | \$/sq.m |
| \$22,177,493 | \$2,896,210 | \$1,078.27 | \$17.88 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
ROADS & RELATED

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|------------|--------------------|------------------------------------|--------------------|--------------------------|--------------|-------------------------|-----------------------|--------------|---------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2031 | Post 2031 |
| 1.0 ROADS & RELATED | | | | | | | | | | |
| 1.1 Road Extension and Reconstruction Projects | | | | | | | | | | |
| 1.1.1 Thompsons Road Extension (Phase 1) | 2019 | \$ 362,713 | \$ 181,356 | \$ 181,356 | \$ - | \$ - | \$ 181,356 | \$ 181,356 | \$ - | \$ - |
| 1.1.2 Thompsons Road Extension (Phase 2) | 2019-2020 | \$ 311,199 | \$ 155,599 | \$ 155,599 | \$ - | \$ - | \$ 155,599 | \$ 139,058 | \$ 16,541 | \$ - |
| 1.1.3 Thompsons Road Extension (Phase 3) | 2019-2020 | \$ 311,199 | \$ 155,599 | \$ 155,599 | \$ - | \$ - | \$ 155,599 | \$ - | \$ 155,599 | \$ - |
| 1.1.4 Thompsons Road Extension (Bellisle Sub. To Main St.) | 2020 | \$ 1,350,000 | \$ 256,500 | \$ 1,093,500 | \$ - | \$ - | \$ 1,093,500 | \$ - | \$ 1,093,500 | \$ - |
| 1.1.5 Chatham Street Reconstruction (Beck to Burke) | 2021-2022 | \$ 1,209,681 | \$ - | \$ 1,209,681 | \$ 966,748 | \$ - | \$ 242,933 | \$ - | \$ 242,933 | \$ - |
| 1.1.6 Water Street Reconstruction (Scott to Owen) | 2021, 2026 | \$ 477,465 | \$ - | \$ 477,465 | \$ 381,578 | \$ - | \$ 95,887 | \$ - | \$ 95,887 | \$ - |
| 1.1.7 Harriet Street Reconstruction (Edward to Jeffrey) | 2023-2024 | \$ 542,536 | \$ - | \$ 542,536 | \$ 433,582 | \$ - | \$ 108,954 | \$ - | \$ 108,954 | \$ - |
| 1.1.8 Reconstruction of Lucy Street | 2024-2025 | \$ 1,050,263 | \$ 526,178 | \$ 524,085 | \$ 418,836 | \$ - | \$ 105,249 | \$ - | \$ 105,249 | \$ - |
| 1.1.9 Extension of Lucy Street | 2024-2025 | \$ 525,131 | \$ 263,089 | \$ 262,042 | \$ - | \$ - | \$ 262,042 | \$ - | \$ 262,042 | \$ - |
| 1.1.10 Peel Street Reconstruction (Robert St East to Brock) | 2025 | \$ 505,036 | \$ - | \$ 505,036 | \$ 403,612 | \$ - | \$ 101,424 | \$ - | \$ 101,424 | \$ - |
| 1.1.11 Fox Street Reconstruction | 2028+ | \$ 4,032,270 | \$ - | \$ 4,032,270 | \$ 3,222,492 | \$ - | \$ 809,778 | \$ - | \$ 404,889 | \$ 404,889 |
| 1.1.12 Robert Street East Reconstruction (Turning Lanes, Roundabout) | 2031+ | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ 1,000,000 |
| 1.1.13 Fuller Avenue Upgrades: Brunelle Sideroad to Church Street | 2031+ | \$ 4,000,000 | \$ - | \$ 4,000,000 | \$ - | \$ - | \$ 4,000,000 | \$ - | \$ - | \$ 4,000,000 |
| 1.1.14 Brunelle Sideroad Upgrades: Fuller Ave to Murray Rd | 2031+ | \$ 1,500,000 | \$ - | \$ 1,500,000 | \$ - | \$ - | \$ 1,500,000 | \$ - | \$ - | \$ 1,500,000 |
| 1.1.15 Thompsons Road Extension (Limits of Bellisle Sub. To Northern Limits of Simcoe County Forest) | 2031+ | \$ 2,500,000 | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 |
| 1.1.16 Thompsons Road Extension (Northern Limits of Simcoe County Forest to Robert St W.) | 2031+ | \$ 850,000 | \$ - | \$ 850,000 | \$ - | \$ - | \$ 850,000 | \$ - | \$ - | \$ 850,000 |
| Subtotal Road Extension and Reconstruction Projects | | \$ 20,527,493 | \$ 1,538,322 | \$ 18,989,170 | \$ 5,826,848 | \$ - | \$ 13,162,322 | \$ 320,415 | \$ 2,587,019 | \$ 10,254,889 |
| 1.2 Intersection Projects | | | | | | | | | | |
| 1.2.1 Robert Street and Fuller Avenue (turning lanes, signal timing, realignment) | 2019-2020 | \$ 300,000 | \$ 258,334 | \$ 41,666 | \$ 33,298 | \$ - | \$ 8,368 | \$ - | \$ 8,368 | \$ - |
| 1.2.2 Robert Street and Burke Street (turning lanes, signal timing, realignment) | 2027+ | \$ 300,000 | \$ - | \$ 300,000 | \$ 239,753 | \$ - | \$ 60,247 | \$ - | \$ 30,124 | \$ 30,124 |
| Subtotal Intersection Projects | | \$ 600,000 | \$ 258,334 | \$ 341,666 | \$ 273,051 | \$ - | \$ 68,615 | \$ - | \$ 38,491 | \$ 30,124 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
ROADS & RELATED

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|--|---------|----------------------|------------------------------------|----------------------|--------------------------|--------------|-------------------------|-----------------------|---------------------|----------------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2031 | Post 2031 |
| 1.0 ROADS & RELATED | | | | | | | | | | |
| 1.3 Related Road Works | | | | | | | | | | |
| 1.3.1 Provision for New Bike Lanes | Various | \$ 350,000 | \$ - | \$ 350,000 | \$ 279,711 | \$ - | \$ 70,289 | \$ - | \$ 70,289 | \$ - |
| 1.3.2 Provision for New Sidewalks | Various | \$ 350,000 | \$ - | \$ 350,000 | \$ 279,711 | \$ - | \$ 70,289 | \$ - | \$ 70,289 | \$ - |
| 1.3.3 Provision for Realignment and Curb Cuts | Various | \$ 150,000 | \$ - | \$ 150,000 | \$ 119,876 | \$ - | \$ 30,124 | \$ - | \$ 30,124 | \$ - |
| 1.3.4 Transportation Master Plan Updates (every 10 years @ \$100,000 each) | Various | \$ 200,000 | \$ - | \$ 200,000 | \$ 100,000 | \$ - | \$ 100,000 | \$ - | \$ 100,000 | \$ - |
| Subtotal Related Road Works | | \$ 1,050,000 | \$ - | \$ 1,050,000 | \$ 779,299 | \$ - | \$ 270,701 | \$ - | \$ 270,701 | \$ - |
| TOTAL ROADS & RELATED | | \$ 22,177,493 | \$ 1,796,656 | \$ 20,380,836 | \$ 6,879,199 | \$ - | \$ 13,501,638 | \$ 320,415 | \$ 2,896,210 | \$ 10,285,013 |

| Residential Development Charge Calculation | | |
|--|-----|-------------------|
| Residential Share of 2019 - 2031 DC Eligible Costs | 58% | \$1,691,785 |
| Ultimate Growth in Population in New Units | | 1,569 |
| Unadjusted Development Charge Per Capita | | \$1,078.27 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2031 DC Eligible Costs | 42% | \$1,204,426 |
| Ultimate Growth in Square Metres | | 67,380 |
| Unadjusted Development Charge Per Square Metre | | \$17.88 |

| | |
|----------------------------------|-----------|
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | \$320,415 |

APPENDIX C.2

SEWER

APPENDIX C.2

SEWER

TABLE 1 2019-2031 DEVELOPMENT-RELATED CAPITAL PROGRAM

Table 1 summarizes the development-related capital program for the Town's Sewer services, including sewer treatment plants, sewer mains, and pumping stations.

The program includes \$43.7 million of capital works, including \$37.5 million related to treatment plant expansions and upgrades, \$3.3 million of sewer main reconstruction, \$2.5 million of upgrades to the Fox Street pumping station, and \$351,420 of costs being recovered as committed excess capacity under the *Development Charges Act*. The latter costs are represented by a negative balance in the Town's sewer development charge reserve fund.

Main Street Sewer Treatment Plant

The largest single project in the program is the Main Street Sewer Treatment Plant (STP), constructed between 2009 and 2015 for \$28.2 million. Grants in the amount of \$13.0 million were secured for the project. The net cost of the work to the Town was therefore \$15.2 million. Of this \$15.2 million net cost, \$8.4 million (55 per cent) has been identified as a benefit to the existing community (BTE) and has been removed from the development charge calculation. The BTE was determined as follows:

| | | |
|----------------|--------------------------------|----------------------|
| A | Existing Rated Capacity | 4,545 m ³ |
| B | Rated Capacity After Expansion | 5,250 m ³ |
| C | 2018 Average Daily Flows | 2,912 m ³ |
| B-C | Available Capacity | 2,338 m ³ |
| 1-(D/B) | Benefit to Existing | 55% |

The remaining \$6.8 million is related to creating capacity for new development in the Town. A substantial portion of this capacity will be available to service development post-2031. Based on current average daily flows and the population

forecast set out in Appendix A, the cost associated with the post-2031 capacity has been calculated to be \$4.6 million. As such, only \$2.1 million of the Main Street STP, representing the cost of capacity needed for 2019-2031 development, has been carried forward to the development charge calculation. Also included for recovery is an equivalent portion of the borrowing costs associated with the Main Street STP 30-year debenture (\$807,343).

Other Sewer Infrastructure

The capital program also includes costs to upsize sewer mains along main streets where road reconstruction is scheduled. To the extent that the capacity of the sewage collection system is being expanded through the repair and upsizing of pipes, a portion of the cost of this work, \$704,964, is deemed eligible for development charge funding.

Costs associated with upgrading the Fox Street Sewage Treatment Plant and Pumping Station—\$3.5 million and \$2.5 million—have been excluded from development charge consideration as the timing of this work is now considered to be after 2031. These costs will be examined for development charge recovery in subsequent Background Studies.

Altogether, \$4.0 million of the capital program for Sewer services has been carried forward to the development charge calculation.

Calculation of Development Charges

The development charge eligible costs of \$4.0 million is allocated 58 per cent, or \$2.3 million, to residential development, and 42 per cent, or \$1.7 million, to non-residential development based on the ratio of forecast growth in population in new dwellings and employment in new floor space.

This yields development charge rates of \$1,484.82 per capita and \$24.61 per square metre respectively. The following table summarizes the calculation of the Sewer Services development charge:

SEWER SUMMARY

| 2019 - 2031 | | Unadjusted | |
|-------------------------------------|--------------------|--------------------|---------|
| Development-Related Capital Program | | Development Charge | |
| Total | Net DC Recoverable | \$/capita | \$/sq.m |
| \$43,667,480 | \$3,988,214 | \$1,484.82 | \$24.61 |

TOWN OF PENETANGUISHENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
SEWER

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|---|-----------|----------------------|------------------------------------|----------------------|--------------------------|--------------|-------------------------|-------------------|---------------------|----------------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Prior Growth | 2019-2031 | Post 2031 |
| 2.0 SEWER | | | | | | | | | | |
| 2.1 Sewer Treatment Plants | | | | | | | | | | |
| 2.1.1 Main Street Wastewater Plant | 2009-2015 | \$ 28,215,705 | \$ 13,021,406 | \$ 15,194,299 | \$ 8,427,771 | \$ - | \$ 6,766,528 | \$ - | \$ 2,124,487 | \$ 4,642,041 |
| 2.1.2 Main Street STP - Financing | 2031+ | \$ 5,774,106 | \$ - | \$ 5,774,106 | \$ 3,202,704 | \$ - | \$ 2,571,402 | \$ - | \$ 807,343 | \$ 1,764,059 |
| 2.1.3 Fox STP Upgrade | 2031+ | \$ 3,500,000 | \$ - | \$ 3,500,000 | \$ - | \$ - | \$ 3,500,000 | \$ - | \$ - | \$ 3,500,000 |
| Subtotal Sewer Treatment Plants | | \$ 37,489,811 | \$ 13,021,406 | \$ 24,468,405 | \$ 11,630,475 | \$ - | \$ 12,837,929 | \$ - | \$ 2,931,830 | \$ 9,906,099 |
| 2.2 Sanitary Sewers | | | | | | | | | | |
| 2.2.1 Thompsons Road Extension (Phase 2) | 2019-2020 | \$ 175,000 | \$ - | \$ 175,000 | \$ - | \$ - | \$ 175,000 | \$ - | \$ 175,000 | \$ - |
| 2.2.2 Thompsons Road Extension (Phase 3) | 2019-2020 | \$ 300,000 | \$ 150,000 | \$ 150,000 | \$ - | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - |
| 2.2.3 Chatham Street Reconstruction (Beck Blvd to Brock St) | 2021-2022 | \$ 350,000 | \$ - | \$ 350,000 | \$ 279,711 | \$ - | \$ 70,289 | \$ - | \$ 70,289 | \$ - |
| 2.2.4 Harriet Street Reconstruction (Edward to Jeffrey) | 2023-2024 | \$ 193,750 | \$ - | \$ 193,750 | \$ 154,840 | \$ - | \$ 38,910 | \$ - | \$ 38,910 | \$ - |
| 2.2.5 Reconstruction of Lucy Street | 2024-2025 | \$ 121,667 | \$ - | \$ 121,667 | \$ 97,233 | \$ - | \$ 24,434 | \$ - | \$ 24,434 | \$ - |
| 2.2.6 Extension of Lucy Street | 2024-2025 | \$ 60,833 | \$ - | \$ 60,833 | \$ - | \$ - | \$ 60,833 | \$ - | \$ 60,833 | \$ - |
| 2.2.7 Peel Street Reconstruction | 2025-2026 | \$ 300,000 | \$ - | \$ 300,000 | \$ 239,753 | \$ - | \$ 60,247 | \$ - | \$ 60,247 | \$ - |
| 2.2.8 Fox Street Sanitary Sewer Upgrade | 2028-2029 | \$ 600,000 | \$ - | \$ 600,000 | \$ 479,505 | \$ - | \$ 120,495 | \$ - | \$ 59,984 | \$ 60,511 |
| 2.2.9 Forcemain from Fox Street PCP to PHJPCP | 2030+ | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ 799,176 | \$ - | \$ 200,824 | \$ - | \$ 20,082 | \$ 180,742 |
| 2.2.10 Water Street Reconstruction | 2026 | \$ 225,000 | \$ - | \$ 225,000 | \$ 179,815 | \$ - | \$ 45,185 | \$ - | \$ 45,185 | \$ - |
| Subtotal Sanitary Sewers | | \$ 3,326,250 | \$ 150,000 | \$ 3,176,250 | \$ 2,230,033 | \$ - | \$ 946,217 | \$ - | \$ 704,964 | \$ 241,253 |
| 2.3 Sewage Pumping Stations | | | | | | | | | | |
| 2.3.1 Fox Street STP SPS Upgrades | 2031+ | \$ 2,500,000 | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 |
| Subtotal Sewage Pumping Stations | | \$ 2,500,000 | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 | \$ - | \$ - | \$ 2,500,000 |
| 2.4 Recovery of Uncommitted Reserve Fund Balance | | | | | | | | | | |
| 2.4.1 Reserve Fund Balance | Various | \$ 351,420 | \$ - | \$ 351,420 | \$ - | \$ - | \$ 351,420 | \$ - | \$ 351,420 | \$ - |
| Subtotal Recovery of Uncommitted Reserve Fund Balance | | \$ 351,420 | \$ - | \$ 351,420 | \$ - | \$ - | \$ 351,420 | \$ - | \$ 351,420 | \$ - |
| TOTAL SEWER | | \$ 43,667,480 | \$ 13,171,406 | \$ 30,496,074 | \$ 13,860,508 | \$ - | \$ 16,635,566 | \$ - | \$ 3,988,214 | \$ 12,647,352 |

| Residential Development Charge Calculation | | |
|--|-----|-------------------|
| Residential Share of 2019 - 2031 DC Eligible Costs | 58% | \$2,329,665 |
| Ultimate Growth in Population in New Units | | 1,569 |
| Unadjusted Development Charge Per Capita | | \$1,484.82 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2031 DC Eligible Costs | 42% | \$1,658,549 |
| Ultimate Growth in Square Metres | | 67,380 |
| Unadjusted Development Charge Per Square Metre | | \$24.61 |

| | |
|----------------------------------|-------------|
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | (\$351,420) |

APPENDIX C.3

WATER

APPENDIX C.3

WATER

TABLE 1 2019-2031 DEVELOPMENT-RELATED CAPITAL PROGRAM

Table 1 summarizes the development-related capital program for the Town's Water services, including water treatment plants, water mains, and studies.

The program includes \$12.5 million of capital works, including \$7.9 million related to treatment plant upgrades, \$4.5 million of water main reconstruction, and \$100,000 for a water and sewer master plan in 2025. A developer contribution in the amount of \$150,000 has been identified to offset the cost of Phase 1 of the Thompsons Road Extension. The net cost of the program, less the contribution, is \$12.3 million.

Of the \$12.3 million net cost, \$9.5 million has been identified as a benefit to the existing community and has been removed from the development charge calculation. These costs include a substantial portion of the costs to improve treatment and water supply facilities and upgrade water mains along main streets where road reconstruction is scheduled. The remaining \$2.8 million, including 50 per cent of the cost of the water and sewer master plan, is related to development in the Town.

Existing development charge reserve funds of \$670,343 have been allocated to the work associated with improving treatment and supply facilities. A further \$200,824 of the development-related costs relate to works that will benefit development after 2031. These costs will be examined for development charge recovery in subsequent Background Studies. This leaves \$1.9 million that can be carried forward to the development charge calculation.

Calculation of Development Charges

The development charge eligible costs of \$1.9 million is allocated 58 per cent, or \$1.1 million, to residential development, and 42 per cent, or \$796,936, to non-residential development based on the ratio of forecast growth in population in new dwellings and employment in new floor space.

This yields development charge rates of \$713.46 per capita and \$11.83 per square metre respectively. The following table summarizes the calculation of the Water services development charge:

WATER SUMMARY

| 2019 - 2031 | | Unadjusted | |
|-------------------------------------|--------------------|--------------------|---------|
| Development-Related Capital Program | | Development Charge | |
| Total | Net DC Recoverable | \$/capita | \$/sq.m |
| \$12,445,450 | \$1,916,345 | \$713.46 | \$11.83 |

TOWN OF PENETANGUISENE
DEVELOPMENT-RELATED CAPITAL PROGRAM
WATER

| Project Description | Timing | Gross Project Cost | Grants/ Subsidies/Other Recoveries | Net Municipal Cost | Ineligible Costs | | Total DC Eligible Costs | DC Eligible Costs | | |
|---|-----------|----------------------|------------------------------------|----------------------|--------------------------|--------------|-------------------------|-----------------------|---------------------|-------------------|
| | | | | | Replacement & BTE Shares | 0% Reduction | | Available DC Reserves | 2019-2031 | Post 2031 |
| 3.0 WATER | | | | | | | | | | |
| 3.1 Water Storage and Supply | | | | | | | | | | |
| 3.1.1 New Treatment and Water Supply | 2028 | \$ 7,500,000 | \$ - | \$ 7,500,000 | \$ 5,993,818 | \$ - | \$ 1,506,182 | \$ 670,343 | \$ 835,840 | \$ - |
| 3.1.2 New Street Treatment and Water Supply - Financing | 2028 | \$ 394,200 | \$ - | \$ 394,200 | \$ 315,035 | \$ - | \$ 79,165 | \$ - | \$ 79,165 | \$ - |
| Subtotal Water Storage and Supply | | \$ 7,894,200 | \$ - | \$ 7,894,200 | \$ 6,308,853 | \$ - | \$ 1,585,347 | \$ 670,343 | \$ 915,005 | \$ - |
| 3.2 Water Distribution | | | | | | | | | | |
| 3.2.1 Main Street Water Main Upgrade | 2019 | \$ 750,000 | \$ - | \$ 750,000 | \$ 599,382 | \$ - | \$ 150,618 | \$ - | \$ 150,618 | \$ - |
| 3.2.2 Thompsons Road Extension: Main Street to eastern limits of Bellisle Subdivision | 2020 | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - |
| 3.2.3 Thompsons Road Extension: Phase 1 to western limits of Bellisle Subdivision (Includes Construction and Engineering costs) | 2019-2020 | \$ 300,000 | \$ 150,000 | \$ 150,000 | \$ - | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - |
| 3.2.4 Chatham Street Reconstruction (Beck Blvd to Brock St) | 2021-2022 | \$ 350,000 | \$ - | \$ 350,000 | \$ 279,711 | \$ - | \$ 70,289 | \$ - | \$ 70,289 | \$ - |
| 3.2.5 Harriet Street Reconstruction (Edward to Jeffrey) | 2023-2024 | \$ 193,750 | \$ - | \$ 193,750 | \$ 154,840 | \$ - | \$ 38,910 | \$ - | \$ 38,910 | \$ - |
| 3.2.6 Reconstruction of Lucy Street | 2024-2025 | \$ 121,667 | \$ - | \$ 121,667 | \$ 97,233 | \$ - | \$ 24,434 | \$ - | \$ 24,434 | \$ - |
| 3.2.7 Extension of Lucy Street | 2024-2025 | \$ 60,833 | \$ - | \$ 60,833 | \$ - | \$ - | \$ 60,833 | \$ - | \$ 60,833 | \$ - |
| 3.2.8 Peel Street Reconstruction | 2025-2026 | \$ 300,000 | \$ - | \$ 300,000 | \$ 239,753 | \$ - | \$ 60,247 | \$ - | \$ 60,247 | \$ - |
| 3.2.9 Water Street Reconstruction | 2026 | \$ 225,000 | \$ - | \$ 225,000 | \$ 179,815 | \$ - | \$ 45,185 | \$ - | \$ 45,185 | \$ - |
| 3.2.10 Fox Street Reconstruction | 2028+ | \$ 2,000,000 | \$ - | \$ 2,000,000 | \$ 1,598,351 | \$ - | \$ 401,649 | \$ - | \$ 200,824 | \$ 200,824 |
| Subtotal Water Distribution | | \$ 4,451,250 | \$ 150,000 | \$ 4,301,250 | \$ 3,149,085 | \$ - | \$ 1,152,165 | \$ - | \$ 951,340 | \$ 200,824 |
| 3.3 Studies | | | | | | | | | | |
| 3.3.1 Water and Sewer Master Plan | 2025 | \$ 100,000 | \$ - | \$ 100,000 | \$ 50,000 | \$ - | \$ 50,000 | \$ - | \$ 50,000 | \$ - |
| Subtotal Studies | | \$ 100,000 | \$ - | \$ 100,000 | \$ 50,000 | \$ - | \$ 50,000 | \$ - | \$ 50,000 | \$ - |
| TOTAL WATER | | \$ 12,445,450 | \$ 150,000 | \$ 12,295,450 | \$ 9,507,938 | \$ - | \$ 2,787,512 | \$ 670,343 | \$ 1,916,345 | \$ 200,824 |

| | | |
|--|-----|-----------------|
| Residential Development Charge Calculation | | |
| Residential Share of 2019 - 2031 DC Eligible Costs | 58% | \$1,119,409 |
| Ultimate Growth in Population in New Units | | 1,569 |
| Unadjusted Development Charge Per Capita | | \$713.46 |
| Non-Residential Development Charge Calculation | | |
| Non-Residential Share of 2019 - 2031 DC Eligible Costs | 42% | \$796,936 |
| Ultimate Growth in Square Metres | | 67,380 |
| Unadjusted Development Charge Per Square Metre | | \$11.83 |

| | |
|----------------------------------|-----------|
| Uncommitted Reserve Fund Balance | |
| Balance as at December 31, 2018 | \$670,343 |

APPENDIX D

RESERVE FUND BALANCES

APPENDIX D**DEVELOPMENT CHARGES RESERVE FUNDS UNCOMMITTED BALANCES**

The *Development Charges Act* requires that a reserve fund be established for each service for which development charges are collected. Table 1 presents the uncommitted reserve fund balances that are available to help fund the development-related net capital costs identified in this study. The opening balances of the development charges reserve funds are as at December 31, 2018. All of the available reserve fund balances are accounted for in this study.

As shown on Table 1, the total reserve fund balance was in a surplus position of \$1.4 million at December 31, 2018.

The application of each of the balances in each of the reserve funds is discussed in the appendix section related to each service. The reserve funds are assigned to projects in the initial years of the capital program for the services in which the reserves are a position balance. This has the effect of reducing and deferring capital costs brought forward to the development charge calculation and the cash flow analysis. Where there is a negative balance, the amount is brought forward to the DC capital forecast for recovery through future development charges.

**APPENDIX D
TABLE 1**

**TOWN OF PENETANGUISHENE
DEVELOPMENT CHARGE RESERVE FUND BALANCE BY ACCOUNT
YEAR ENDING DECEMBER 31, 2018**

| Service | Reserve Fund Balance as at Dec. 31, 2018 | 2019 Capital Budget Draws | Uncommitted Reserve Funds |
|--|---|--|--|
| General Government | (\$111,272) | \$0 | (\$111,272) |
| Library Board | \$257,505 | \$0 | \$257,505 |
| Fire Department | (\$9,249) | \$0 | (\$9,249) |
| Police | \$4,962 | \$0 | \$4,962 |
| Parks & Recreation | \$498,584 | \$0 | \$498,584 |
| Public Works | \$98,523 | \$0 | \$98,523 |
| Roads & Related | \$320,415 | \$0 | \$320,415 |
| Sewer | (\$351,420) | \$0 | (\$351,420) |
| Water | \$670,343 | \$0 | \$670,343 |
| Total Development Charge Reserves | \$1,378,391 | \$0 | \$1,378,391 |

APPENDIX E

LONG-TERM CAPITAL AND OPERATING IMPACTS

APPENDIX E

TABLE 1

TOWN OF PENETANGUISHENE
 ESTIMATED NET OPERATING COST OF THE PROPOSED
 DEVELOPMENT-RELATED CAPITAL PROGRAM
 (in constant 2018 dollars)

| | Net Cost (in 2018\$) | | Estimated Operating Costs (\$000) | | | | | | | | | | |
|--|-------------------------|----------------------------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|
| | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Library Board | | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$10.3 | \$10.3 |
| Finish Existing Basement, With Furnishings | \$ 2.56 | per square foot | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$10.3 | \$10.3 |
| Fire Department | | | \$3.3 | \$13.3 | \$13.3 | \$23.3 | \$23.3 | \$33.3 | \$33.3 | \$33.3 | \$33.3 | \$33.3 | \$33.3 |
| New Firefighters | \$ 10,000 | per firefighter | \$0.0 | \$10.0 | \$10.0 | \$20.0 | \$20.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 | \$30.0 |
| Vehicle Upgrade | \$ 3,333 | per vehicle | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 | \$3.3 |
| Police | | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 |
| Additional Officer | \$ 700 | per officer | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 | \$0.7 |
| Parks & Recreation | | | \$5.0 | \$14.0 | \$43.0 | \$59.2 | \$78.2 | \$85.5 | \$90.7 | \$96.0 | \$101.2 | \$106.5 | \$106.5 |
| Park Development and Facilities | \$ 0.05 | per \$1.00 of new infrastructure | \$5.0 | \$13.95 | \$43.0 | \$59.20 | \$78.2 | \$85.45 | \$90.7 | \$95.95 | \$101.2 | \$106.45 | \$106.45 |
| Public Works | | | \$5.0 | \$10.0 | \$10.0 | \$16.0 | \$16.0 | \$21.0 | \$21.0 | \$21.0 | \$21.0 | \$21.0 | \$21.0 |
| Provision for Additional Public Works Facilities | \$ 1.51 | per square foot | \$0.0 | \$0.0 | \$0.0 | \$6.0 | \$6.0 | \$6.0 | \$6.0 | \$6.0 | \$6.0 | \$6.0 | \$6.0 |
| Additional Fleet | \$ 5,000 | per vehicle | \$5.0 | \$10.0 | \$10.0 | \$10.0 | \$10.0 | \$15.0 | \$15.0 | \$15.0 | \$15.0 | \$15.0 | \$15.0 |
| Roads & Related | | | \$17.9 | \$35.7 | \$53.6 | \$71.4 | \$89.3 | \$107.1 | \$125.0 | \$142.8 | \$160.7 | \$178.5 | \$178.5 |
| Development-Related Roads Infrastructure | \$ 350 | per household | \$17.9 | \$35.7 | \$53.6 | \$71.4 | \$89.3 | \$107.1 | \$125.0 | \$142.8 | \$160.7 | \$178.5 | \$178.5 |
| Water & Sewer | | | | | | | | | | | | | |
| Additional Net Operating Costs to be Funded from Rates | | | | | | | | | | | | | |
| TOTAL ESTIMATED OPERATING COSTS | | | \$31.2 | \$73.0 | \$119.8 | \$170.0 | \$206.8 | \$247.6 | \$270.7 | \$293.8 | \$327.2 | \$350.3 | \$350.3 |

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APPENDIX E
TABLE 2

**TOWN OF PENETANGUISHENE
SUMMARY OF TAX SUPPORTED FUNDING REQUIREMENTS**

| Net Capital Cost of Development-Related Projects | 2019 (\$000) | 2020 (\$000) | 2021 (\$000) | 2022 (\$000) | 2023 (\$000) | 2024 (\$000) | 2025 (\$000) | 2026 (\$000) | 2027 (\$000) | 2028 (\$000) | TOTAL (\$000) |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| LIBRARY BOARD | | | | | | | | | | | |
| Total Net Cost (1) | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 1,227.8 | 37.8 | 1,567.8 |
| Net Cost From Development Charges (2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.6 | 20.6 | 341.9 | 20.6 | 403.8 |
| Net Cost From Non-DC Sources | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 17.2 | 17.2 | 885.9 | 17.2 | 1,164.0 |
| - Discount Portion (3) | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 122.8 | 3.8 | 156.8 |
| - Available DC Reserves (4) | 42.9 | 42.9 | 42.9 | 42.9 | 42.9 | 42.9 | 0.0 | 0.0 | 0.0 | 0.0 | 257.5 |
| - Replacement & Benefit to Existing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 749.7 | 0.0 | 749.7 |
| FIRE DEPARTMENT | | | | | | | | | | | |
| Total Net Cost (1) | 909.7 | 335.6 | 173.6 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 22.1 | 1,453.6 |
| Net Cost From Development Charges (2) | 717.3 | 335.6 | 126.8 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 1,194.5 |
| Net Cost From Non-DC Sources | 192.3 | 0.0 | 46.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.0 | 259.1 |
| - Discount Portion (3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Available DC Reserves (4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Replacement & Benefit to Existing | 192.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 192.3 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 46.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.0 | 66.8 |
| POLICE | | | | | | | | | | | |
| Total Net Cost (1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.0 |
| Net Cost From Development Charges (2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 13.0 | 0.0 | 0.0 | 0.0 | 0.0 | 13.0 |
| Net Cost From Non-DC Sources | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 |
| - Discount Portion (3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Available DC Reserves (4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 |
| - Replacement & Benefit to Existing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

- Notes: (1) For total general services development-related capital program see Appendix B. Engineered services available in Appendix C.
(2) Share of capital program to be funded from development charges if calculated rates are fully implemented
(3) Mandatory 10% reduction for applicable services
(4) Portion of development-related capital program identified as available DC reserves (to be funded from present Development Charge reserve fund balances).
(5) Post period development-related net capital costs may be eligible for development charges in future DC by-laws, but interim financing of this share may be required

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APPENDIX E
TABLE 2

**TOWN OF PENETANGUISHENE
SUMMARY OF TAX SUPPORTED FUNDING REQUIREMENTS**

| Net Capital Cost of Development-Related Projects | 2019 (\$000) | 2020 (\$000) | 2021 (\$000) | 2022 (\$000) | 2023 (\$000) | 2024 (\$000) | 2025 (\$000) | 2026 (\$000) | 2027 (\$000) | 2028 (\$000) | TOTAL (\$000) |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| PARKS & RECREATION | | | | | | | | | | | |
| Total Net Cost (1) | 100.0 | 179.0 | 580.0 | 325.0 | 380.0 | 145.0 | 105.0 | 105.0 | 105.0 | 105.0 | 2,129.0 |
| Net Cost From Development Charges (2) | 0.0 | 45.0 | 270.0 | 198.0 | 247.5 | 36.0 | 18.5 | 49.5 | 49.5 | 49.5 | 963.5 |
| Net Cost From Non-DC Sources | 100.0 | 134.0 | 310.0 | 127.0 | 132.5 | 109.0 | 86.5 | 55.5 | 55.5 | 55.5 | 1,165.5 |
| - Discount Portion (3) | 5.0 | 12.9 | 52.6 | 27.5 | 33.0 | 9.5 | 5.5 | 5.5 | 5.5 | 5.5 | 162.5 |
| - Available DC Reserves (4) | 45.0 | 71.1 | 203.0 | 49.5 | 49.5 | 49.5 | 31.0 | 0.0 | 0.0 | 0.0 | 498.6 |
| - Replacement & Benefit to Existing | 50.0 | 50.0 | 54.4 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 504.4 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PUBLIC WORKS | | | | | | | | | | | |
| Total Net Cost (1) | 600.0 | 300.0 | 0.0 | 640.0 | 0.0 | 210.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,750.0 |
| Net Cost From Development Charges (2) | 446.5 | 250.0 | 0.0 | 640.0 | 0.0 | (1.8) | 0.0 | 0.0 | 0.0 | 0.0 | 1,334.7 |
| Net Cost From Non-DC Sources | 153.5 | 50.0 | 0.0 | 0.0 | 0.0 | 211.8 | 0.0 | 0.0 | 0.0 | 0.0 | 415.3 |
| - Discount Portion (3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Available DC Reserves (4) | 98.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 98.5 |
| - Replacement & Benefit to Existing | 55.0 | 50.0 | 0.0 | 0.0 | 0.0 | 35.0 | 0.0 | 0.0 | 0.0 | 0.0 | 140.0 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 176.8 | 0.0 | 0.0 | 0.0 | 0.0 | 176.8 |
| TOTAL GENERAL SERVICES | | | | | | | | | | | |
| Total Net Cost (1) | 1,647.5 | 852.4 | 791.4 | 1,004.9 | 419.9 | 412.9 | 144.9 | 144.9 | 1,334.9 | 164.9 | 6,918.4 |
| Net Cost From Development Charges (2) | 1,163.8 | 630.6 | 396.8 | 840.1 | 249.6 | 49.3 | 41.2 | 72.2 | 393.5 | 72.2 | 3,909.5 |
| Net Cost From Non-DC Sources | 483.6 | 221.8 | 394.5 | 164.8 | 170.3 | 363.5 | 103.6 | 72.7 | 941.4 | 92.7 | 3,008.8 |
| - Discount Portion (3) | 8.8 | 16.7 | 56.3 | 31.3 | 36.8 | 13.3 | 9.3 | 9.3 | 128.3 | 9.3 | 319.2 |
| - Available DC Reserves (4) | 186.4 | 114.0 | 245.9 | 92.4 | 92.4 | 97.4 | 31.0 | 0.0 | 0.0 | 0.0 | 859.6 |
| - Replacement & Benefit to Existing | 297.3 | 100.0 | 54.4 | 50.0 | 50.0 | 85.0 | 50.0 | 50.0 | 50.0 | 50.0 | 836.8 |
| - For Post 2028 Development (5) | 0.0 | 0.0 | 46.8 | 0.0 | 0.0 | 176.8 | 0.0 | 0.0 | 749.7 | 20.0 | 993.2 |

- Notes: (1) For total general services development-related capital program see Appendix B. Engineered services available in Appendix C.
(2) Share of capital program to be funded from development charges if calculated rates are fully implemented
(3) Mandatory 10% reduction for applicable services
(4) Portion of development-related capital program identified as available DC reserves (to be funded from present Development Charge reserve fund balances).
(5) Post period development-related net capital costs may be eligible for development charges in future DC by-laws, but interim financing of this share may be required
(6) Engineered services are totalled as the specifics of annual tax supported funding requirements have not been determined

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APPENDIX E
TABLE 2

**TOWN OF PENETANGUISHENE
SUMMARY OF TAX SUPPORTED FUNDING REQUIREMENTS**

| Net Capital Cost of Development-Related Projects | TOTAL (\$000) |
|---|------------------|
| ROADS & RELATED (6) | |
| Total Net Cost (1) | 20,380.8 |
| Net Cost From Development Charges (2) | 2,896.2 |
| Net Cost From Non-DC Sources | 17,484.6 |
| - Discount Portion (3) | 0.0 |
| - Available DC Reserves (4) | 320.4 |
| - Replacement & Benefit to Existing | 6,879.2 |
| - For Post 2031 Development (5) | 10,285.0 |
| SEWER | |
| Total Net Cost (1) | 30,496.1 |
| Net Cost From Development Charges (2) | 3,988.2 |
| Net Cost From Non-DC Sources | 26,507.9 |
| - Discount Portion (3) | 0.0 |
| - Available DC Reserves (4) | 0.0 |
| - Replacement & Benefit to Existing | 13,860.5 |
| - For Post 2031 Development (5) | 12,647.4 |
| WATER | |
| Total Net Cost (1) | 12,295.5 |
| Net Cost From Development Charges (2) | 1,916.3 |
| Net Cost From Non-DC Sources | 10,379.1 |
| - Discount Portion (3) | 0.0 |
| - Available DC Reserves (4) | 670.3 |
| - Replacement & Benefit to Existing | 9,507.9 |
| - For Post 2031 Development (5) | 200.8 |
| TOTAL MUNICIPAL SERVICES | |
| Total Net Cost (1) | 77,009.1 |
| Net Cost From Development Charges (2) | 16,619.8 |
| Net Cost From Non-DC Sources | 60,389.3 |
| - Discount Portion (3) | 638.5 |
| - Available DC Reserves (4) | 2,709.9 |
| - Replacement & Benefit to Existing | 31,921.2 |
| - For Post Period Development (5) | 25,119.7 |

Notes: (1) For total general services development-related capital program see Appendix B. Engineered services available in Appendix C.

(2) Share of capital program to be funded from development charges if calculated rates are fully implemented

(3) Mandatory 10% reduction for applicable services

(4) Portion of development-related capital program identified as available DC reserves (to be funded from present Development Charge reserve fund balances).

(5) Post period development-related net capital costs may be eligible for development charges in future DC by-laws, but interim financing of this share may be required

(6) Engineered services are totalled as the specifics of annual tax supported funding requirements have not been determined

APPENDIX F

ASSET MANAGEMENT PLAN

APPENDIX F
ASSET MANAGEMENT PLAN

The *Development Charges Act* requires that municipalities complete an Asset Management Plan before passing a development charges by-law. A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life-cycle.

ASSET TYPES

A summary of the future municipal-owned assets and estimated useful life assumptions for eligible DC services considered as part of the study are set out in Tables 1 and 2. Although all capital assets considered in the study have been identified, not all assets necessitate future replacement or ongoing maintenance activities. Some projects do not relate to the replacement of a tangible capital asset—examples include the acquisition of land or the undertaking of development-related studies. These projects/costs do not necessarily require future replacement or ongoing maintenance. They have been excluded from the asset management provision calculations.

It should be noted that the capital cost estimates prepared for each of the projects identified in this section include grouped costs of various individual elements, which, as a stand-alone item, may have its own useful life (e.g. new buildings include HVAC, structural elements, roof, etc.). Accordingly, the average useful life assumptions noted below are applicable to all project components. The useful life estimates contained within this analysis are consistent with those assumptions used in the Town's Corporate Asset Management Plan.

| Table 1 | |
|--|--|
| Summary of Municipal Assets Considered Town-wide General Services | |
| Service and Amenities | Estimated Useful Life |
| General Government <ul style="list-style-type: none"> • Studies • Negative Reserve Fund Balance | <ul style="list-style-type: none"> • Not infrastructure • Not infrastructure |
| Library Board <ul style="list-style-type: none"> • Buildings • Parking Space • Additional Collection Materials | <ul style="list-style-type: none"> • 40 years • 20 years • 7 years |
| Fire Department <ul style="list-style-type: none"> • Recovery of Fire Hall and Aerial Debt • Recovery of Committed Excess Capacity • Equipment • Studies | <ul style="list-style-type: none"> • Not infrastructure • Not infrastructure • 7 years • Not infrastructure |
| Police <ul style="list-style-type: none"> • Personal Equipment • Vehicle Equipment | <ul style="list-style-type: none"> • 7 years • 7 years |
| Parks & Recreation <ul style="list-style-type: none"> • Parkland & Park Facilities • Buildings • BMX Bike Pump Track • Trail Development • Plans and Studies | <ul style="list-style-type: none"> • 15 years • 40 years • 25 years • 20 years • Not infrastructure |
| Public Works <ul style="list-style-type: none"> • Buildings • Fleet and Equipment | <ul style="list-style-type: none"> • 40 years • 15 years |

| Table 2 | |
|---|--|
| Summary of Municipal Assets Considered Engineered Services | |
| Capital Project Description | Estimated Useful Life |
| Roads & Related <ul style="list-style-type: none"> • Road Infrastructure • Intersection Projects • Bike Lanes • Sidewalks • New Transit Infrastructure • Studies | <ul style="list-style-type: none"> • 20 years • 20 years • 20 years • 30 years • 20 years • Not infrastructure |
| Sewer <ul style="list-style-type: none"> • Wastewater Treatment Plant • Sanitary Sewers • Sewage Pumping Stations • Negative Reserve Fund Balance | <ul style="list-style-type: none"> • 40 years • 75 years • 40 years • Not infrastructure |
| Water <ul style="list-style-type: none"> • Water Storage and Supply • Water Distribution • Studies | <ul style="list-style-type: none"> • 75 years • 75 years • Not infrastructure |

No annual provisions have been identified for General Government as plan updates and studies included in the General Government development charge category are not infrastructure and therefore have no long-term financial requirements.

ANNUAL PROVISION

When assets require rehabilitation or are due for replacement, the source of funds is limited to reserves or contributions from operating. Capital expenditures to carry out the rehabilitation and replacement of aging infrastructure are not development-related and are therefore not eligible for funding through development charge revenues or other developer contributions.

Based on the information obtained from Town staff regarding useful life assumptions and the capital cost of acquiring and/or replacing each asset, a provision for infrastructure replacement has been calculated for both the general and engineered services. Provisions for infrastructure replacement are initially calculated for each asset based on their useful life and the anticipated cost of replacement. The aggregate of all individual provisions form the required annual capital provision. In calculating the annual provisions, a number of assumptions are made to account for inflation (2.0 per cent) and interest (3.5 per cent).

Consistent with the requirements of the *Development Charges Act*, assets that are proposed to be funded under the development charges by-law have been included in the analysis. As a result, the total calculated annual provision for development charge related infrastructure has been netted down to consider the replacement of existing infrastructure or benefit-to-existing development. However, for reference, the annual replacement provisions associated with the non-development charge funded costs, including costs related to the 10 per cent statutory discount, benefit-to-existing and post-period benefit have also been calculated.

Tables 3 and 4 provide the calculated annual asset management contribution for both the non-DC recoverable share and the share related to the 2019-2028 and 2019-2031 DC recoverable portion. The years 2029 and 2032 have been included to calculate the annual contribution for the 2019-2028 and 2019-2031 periods as the expenditures in 2028 and 2031 will not trigger asset management contributions until 2029 and 2032, respectively.

As shown in Table 3, by 2029, the City will need to fund an additional \$183,233 per year in order to properly fund the full life-cycle costs of the new assets related to all general and protection services under the development charges by-law. Table 4 shows

that by 2032, the City will need to fund an additional \$265,236 per year to properly fund all life-cycle costs of the new engineered assets under the DC by-law.

| Table 3 | | | | |
|---|--|----------------------|--|-----------------------|
| Calculated Annual Provision by 2029 for General Services | | | | |
| Service | 2019 - 2028 Capital Program | | Calculated AMP Annual Provision by 2029 | |
| | DC Recoverable | Non-DC Funded | DC Related | Non-DC Related |
| General Government | \$474,272 | \$232,500 | \$0 | \$0 |
| Library Board | \$734,790 | \$983,000 | \$65,708 | \$31,993 |
| Fire Department | \$1,194,492 | \$259,087 | \$2,996 | \$0 |
| Police | \$18,000 | \$0 | \$2,835 | \$0 |
| Parks & Recreation | \$1,624,556 | \$529,444 | \$61,858 | \$37,130 |
| Public Works | \$1,433,204 | \$316,796 | \$49,837 | \$22,902 |
| Total | \$5,479,314 | \$2,320,827 | \$183,233 | \$92,025 |

| Table 4 | | | | |
|--|--|----------------------|--|-----------------------|
| Calculated Annual Provision by 2032 for Engineered Services | | | | |
| Service | 2019 - 2031 Capital Program | | Calculated AMP Annual Provision by 2032 | |
| | DC Recoverable | Non-DC Funded | DC Related | Non-DC Related |
| Roads & Related | \$3,216,625 | \$18,960,867 | \$167,839 | \$1,144,917 |
| Sewer | \$3,988,214 | \$39,679,266 | \$62,961 | \$888,148 |
| Water | \$2,586,688 | \$9,858,762 | \$34,437 | \$132,600 |
| Total | \$9,791,527 | \$68,498,896 | \$265,236 | \$2,165,665 |

FINANCIAL SUSTAINABILITY OF THE PROGRAM

A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life-cycle.

Future Revenue Growth

The calculated annual funding provision should be considered within the context of the Town's projected growth. Over the next 10 years, the Town is projected to increase by 1,250 people. In addition, the Town will also add 860 new employees that will result

in approximately 51,670 square metres of additional non-residential building space. Between 2019 and 2031, the Town's population will increase by approximately 1,627 people. The Town will also add 1,117 new employees during this planning period which translates into 67,100 square metres of additional non-residential building space.

This growth will have the effect of increasing the overall assessment base. This leads to additional user fee and charge revenues to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges by-law. The collection of these funds is intended to be allocated to the Town's reserves for future replacement of these assets.

Asset Management Plan

In order to maintain, protect and manage the Town's infrastructure and assets, staff should continue to monitor current levels of service and life-cycle trends. These assessments are used to schedule appropriate activities, such as road reconstruction, bridge replacement, and equipment and vehicle replacement. Ongoing maintenance and repairs to community facilities will ensure that they continue to meet the needs of a growing population into the future.

Overall, the Town will continue to invest, renew, and manage infrastructure and assets through its Asset Management Plan. This plan is crucial for forecasting capital budgetary needs both in the short and long terms. The AMP process helps to improve financial sustainability to maximize benefits, reduce risk and provide satisfactory levels of service to the community in an environmentally and financially responsible manner.

Program is Deemed Financially Sustainable

The calculated annual provisions identified in Tables 3 and 4 are considered to be financially sustainable as it is expected that the increased capital asset management requirements can be absorbed by the tax and user base over the long-term. The Town's annual operating budget review will allow staff to continue to monitor and implement mitigating measures should the program become less sustainable.

APPENDIX G

LOCAL SERVICE DEFINITIONS

APPENDIX G

LOCAL SERVICE DEFINITIONS

The following provides the definitions of “local service” under the *DCA* for a number of services provided by the Town of Penetanguishene. The purpose in establishing these definitions is to determine the eligible capital costs for inclusion in the development charges calculation for the Town. The functions or services deemed to be local in nature are not to be included in the determination of the development charges rates. The provision of local services is considered to be a direct developer responsibility under *s.59* of the *DCA* and will (or may) be recovered under other agreement(s) with the landowner or developer. The issue of “local service” is being specifically considered for the services of:

- Roads & Related
- Stormwater Management SWM
- Water and Sewer
- Parkland Development
- Street Planting

1. Roads & Related

- Local Roads

All roads and share of roads identified as local are to be treated as a local service under the *DCA* and the associated costs are not to be included in the development charges calculation.

- Road Oversizing

If a local road is oversized to accommodate additional traffic needs external to the subject lands, the oversized share of the roads is to be included in the development charges calculation.

2. Stormwater Management (SWM) Facilities

The costs of stormwater management facilities internal to a subdivision and related to a plan of a subdivision are considered to be a local service under the *DCA* and the associated costs are not included in the development charges calculation. Local SWM facilities would typically include:

- Stormwater management facilities servicing local drainage areas;
- Storm sewer oversized associated with local drainage areas; and

- Storm sewer works on existing roads.

A municipality may recover these costs as a direct developer contribution (or by way of service provision) or alternatively may fund these works directly and recoup the costs through the assessment of a local charge against each unit or land area (holding) within the defined befitting area, based on proportionate shares. This may be facilitated by the *Municipal Draining Act* or applicable legislation.

3. Water and Sewer

- Major external trunk watermains, sewers and major pumping stations are to be included within the development charges. Oversizing within subdivisions will also be included in the development charges.
- Connections to trunk mains and minor pumping stations to service specific areas are to be a direct developer responsibility as a local service provision (*s.59 of DCA*). Minor pumping stations are those that service a single subdivision, or adjacent or adjoining subdivisions.

4. Parkland Development

For the purpose of parkland development, local services include the requirement for the owner to undertake preparation of the park plan, retaining necessary consultants to prepare design and grading plans for the park, prior to development. In addition, the owner is required to provide stripping and stockpiling, levelling, top soiling, seeding and stormwater servicing including all appurtenances (consistent with the plan), fencing the property perimeter, and provide municipal water and waste water services to the lot line. These requirements are part of the conditions of *s.51 and 53* of the *Planning Act* agreements. The municipality also requires the owner to dedicate parkland or provide cash-in-lieu, consistent with the *Planning Act* provisions. All of these costs are deemed a direct responsibility of the developer and have not been included in the development charges calculation.

With respect to other parkland development costs, the municipality has included all other components of parkland development in the development charges calculation, including parking, park furniture, signage, landscaping and walkways/trails, in addition to the necessary fields, diamonds, playground equipment, lighting, irrigation and field houses.

5. Street Tree Planting

Street tree planting is considered a local area service and a direct responsibility of the developer.

APPENDIX H

***PROPOSED DRAFT 2019 DC BY-LAW
(AVAILABLE UNDER SEPARATE COVER)***