

2026 Capital Budget

Council-in-Budget Committee
November 19, 2025
Report CBC-01-2026

FORT ERIE

Presentation Agenda

1) Overview: Inputs & Process
2) Budget Program Highlights
3) Risks & Opportunities
4) Next Steps
5) Presentation Questions
6) Capital Project Worksheets Review











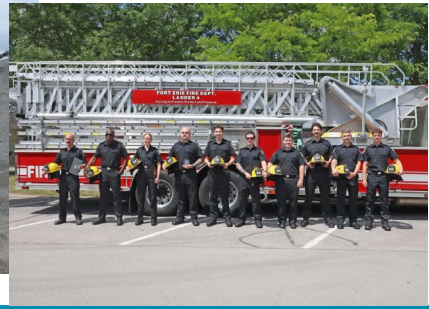












2026 Capital Budget

1) Overview: Inputs & Process

- **Strategy**: Council's 2023-2026 Corporate Strategic Plan
- **Coordinated Planning**: Proposals reviewed/prioritized considering numerous factors: leveraging grants/contributions, minimizing lifecycle maintenance & risk/cost to taxpayers, modernization, addressing levels of service, creating economic opportunity.
- **Policy Guidance:** Budget Policy, Reserve Policy, Asset Management Policy, Capital Asset Policy, Procurement Policy.

1) Overview: Inputs & Process

- **Year-round budget cycle and processes**
  - Plan: prepare, submit & review (Aug to Dec).
  - Approve: aligned with strategies & expectations.
  - Execute: recording & manager monitoring.
  - Evaluate: auditing & reporting.
- **Variance Reporting - Report** CS-10-2025
  - Closed 77 projects with budget of $27.1M. Returned $3.6M to reserves (Appendix 1).
  - Status update on 159 projects that remain open with outstanding budget of $87M (Appendix 2).
- **Amendments**
  - 2025 added ~$2.7M in additions through award/amendments.



1) Overview: Inputs & Process
AMP Update

- Asset values: $467M historical cost with approximately ~$2B replacement value.
- Asset Management Plan (AMP): IS-05-2024
- 2024 AMP includes all Town assets to:
  - Outline current state and LoS with desired targets.
  - Establish LT infrastructure goals with master plans for asset life.
  - Develop sustainable financial plans and budgets.
  - Support funding applications to upper governments.
  - Propose financial strategy for sustaining investment:
    - Current base reserve transfers: $16.0M (Levy and W&WW)
    - Inflationary: To be adjusted considering Council guidance
    - Reserve Policy and targets



1) Overview: Inputs & Process AMP Update

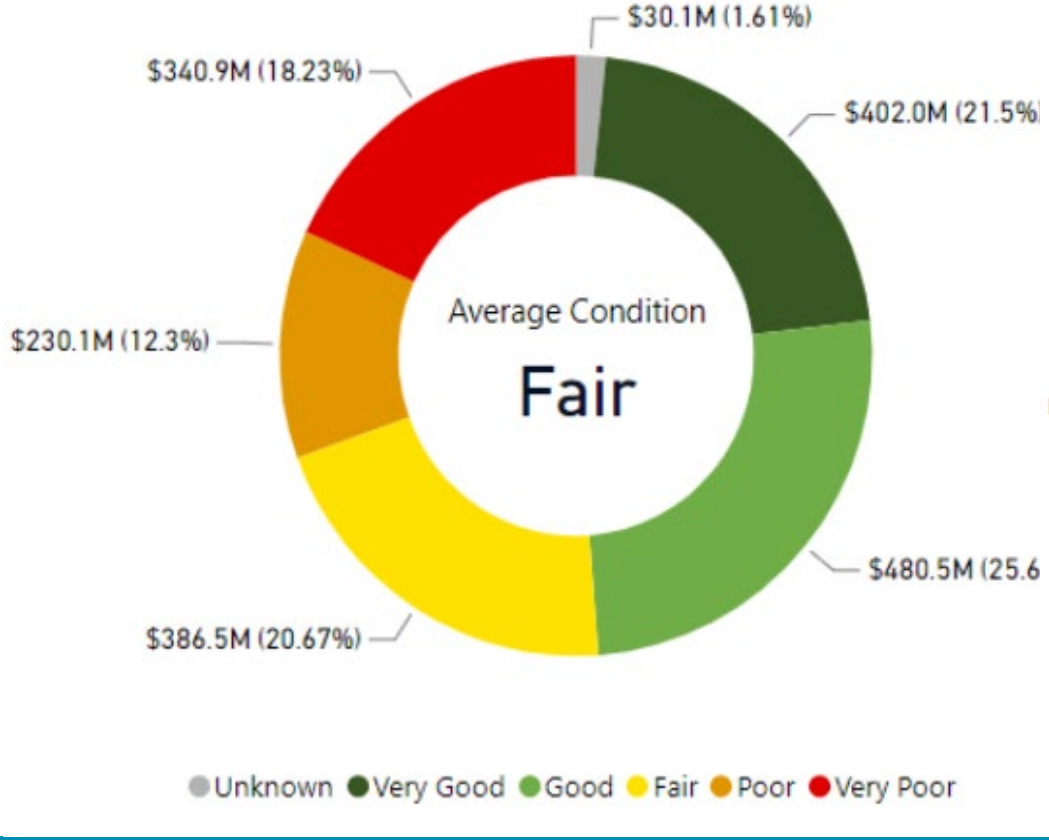
- Master Plans & condition assessments core to AMP and guide priorities to replace existing assets (e.g., Bridge assessment, Corporate Software review, Fire, Official Plan, Road & Storm Condition assessments).
- 2024 DC Study (By-laws 20 to 22-2024) guides new/growth asset development.
- Provincial Drinking Water requirements.
- Consultation with external partners and agencies.

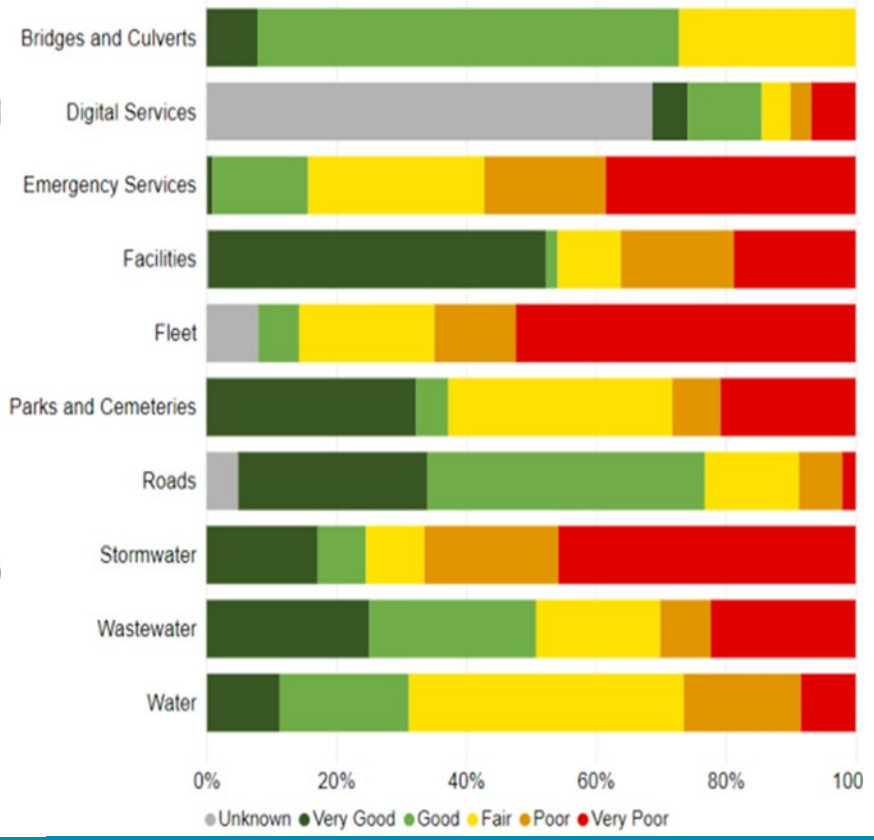


1) Overview: Inputs & Process
AMP Update (IS-05-2024)



1) Overview: Inputs & Process

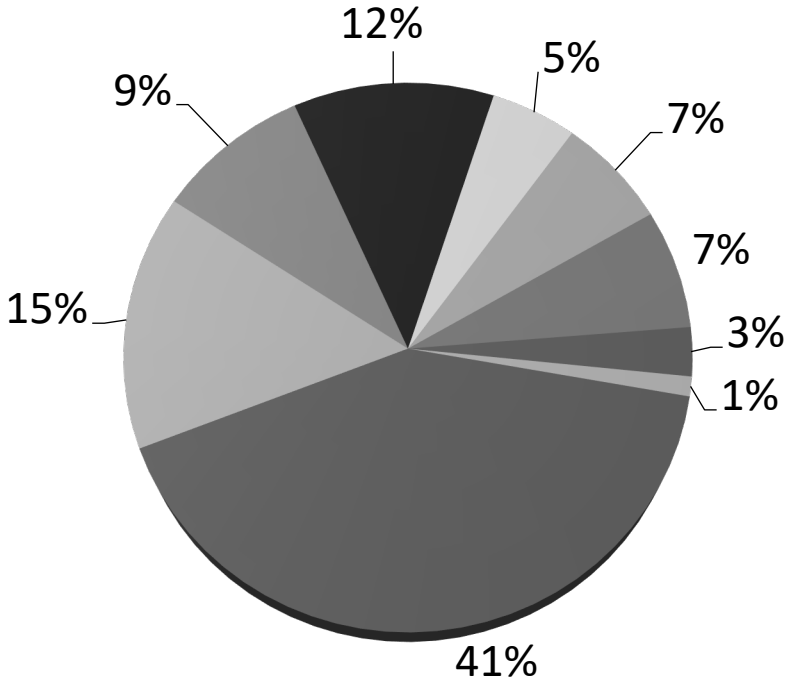




1) Overview: Inputs & Process

- AMP Lifecycle Management (LCM) Strategy:
  - Establish and implement a series of planned activities, based on industry best practices.
  - Enable assets to consistently provide sustainable levels of service to Fort Erie residents while managing risk at the lowest lifecycle cost.
  - Outline various LCM strategies for each asset class including required activities, data confidence, scenario comparisons and recommended funding.
- Refer to 2024 Corporate Asset Management Plan.

2) Budget Program Highlights
2026 Request = $23.8M (61 projects)



Roads, bridges & sidewalks	$9.8M	41%
Wastewater	3.6M	15%
Storms & drains	2.2M	9%
Water	2.8M	12%
Parks & Facilities	1.2M	5%
Fleet	1.6M	7%
Planning, Building & By-law	1.7M	7%
Corporate & Community Services	0.7M	3%
Fire & Emergency Services	0.3M	1%

2) Budget Program Highlights
2026 Existing Asset Program

Existing Assets

$18.9M or 79% for replacement or rehabilitation, for example:

- $ 2,800,000 11.8% Road Resurfacing Program
- $ 2,500,000 10.6% Wastewater Trenchless Repair
- $ 1,905,000 8.0% Belleview Blvd Watermain Replacement
- $ 1,812,900 7.6% 2025 Bridge & Culvert Replacement

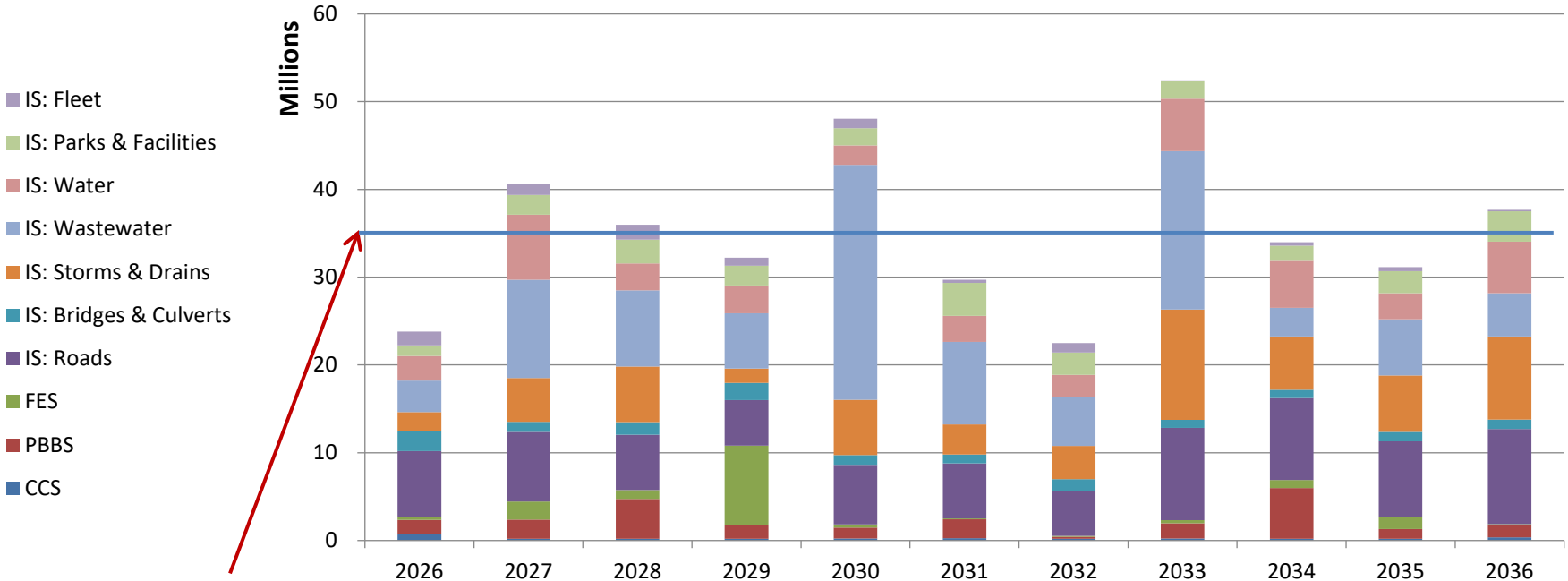
2) Budget Program Highlights
2026 Growth Assets Program

Growth or New Assets

$4.9M or 21% for new or growth, for example:

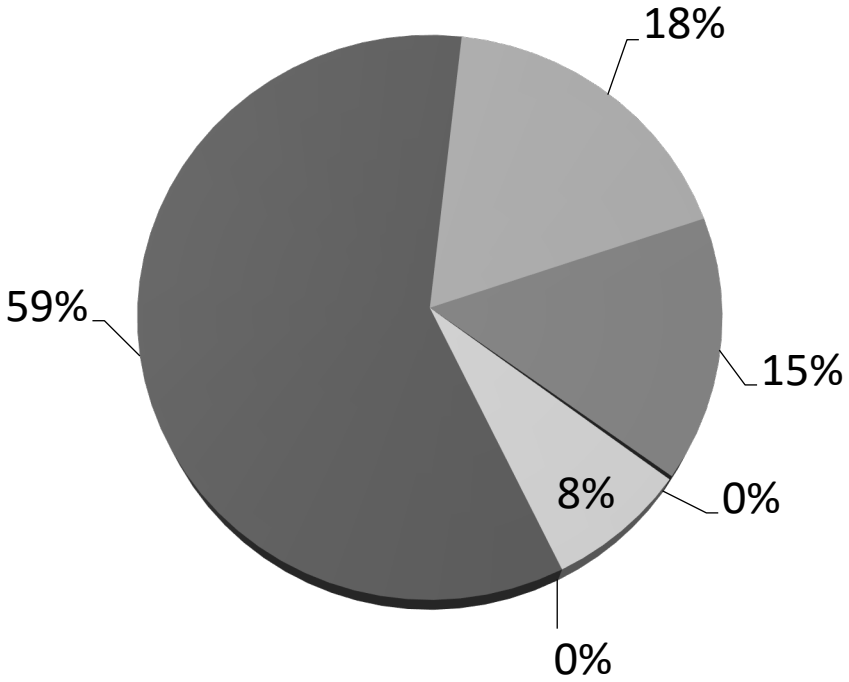
- $ 1,316,300 5.5% Black Creek Rd Upgrades
- $ 666,300 2.8% Ridgeway Shores Park Development
- $ 546,650 2.3% Sims Ave Upgrades

2) Budget Program Highlights
10-year Forecast



Average annual Capital Program is $35.3M (2026 to 2036)

2) Budget Program Highlights
2026 Financing = $23.8M



Town Reserves	$14.0M	59%
Development Charges	4.3M	18%
Grants	3.6M	15%
Other	0.05M	0%
Canada Community-Building Fund	1.8M	8%
Debentures	N/a	

2) Budget Program Highlights Financing Strategy - Reserves

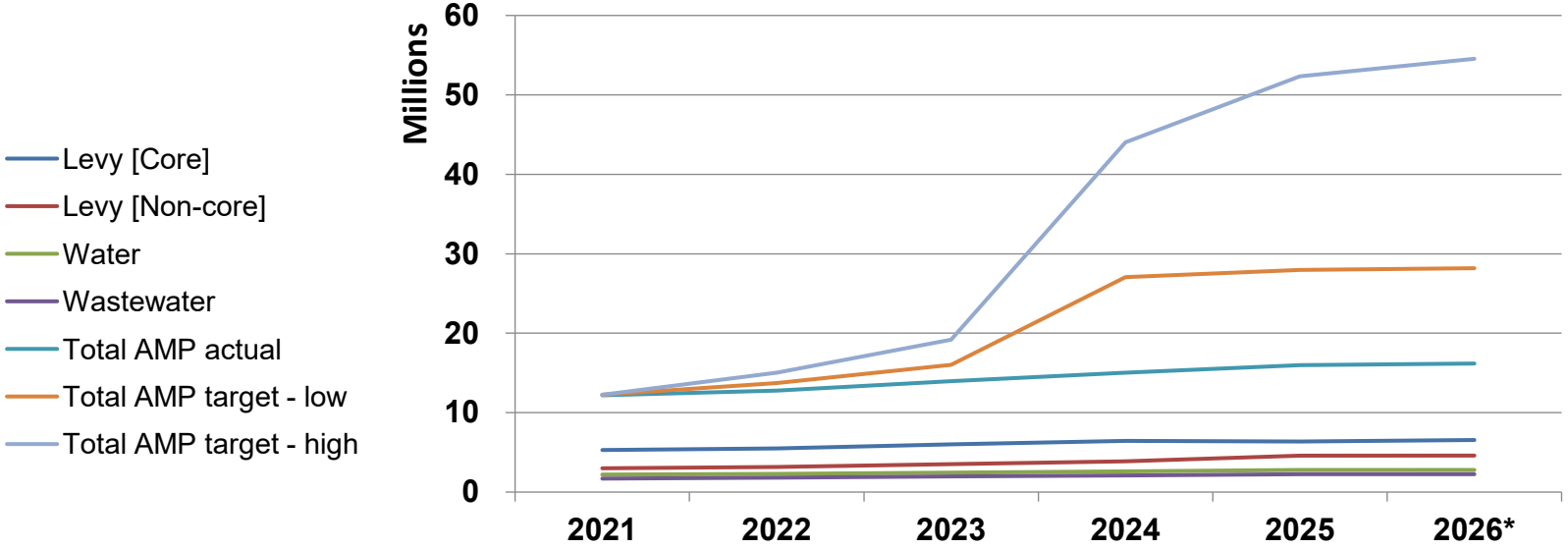
Reserves: $14.0M or 59% for 2026 program

- Available 2026 Capital Reserve balances of approx. $32.2M.
- Total 2025 annual contribution of $16.0M from Levy and W&WW.
- Proposed 2026 Capital Budget adequate.
- Future forecasts don’t rely on discretionary increases (inflationary) until approved.



2) Budget Program Highlights
Financing Strategy - Reserves

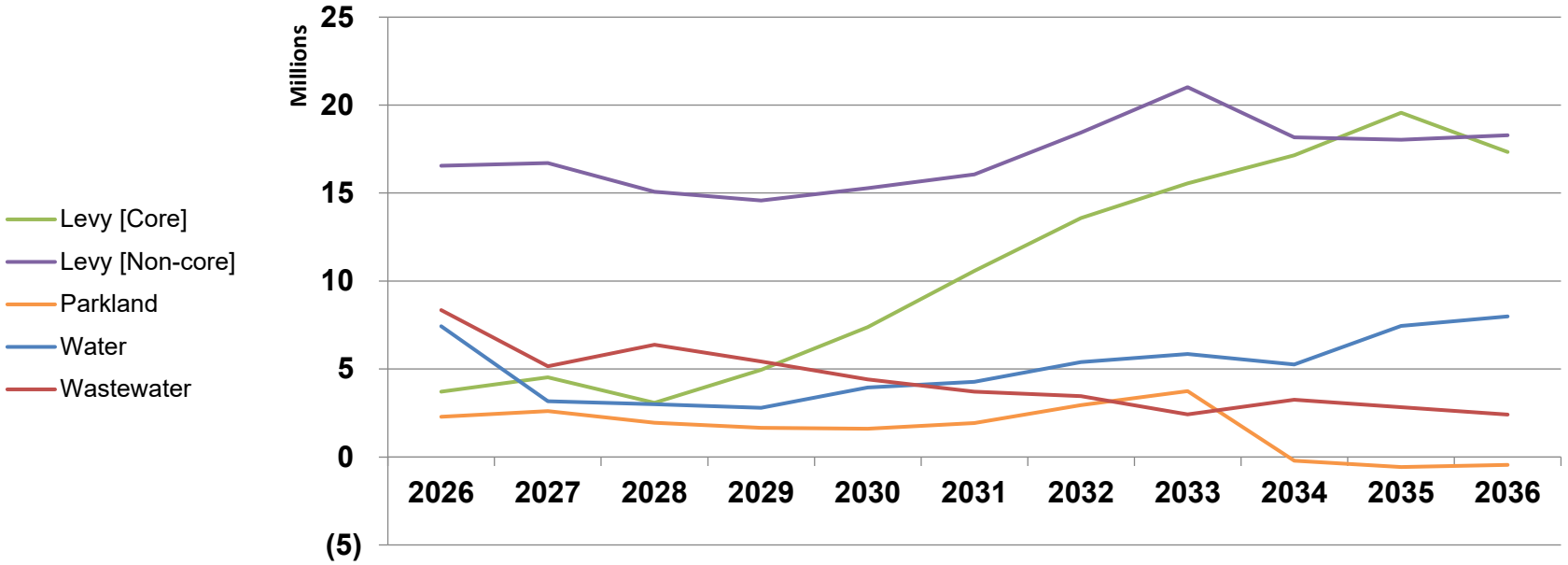
Capital Reserve contributions (in millions)



Updated in 2024 with revised AMP

2) Budget Program Highlights
Financing Strategy - Reserves

Capital Reserve balances (in millions) – excl DCs



2) Budget Program Highlights Financing Strategy - Debt

Debt: Expired in 2025, repurposed

- $1.8M for Ridge Rd (15yr): $118K/yr
- $2.0M for Crescent Park (15yr): $128K/yr

Debt: Previously Approved

- 2025 year-end balance: $8.1M.
- 2026 principal payments of $951K; interest payments of $329K.
- Removed $2.08M for Point Abino Rd S Reinstatement (15yr): 2025.



2) Budget Program Highlights Financing Strategy - Debt

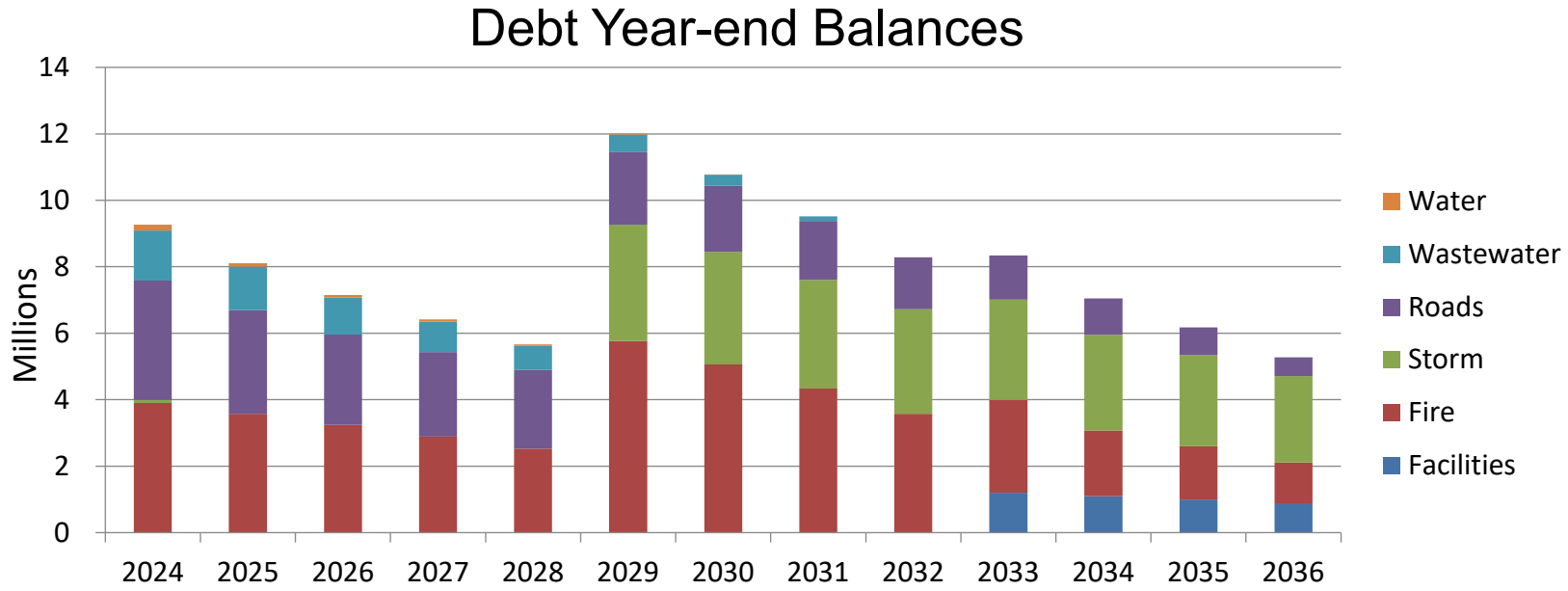
Debt: Proposed

1) Six Mile Creek (SMCF23) placeholder in 2029.
2) Fire Station #3 (FSTN30) in 2029.
   - $3,624,000 10-year.
3) Hershey Cemetery Phase 1 (CHDV23) in 2032.
   - $1,200,000 10-year.

Annual Repayment Limit (ARL): 2024: 1.6%, 2025: 2.1% and 2026: 1.7%. FE well positioned.



2) Budget Program Highlights
Financing Strategy - Debt



Debt charges <5% Town revenue = “low risk” (25% limit)

2) Budget Program Highlights
Financing Strategy - External funding

Canada Community-Building Fund (CCBF): $1,813,300 or 8% ($1.08M receipt in 2026)

- $1.6M Bridges & Culvert Replacement and $0.2M Sidewalks

Development Charges (DC): $4,289,350 or 18%

- 19 projects including $1.3M for Black Creek Rd Upgrades
- 2024 DC Study introduced new rates to address burden of growth costs.

Grants: $3,599,000 or 15%

- OCIF (BELV26, GREP29, RSRF26)

3) Risks

- **AMP**: Gap ($29M+/yr) being refined. Exasperated by inflation. Master plans and assessments continue to be updated and studied. Ongoing initiatives require software and human resources. 2026 capital increase to match 2025 as an affordability compromise for W&WW. Minimal for Levy.
- **Growth demands**: Housing targets, immigration, labour markets. Operating impact of $220K/yr (Appendix 2).
- **Debt**: Limited Regional access under IO.
- **DCs**: Program outpaces rate revenues; Requires debt.
- **OCIF Funding**: Forecast includes annual 10% reduction.

3) Opportunities

- **Grant funding**: Advocacy for external Federal, Provincial & Region funding (e.g., Housing-enabling, CSO, application-based).
- **Operating budget impact**: Replaced assets may result in lower costs and efficiencies (e.g., energy, maintenance).
- **AMP**: Life-cycle to be reviewed with potential changes to Levels of Service. Upcoming MPs will help refine needs.
- **Modernization**: New corporate systems to assist in prioritizing plans and optimizing decisions.
- **Communications:** Reviewing expanded resources (e.g., Let's Talk FE, new website) to enhance engagement and clarity.

4) Next Steps – Key Messages Summary

- **$23,795,300** in Appendix 1 based on Council strategy and AMP priorities.
- Total 11-yr horizon of **$388M**.
- AMP gap widening due to inflation and affordability. Financial Strategy to refine.
- Deemed adoption in accordance with process in CS-08-2025 (no by-law).
- $220,000 in 2026 Operating Impacts.
- Preliminary/General approval distinction removed for 2026.



4) Next Steps - Calendar

Water & Wastewater Budget and User Fees:

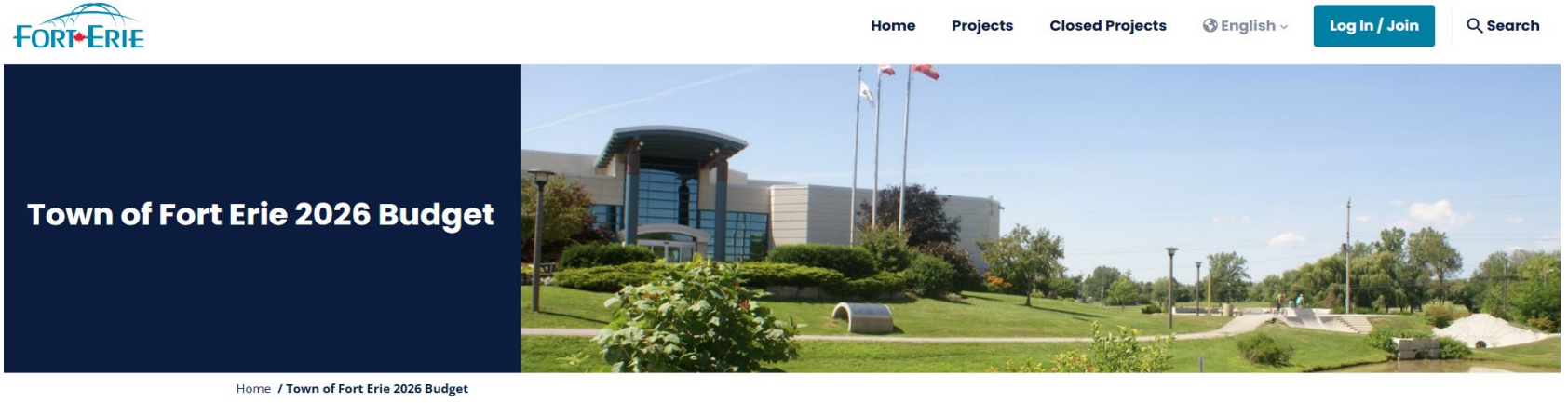
- Dec 3 W&WW reports/presentations
- Dec 15 Rates and charges by-laws

General Levy Budget:

- Jan 28 General Levy #1: Town & Library reports/presentations



4) Next Steps - Communications



Visit letstalk.forterie.ca/budget2026 for more information

5) Presentation Questions

Council Q&A led by Chair

Refer to Council Report No. CBC-01-2026 for further information





6) Capital Project Worksheets Review

Refer to the Capital Budget Package included as a Council Memo with CBC-01-2026 for further information (beginning on Page 4, or Page 8 of PDF)

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