



THE REGIONAL MUNICIPALITY OF NIAGARA
BUDGET REVIEW COMMITTEE OF THE WHOLE
FINAL AGENDA

BRCOTW 3-2020

Thursday, November 26, 2020

6:30 p.m.

Meeting will be held by electronic participation only

All electronic meetings can be viewed on Niagara Region's Website at:

<https://www.niagararegion.ca/government/council/>

Due to the efforts to contain the spread of COVID-19 the Council Chamber will not be open to the public to attend Committee meetings until further notice. To view live stream meeting proceedings, please visit: [niagararegion.ca/government/council](https://www.niagararegion.ca/government/council/)

Pages

1. CALL TO ORDER

2. DISCLOSURES OF PECUNIARY INTEREST

3. PRESENTATIONS

4. DELEGATIONS

5. ITEMS FOR CONSIDERATION

5.1. CSD 65-2020

2021 Water and Wastewater Operating and Rate Requisition Budget -
REVISED

A presentation will precede the consideration of this item.

3 - 50

5.2. CSD 66-2020

2021 Waste Management Operating and Rate Requisition Budget

A presentation will precede the consideration of this item.

51 - 78

5.3. CSD 58-2020
2021 Capital Budget

79 - 99

This Item was deferred at the Budget Review Committee of the Whole meeting held on October 15, 2020..

6. CONSENT ITEMS FOR INFORMATION

6.1. BRC-C 1-2020
Councillor Information Requests from October 15, 2020 Budget Review Committee of the Whole

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7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held on Thursday, December 10, 2020 at 6:30.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Water & Wastewater Operating Budget Rate Setting & Requisition

BRCOTW
CSD 65-2020

November 26, 2020

Helen Chamberlain, Director, Financial Management & Planning/Deputy
Treasurer

Water & Wastewater Operating Budget Rate Setting & Requisition

November 26, 2020

2021 Water & Wastewater Operating Budget

Key Themes

Budget Strategy Responsive to COVID-19 Impacts

- Budget increase of 2% in line with Budget Planning Strategy; 1% for operations and 1% for enhanced capital

Balancing Sustainability, Transparency & Affordability

- South Niagara Falls WWTP to support growth accommodated within 2%
- Plant cost of 12% mitigated by reduced capital transfer, to be re-established within the Financial Sustainability Plan increase of 5.15%.

2021 Water & Wastewater Operating Budget, Rate Setting and Requisition

What we're going to cover:

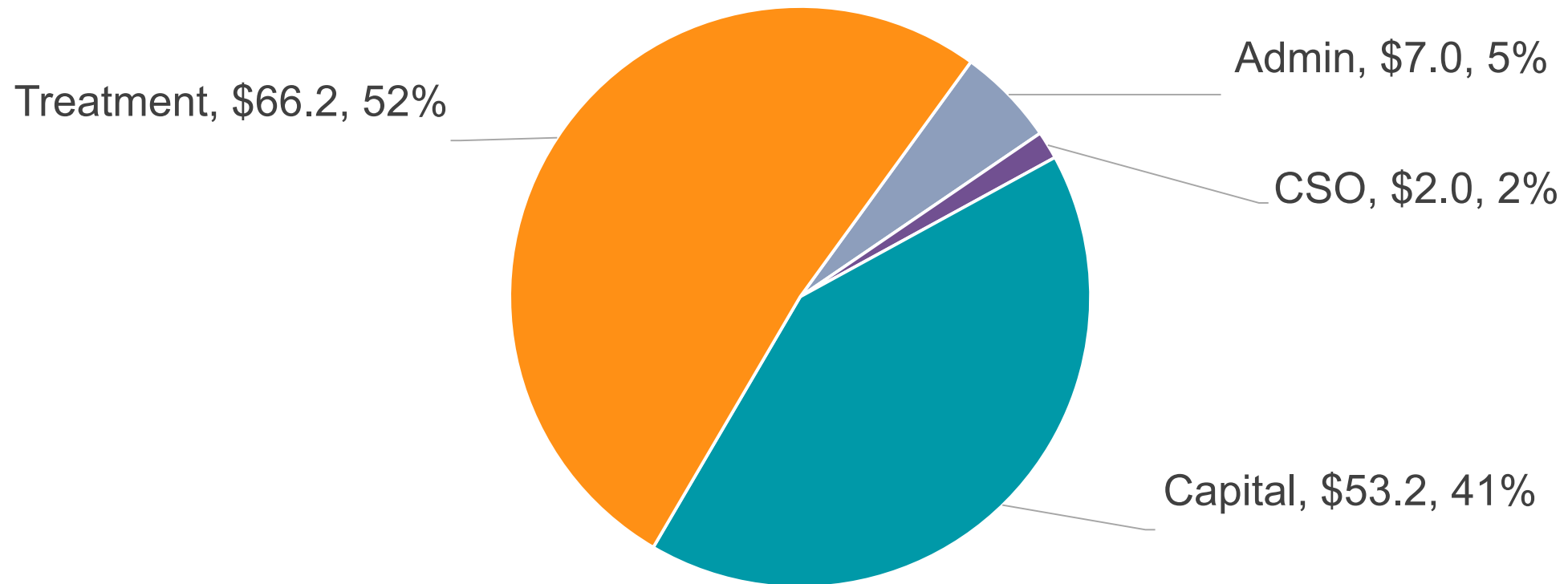
- Operating Budget Summary
- Requisition to Municipalities
- Risks and Opportunities
- Next Steps

2021 Budget Process

- ✓ Budget planning strategy set at 2%
- ✓ Staff developed budget to support:
 - Current service delivery
 - Comply with legislation
 - Affordability concerns
- ✓ Rate Workshop provided education and information
- ✓ BRC approval required

2021 Water & Wastewater Operating Budget

Where does the money go? Gross = \$127M



Discretionary spending less than 6%

2021 Budget Pressures & Mitigations

Accommodated Within 2% Increase

2021 Budget Summary	Water \$	Wastewater \$	Total \$	Total %
2020 Net Requisition	45,921	77,021	122,942	
Gross Increase/Pressures	599	2,376	2,975	
Base Subtotal	46,520	79,396	125,917	2.42%
Mitigations	(292)	(1,328)	(1,620)	
Safe Restart Funding	(31)	(93)	(124)	
Net Operating Increase	276	954	1,230	
Base Total	46,197	77,974	124,172	1.00%
Enhanced Capital Financing	459	770	1,229	1.00%
2021 Net Requisition	46,656	78,744	125,401	2.00%
% Increase	1.60%	2.24%		

2021 Budget Pressures

Increase of \$3.0M on Net Requisition

- Direct Treatment Related (\$2.4 million)
 - Utilities, Chemical Costs, Property Taxes, Bio-Solids, Repair & Maintenance, Base Capital Financing, Environmental Monitoring/Lab Fees
- Indirect Treatment Related (\$0.6 million)
 - External Legal, Compensation, Business Support

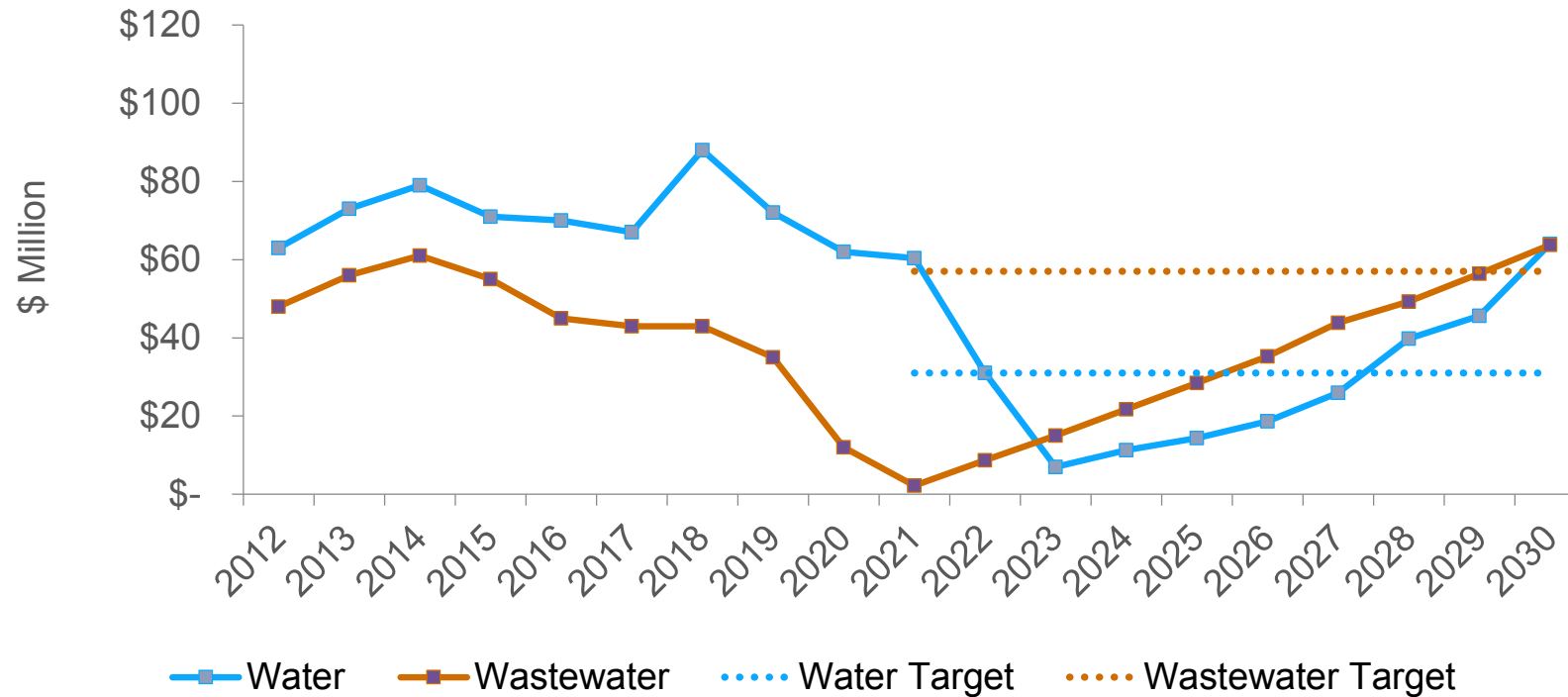
2021 Budget Mitigations

Decrease of \$1.7M on Net Requisition

- CSO Program Deferral (Gross: \$2.0 million; Net: \$1.0 million)
 - 50% reduction on the \$4M program
- Labour Related Costs (Gross: \$0.6 million, Net: \$0.4 million)
 - Student Position Deferral/Salary Gapping
- Water Wagon/Water Festival Deferral (\$0.2 million)
- Safe Restart Funding to mitigate COVID-19 related costs (\$0.1 million)

2021 Water & Wastewater Capital Financing

Increase of \$1.2M on Net Requisition

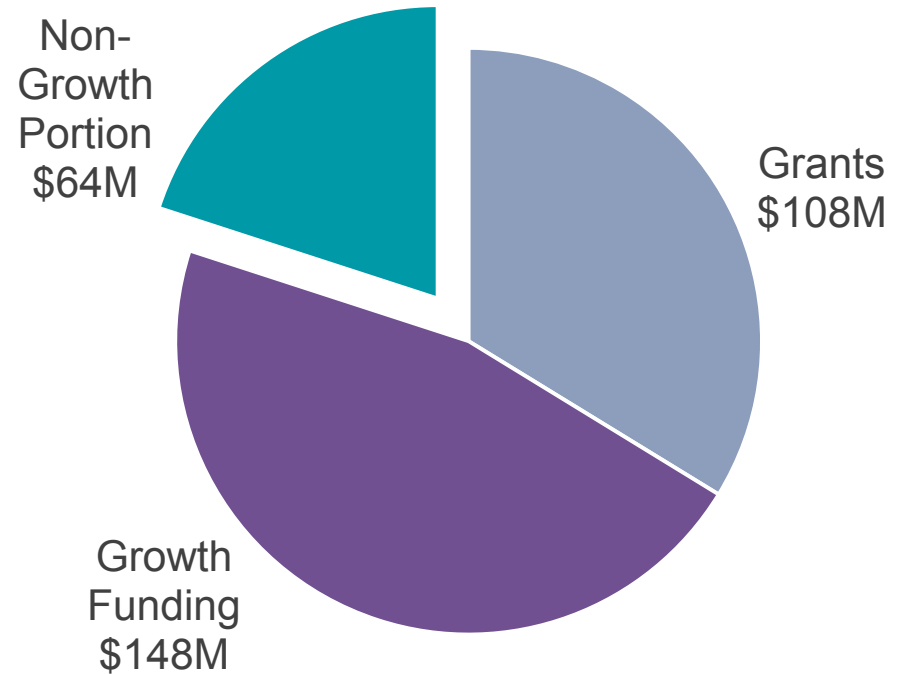


Annually \$52M of Capital Financing: \$42M Reserve, \$10M Debt
Decrease in reserves provided to increase investment as per AMP
Financial Sustainability Plan 5.15% to 2028 to reach target reserve balance

2021 Water & Wastewater Capital Financing

South Niagara Falls WWTP to Support Growth

- Project Cost of \$325M
 - \$5M previously approved for design
 - \$320M for 2021 Budget approval



2021 Water & Wastewater Capital Financing

South Niagara Falls WWTP to Support Growth

Capital Budget		Wastewater Operating Budget
Total 2021 Project Budget Approval \$320 million		Total Wastewater Operating Budget \$9 million
2021 Initiation (for Land, EA, etc.)	Future Initiation	
DC Debt: \$23 million WW Rate Debt: \$11 million	DC Debt: \$125 million WW Rate Debt: \$53 million Grants: \$108 million	Net Operating Budget Debt Servicing Cost \$3.8 million
		Plant Operating Costs \$5.2 million
Total: \$34 million	Total: \$286 million	Total Water/Wastewater Increase 2%

2021 Water & Wastewater Capital Financing

South Niagara Falls WWTP to Support Growth

✓ Known 12% operating costs incorporated in the 2021 budget

✓ Strategy to mitigate within 2%

Wastewater Operating Budget	Operating (Net)	Reserve Contributions	Debt Charge	Total
2020 Approved Net Budget	\$47.9	\$21.0	\$8.2	\$77.0
Changes SNF WWTP:				
Debt Charge Budget	0	0	3.8	3.8
Plant Operating Expenses	5.3	0	0	5.3
% Change	11%	0%	46%	12%
Reserve Reduction for Pay-as-you-go Capital	0	(9.1)	0	(9.1)
% Change	0%	-12%	0%	-12%
2021 Net Budget Impact After SNF WWTP	\$53.2	\$11.9	\$12.0	\$77.0

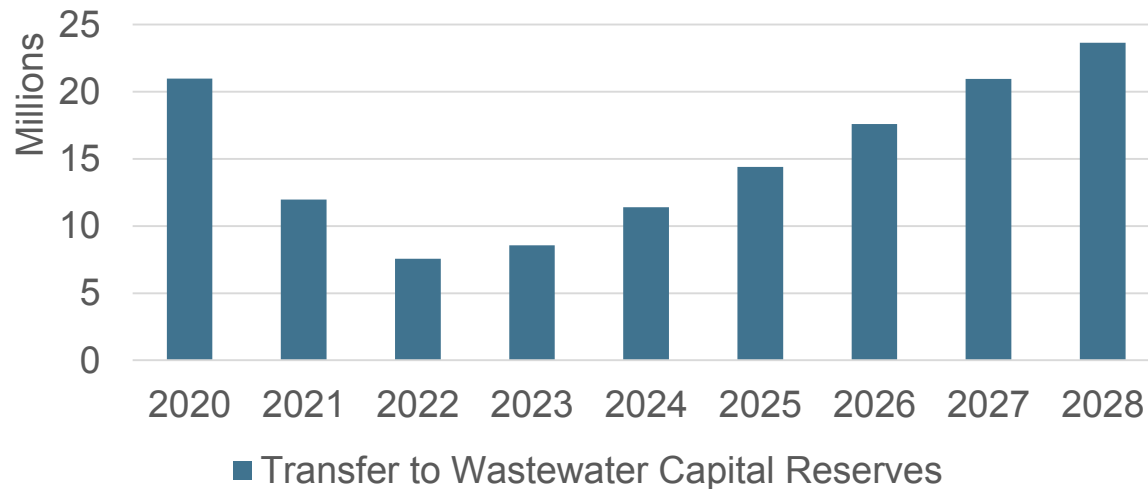
Long-term financial plan provides for continued investment in capital and reserves

2021 Water & Wastewater Capital Financing

South Niagara Falls WWTP to Support Growth

Long-term financial plan provides for:

- Continued investment of \$3.8 M + \$5.3 M in capital projects for example:
 - East Side Pump Station Forcemain Replacement (\$1.5M)
 - Campden Pump Station Upgrades (\$1.2M)
 - George Street SPS Upgrades (\$2.6M)
- Increases to transfer to capital reserve back to \$20M by 2027:



2021 Water Requisition

Methodology

- In place since 2009, reaffirmed in 2011 for 2012-2015, and reaffirmed again in 2015
- 25% Fixed Requisition
 - Based on three-year average volume
- 75% Variable Rate
 - Projected water sale of 57.25 million m³ (same as 2020)
 - 75% of \$46.7 million budget divided by 57.25 million m³
 - Variable rate proposed at \$0.611 per m³ (2020 rate \$0.602)

2021 Water Requisition

25% fixed distribution to municipality

Fixed Water Requisition for 2021 Net Budget				
Municipality	2020 Allocation (\$000)	2021 Allocation (\$000)	Difference (\$000)	Difference (%)
Fort Erie	900	884	(16)	-1.76%
Grimsby	608	637	29	4.78%
Lincoln	453	485	32	7.15%
Niagara Falls	3,011	2,948	(63)	-2.10%
Niagara-on-the-Lake	624	669	45	7.20%
Pelham	237	262	26	10.79%
Port Colborne	610	589	(21)	-3.38%
St. Catharines	3,043	3,097	54	1.79%
Thorold	427	441	14	3.32%
Welland	1,393	1,449	56	4.03%
West Lincoln	176	203	27	15.46%
Total	11,480	11,664	184	1.60%

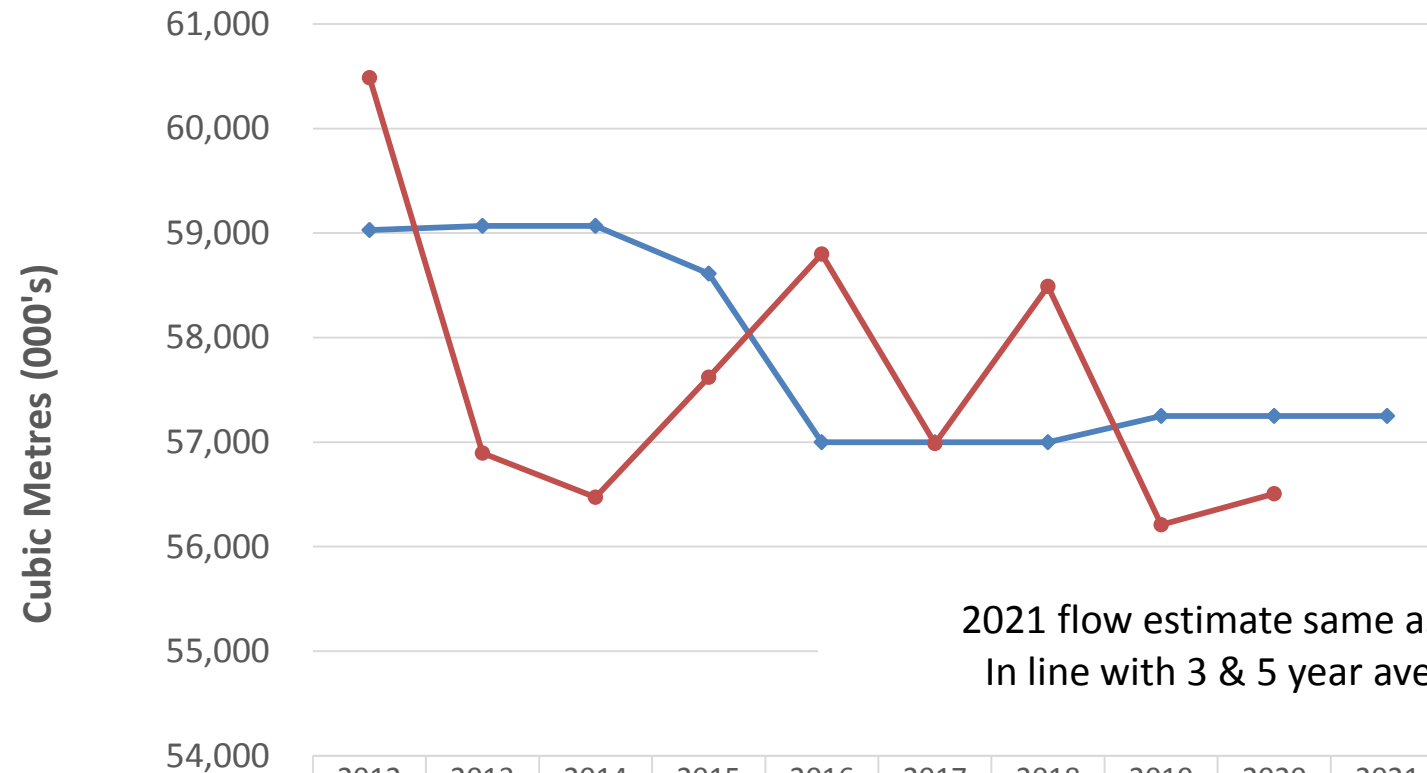
Budget increase of 1.6%

Varies based on historical volume consumed by the municipality

2021 Water Requisition

75% based on municipal volume for the year

Water rate = \$0.611 m³
Increase of 1.6% attributed
to only the budget increase.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Projected Flows for Rate Setting	59,028	59,067	59,067	58,613	57,000	57,000	57,000	57,250	57,250	57,250
Actual Flows	60,486	56,896	56,474	57,622	58,800	56,986	58,491	56,210	56,506	

2021 Wastewater Requisition

Methodology

- 100% fixed since 2007
- 2011 established for 2012 to 2015, and reaffirmed in 2015, the reconciliation and adjustment for actual flows
 - Budget based on 3 years average to September
 - Actual based on 1 year to December
- Reconciliation of 2019 budget included in the 2021 requisition
 - \$1.9 million in rebates and \$1.9 million in payments

2021 Wastewater Requisition

100% fixed distribution to municipality

Fixed Wastewater Requisition for 2021 Net Budget				
Municipality	2020 Allocation (\$000)	2021 Allocation (\$000)	Difference (\$000)	Difference (%)
Fort Erie	8,044	8,074	30	0.37%
Grimsby	3,740	3,463	(277)	-7.40%
Lincoln	2,949	3,027	79	2.67%
Niagara Falls	15,114	14,729	(385)	-2.54%
Niagara-on-the-Lake	3,185	3,193	8	0.25%
Pelham	1,379	1,443	64	4.61%
Port Colborne	4,544	4,805	261	5.75%
St. Catharines	21,916	22,996	1080	4.93%
Thorold	3,900	4,173	274	7.02%
Welland	11,012	11,476	464	4.21%
West Lincoln	1,238	1,364	127	10.24%
Total	77,021	78,744	1,724	2.24%

Budget increase of 2.24%

Varies based on historical volume consumed by the municipality

2021 Wastewater Requisition

100% fixed distribution plus 2019 reconciliation

Municipality	Requisition		Reconciliation Payment / (Refund)		Total Charge (Requisition + Reconciliation)			
	2020 By-Law	2021 By-Law	2020 (2018 Rec.)	2021 (2019 Rec.)	2020 By-Law	2021 By-Law	Difference	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
Fort Erie	8,044	8,074	(190)	(299)	7,854	7,775	(79)	-1.01%
Grimsby	3,740	3,463	73	(246)	3,813	3,217	(596)	-15.63%
Lincoln	2,949	3,027	23	(65)	2,972	2,962	(10)	-0.33%
Niagara Falls	15,114	14,729	(711)	(1,272)	14,402	13,457	(946)	-6.57%
Niagara-on-the-Lake	3,185	3,193	115	63	3,300	3,256	(44)	-1.35%
Pelham	1,379	1,443	(84)	(62)	1,295	1,381	85	6.57%
Port Colborne	4,544	4,805	160	382	4,704	5,187	483	10.27%
St. Catharines	21,916	22,996	448	662	22,364	23,658	1,293	5.78%
Thorold	3,900	4,173	301	451	4,200	4,624	424	10.09%
Welland	11,012	11,476	(192)	311	10,820	11,787	967	8.94%
West Lincoln	1,238	1,364	57	77	1,294	1,441	147	11.34%
Total	77,021	78,744	-	-	77,021	78,744	1,724	2.24%

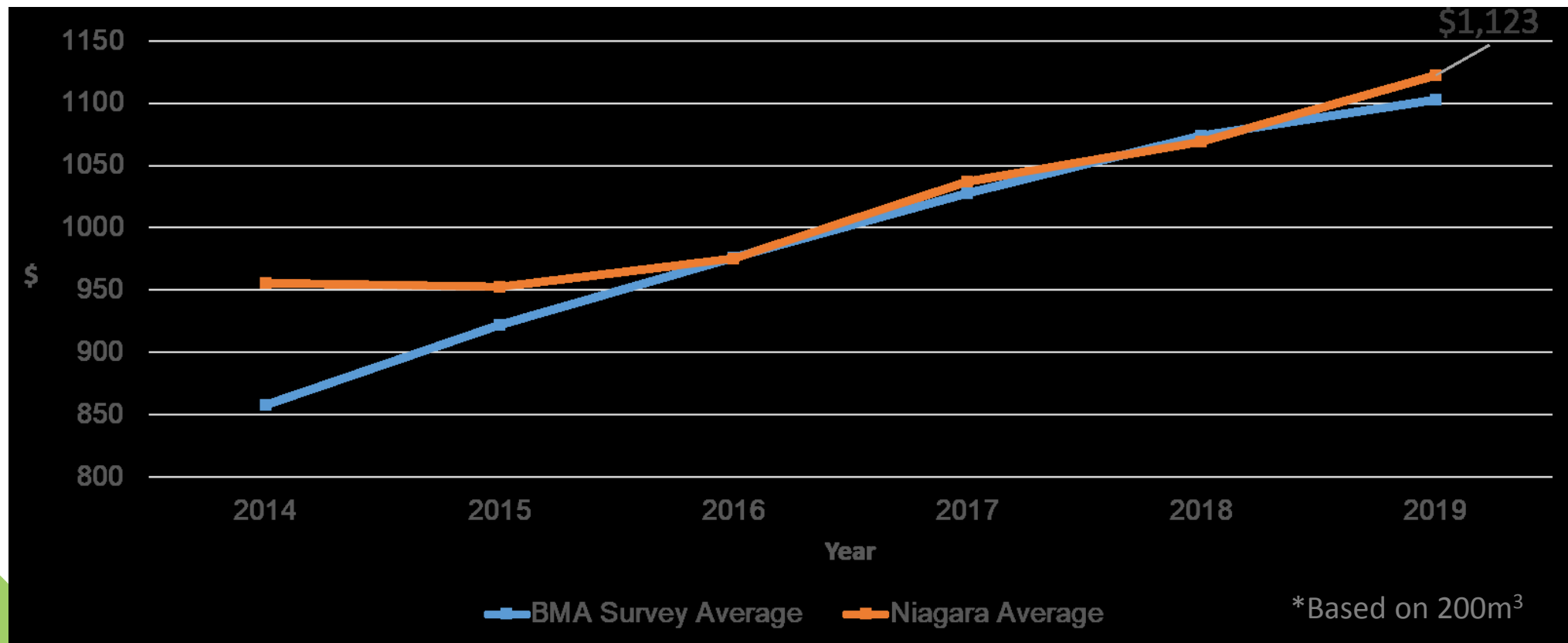
Budget increase of 2.24%

Varies based on historical volume consumed by the municipality

2021 Water & Wastewater Average Cost per Household

BMA Study Average (Includes Region & Local)

Niagara Region Cost per Household In Line with Provincial Average



2021 Water & Wastewater Average Cost per Household

Estimates Average Impact of Regional Share

	40% Region				60% Region			
	2020	2021	Increase \$	Increase %	2020	2021	Increase \$	Increase %
Water & Wastewater	\$472	\$481	\$9	2.00%	\$708	\$722	\$14	2.00%

\$9 on Region's Share



\$14 on Region's Share

2021 Water & Wastewater Operating Budget

Risks & Opportunities

- Many weather dependencies out of Regional control (both)
- Commitment to 5.15% Financial Sustainability Plan required to 2028 for necessary capital investment (both)
- COVID-19 reductions in water flows; 2021 water losses will be mitigated at year-end with Safe Restart funding. (risk)
- Unanticipated equipment and underground infrastructure failure may impact operating expenditures. (risk)
- Capital asset backlog may impact R&M expenditures. (risk)

Next Steps

Approval & Requisition

- Discussion, review and approval of CSD 65-2020 today
- Council approval of budget and requisitions (including by-laws) on December 17, 2020
- Communication to LAMs of budget approval and wholesale requisitions which are effective for January flows billed in February
- LAM set their individual fixed and variable rates for their customers



Questions?



Subject: 2021 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, November 26, 2020

Recommendations

1. That the 2021 Water & Wastewater net operating base budget increase of \$1,229,624 or 1% for Operating and \$1,229,417 or 1% for Capital Financing over the 2020 operating budget **BE APPROVED** in accordance with the 2021 budget planning strategy;
2. That the 2021 Water Operations gross operating budget of \$47,038,985 and net budget in the amount of \$46,656,372 as outlined in Appendix 7 for the Water Budget, Rates and Requisition **BE APPROVED**;
3. That the proposed fixed water requisition shown in Table 4 of Report CSD 65-2020, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
4. That the Region's proposed 2021 variable water rate of \$0.611, shown in Table 5 of Report CSD 65-2020, to be effective January 1, 2021 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
5. That the 2021 Wastewater Operations gross operating budget of \$81,409,557 and net budget in the amount of \$78,774,320 as outlined in Appendix 7 of Report CSD 65-2020 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
6. That the proposed 2021 fixed wastewater requisition as shown in Table 6 of Report CSD 65-2020, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;

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7. That the 2021 wastewater monthly bills **INCLUDE** the reconciliation for the 2019 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 7 of Report CSD 65-2020;
 8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
 9. That a copy of Report CSD 65-2020 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The proposed Water net budget represents a \$0.7 million increase, or 1.60% over 2020; the proposed Wastewater net budget represents a \$1.7 million increase, or 2.24% over 2020, for a combined Water & Wastewater Budget increase of 2% as shown in Table 1.
- The budget is representative of the 2021 budget planning strategy of 2.00% for base budget expenditure (1% for operating and 1% for enhanced capital financing) before COVID-19 expenditures.
- Staff have deferred the 2021 request for a 5.15% increase that supports the Council approved Safe Drinking Water Act (SDWA) Financial Plan in order to comply with 2021 budget planning strategy.
- Incorporated in the 2% increase for the 2021 operating budget is the requirement for the operating and debt servicing cost associated with the proposed South Niagara Falls Wastewater treatment facility. This has been accommodated with a reduction in the transfer to the capital reserve which will be re-established through future commitments to the 5.15% increase in accordance with the SDWA Financial Plan.
- The requisition methodology conforms to Councils approved cost recovery methodology from 2011, which was reaffirmed through report CSD 61-2015, on July 2, 2015. The methodology apportions to the LAMs water at 75% variable rate and 25% as a fixed component and wastewater 100% fixed.
- The proposed variable water rate is increased to \$0.611 (2020 = \$0.602) attributed to the budget increase with no projected change in water flows for 2021.
- ***The municipal requisitions have been corrected for an error in one quarter of a year's actual water and wastewater flows incorporated within the three year average.***

Financial Considerations

The Water and Wastewater Division's proposed 2021 net budget amount of \$125.40 million represents a \$2.5 million net increase or 2% (1% for base operating and 1% for enhanced capital financing) from the 2020 budget, as shown in Table 1. The total net cost related to the Wastewater program is \$78.7 million, representing a net increase of \$1.7 million, or 2.24% from 2020. The remaining \$46.7 million relates to the Water program, which has increased by \$0.7 million, or 1.60% from 2020. The proposed gross budget and comparison to the 2020 net budget are outlined in Table 1.

Table 1 – Summary of Proposed Water and Wastewater Budget ('\$000)

Water & Wastewater 2021 Budget Summary	Water	Wastewater	Total
2020 Net Requisition	45,921	77,021	122,942
2021 Budget:			
Total Operating Expenses	22,225	47,913	70,138
Business Support	1,828	3,296	5,124
Reserve Transfer & Debt Charges	22,527	29,430	51,957
2021 Gross Budget Total - Before Enhanced Capital Financing	46,580	80,639	127,219
Enhanced Capital Financing (1%)	459	770	1,229
2021 Gross Budget Total	47,039	81,410	128,449
Less: Revenues*	(352)	(2,572)	(2,924)
Less: Safe Restart Funding*	(31)	(93)	(124)
2021 Net Requisition	46,656	78,744	125,401
Percentage Change	1.60%	2.24%	2.00%

*Revenue amounts presented in this table do not include revenue amounts in water and wastewater shared services (included as an offset in total operating expenses).

Analysis

The 2021 Water and Wastewater budgets were developed giving consideration to historical results (2019 actuals, 2020 forecast), operational concerns, legislative compliance, standard operating procedures, impacts as a result of COVID-19 and cross-divisional and corporate business support costs. In Table 2, the increases/pressures identified for 2021 are \$3.0 million before recommended mitigation measures totaling \$1.6 million.

Table 2 – Summary of Proposed Water and Wastewater Budget with Pressures and Mitigations ('000)

Water & Wastewater 2021 Budget Summary	Water \$	Wastewater \$	Total \$	Total %
2020 Net Requisition	45,921	77,021	122,942	
Gross Increase/Pressures	599	2,376	2,975	
Base Subtotal	46,520	79,396	125,916	2.42%
Mitigations	(292)	(1,328)	(1,620)	
Safe Restart Funding	(31)	(93)	(124)	
Net Operating Increase	276	954	1,230	
Base Total	46,197	77,974	124,172	1.00%
Enhanced Capital Financing	459	770	1,229	1.00%
2021 Net Requisition	46,656	78,744	125,401	2.00%

Council previously adopted a 5.15% increase as per the SDWA financial plan. This would have allowed for a budget increase of \$6.3 million, however, the budget planning strategy only allowed for a 2% increase or \$2.5 million: 1% for base operating (\$1.2 million) and 1% for enhanced capital financing (\$1.2 million). Given the largely fixed cost nature of the operations (i.e., chemicals, utilities, property tax, previously approved debt charges) staff needed to identify mitigations options within the very small budget of discretionary spending so not to impact the daily operations of the services. Of the total requisition amount of \$125M for 2021 approximately 94% of the total amount is fixed as it relates to treatment of water and wastewater and capital financing. The remaining 6% can be classified as discretionary expenditures that does not specifically relate to water/wastewater treatment (i.e., CSO grants, certain building maintenance such as snow removal and grass cutting). The proposed mitigations will decrease the net requisition increase from 2.42% or \$3 million to the budget planning strategy amount of 2% or \$2.5 million.

The increases/pressures to the budget of \$3.0 million are largely due to the following:

- Utilities (Gross: \$0.8 million; Net: \$0.4 million) – The gross increase aligns with overall corporate utility assumptions for 2021. Utility rebates of \$0.4 million have also been budgeted. This is an increase of 3.6% in the overall utility budget.
- Chemical Costs (\$0.5 million) – The pressure is representative of various chemical contracts being renewed in 2021 plus additional anticipated chemical usage at the existing Niagara Falls WWTP to meet compliance objectives. This is an increase of 12.1% in the overall chemicals budget.

-
- Base Capital financing (\$0.5 million) – 1% or \$0.5 million increase in base funding for capital to address infrastructure backlog.
 - External Legal (\$0.3 million) – External legal fees are anticipated to increase as a result of on-going legal issues associated with previously completed capital works which cannot be accommodated within the existing base budget of \$34,000.
 - Property Taxes (\$0.3 million) – Annual inflationary increases on property taxes plus the on-boarding of the previously unbudgeted new NOTL treatment facility. This is an increase of 12.5% in the overall property tax budget
 - Bio-Solids (\$0.2 million) – Expected increases in volumes and contract per unit rates as initiated in 2020. This is an increase of 3.23% in the combined bio-solids budget for cake disposal, land application and sludge haulage.
 - Compensation (\$0.1 million) – annual increases as per current labour contracts and policies.
 - Business Support/Department Allocations (\$0.2 million) – increase in allocations from other departments (i.e. integrated services, facilities, finance, insurance, etc.)
 - Repair & Maintenance (-\$0.2 million) – decrease in repair and maintenance as a result of reduced spend in 2020 (excluding the impacts of increase R&M Grounds as a result of student deferral – see below).

The mitigations of \$1.6 million are comprised of the following discretionary expenses:

- CSO Program Deferral (-\$1.0 million) - The 2020 annual budget for this program is \$4.0 million with \$2.0 million funded from the rate requisition and \$2.0 million funded from Development Charges. Deferring half of the 2021 CSO would provide \$1.0 million relief on the proposed 2021 wastewater requisition. The \$1.0 million program cost represents 1.27% on the 2021 wastewater requisition and 0.80% on the combined 2021 water/wastewater requisition. The Region currently has \$16 million in commitments (as at y/e 2019) to 10 LAMs for approved but unspent CSO projects which will be maintained. Deferring half of the 2021 CSO funding may allow municipalities to complete historical projects that remain outstanding anticipating they too may experience some budget pressures due to the current economic environment but will allow some projects to proceed in 2021.
- Student Position Deferral (Gross: -\$0.4 million; Net: -\$0.2 million) – Student positions supplement staff resources to enable staff to focus on special projects.

As well they are responsible for grass cutting which will now be completed by the contractor.

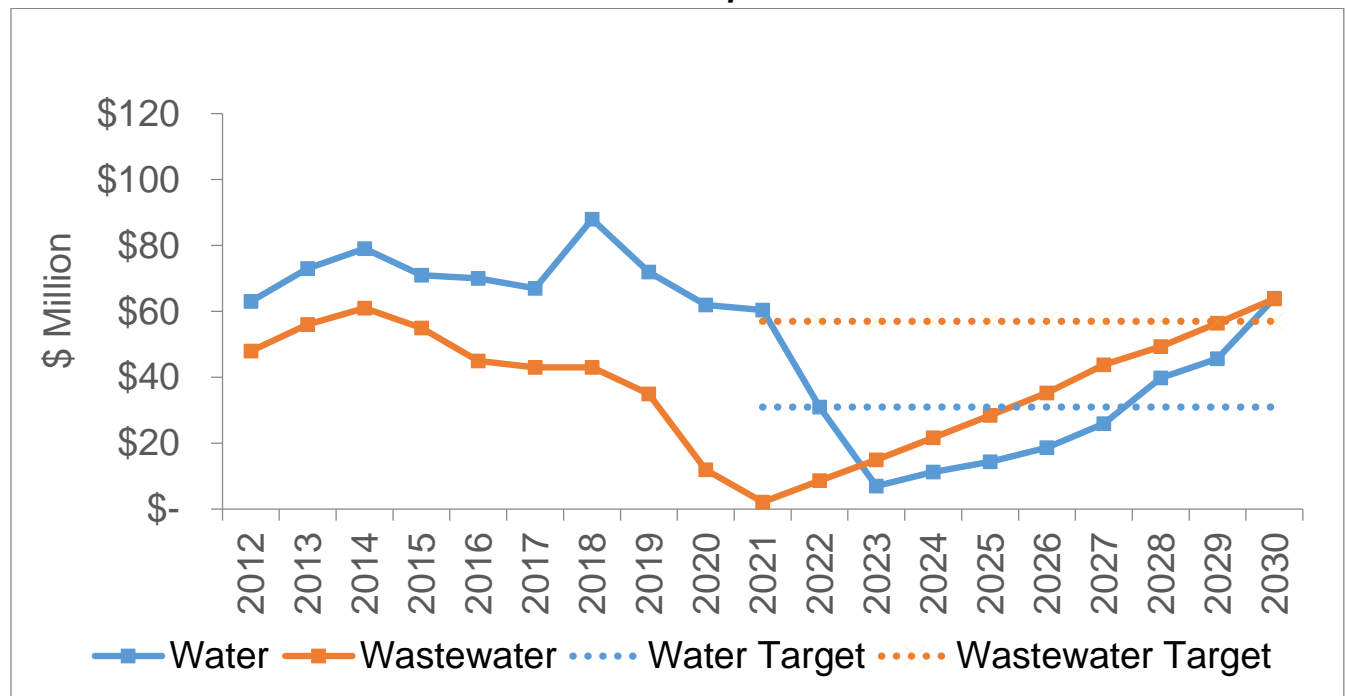
- Water Wagon/Water Festival Deferral (-\$0.2 million) – Deferral of both the water wagon and in person water festival activities (continued virtually in 2020/21) for 2021 as a result of COVID-19 restrictions.
- Salary Gapping (-\$0.2 million) – Staff have implemented a salary gapping strategy which estimates the savings due to staff turnover at 1% of the proposed personnel budget.

The proposed one-time mitigations provided above (deferrals of half the 2021 CSO program, student positons, Water wagon/festival, and conferences) will create additional pressures in 2022 to re-instate the programs, however these are anticipated to be accommodated within the 5.15% SDWA Financial Plan previously approved by Council.

Reserve Management - Capital/Infrastructure

The proposed 2021 budget planning strategy of 2% recommended 1% for base services and 1% for capital financing enhancement. As a result, staff are deferring the Council approved SDWA Financial Plan combined water/wastewater increase of 5.15% for 2021. Staff will be recommending that the financial plan be reinstated for 2022 in order to address both the asset renewal backlog as well as the Region's annual funding gap of \$77 million (10 year Average Annual Renewal Investment – AARI) that had been identified in the 2017 Council approved comprehensive Asset Management Plan (AMP).

As per the capital financial strategy, staff proposed as a guiding principle that a minimum reserve balance of 2% of the current asset value be maintained. The dotted lines on the chart below illustrate the 2% target compared to the forecasted reserve balance for each year. The Reserve balance has been decreasing to support the necessary backlog of infrastructure renewal. The strategy is to replenish the reserve with the 5.15% increase each year in accordance with the financial plan. The transfer to reserve is being temporarily reduced to accommodate the new South Niagara Falls WWTP debt charges and operating costs budget within a 2% overall budget increase. However, until the plant is operational, this budget will continue to fund pay-as-you-go capital projects (in accordance with the Budget Planning By-law) to invest in critical infrastructure similar to the transfer to capital reserve.

Chart 1 – Forecasted Water and Wastewater Capital Reserve Balances**South Niagara Falls Wastewater Treatment Facility**

As identified in report PW 39-2020 – South Niagara Falls Update, the SNF WWTP capital projects and required debt financing can be accommodated within a 2% rate increase in 2021 with the following key strategies:

- Temporary reduction in the transfer to the WW capital reserve to accommodate increased debt charge budget (\$3.8 million). To be used for pay-as-you-go infrastructure until SNF WWTP debt is required;
- Use of plant operations and maintenance budget to fund pay-as-you-go infrastructure until the plant is operational (\$5.3 million operating costs net of savings); and
- 5.15% combined requisition increase from 2022 – 2028 is required to re-establish the transfers to capital reserves to \$40 million from \$21 million in 2020 to support the asset management plan.

For 2021, the capital projects funded from the total SNF WWTP operating and debt charge budget amounts of \$9.1 million can be found in Appendix 1.

Table 3 below provides a reconciliation of the wastewater operations (net), capital reserve contributions and the debt charge amounts. The impacts of the SNF WWTP have been accommodated in the base budget by decreasing the transfer to the capital reserve.

Table 3 – Reconciliation of the Wastewater Operating Budget with Consideration to the SNF WWTP

Wastewater Operating Budget	Operating (Net)	Reserve Contributions	Debt Charge	Total
2020 Approved Net Budget	\$47,908	\$20,963	\$8,150	\$77,021
<i>Changes SNF WWTP:</i>				
Reduction in transfer to Reserve to increase Debt Charge Budget	0	(3,814)	3,814	0
Reduction in transfer to Reserve to increase for net Plant Operating Expenses	5,265	(5,265)	0	0
Temporary Budget allocation to Capital Until SNF WWTP Operational	(5,265)	\$9,079	(\$3,814)	0
2021 Net Budget Impact After SNF WWTP	47,908	20,963	8,150	77,021
% Increase due to SNF WWTP	0.00%	0.00%	0.00%	0.00%
<i>Changes 2021 Net Budget:</i>				
Base Budget Change	636	(379)	697	953
Capital Financing Enhancement – 1%	0	770	0	770
2021 Net Budget	48,544	21,354	8,847	78,744
% Increase total Wastewater	1.33%	1.87%	8.55%	2.24%

COVID-19 Impacts

Staff have identified \$0.1 million in COVID-19 related expenditures that will be funded from Safe Restart funding for 2021 water and wastewater operations. These amounts primarily relate to enhanced cleaning and social distancing measures for Regional staff.

Water and wastewater flow volumes from municipalities have also declined due to business related shutdowns due to COVID-19. However relative to the three-year average, water flows are only down 1.3% as of September 2020. As the 2020 water and

wastewater flows are part of the 3-year average used for the 2021 water and wastewater fixed requisitions this reduction will impact the distribution of costs across the municipalities. This has caused municipalities that have had relatively consistent flows over the 3-year average to be allocated a greater share of the fixed requisition. For the wastewater fixed charge, any variations in the 3-year average for 2021 relative to actual flows will be incorporated in the year-end reconciliation in the 2023 wastewater billing (as is the 2019 reconciliation in the 2021 requisition). For the water fixed amount, there is no year-end reconciliation. Area municipalities may be eligible to claim these fluctuations as COVID-19 related impacts for Provincial funding.

Water Requisition

Fixed Water Requisition

As per Council's approved methodology, \$11,664,093 (25%) of the net Water budget will be recovered from fixed monthly requisitions to the local municipalities based on historical flows. The historical water flows and percentages utilized are included in **Appendix 2 and 3**. This annual amount based on the historical flows is then divided by 12 to determine the monthly charge to be billed to each of the services LAMs starting January 1, 2021. Also included as part of **Appendix 2**, is the annual impact on the fixed water requisition between 2020 and 2021 for each LAM. Table 4 summarizes the fixed amounts to be billed to each LAM based on the above methodology.

Table 4 – Fixed Water Requisition for 2021 Net Budget

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	7.63%	\$889,684	\$74,140
Grimsby	5.42%	\$632,039	\$52,670
Lincoln	4.13%	\$482,303	\$40,192
Niagara Falls	25.35%	\$2,956,366	\$246,364
Niagara-on-the-Lake	5.67%	\$660,791	\$55,066
Pelham	2.25%	\$262,062	\$21,839
Port Colborne	5.05%	\$589,592	\$49,133
St. Catharines	26.65%	\$3,107,935	\$258,995
Thorold	3.74%	\$436,001	\$36,333
Welland	12.42%	\$1,448,698	\$120,725
West Lincoln	1.70%	\$198,626	\$16,552
Total	100.00%	\$11,664,093	\$972,008

Table 4 – Fixed Water Requisition for 2021 Net Budget-REVISED

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<i>Fort Erie</i>	<i>7.58%</i>	<i>\$883,772</i>	<i>\$73,648</i>
<i>Grimsby</i>	<i>5.46%</i>	<i>\$637,160</i>	<i>\$53,097</i>
<i>Lincoln</i>	<i>4.16%</i>	<i>\$485,166</i>	<i>\$40,431</i>
<i>Niagara Falls</i>	<i>25.27%</i>	<i>\$2,947,840</i>	<i>\$245,653</i>
<i>Niagara-on-the-Lake</i>	<i>5.73%</i>	<i>\$668,598</i>	<i>\$55,716</i>
<i>Pelham</i>	<i>2.25%</i>	<i>\$262,088</i>	<i>\$21,841</i>
<i>Port Colborne</i>	<i>5.05%</i>	<i>\$589,416</i>	<i>\$49,118</i>
<i>St. Catharines</i>	<i>26.55%</i>	<i>\$3,097,272</i>	<i>\$258,106</i>
<i>Thorold</i>	<i>3.78%</i>	<i>\$441,389</i>	<i>\$36,782</i>
<i>Welland</i>	<i>12.42%</i>	<i>\$1,448,636</i>	<i>\$120,720</i>
<i>West Lincoln</i>	<i>1.74%</i>	<i>\$202,756</i>	<i>\$16,896</i>
Total	100.00%	\$11,664,093	\$972,008

Variable Water Rate

The remaining \$34,992,279 (75%) will be charged through the variable rate. The recommended variable rate of \$0.611 per cubic metre as outlined in Table 5 is based on a water forecast using the past three year average flows plus an anticipated growth factor. Despite above average growth for the Region in recent years the flow estimates are still volatile and are dependent on weather conditions. The resulting estimate for 2021 is an overall volume consistent with the amount used for the 2020 budget. An overview of the water trends and related risk is outlined in more detail in **Appendix 3**. The proposed variable water rate increase is \$0.009 (1.53%) (2020 = \$0.602) which is attributed only to the budget increase. Any variation in water flows that result from COVID-19 will be mitigated at 2021 year-end with Safe Restart funding held in the taxpayer relief reserve.

Table 5 – Variable Water Rate for 2021 Net Budget

2021 Variable Water Rate	
Variable Allocation (75% x \$46,656,372)	\$34,992,279
2021 Water Flow Forecast (m ³)	57,250,000
Variable Rate (\$/m ³)	\$0.611

Wastewater Requisition

The wastewater net requisition is recovered 100% from fixed monthly requisitions to the local municipalities, apportioned based on the historical three year average flows. The annual amount is divided by twelve to determine the monthly charge to each of the serviced LAMs starting January 1, 2021. The historical wastewater flows and apportionments are included in **Appendix 4** as well as the comparison of the fixed wastewater requisition amount between 2020 and 2021 for each LAM. Table 6 provides the fixed amounts to be billed to each LAM based on the above methodology.

Table 6 – Fixed wastewater Requisition for 2021 Net Budget

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	10.39%	\$8,184,943	\$682,079
Grimsby	4.63%	\$3,643,091	\$303,591
Lincoln	3.82%	\$3,010,169	\$250,847
Niagara Falls	18.76%	\$14,775,188	\$1,231,266
Niagara-on-the-Lake	4.05%	\$3,188,847	\$265,737
Pelham	1.84%	\$1,449,600	\$120,800
Port Colborne	6.06%	\$4,771,502	\$397,625
St. Catharines	29.06%	\$22,884,473	\$1,907,039
Thorold	5.24%	\$4,126,205	\$343,850
Welland	14.45%	\$11,376,462	\$948,038
West Lincoln	1.69%	\$1,333,840	\$111,153
Total	100.00%	\$78,744,320	\$6,562,027

Table 6 – Fixed wastewater Requisition for 2021 Net Budget -REVISED

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	10.25%	\$8,073,792	\$672,816
Grimsby	4.40%	\$3,463,418	\$288,618
Lincoln	3.84%	\$3,027,278	\$252,273
Niagara Falls	18.70%	\$14,728,945	\$1,227,412
Niagara-on-the-Lake	4.06%	\$3,193,230	\$266,103
Pelham	1.83%	\$1,442,578	\$120,215
Port Colborne	6.10%	\$4,805,270	\$400,439
St. Catharines	29.20%	\$22,996,058	\$1,916,338
Thorold	5.30%	\$4,173,480	\$347,790

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<i>Welland</i>	<i>14.57%</i>	<i>\$11,476,001</i>	<i>\$956,333</i>
<i>West Lincoln</i>	<i>1.73%</i>	<i>\$1,364,268</i>	<i>\$113,689</i>
<i>Total</i>	<i>100.00%</i>	<i>\$78,744,319</i>	<i>\$6,562,027</i>

As per Council's approved cost recovery methodology, the 2021 monthly Wastewater charges will include reconciliation of the 2019 Wastewater requisition payments. Municipal 2019 rebates or charges will be based on their respective share of actual flows versus the estimated share used to initially allocate the 2019 charges. This reconciliation results in a total of \$1,944,713 in payments to, and \$1,944,713 in rebates from, the local municipalities. Tables outlining the calculation of the reconciliation have been included as **Appendix 5**, and the total charge including the 2021 requisition and 2019 reconciliation by local municipality has been included as **Appendix 6**.

Table 7 – Wastewater Reconciliation for 2019 included in 2021 Requisition

Municipality	Reconciliation (\$)	Monthly Rebate (\$)	Monthly Payment (\$)
Fort Erie	(298,910)	(24,909)	
Grimsby	(246,320)	(20,527)	
Lincoln	(65,291)	(5,441)	
Niagara Falls	(1,272,205)	(106,017)	
Niagara-on-the-Lake	62,552		5,213
Pelham	(61,986)	(5,165)	
Port Colborne	381,960		31,830
St. Catharines	661,502		55,125
Thorold	450,909		37,576
Welland	311,092		25,924
West Lincoln	76,697		6,391
Total	(0)	(162,059)	162,059

Risks & Opportunities

- Water/wastewater flows are weather dependant and therefore subject to fluctuations that are outside the Region's control.
- COVID-19 has also caused reductions in water flows. Any variation in water flows as a result of COVID-19 will be offset at year-end 2021 with Safe Restart funding (taxpayer relief reserve).

- Unanticipated equipment and underground infrastructure failure may impact operating expenditures.
- Although additional capital financing has been included in the 2021 water and wastewater operational budget it is short of the SDWA financial plan recommended combined increase of 5.15%. This planned reduction in capital financing limits financial flexibility until the budget fully addresses the asset management plan/SDWA.

Alternatives Reviewed

Council may approve an additional increase of 3.15% over 2020 to maintain the previously adopted SDWA Financial Plan for a combined aggregate increase of 5.15%. This alternative is **NOT RECOMMENDED** but would be supported by Staff if Council direction is provided. This increase would generate an additional \$3.9 million in funds for 2021 that could be used to maintain the program mitigations (including the CSO program) and further enhance infrastructure funding.

Relationship to Council Strategic Priorities

The 2021 Water and Wastewater proposed budgets support Council's strategic priorities of organizational excellence, by meeting or exceeding legislative requirements and having 42% of the total program costs related to infrastructure renewal and replacement.

Other Pertinent Reports

CSD 21-2017	Asset Management Plan
PDS 37-2016	Niagara 2041 Growth Strategy – Local Municipal Growth Allocations
PW 22-2017	2016 Water & Wastewater Master Servicing Plan Update
PW 5-2019	Safe Drinking Water Act Financial
PW 39-2020	South Niagara Falls WWTP Update

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Appendices

Appendix 1	2021 Wastewater Capital Projects Funded with SNF WWTP Operating and Debt Charge Budget Amounts
Appendix 2	<i>Water Flows and Fixed Water Requisition by Local Area Municipality - REVISED</i>
Appendix 3	Water Volume Analysis
Appendix 4	<i>Wastewater Flows and Fixed Wastewater Requisition by Local Area Municipality - REVISED</i>
Appendix 5	2019 By-law Wastewater Reconciliation
Appendix 6	<i>Fixed Wastewater Requisition including Reconciliation by Local Area Municipality - REVISED</i>
Appendix 7	2021 Water and Wastewater Schedule of Revenues and Expenditures by Object of Expenditure

2021 Wastewater Capital Projects Funded with SNF WWTP Operating and Debt
Charge Budget Amounts

- Mill St. Area Sanitary Improvements - \$825,000
- East Side Pump Station Forcemain Replacement - \$1,500,000
- Laboratory and Sampling Equipment Upgrade Program - \$100,000
- Campden Pump Station Upgrades - \$1,200,000
- Rolling Acres Pump Station Upgrades and Forcemain replacement - \$300,000
- George Street SPS Upgrade - \$2,600,000
- Spring Gardens Pumping Station Upgrades and Forcemain Replacement - \$350,000
- Royal Manor Pump Station Upgrades and Forcemain Replacement - \$300,000
- Nickel St Pumping Station Upgrades - \$300,000
- Fares St Pumping Station Upgrades - \$300,000
- Arena Pumping Station Upgrades - \$300,000
- Region Wide Sludge Septic Haulage Program - \$1,000,000
- Nigh Rd Pumping Station Upgrade - \$300,000

Water Flows and Fixed Water Requisition by Local Area Municipality**Table 1 – Water Flows by Municipality**

Municipality	3-Year Avg. per 2020- By-law		3-Year Avg. per 2021- By-law	
	Megalitres	%	Megalitres	%
Fort Erie	4,686	8.06%	4,355	7.63%
Grimsby	3,258	5.60%	3,094	5.42%
Lincoln	2,315	3.98%	2,361	4.13%
Niagara Falls	15,424	26.53%	14,471	25.35%
Niagara-on-the-Lake	3,147	5.41%	3,235	5.67%
Pelham	1,266	2.18%	1,283	2.25%
Port Colborne	3,093	5.32%	2,886	5.05%
St. Catharines	15,350	26.41%	15,213	26.65%
Thorold	2,076	3.57%	2,134	3.74%
Welland	6,653	11.45%	7,091	12.42%
West Lincoln	862	1.48%	972	1.70%
Total	58,130	100%	57,096	100%

Table 1 - Water Flows by Municipality - REVISED

Municipality	3-Year Avg. per 2020 By-law		3-Year Avg. per 2021 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	4,478	7.84%	4,308	7.58%
Grimsby	3,027	5.30%	3,106	5.46%
Lincoln	2,254	3.94%	2,365	4.16%
Niagara Falls	14,989	26.23%	14,370	25.27%
Niagara-on-the-Lake	3,105	5.43%	3,259	5.73%
Pelham	1,178	2.06%	1,278	2.25%
Port Colborne	3,037	5.31%	2,873	5.05%
St. Catharines	15,148	26.51%	15,099	26.55%
Thorold	2,127	3.72%	2,152	3.78%
Welland	6,932	12.13%	7,062	12.42%
West Lincoln	874	1.53%	988	1.74%
Total	57,149	100%	56,860	100%

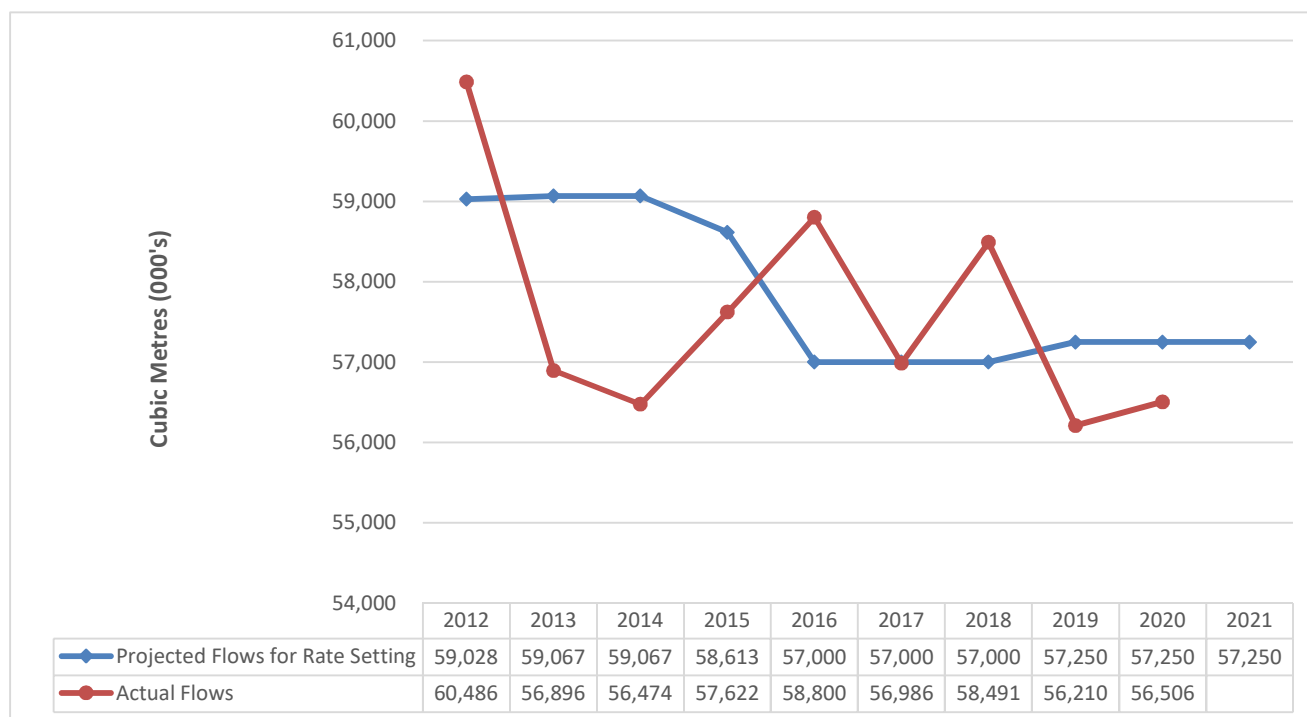
Table 2 – Fixed Water Requisition by Municipality

Municipality	Fixed Requisition			
	2020 (\$000)	2024 (\$000)	Difference	
			\$000s	%
Fort Erie	900	890	(10)	-1.11%
Grimsby	608	632	24	3.94%
Lincoln	453	482	30	6.52%
Niagara Falls	3,011	2,956	(55)	-1.82%
Niagara-on-the-Lake	624	664	37	5.95%
Pelham	237	262	26	10.78%
Port Colborne	610	590	(20)	-3.35%
St. Catharines	3,043	3,108	65	2.14%
Thorold	427	436	9	2.06%
Welland	1,393	1,449	56	4.03%
West Lincoln	176	199	23	13.11%
Total	11,480	11,665	184	1.60%

Table 2 - Fixed Water Requisition by Municipality - REVISED

Municipality	Fixed Requisition			
	2020 (\$000)	2021 (\$000)	Difference	
			\$000s	%
Fort Erie	900	884	(16)	-1.76%
Grimsby	608	637	29	4.78%
Lincoln	453	485	32	7.15%
Niagara Falls	3,011	2,948	(63)	-2.10%
Niagara-on-the-Lake	624	669	45	7.20%
Pelham	237	262	26	10.79%
Port Colborne	610	589	(21)	-3.38%
St. Catharines	3,043	3,097	54	1.79%
Thorold	427	441	14	3.32%
Welland	1,393	1,449	56	4.03%
West Lincoln	176	203	27	15.46%
Total	11,480	11,664	184	1.60%

Water Volume Analysis



The 2020 actual flows are estimate to finish the year approximately 1.3% lower than project flows. The forecasted water usage in 2020 is estimated to total to 56,506 ML.

The water volume forecast for 2021 has been prepared giving consideration to historical trends and current considerations.

The volume forecast for 2021 is above the 3-year calendar average of 57,069 ML and below the 5-year average of 57,399 ML. This includes 2018 which were more typical summer weather years. 2016 experienced drought conditions during the summer. 2017 and 2019 experienced very wet summers. The 2020 flows are impacts by a dry summer and COVID-19 shutdowns. The 2021 estimate reflects no change over previous year's projection.

COVID-19 volatility may continue into 2021. Any variation in flow as a result of COVID-19 that has a negative impact on variable water revenue will be mitigated with Provincial Safe Restart funding.

Wastewater Flows and Fixed Requisition By Local Area Municipality**Table 1 - Wastewater Flows by Municipality**

Municipality	3-Year Avg. per 2020 By-law		3-Year Avg. per 2021 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	7,931	10.44%	7,679	10.39%
Grimsby	3,688	4.86%	3,418	4.63%
Lincoln	2,907	3.83%	2,824	3.82%
Niagara Falls	14,901	19.62%	13,861	18.76%
Niagara-on-the-Lake	3,141	4.14%	2,992	4.05%
Pelham	1,360	1.79%	1,360	1.84%
Port Colborne	4,480	5.90%	4,476	6.06%
St. Catharines	21,608	28.45%	21,469	29.06%
Thorold	3,845	5.06%	3,871	5.24%
Welland	10,858	14.30%	10,673	14.45%
West Lincoln	1,220	1.61%	1,251	1.69%
Total	75,938	100%	73,874	100%

Table 1 - Wastewater Flows by Municipality - REVISED

Municipality	3-Year Avg. per 2020 By-law		3-Year Avg. per 2021 By-law	
	Megalitres	%	Megalitres	%
<i>Fort Erie</i>	<i>7,931</i>	<i>10.44%</i>	<i>7,712</i>	<i>10.25%</i>
<i>Grimsby</i>	<i>3,688</i>	<i>4.86%</i>	<i>3,308</i>	<i>4.40%</i>
<i>Lincoln</i>	<i>2,907</i>	<i>3.83%</i>	<i>2,892</i>	<i>3.84%</i>
<i>Niagara Falls</i>	<i>14,901</i>	<i>19.62%</i>	<i>14,069</i>	<i>18.70%</i>
<i>Niagara-on-the-Lake</i>	<i>3,141</i>	<i>4.14%</i>	<i>3,050</i>	<i>4.06%</i>
<i>Pelham</i>	<i>1,360</i>	<i>1.79%</i>	<i>1,378</i>	<i>1.83%</i>
<i>Port Colborne</i>	<i>4,480</i>	<i>5.90%</i>	<i>4,590</i>	<i>6.10%</i>
<i>St. Catharines</i>	<i>21,608</i>	<i>28.45%</i>	<i>21,966</i>	<i>29.20%</i>
<i>Thorold</i>	<i>3,845</i>	<i>5.06%</i>	<i>3,987</i>	<i>5.30%</i>
<i>Welland</i>	<i>10,858</i>	<i>14.30%</i>	<i>10,962</i>	<i>14.57%</i>
<i>West Lincoln</i>	<i>1,220</i>	<i>1.61%</i>	<i>1,303</i>	<i>1.73%</i>
<i>Total</i>	<i>75,938</i>	<i>100%</i>	<i>75,218</i>	<i>100%</i>

Tables 2 – Fixed Wastewater Requisition by Municipality

Municipality	Fixed Requisition			
	2020 (\$000)	2021 (\$000)	Difference	
			\$000s	%
Fort Erie	8,044	8,185	141	1.75%
Grimsby	3,740	3,643	(97)	-2.60%
Lincoln	2,949	3,010	61	2.09%
Niagara Falls	15,114	14,775	(338)	-2.24%
Niagara-on-the-Lake	3,185	3,189	3	0.11%
Pelham	1,379	1,450	71	5.12%
Port Colborne	4,544	4,772	227	5.00%
St. Catharines	21,916	22,884	968	4.42%
Thorold	3,900	4,126	226	5.81%
Welland	11,012	11,376	364	3.31%
West Lincoln	1,238	1,334	96	7.78%
Total	77,021	78,744	1,724	2.24%

Tables 2 - Fixed Wastewater Requisition by Municipality - REVISED

Municipality	Fixed Requisition			
	2020 (\$000)	2021 (\$000)	Difference	
			\$000s	%
Fort Erie	8,044	8,074	30	0.37%
Grimsby	3,740	3,463	(277)	-7.40%
Lincoln	2,949	3,027	79	2.67%
Niagara Falls	15,114	14,729	(385)	-2.54%
Niagara-on-the-Lake	3,185	3,193	8	0.25%
Pelham	1,379	1,443	64	4.61%
Port Colborne	4,544	4,805	261	5.75%
St. Catharines	21,916	22,996	1,080	4.93%
Thorold	3,900	4,173	274	7.02%
Welland	11,012	11,476	464	4.21%
West Lincoln	1,238	1,364	127	10.24%
Total	77,021	78,744	1,724	2.24%

2019 By-law Wastewater Reconciliation

Wastewater Flows (Mega Litres)		
Municipality	Prior 3-Yr Avg	2019 By-Law Period Actual Flows ¹
Fort Erie	7,348	7,931
Grimsby	3,216	3,345
Lincoln	2,745	3,013
Niagara Falls	14,247	14,624
Niagara-on-the-Lake	2,864	3,286
Pelham	1,309	1,404
Port Colborne	3,944	4,846
St. Catharines	20,064	23,261
Thorold	3,420	4,333
Welland	10,025	11,602
West Lincoln	1,125	1,348
Total	70,306	78,992

Wastewater Fixed Allocation Percentages			
Municipality	Prior 3-Yr Avg	2019 By-Law Period Actual Flows ¹	Difference
Fort Erie	10.5%	10.0%	-0.4%
Grimsby	4.6%	4.2%	-0.3%
Lincoln	3.9%	3.8%	-0.1%
Niagara Falls	20.3%	18.5%	-1.8%
Niagara-on-the-Lake	4.1%	4.2%	0.1%
Pelham	1.9%	1.8%	-0.1%
Port Colborne	5.6%	6.1%	0.5%
St. Catharines	28.5%	29.4%	0.9%
Thorold	4.9%	5.5%	0.6%
Welland	14.3%	14.7%	0.4%
West Lincoln	1.6%	1.7%	0.1%
Total	100.0%	100.0%	0.0%

Wastewater Fixed Allocation charge (\$000)			
Municipality	2019 By-Law Charges ^{1,2}	Charges Based on Actual Flows ¹	Underpayment/ (Overpayment) ³
Fort Erie	\$ 7,596	\$ 7,297	\$ (299)
Grimsby	3,324	3,078	(246)
Lincoln	2,837	2,772	(65)
Niagara Falls	14,728	13,455	(1,272)
Niagara-on-the-Lake	2,961	3,023	63
Pelham	1,354	1,292	(62)
Port Colborne	4,077	4,459	382
St. Catharines	20,741	21,402	662
Thorold	3,536	3,986	451
Welland	10,363	10,675	311
West Lincoln	1,163	1,240	77
Total	\$ 72,680	\$ 72,680	\$ (0)

Sum of Overpayment:	(1,944,714)
Percentage of Requisition	2.68%

Notes:

1. 2019 By-Law period consists of the 12 month period from January 2019 to December 2019
2. Charges paid excluded payments made/rebates received for 2017 reconciliation.
3. Underpayments/(Overpayments) based on comparing 2 difference allocation methodologies (3-yr average vs. actual flows during By-law period).

Fixed Wastewater Requisition Including Reconciliation by Municipality Comparison

Municipality	Requisition		Reconciliation Payment / (Refund)		Total Charge (Requisition + Reconciliation)			
	2020 By-Law	2021 By-Law	2020 (2018 Rec.)	2021 (2019 Rec.)	2020 By-Law	2021 By-Law	Difference	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
Fort Erie	8,044	8,185	(190)	(299)	7,854	7,886	32	0.40%
Grimsby	3,740	3,643	73	(246)	3,813	3,397	(416)	-10.92%
Lincoln	2,949	3,010	23	(65)	2,972	2,945	(27)	-0.91%
Niagara Falls	15,114	14,775	(711)	(1,272)	14,402	13,503	(899)	-6.24%
Niagara-on-the-Lake	3,185	3,189	115	63	3,300	3,251	(49)	-1.48%
Pelham	1,379	1,450	(84)	(62)	1,295	1,388	92	7.11%
Port Colborne	4,544	4,772	160	382	4,704	5,153	449	9.55%
St. Catharines	21,916	22,884	448	662	22,364	23,546	1,182	5.28%
Thorold	3,900	4,126	301	451	4,200	4,577	377	8.97%
Welland	11,012	11,376	(192)	311	10,820	11,688	868	8.02%
West Lincoln	1,238	1,334	57	77	1,294	1,411	116	8.99%
Total	77,021	78,744	-	-	77,021	78,744	1,724	2.24%

Fixed Wastewater Requisition Including Reconciliation by Municipality Comparison - REVISED

Municipality	Requisition		Reconciliation Payment / (Refund)		Total Charge (Requisition + Reconciliation)			
	2020 By-Law	2021 By-Law	2020 (2018 Rec.)	2021 (2019 Rec.)	2020 By-Law	2021 By-Law	Difference	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
Fort Erie	8,044	8,074	(190)	(299)	7,854	7,775	(79)	-1.01%
Grimsby	3,740	3,463	73	(246)	3,813	3,217	(596)	-15.63%
Lincoln	2,949	3,027	23	(65)	2,972	2,962	(10)	-0.33%
Niagara Falls	15,114	14,729	(711)	(1,272)	14,402	13,457	(946)	-6.57%
Niagara-on-the-Lake	3,185	3,193	115	63	3,300	3,256	(44)	-1.35%
Pelham	1,379	1,443	(84)	(62)	1,295	1,381	85	6.57%
Port Colborne	4,544	4,805	160	382	4,704	5,187	483	10.27%
St. Catharines	21,916	22,996	448	662	22,364	23,658	1,293	5.78%
Thorold	3,900	4,173	301	451	4,200	4,624	424	10.09%
Welland	11,012	11,476	(192)	311	10,820	11,787	967	8.94%
West Lincoln	1,238	1,364	57	77	1,294	1,441	147	11.34%
Total	77,021	78,744	-	-	77,021	78,744	1,724	2.24%

Object of Expenditure	2020 Water Budget Total (\$)	2020 Wastewater Budget Total (\$)	2020 Combined Total (\$)	2021 Water Budget Total (\$)	2021 Wastewater Budget Total (\$)	2021 Combined Total (\$)	Combined Total Variance (\$)	Total Combined Variance (%)	Note
A_40000AB Compensation	7,954,489	10,773,458	18,727,947	7,672,587	10,588,464	18,261,051	(466,896)	(2.5%)	(1)
A_41000AB Administrative	594,726	742,955	1,337,681	492,196	1,086,665	1,578,861	241,180	18.0%	(2)
A_44000AB Operational & Supply	1,759,425	10,854,079	12,613,504	2,078,986	11,499,124	13,578,110	964,606	7.6%	(3)
A_50000AB Occupancy & Infrastructure	5,639,309	11,340,226	16,979,535	5,999,040	12,032,768	18,031,808	1,052,273	6.2%	(4), (5)
A_52000AB Equipment, Vehicles, Technology	1,175,515	3,301,033	4,476,548	1,157,143	3,129,063	4,286,206	(190,342)	(4.3%)	(5)
A_56000AB Partnership, Rebate, Exemption	10,000	4,000,000	4,010,000	10,000	2,000,000	2,010,000	(2,000,000)	(49.9%)	(6)
A_75100AC Transfers To Funds	19,786,216	20,962,502	40,748,718	20,698,763	17,539,843	38,238,606	(2,510,112)	(6.2%)	(7)
A_60000AC Allocation Between Departments	629,912	862,801	1,492,713	610,620	913,076	1,523,696	30,983	2.1%	(8)
A_60260AC Allocation Within Departments	4,164,914	6,503,657	10,668,571	4,204,379	6,664,250	10,868,629	200,058	1.9%	(8)
Gross Expenditure Subtotal	41,714,506	69,340,712	111,055,217	42,923,714	65,453,253	108,376,967	(2,678,250)	(2.4%)	
A_30000AB Taxation	(45,920,957)	(77,020,694)	(122,941,651)	(46,656,372)	(78,744,319)	(125,400,691)	(2,459,040)	2.0%	
A_32400AB By-Law Charges & Sales	(12,000)	(1,409,278)	(1,421,278)	(12,000)	(1,505,443)	(1,517,443)	(96,165)	6.8%	
A_34950AB Other Revenue	(367,663)	(2,074,294)	(2,441,957)	(339,663)	(1,066,894)	(1,406,557)	1,035,400	(42.4%)	(6)
A_75000AC Transfers From Funds	-	-	-	(30,950)	(92,900)	(123,850)	(123,850)	-	(9)
Gross Revenue Subtotal	(46,300,620)	(80,504,266)	(126,804,886)	(47,038,985)	(81,409,556)	(128,448,541)	(1,643,655)	1.3%	
Net Expenditure (revenue) before indirect allocations	(4,586,114)	(11,163,555)	(15,749,669)	(4,115,271)	(15,956,303)	(20,071,574)	(4,321,905)	27.4%	
A_70000AC Indirect Allocation	1,942,566	2,879,953	4,822,519	1,766,598	3,205,914	4,972,512	149,993	3.1%	
A_70200AC Capital Financing Allocation	2,643,548	8,283,602	10,927,150	2,348,673	12,750,389	15,099,062	4,171,912	38.2%	(7)
Allocation Subtotal	4,586,114	11,163,555	15,749,669	4,115,271	15,956,303	20,071,574	4,321,905	27.4%	
Net Expenditure (revenue) after indirect allocations	0	0	0	0	0	0	0	0	

Notes:

- (1) Includes compensation pressure for existing water/wastewater staff complement of \$0.1M less mitigation impacts of student position deferrals, waterfestival/wagon deferral and salary gapping totaling \$(0.5M).
- (2) Includes external legal pressure of \$0.3M less impacts by waterfestival/wagon deferral \$(0.1M) .
- (3) Includes pressures related to chemicals of \$0.5M and Bio-solid of \$0.2M.
- (4) Includes pressures related to utilities of \$0.8M and property taxes of \$0.3M less utilities rebate of \$(0.4M).
- (5) Includes decrease in R&M of \$(0.2M).
- (6) Includes 1/2 deferral of the 2021 CSO funding of \$(2M). Corresponding decrease in Development Charge revenue of \$1M.
- (7) Includes base capital financing increase of \$0.5M, enhanced capital financing of \$1.2M and impacts of SNF WWTP with net impact of \$0.
- (8) Includes pressure related to business support/department allocation (i.e., self supported operations) of \$0.2M.
- (9) Safe Restart Funding of \$0.1M to offset COVID-19 related expenditures.

Waste Management Services Operating Budget and Requisition

BRCOTW
CSD 66-2020

November 26, 2020

Helen Chamberlain, Director, Financial Management & Planning/Deputy
Treasurer



TWENTY21
NIAGARA REGION BUDGET

Waste Management Operating Budget & Requisition

November 26, 2020

2021 Waste Management Operating Budget

Key Themes

Budget Strategy Responsive to COVID-19 Impacts

- Budget planning strategy of 2% in base expenditures for 2021
- however cost service delivery and new collection contract effective Oct 2020 requires 3.99% increase for 2021.

Balancing Affordability, Sustainability and Transparency

- Waste Stabilization Reserve used to mitigate increases over 2021 & 2022 (and 2020)
- 2023 provides for contract costs with sustainable funding

2021 Waste Management Operating Budget & Requisition

What we're going to
cover:

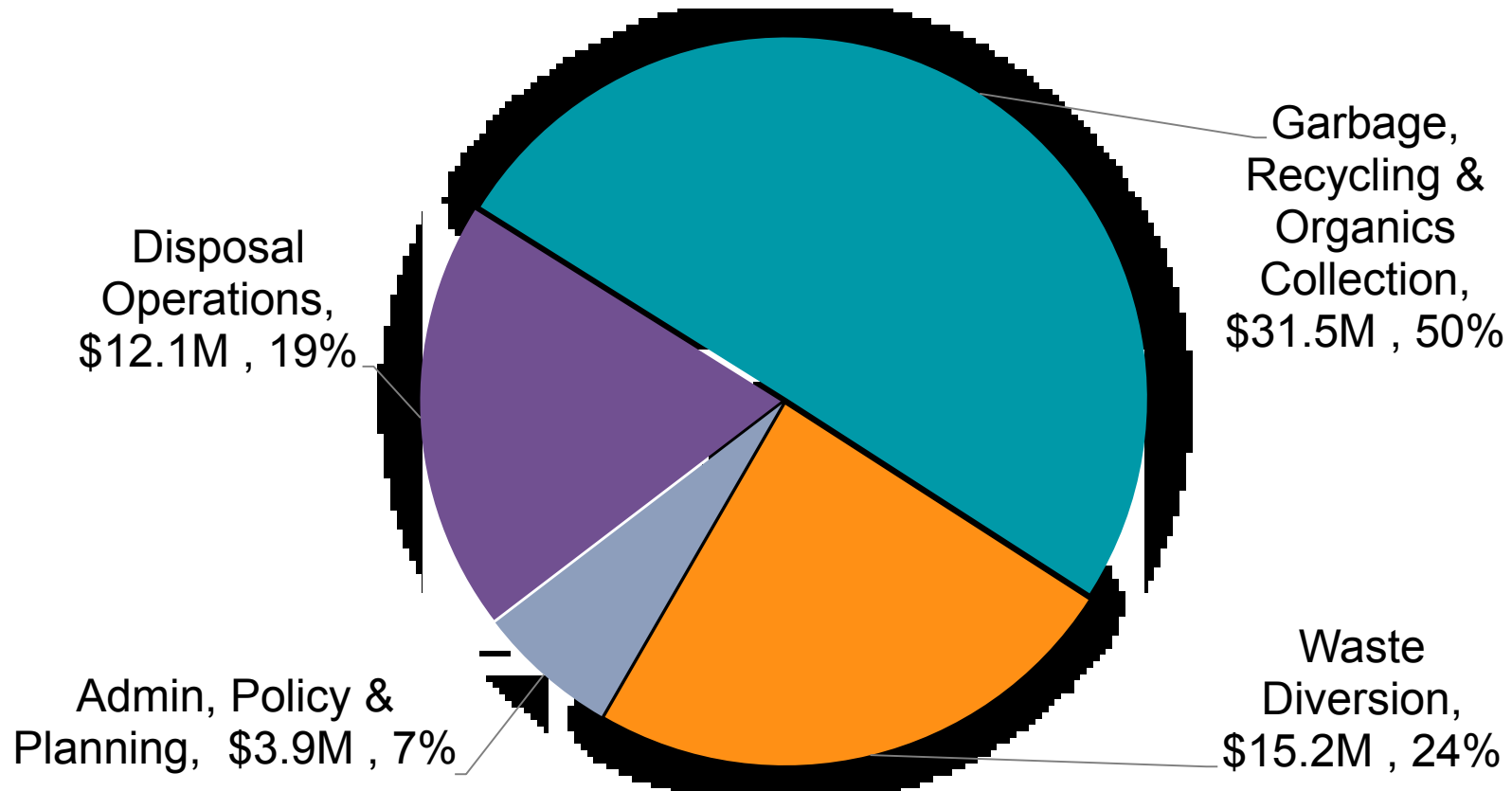
- Operating Budget Summary
- Requisition to Municipalities
- Risks and Opportunities
- Next Steps

2021 Budget Process

- ✓ Budget planning strategy set at 2%
- ✓ Staff developed budget that:
 - Manages existing service levels & contracts (first full year)
 - Mitigates impact on property owners
- ✓ Rate Workshop provided education and information
- ✓ BRC approval required

2021 Waste Management Operating Budget

Where does the money go? Gross Budget = \$63M



Discretionary spending less than 3%

2021 Budget Pressures & Mitigations

Accommodated Within 3.99% Increase

2021 Waste Management Budget Summary	Total \$	Total %
2020 Net Requisition	38,822	
Gross Increase/Pressures	5,938	
Operating Subtotal	44,760	15.3%
Mitigations	(4,263)	
COVID-19	(126)	
Net Operating Increase	1,549	
2021 Net Requisition	40,371	3.99%

2021 Budget Pressures

Increase of \$5.9M on Net Requisition

- External Contract Related (\$7.8 million)
 - Curbside Collection (first full year), Recycling Purchases, Compost Processing
- Revenue (-\$1.8 million)
 - End Market Revenue Increase, RPRA Funding, Bag Tag Revenue
- Miscellaneous Net (-\$0.1 million)
 - Decreased Debt Charges, Removal One-time Stabilization Reserve Funding

2021 Budget Mitigations

Decrease of \$4.4M on Net Requisition

- Stabilization Reserve Funding (\$3.4 million)
 - Mitigate Costs Associated with New Collection Contract
- Eliminate Free Containers Exchange Program (\$0.1 million)
- Program Deferrals (\$0.7 million)
 - Tip Fee Exemption for Charities, Mattress Recycling Program, Diversion of Construction and Demolition Wood Products, Student Positions & Staffing Vacancies
- Safe Restart Funding to mitigate COVID-19 related costs (\$0.1 million)

2021 Waste Management Reserves

Projections Inclusive of uses proposed in 2021 budget

Reserve	Projected 2020 YE Balance	Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Target Reserve Balance
Waste Capital Reserve	\$2.1	\$2.3	\$0.0	\$0.0	\$7.0
Landfill Liability Reserve	\$10.6	\$9.6	\$8.4	\$8.8	\$61.3
Waste Stabilization Reserve	\$5.1	\$1.7	\$0.8	\$1.4	\$5.7 to \$8.6
Total	\$17.8	\$13.5	\$9.1	\$10.1	\$74-77

Stabilization
Reserve used
to mitigate
annual increase
to 3.99%
(2021) & 9.98%
(2022)

In millions

2021 Waste Management Requisition

Methodology

In place since 2011 (PWA 55-2011 Waste Management Services Financing Study), reflects consultation with LAMs

- Municipal requisition comprised of:
 - Base services allocated on number of residential units in each municipality
 - Enhanced services specific for requesting municipality
- Resident special levy:
 - Determined by the Region for each municipality
 - Charged to property owners based on their property assessed values

2021 Waste Management Requisition

Requisition to municipality

Municipality	2020 Charges (\$000)	2021 Requisition (\$000)	Difference	
			Increase/ (Decrease) (\$000)	% Increase/ (Decrease)
Fort Erie	\$ 2,954	\$ 3,067	\$ 114	3.85%
Grimsby	\$ 2,121	\$ 2,220	\$ 100	4.70%
Lincoln	\$ 1,770	\$ 1,845	\$ 75	4.21%
Niagara Falls	\$ 7,615	\$ 7,915	\$ 300	3.94%
Niagara-on-the-Lake	\$ 1,682	\$ 1,750	\$ 68	4.02%
Pelham	\$ 1,343	\$ 1,400	\$ 58	4.30%
Port Colborne	\$ 1,946	\$ 2,032	\$ 85	4.39%
St. Catharines	\$ 11,816	\$ 12,254	\$ 437	3.70%
Thorold	\$ 1,642	\$ 1,728	\$ 85	5.19%
Wainfleet	\$ 601	\$ 622	\$ 22	3.60%
Welland	\$ 4,355	\$ 4,511	\$ 155	3.57%
West Lincoln	\$ 975	\$ 1,026	\$ 51	5.23%
Total	\$ 38,822	\$ 40,371	\$ 1,549	3.99%

Budget increase of 3.99%

Varies based on municipal households and enhanced services

2021 Waste Management Requisition

Cost for typical residential property

Municipality	2020 Final		2021 Draft (Based on 2020 tax policy)		Annual Increase/(Decrease)		Monthly
	CVA	WM taxes	CVA	WM taxes	\$	%	\$
Fort Erie	216,145	\$ 152.17	216,145	\$ 155.39	\$ 3.22	2.12%	\$ 0.27
Grimsby	400,088	\$ 163.11	400,088	\$ 169.99	\$ 6.88	4.22%	\$ 0.57
Lincoln	364,773	\$ 159.96	364,773	\$ 162.30	\$ 2.34	1.46%	\$ 0.19
Niagara Falls	262,988	\$ 139.79	262,988	\$ 143.55	\$ 3.76	2.69%	\$ 0.31
Niagara-on-the-Lake	Based on fixed household amount determined by NOTL.						
Pelham	364,292	\$ 172.61	364,292	\$ 174.93	\$ 2.32	1.35%	\$ 0.19
Port Colborne	207,501	\$ 185.74	207,501	\$ 190.65	\$ 4.91	2.64%	\$ 0.41
St. Catharines	259,643	\$ 172.94	259,643	\$ 178.61	\$ 5.68	3.28%	\$ 0.47
Thorold	228,358	\$ 138.12	228,358	\$ 138.48	\$ 0.36	0.26%	\$ 0.03
Wainfleet	273,324	\$ 159.72	273,324	\$ 163.38	\$ 3.66	2.29%	\$ 0.30
Welland	214,079	\$ 165.85	214,079	\$ 169.26	\$ 3.40	2.05%	\$ 0.28
West Lincoln	323,030	\$ 145.97	323,030	\$ 151.81	\$ 5.83	4.00%	\$ 0.49

Increase ranges from \$0.36 to \$6.88 per year
2020 annual cost per household ranges from \$138 to \$186
2021 annual cost per household ranges from \$138 to \$191

2021 Waste Management Budget

Risks & Opportunities

- Uncertainty around the Waste Free Ontario Act (Risk)
- Counterparty risk related to the waste collection contract for services that represents 49% (Risk)
- Student deferrals will cause decreased public education and outreach(Risk)
- Anticipated improvement to recycling commodity prices (Opportunity)
- Opportunities being explored in Waste Management Strategy (Opportunity)

Next Steps

Approval & Requisition

- Discussion, review and approval of CSD 66-2020 today
- Council approval of budget and requisitions by-laws on December 17, 2020
- Communication of budget approval to LAMs
- Set 2021 Waste Management Tax Rates
 - Set for each LAM based on approved requisitions
 - Rates built on 2021 tax policy decisions as approved by Council (April 2021)



Questions?



Subject: 2021 Budget-Waste Management Services Operating Budget and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, November 26, 2020

Recommendations

1. That the 2021 Waste Management Services net operating budget increase of \$1,548,984 or 3.99% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2021 Waste Management Services gross operating budget of \$62,677,760 and net budget of \$40,370,586 as per Appendix 3 of Report CSD 66-2020, **BE APPROVED**;
3. That the net budget amount of \$40,370,586 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 1;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of this Report **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The proposed Waste Management Service (WMS) net budget represents a \$1.5 million increase, or 3.99% over 2020 as shown in Table 1.
- The proposed 2021 WMS operating base budget after proposed mitigations is above the budget planning strategy for 2021 of 2% before COVID-19 expenditures. Due to operating cost pressures of 15.3% primarily attributed to the first full year of the new collection contract, the budget does not include enhanced capital financing as per the budget planning strategy.
- In recognition that the budget planning strategy proposed 2021 increase be limited to 2%, the budget includes a Stabilization Reserve draw of \$3.4M which is able to reduce the budget increase to \$1.5 million or 3.99%.
- In 2020, staff forecasted a 9.8% increase each year for 2020 through to 2022 (increased to 9.9% in 2020 and 10.7% for 2021 and 2022 as a result of additional enhanced services as directed by Council). This strategy included significant use of

the Waste Management Stabilization reserve funding over this same period to mitigate the pressure associated with the new collection contract award.

- Assessment growth for the Region and Area Municipalities has not been finalized however estimated assessment growth by municipality is summarized in Appendix 1. The Region's year-to-date overall assessment growth (as of November 3, 2020) is 1.33% for 2020, resulting in the net requisition increase to be approximately 2.66% (3.99% less 1.33%) with an average typically residential annual impact of \$3.85.
- The net requisition amount has been allocated in accordance with the methodology approved in PWA 55-2011. The impacts by municipality in Appendix 2 are affected by the budget increase as well as growth in households and the enhanced services (as requested and selected by each LAM)

Financial Considerations

The gross budget proposed for 2021 totals \$62.7 million with a net budget of \$40.4 million, which is a \$1.5 million or a 3.99% increase over 2020 as outlined in Table 1. The significant driver of the annual increase is the new collection contract for which 2021 is the first full year. The proposed 2021 budget does not include any increases as a result of program changes or new staffing initiatives. In an effort to meet Budget Planning Strategy, staffing levels for 2021 have decreased by one-temporary FTE and 7.2 student FTE positions from 2020 due to budget mitigation proposals described further on in this report.

A schedule providing the revenues and expenditures for 2020 and 2021 is included as Appendix 3. This appendix includes the 2020 budget and the 2021 budget including the percentage change for comparison.

Table 1 – 2021 Waste Management Gross & Net Budget ('000)

	2020	2021	2022	2023
Total Operating Expenditures	50,653	56,957	58,810	60,194
Business Support	1,624	1,586	1,604	1,656
Capital Transfer to Reserve & Debt Charges	4,948	4,136	4,190	4,190
Gross Budget	57,225	62,678	64,604	66,040
Less: Revenues	-16,800	-18,735	-19,303	-21,356
Net Budget Requisition – Before Reserve Funding	40,425	43,942	45,301	44,684
Safe Restart Funding:				
<i>COVID-19 Related Expenditures</i>	0	-126	0	0
WM Stabilization Reserve:				
<i>One-Time Items (2020)</i>	-1,194	0	0	0
<i>New Collection Contract Mitigation (2020-2022) / Replenishment Strategy (2023)</i>	-410	-3,446	-901	601
Net Budget Requisition – After Reserve Funding	38,822	40,371	44,400	45,285
Percentage Change		3.99%	9.98%	1.99%

Analysis

The 2021 WMS budget represents an increase of 3.99% over the approved 2020 net operating budget. In Table 2, the increases/pressures for 2021 are \$5.9 million before recommended mitigation measures totaling \$4.3 million.

Table 2 – Summary of Proposed Waste Management Budget with Pressures and Mitigations ('000)

Waste Management 2021 Budget Summary	Total \$	Total %
2020 Net Requisition	38,822	
Gross Increase/Pressures	5,938	
Operating Subtotal	44,760	15.3%
Mitigations	(4,263)	
COVID-19	(126)	
Net Operating Increase	1,549	
2021 Net Requisition	40,371	3.99%

Increases/Pressures/Mitigation

The budget planning strategy of a 2% increase would provide for \$0.8 million additional funding for 2021 operating expenditures. Given the largely fixed cost nature of the operations (i.e., contract services, etc.) mitigation options focused on discretionary items that do not significantly impact the daily operations of the services.

Recommended mitigations reduce the increase as much as possible without introducing risk in the future years due to lack of available reserves. The proposed mitigations will decrease the net requisition increase from 15.3% or \$5.9 million as identified in Table 2.

Approximately 51% of the gross budget is related to the waste collection followed by 24% for waste diversion, 19% for disposal operations and processing, with the remaining 6% of the budget for administration, policy and planning. As much of the program is delivered through partnerships with private service providers, 85% of the operating-related costs (before capital financing and business support) are in the form of outsourced costs (alternative service delivery) and are subject to contract escalations and conditions. Of total expenses, only approximately 3% are considered discretionary.

The 2021 net budget pressures of \$5.9 million and are largely comprised of the following:

- New Collection Contract (\$6.6 million) – The new contract came into effect October 2020 with the first full year in 2021.
- Recyclable Purchases (\$0.6 million) – due to increase in recycling commodity prices on Haldimand and Waterloo contracts based on recent trend.
- Compost Processing (\$0.4 million) – additional tonnage estimate for compost material plus inflationary increase to per unit processing rate
- 2020 Reserve Funding (\$0.9 million) – one-time draws from stabilization reserve in 2020 to mitigate requisition increase.
- End Market Revenue (-\$0.4 million) – projected increase in 2021 material rates based on Q3 2020 actuals and projected trends.
- Debt Charges (-\$0.8 million) – outstanding debt obligation associated with a previously completed capital works project has been satisfied in 2020.
- Resource Productivity & Recovery Authority (-\$1.3 million) – Increase in funding as a result of the forecasted recovery percentage and historical financial results in 2019 for which the 2021 funding is based on.
- Bag Tag Revenue Fee Increase (-\$0.1 million) – anticipated increase in sales based on trending due with no increase in per unit price.

External Disposal Services (-\$0.2 million) – reduction in landfill disposals as a result of the move to every other week waste collection under the new collections contract. The mitigations to the 2021 budget are -\$4.3 million and are comprised of the following:

- New Collection Contract Reserve Funding (-\$3.4 million) – The 2020 budget proposed a three-year mitigation plan to assist in phasing in the increased costs of the new collection contract. The 2021 budget, recommends similar reserve funding from the WM stabilization reserve to reduce the annual increase.
- Student Positions Deferral & Salary Gapping (-\$0.3 million) – Students supplement staff resources to enable staff to focus on special projects. Also included is a newly implemented salary gapping strategy, which estimates the savings due to staff turnover at approximately 1% of the proposed personnel budget.
- Eliminate Free Containers Exchange Program (-\$0.1 million) – elimination of free exchanged bins will see additional revenue from bin sales for the Region.
- Defer Tip Fee Exemption for Charities (-\$0.2 million) until 2022– Charities currently receive an exemption from tip fees at Region facilities.
- Defer Mattress Recycling Program and Diversion of Construction and Demolition Wood Products until 2022 (-\$0.2 million) – programs that support diversion of these materials from landfills.

Reserve Management

The operating budget includes a \$4.1 million transfer to reserves consistent with CSD 70-2017 - Waste Management Reserve Strategy, which included a strategy to fund waste management capital needs and landfill liability for closure and post-closure care. Waste Management reserve contributions are as follows:

- \$2.7 million to the Waste Capital Reserve – to fund open landfill site and MRF capital.
- \$1.5 million to the Landfill Liability Reserve – to fund the liability related to existing closed landfill site capital, and Humberstone and NR12 post-closure operating and capital, estimated at \$61.3 million in 2019. This will provide for operating revenues currently generated from operation of the landfills to address disposal costs in the future when the Region no longer has open landfills generating tipping fee revenue.
- No contributions to the Waste Stabilization Reserve – the Reserve strategy called for an end to stabilization reserve contributions of \$0.4 million in 2021 as it was anticipated that the Reserve would reach the desired target balance (before mitigation usage).

Report CSD 70-2017 - Waste Management Reserve Strategy showed the WMS capital reserve in a positive position over the proceeding 10-year capital forecast period. The reserve is projected to be at \$2.1 million by the end of 2020 (net of capital commitments pending for the Environmental Centre Expansion of \$7.9 million) and to decrease to \$0 by the end of 2022 which limits the capital program each year to pay-as-you-go until the reserve is replenished in the future.

As noted in Table 3, the existing post-closure landfill liability is \$61.3 million. The projected balance of the Landfill Liability reserve for the end of 2020 is estimated at \$10.6 million, which is not adequate to address the future liability. As such, the contribution to the reserve continues as outlined above so that the Region is in a suitable position for the future.

As previously identified in Table 1, funding from the WMS stabilization reserve totalling \$3.4 million is proposed to mitigate the impacts of the new collection contract. The reserve funding is part of a multi-year strategy, which was originally presented with the 2020 budget deliberations. As noted in Table 3, the proposed strategy to utilize the WM stabilization reserve will reduce the reserve to near zero by the end of 2022. This approach does have risk, as there will be no stabilization funding available in the future to mitigate one-time pressures or in-year deficits, therefore contributions to the stabilization reserve will be evaluated each year. In the absence of reserve balances to fund year-end deficits, increases to future budgets will be required. The current multi-year budget includes \$0.6 million to partially replenish the stabilization reserve in 2023

Table 3 – WMS Forecasted Reserve Balances and Targets (\$M)

Reserve	Projected 2020 YE Balance	Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Target Reserve Balance
Waste Capital Reserve	\$2.1	\$2.3	\$0.0	\$0.0	\$7.0
Landfill Liability Reserve	\$10.6	\$9.6	\$8.4	\$8.8	\$61.3
Waste Stabilization Reserve	\$5.1	\$1.7	\$0.8	\$1.4	\$5.7 to \$8.6
Total	\$17.8	\$13.5	\$9.1	\$10.1	\$74-77

COVID-19 Impacts

Staff have identified \$0.1 million in COVID-19 related expenditures that will be offset from Safe Restart funding for 2021 waste management operations. These amounts primarily relate to enhanced cleaning and social distancing measures.

2021 Waste Management Requisition

The net requisition amount will be allocated in accordance with the methodology approved in PWA 55-2011. As such, base WMS costs will be apportioned based on the 2019 percentage of residential units in each municipality, while the enhanced collection services and associated disposal costs will be apportioned to the requesting municipalities.

The year-over-year increase in requisition amount by municipality before assessment growth equates to an increase ranging from 3.57% to 5.23% with an average increase of 3.99%, as outlined in Appendix 1.

The net requisition changes by municipality after year-to-date assessment growth (as at November 3, 2020) of 1.33% ranges from 0.27% to 4.24%. This range is the result of the differences in household growth between local area municipalities as well as net assessment growth. The WM levy is collected as a special levy with the Region establishing the tax rates for each municipality (with the exception of NOTL). Note that these are average impacts and the actual impact will vary on each individual property based on year-over-year assessment change relative to the average assessment change attributed to growth.

Appendix 2 provides the impacts of the WMS requisition for 2021 in comparison to 2020 on a cost per typical residential unit basis by area municipality. The 3.99% increase on the budget will impact the average residential property between \$0.36 to \$6.88 annually depending on the municipality (average annual impact of \$3.85).

Waste Management staff are reviewing the allocation methodology utilized for the WMS requisition between area municipalities. The current methodology was reaffirmed by Council in 2011 and has not been reviewed since that time. As part of the review, staff will engage the local area municipalities and review relevant legislation. No change will be proposed for 2021.

Risks & Opportunities

The proposed budget, like any budget, has a number of risks, as well as opportunities, which include:

- Recycling Commodity Prices –The market for commodities fluctuations. The 2021 commodity process are based on current market trends.

- Uncertainty around the Waste Free Ontario Act and the transition to extended producer responsibility and the impacts on the recycling facility.
- Other Price Risks – the collection contract with the private sector contains a number of contract adjustments related to fuel prices and CPI. If these factors exceed the forecast, that could have a material impact on the budget.
- Counterparty risk related to the waste collection contract for services that represents 49% of WMS's 2021 total gross operating costs.
- Reserve mitigation – utilize the Waste Management Stabilization Reserve to phase-in the pressure from the new collection contract that started in October 2020. This is projected to decrease reserve to a balance of \$0.8 million by the end of 2022. This may limit staff's ability to mitigate budget pressures as they arise (i.e. decreased end-market revenues) and could therefore result in increased pressure on future year budgets.
- Other mitigation measures – there are risks associated with all mitigations and details are included in supplementary business cases.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2021 WMS budget supports responsible growth and infrastructure planning and supports Council's objective of environmental sustainability and stewardship.

Other Pertinent Reports

PWA 55-2011 – Waste Management Services Financing Study

CSD 70-2017 – Waste Management Reserve Strategy

WMPSC-C 33 – 2018 Waste Management Tipping Fees

PW 61-2019 – Base Level Service for Waste Management Collection Contract

PW 65-2019 – Confidential – Pricing of Successful Proponents and Review of Optional Services for WM Collection Contract

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Appendices

Appendix 1	Proposed 2021 Requisition by Municipalities
Appendix 2	2021 WM Requisition for Typical Residential Property by Municipality
Appendix 3	Waste Management – Schedule of Revenues and Expenditures

Proposed 2021 Requisition by Municipality

Municipality	2020 Charges (\$000)	2021 Requisition (\$000)	Difference		Growth Impact %	
			Increase/ (Decrease) (\$000)	% Increase/ (Decrease)	Taxable Assessment Growth (%)*	Net Increase/ (Decrease) (%)
Fort Erie	\$ 2,954	\$ 3,067	\$ 114	3.85%	1.69%	2.15%
Grimsby	\$ 2,121	\$ 2,220	\$ 100	4.70%	0.46%	4.24%
Lincoln	\$ 1,770	\$ 1,845	\$ 75	4.21%	2.71%	1.50%
Niagara Falls	\$ 7,615	\$ 7,915	\$ 300	3.94%	1.22%	2.72%
Niagara-on-the-Lake*	\$ 1,682	\$ 1,750	\$ 68	4.02%	1.23%	2.78%
Pelham	\$ 1,343	\$ 1,400	\$ 58	4.30%	2.91%	1.38%
Port Colborne	\$ 1,946	\$ 2,032	\$ 85	4.39%	1.70%	2.69%
St. Catharines	\$ 11,816	\$ 12,254	\$ 437	3.70%	0.41%	3.30%
Thorold	\$ 1,642	\$ 1,728	\$ 85	5.19%	4.91%	0.27%
Wainfleet	\$ 601	\$ 622	\$ 22	3.60%	1.28%	2.32%
Welland	\$ 4,355	\$ 4,511	\$ 155	3.57%	1.49%	2.08%
West Lincoln	\$ 975	\$ 1,026	\$ 51	5.23%	1.18%	4.04%
Total	\$ 38,822	\$ 40,371	\$ 1,549	3.99%	1.33%	2.66%

* NOTL assessment growth value on increase in residential units NOT CVA (as per NOTL requisition methodology).

* Total taxable assessment growth percentage of 1.33% represents Niagara actual growth for 2020 as of November 3, 2020

Change in Residential Units - 2021 Budget over 2020 Budget

Municipality	Residential Units 2020 Budget	Residential Units 2021 Budget	Difference	
			Increase/ (Decrease)	% Increase/ (Decrease)
Fort Erie	15,697	15,792	95	0.61%
Grimsby	11,175	11,297	122	1.09%
Lincoln	9,305	9,363	58	0.62%
Niagara Falls	38,306	38,496	190	0.50%
Niagara-on-the-Lake	8,605	8,711	106	1.23%
Pelham	7,064	7,097	33	0.47%
Port Colborne	10,304	10,313	9	0.09%
St. Catharines	59,879	60,012	133	0.22%
Thorold	8,510	8,608	98	1.15%
Wainfleet	3,220	3,231	11	0.34%
Welland	23,293	23,415	122	0.52%
West Lincoln	5,399	5,462	63	1.17%
Total	200,757	201,797	1,040	0.52%

2021 WM Requisition For Typical Residential Property by Municipality

Municipality	2020 Final		2021 Draft ³			Annual		Monthly
	CVA ¹	WM taxes	CVA ¹	WM Tax Rate	WM taxes	\$	%	\$
Fort Erie	216,145	\$ 152.17	216,145	0.00071891	\$ 155.39	\$ 3.22	2.12%	\$ 0.27
Grimsby	400,088	\$ 163.11	400,088	0.00042489	\$ 169.99	\$ 6.88	4.22%	\$ 0.57
Lincoln	364,773	\$ 159.96	364,773	0.00044494	\$ 162.30	\$ 2.34	1.46%	\$ 0.19
Niagara Falls	262,988	\$ 139.79	262,988	0.00054585	\$ 143.55	\$ 3.76	2.69%	\$ 0.31
Niagara-on-the-Lake ²								
Pelham	364,292	\$ 172.61	364,292	0.00048019	\$ 174.93	\$ 2.32	1.35%	\$ 0.19
Port Colborne	207,501	\$ 185.74	207,501	0.00091878	\$ 190.65	\$ 4.91	2.64%	\$ 0.41
St. Catharines	259,643	\$ 172.94	259,643	0.00068792	\$ 178.61	\$ 5.68	3.28%	\$ 0.47
Thorold	228,358	\$ 138.12	228,358	0.00060641	\$ 138.48	\$ 0.36	0.26%	\$ 0.03
Wainfleet	273,324	\$ 159.72	273,324	0.00059775	\$ 163.38	\$ 3.66	2.29%	\$ 0.30
Welland	214,079	\$ 165.85	214,079	0.00079062	\$ 169.26	\$ 3.40	2.05%	\$ 0.28
West Lincoln	323,030	\$ 145.97	323,030	0.00046995	\$ 151.81	\$ 5.83	4.00%	\$ 0.49

¹ 2020 and 2021 average CVA based on average value from 2020 tax policy study. No change from 2020 to 2021 as a result of Provincial one year delay of new assessment cycle.

² NOTL charge to residents based on fixed household amount.

³ 2021 draft WM rates based on 2020 tax policy, 2021 draft requisition amounts and 2021 estimated returned roll assessment values.

Object of Expenditure	2020 WMS Budget Total (\$)	2021 WMS Budget Total (\$)	Total Variance (\$)	Combined Variance (%)	Note
A_40000AB Compensation	3,923,106	3,574,470	(348,636)	(8.9%)	(1)
A_41000AB Administrative	1,296,112	746,504	(549,608)	(42.4%)	
A_44000AB Operational & Supply	42,447,824	49,749,724	7,301,900	17.2%	(2)
A_50000AB Occupancy & Infrastructure	1,453,183	1,620,477	167,294	11.5%	
A_52000AB Equipment, Vehicles, Technology	1,214,097	1,150,164	(63,933)	(5.3%)	
A_56000AB Partnership, Rebate, Exemption	188,906	0	(188,906)	(100.0%)	(3)
A_75100AC Transfers To Funds	4,135,500	4,135,500	0	0.0%	
A_60000AC Allocation Between Departments	129,808	115,321	(14,487)	(11.2%)	
Gross Expenditure Subtotal	54,788,537	61,092,161	6,303,624	11.5%	
A_30000AB Taxation	(38,821,603)	(40,370,585)	(1,548,982)	4.0%	
A_32400AB By-Law Charges & Sales	(11,609,056)	(12,269,077)	(660,021)	5.7%	(4)
A_34950AB Other Revenue	(5,190,883)	(6,466,388)	(1,275,505)	24.6%	(5)
A_75000AC Transfers From Funds	(1,603,653)	(3,571,710)	(1,968,057)	122.7%	(6)
Gross Revenue Subtotal	(57,225,194)	(62,677,760)	(5,452,564)	9.5%	
Net Expenditure (revenue) before indirect allocations	(2,436,657)	(1,585,599)	851,058	(34.9%)	
A_70000AC Indirect Allocation	1,498,760	1,507,622	8,862	0.6%	
A_70200AC Capital Financing Allocation	937,897	77,977	(859,920)	(91.7%)	(7)
Allocation Subtotal	2,436,657	1,585,599	(851,058)	(34.9%)	
Net Expenditure (revenue) after indirect allocations	0	0	0	0	

Notes:

- (1) includes mitigations of student position deferral and salary gapping of \$(0.3M).
(2) Includes pressures related to the new collection contract first full year of \$6.6M, recycling purchases of \$0.6M, compost processing of \$0.4M less the savings associated with external disposal services of \$(0.2M).
(3) Includes proposed mitigation impacts associated with eliminating tip fee exemption for charities of \$(0.2M).
(4) Includes increased revenue associated with the elimination of free container exchange of \$(0.1M), bag tag sales volume increase of \$(0.1M) and end market recycling revenue of \$(0.4M).
(5) Includes increase in revenue from the resource productivity and recovery authority of \$(1.3M).
(6) Includes proposed stabilization reserve mitigation measure of \$(3.4M) for 2021 less one-time stabilization reserve draw in 2020 of \$0.9M.
(7) Includes decrease as a result of satisfying outstanding debt obligation of \$(0.8M).

Subject: 2021 Capital Budget

Report to: Budget Review Committee of the Whole

Report date: Thursday, October 15, 2020

Recommendations

1. That the 2021 Capital Budget for the Niagara Regional Departments and Agencies, Boards and Commissions of \$501,505,722 as per **Appendix 1** to CSD 58-2020, **BE APPROVED** pending final by-law approval anticipated to be on January 21, 2021.
2. That an incremental transfer to the Capital Levy Reserve of \$2,046,910 or 1.00% of the departmental share of the levy **BE REFERRED** to the 2021 Operating budget.
3. That \$5,300 for the incremental operating costs of capital projects as per **Appendix 7 BE REFERRED** for consideration as part of the 2021 Operating Budget to be funded from Assessment Growth.
4. That \$5,230,000 for the incremental operating costs of capital projects as per **Appendix 7 BE REFERRED** for consideration as part of the 2021 Rate Budget.
5. That financing in the amount of \$215,130,104 gross and \$182,450,742 net **BE INITIATED** upon approval of the 2021 Capital Budget and **BE ALLOCATED** to the projects as summarized in **Appendix 4** to CSD 58-2020;
6. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration to coincide with the approval of the operating budget.

Key Facts

- The purpose of this report is to recommend the 2021 capital budget of \$501.51 million with 127 projects that have been prioritized through the Corporate Asset Management Resource Allocation (CAMRA) Model. All capital projects were evaluated and ranked with CAMRA based on a risk calculated return on investment (RROI).
- Included in the capital budget is the South Niagara Falls Wastewater Treatment Plant (SNF WWTP) Project which is \$320 million or 64% of the 2021 Capital Budget.

- All recommended capital projects are supported by business cases included in eScribe. 117 projects are to be initiated and 4 projects are to be partially initiated concurrently with the approval of the 2021 Capital Budget (**Appendix 4**). There are 10 capital projects, in the amount of \$286.37 million, that will be brought forward for initiation at a later date once further information is available (**Appendix 4**).
- Capital funding was allocated to projects in alignment with the principles of the Capital Financing Policy inclusive of 1% increase of the departmental share of the levy and rate budgets in accordance with the 2021 budget planning report.

Financial Considerations

The proposed 2021 Capital Budget of \$501.51 million (\$85.76 million Levy Capital Budget and \$415.75 million Rate Capital Budget) is included in **Appendix 1**.

The 2021 Capital Budget being presented is funded as follows:

Table 1: Levy Capital Funding Sources 2020 vs 2021

	2020	2021
Regional Funding:		
Reserves	\$39,822,935	\$39,698,091
Debt for Long Term Care	129,187,000	-
Debt	15,762,650	25,000,000
	184,772,585	63,098,091
External Funding:		
Area Municipalities	2,700,000	3,950,000
Federal Gas Tax	10,348,900	11,000,000
Other External	12,621,546	1,289,862
	25,670,466	16,239,862
Development Charges (DC)	59,956,458	4,819,500
Total	270,399,489	85,757,453

Table 2: Rate Capital Funding Sources 2020 vs 2021

	2020	2021
Regional Funding:		
Reserves	\$83,994,830	\$64,932,000
Debt	-	82,988,565
	83,994,830	147,920,565
External Funding:		
Federal Gas Tax	4,000,000	3,000,000
Unconfirmed Grants (SNF)	-	108,000,000
Other External	800,000	-
	4,800,000	111,000,000
Debt - Development Charges	-	148,207,703
Development Charges	16,330,570	8,620,000
Total	105,125,400	415,748,269

Assumptions for the funding are as follows:

- The Capital Financing Policy has a strategy for establishing adequate levels of funding for capital projects that address sustainment, growth and new strategic investments. This policy was utilized for funding decisions in the 2021 Capital Budget.
- **Reserves** – Reserves were allocated to infrastructure renewal projects
 - A levy increase of 1% (\$2.05 million) was recommend in the 2021 budget planning strategy to support the infrastructure deficit and Capital Financing Strategy. If the increase is not approved, an additional \$2.05 million of levy capital projects will have to be deferred or reduced (**Appendix 3**).
 - At the end of 2021; General Capital Levy and Infrastructure Deficit Reduction Reserves is forecasted to be \$1 million, Water Reserve is forecasted to be \$60 million, Wastewater Reserve is forecasted to be \$2 million, and Waste Management reserve is forecasted to be \$0.5 million. The 9-year forecast of capital reserve balances are in **Appendix 6**.
 - Closures of 53 Capital projects and budget reductions provided \$9.6 million in funding for the 2021 Capital Budget.

- **Debt** – Debt was allocated to growth projects as identified within the DC background study, projects that provided net-new assets to the Region or projects that leveraged external funding sources.
 - No increase in the debt charge budget with the exception of accommodating the SNF WWTP and the Safe Drinking Water Act financial plan. The impacts to the debt metrics and trends are identified in **Appendix 5**. While Niagara is the highest compared to the average of comparable Regions in 7 debt metrics, it is still below the Municipal Act debt threshold of an annual repayment limit of 25% (2021 – 8.30%).
- **Area Municipality** – Contributions from local area municipalities are used for Capital projects in which Niagara Region projects incorporate some element of Local Area Municipality owned infrastructure.
- **Federal Gas Tax** – Annual allocation from the Federal Government of approximately \$14 million is provided to the Niagara Region every year to spend on infrastructure projects and is allocated to projects in accordance with the transfer payment agreement.
- **Unconfirmed Grants SNF** – Unconfirmed \$108 million estimated provincial and federal contribution for the SNF WWTP based on historical grant funding formulas. Confirmation of this grant is required in order for the SNF WWTP projects to proceed to construction phase.
- **Other External** – Confirmed contributions from 3rd parties, provincial and federal governments for capital projects were leveraged where possible.
- **Debt - Development charges** – 70% of the net cost of the SNF WWTP projects are recoverable by DCs. Since the collection of DC receipts from the resulting growth of the project will occur after the project is done, debenture financing will be required with the future annual debt payments funding from DC receipts
- **Development charges** - \$13.4 million have been maximized in accordance with the background study for growth related projects.

Operating impacts with capital

To align with the budget planning by-law, the impacts of operating these capital projects will be recommended to be funded through assessment growth for more transparency into the incremental revenues, expenditures or cost savings. This information is reported on the capital data sheets within the Budget detail on eScribe. A summary of the operating impacts can be seen in **Appendix 7**. Preliminary estimates of net assessment growth amount to \$3.9 million. Assessment growth will be allocated based on the budget planning bylaw's methodology when the operating budget is presented to the Budget Review Committee of the Whole in January. The remaining net assessment

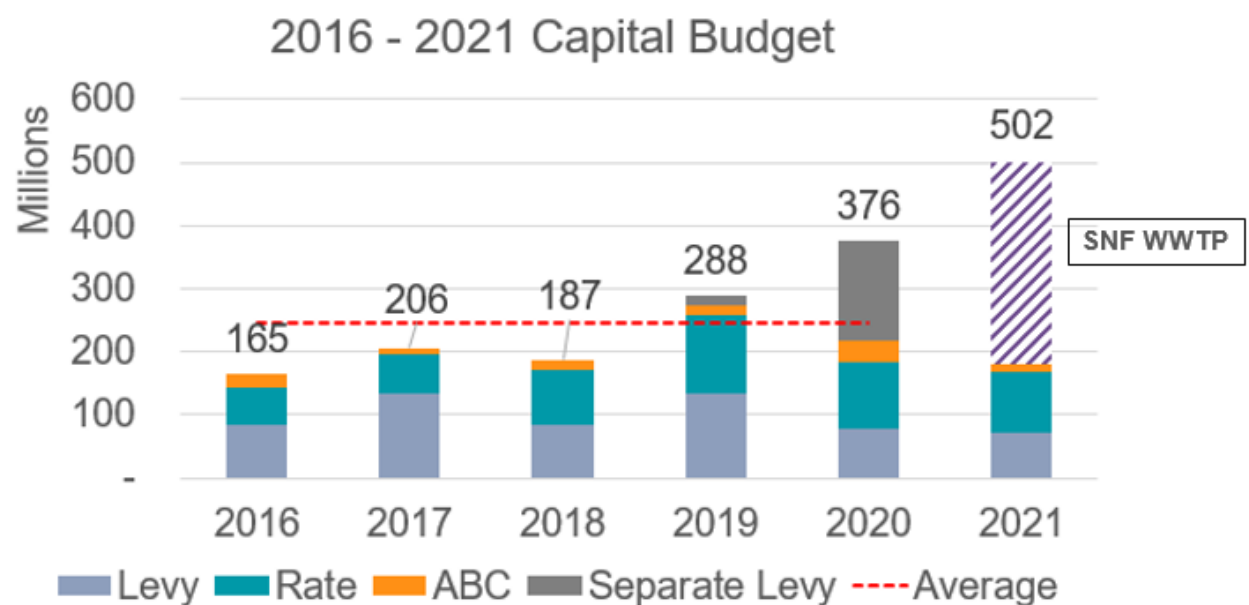
growth may be recommended for the projected levy 2021 operating costs of capital of \$5,300.

The projected rate 2021 operating cost of capital is \$5,230,000. The entire amount is related to the SNF WWTP. This operating cost will be accommodated within 2% budget planning on the rate budget. Additional breakdown into the rate operating impacts of capital can be found in PW 39-2020 South Niagara Falls Wastewater Treatment Plant Update.

South Niagara Falls Wastewater Projects and Development Charge Debt

As seen in Chart 1, The South Niagara Falls Wastewater Treatment Project comprises 64% of the 2021 Capital Budget. As identified in PW 39-2020, the SNF WWTP projects are being included in 2021 so that the project can begin the environmental assessment, planning and land acquisition. Due to the size of request, DC Debt will be used as a new method of financing in the 2021 Capital Budget.

Chart 1: 2016 – 2021 Capital Budget Trend



It is common that the infrastructure must be build first in order to open up the opportunity area for development which will in turn generate future development charges. As a result the Region will issue DC debt that will be funded with future DC

receipts (which is a practice adopted by municipalities). This required \$212 million of debt of which \$148 million will be recovered through future DC receipts.

Table 3: Funding Breakdown of South Niagara Falls Wastewater Projects

	Amount (in millions)
Gross Cost	\$320.20
Unconfirmed Grants	\$108.00
Debt - Development Charges	\$148.20
Debt - Rates	\$64.00
Total Funding	\$320.20

9 Year Forecast Financing Strategy

The 10-year capital program is \$3.03 billion with an estimated funding deficit of \$0.82 billion (\$763 million levy, \$60 million rate) (**Appendix 8**). This amount changes every year due to the timing of projects and new funding assumptions. Changes from the prior year forecast funding deficit of \$1.2 billion are primarily due to the following:

- The 10-year forecast is \$30M greater than the prior year
- The 10-year Water and Wastewater financial plan has been revised to reflect a recommended increase of 2% for 2021 and 5.15% for the 9 year forecast as per the Safe Drinking Water Act Financial plan. These projected increases to capital contributions will decrease the funding gap by \$400 million.

Analysis

Corporate Prioritization Process

In 2019, Council approved the Asset Management Office. Their mandate is to manage capital assets through a co-ordinated approach to ensure the desired level of service in the Asset Management Plan is achieved against the potential risk of failure due to deferrals from a lack of funding.

The Asset Management Office piloted for the 2021 capital budget a corporate capital project prioritization process. The new process known as Corporate Asset Management Resource Allocation (CAMRA) is a methodology to prioritize all capital projects submitted for the 2021 Capital Budget based on risk calculated return on investment which assigns a score based on the following:

- Environmental, social and economic risk assessment
- Alignment to council priorities
- Impact on the funding strategy

In co-ordination with the principles of the Capital Financing Policy, the model optimized the allocation of available funding to projects with the highest RROI.

Incorporated within CAMRA's environmental and social risk assessment is consideration of health, safety and wellbeing. This is aligned with steps from the Health Equity Informed Planning (HEIP) project, part of the Council Strategic Priority, fostering a healthy and vibrant community. This project involves incorporating Health Impact Assessments into planning processes at the Region. One of the objectives of this assessment is to identify health and health equity impacts within projects in order to maximize positive impacts and reduce negative impacts on health, leading to safer, more inclusive, affordable and accessible human services.

A team led by the Diversity, Equity and Inclusion Program Manager is piloting a Health Impact Assessment process in relation to capital projects over the next few months.

Capital Financing Sustainability and Asset Management Plan

The 2017 comprehensive Asset Management Plan was utilized in the 2021 budget cycle to identify existing assets for replacements. In the 2021 Capital Budget, 44% (2020 – 55%) of the projects are directly attributable to the AMP.

In 2017, Council approved the creation of the Infrastructure Deficit Reduction reserve through a 1% increase on the levy. The establishment of the reserve was the first step in a long-term capital financing strategy to reduce the infrastructure funding gap. Since the creation of this reserve, it has funded \$17.1 million of Capital projects which are identified in **Appendix 2**.

Per CSD 41-2019 Capital Financing Policy, it was identified that an estimated 2.16% annually for the next ten years was required to eliminate the infrastructure deficit. Recognizing the impact of COVID-19, the budget planning strategy proposed a 1% increase for capital. The 1% of departmental share of the levy (excluding agencies boards and commissions) equates to a 0.52% of the consolidated levy increase. Inclusive of the incremental 0.52% (\$2 million) of the levy budget, the annual contributions to general capital levy capital reserves will be \$19.9 million. The target based on the 2017 Asset Management Plan's annual asset renewal investment is \$66 million.

Table 3: Tax Levy Impact: Capital Funding Strategy vs Capital Budget proposed

	Amount (in millions)	% of Tax levy
Requirement for Asset Management identified in Capital Funding Strategy	\$8.48	2.16%
1% of Departmental Share of Levy	<u>\$2.05</u>	0.52%
Difference	\$6.43	1.64%

Supporting Growth

In the 2021 Capital Budget, \$161.6 million or 32% (2020 - 20%) of the gross request is growth related, therefore eligible to be financed through DCs. This is an increase of \$85.4 million from the 2020 Capital budget and is reflective of the continued investment in growth.

Alternatives Reviewed

No alternatives were reviewed. Information will continue to be developed, analysed and summarized for the Rate, ABC and Operating Budget Review Committee to facilitate decision making. Council will have the opportunity to consider all options throughout the budget process.

Relationship to Council Strategic Priorities

The 2021 Capital Budget aligns with the approved Niagara Region's 2019 – 2022 Council Strategic Plan. The following is the percentage of gross capital expenditures aligned to each strategic priority:

- 51.5%, Responsible growth and infrastructure planning and Sustainable and Engagement Government - Sustainable investments in transportation, transit and infrastructure and a commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.
- 48.5%, Businesses and Economic Growth and Healthy and Vibrant Community - A coordinated approach to fostering economic growth in Niagara and foster a high quality of life through safe, healthy and inclusive neighbourhoods through the delivery of quality, affordable and accessible human services.

Other Pertinent Reports

CSD 21 – 2017	Asset Management Plan
CSD 51 – 2019	Capital Financing Policy
CSD 41 – 2020	2021 Budget Planning
CSD 63 – 2017	Regional Development Charges and Proposed By-law
CSD 65 – 2019	Budget Planning By-law
PDS 37 – 2016	Niagara 2041 Growth Strategy - Local Municipal Growth Allocations
PW 22 – 2017	2016 Water & Wastewater Master Servicing Plan Update
PW 39 – 2020	South Niagara Falls Update
TSC-C 3 – 2017	Niagara Region Transportation Master Plan

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Appendices

Appendix 1	2021 Capital Budget Summary by Department with Funding
Appendix 2	Projects Allocated Infrastructure Deficit Reduction Funding
Appendix 3	Projects Allocated 1% Levy increase
Appendix 4	2021 Capital Projects Initiation Status
Appendix 5	Debt Information
Appendix 6	Capital Reserve Balances
Appendix 7	Operating Impacts of Capital

Appendix 8	2021 – 2030s Capital Budget and Nine Year Forecast
Appendix 9	Treasurer's Certificate

2021 Capital Budget by Department

	Gross Capital Request	Reserves	Debt*	Development Charges	Federal Gas Tax	Area Municipality	Other External	Total Funding
Community Services	795,051	795,051	0	0	0	0	0	795,051
Corporate Services	10,397,500	2,637,500	7,760,000	0	0	0	0	10,397,500
Corporate Administration	400,000	400,000	0	0	0	0	0	400,000
NRPS	7,438,500	2,838,500	4,600,000	0	0	0	0	7,438,500
Public Health	5,051,402	5,051,402	0	0	0	0	0	5,051,402
Regional Housing	7,280,000	1,162,415	5,677,723	0	0	0	439,862	7,280,000
Transportation	54,395,000	26,813,223	6,962,277	4,819,500	11,000,000	3,950,000	850,000	54,395,000
Waste Management	4,927,000	4,927,000	0	0	0	0	0	4,927,000
Wastewater	380,121,269	35,565,000	231,196,269	2,360,000	3,000,000	0	108,000,000	380,121,269
Water	30,700,000	24,440,000	0	6,260,000	0	0	0	30,700,000
Total	501,505,722	104,630,091	256,196,269	13,439,500	14,000,000	3,950,000	109,289,862	501,505,722

* \$146.2M of Debt will be recovered by future development charge receipts.

Projects Allocated 1% Infrastructure Deficit Reduction Funding

The following are capital projects financed with the 1% infrastructure deficit reduction reserve since 2017

Historically Approved

Project ID	Project Name	IDR Funded
10RC0627	38-QEW/Fourth – St. Catharines	\$500,000
10RC0816	57-Thorold Stone Road Extension –Niagara Falls	1,643,022
10RC1329	10-Livingston / QEW - Grimsby	1,650,000
10RC1354	87-Third/Seventh- St. Catharines	44,234
10RC1554	Glendale Ave Interchange @ QEW	250,000
10RC1559	69-Wessel/Centre Phase 3 - Lincoln	450,000
10RC1560	1-Albert/Lakeshore- Fort Erie	936,000
10RC1562	RR 42 - Ontario Street EA St. Catharines	1,260,000
10RC1567	27-Prince Charles Drive /Lincoln- Welland	945,000
20000145	63-Wellandport/Com Centre- West Lincoln	270,000
20000147	89-Welland Canal / Homer - NOTL	270,000
20000319	St Davids Road East – Thorold	1,158,576
20000497	2017-Interchange St Davids @ 406 – Thorold	1,140,000
20000658	18-Struct Rehab -Mewburn@CNR Tracks- Niagara Falls	75,000
20000660	18-Rehab 56-Glendale to St Davids -Thorold	180,000
20000662	18-Intersection Improvement -81 @ Main & 19th-Lincoln	500,000
20000667	18-Rehab 49 – Hydro Electric PC to Wilson P2-Niagara Falls	255,000
20000668	18-Rehab 81- Burgoyne to CNR-St. Catharines	450,000
20000895	19-Intersection Improvement RR 24 Victoria Ave – Niagara Falls	500,000
20000898	19-Rds Rehab - RR 72 Louth St – St. Catharines	300,000
20000929	19- Intersection Improvement - RR46 Geneva St – St. Catharines	1,000,000
Total		\$13,776,832

Proposed with the 2021 Capital Budget

Project ID	Project Name	IDR Funded
20001350	21- Code and Legislative Compliance Program	\$258,691
20001323	21- Rds Rehab – Misc Construction	250,000
20001433	21- EMS King St. Base Parking Lot Refurbishment and And Retaining Wall Repair	400,000
20001400	21- Annual – EMS Ambulance and Equipment Replacement	2,028,958
Total		\$3,352,000

Projects Allocated 1% Budget Planning

The following are capital projects financed with the 1% budget planning.

Project ID	Project Name	1% Budget Planning
J_20001402	21- EMS Intraosseous Needles	103,313
J_20001440	21- EMS New Ambulance plus Equipment	290,527
J_20001320	21- Ann-Line Marking	200,000
J_20001338	21- LTC Homes – Machinery & Equipment	172,687
J_20001399	21- NRH – Annual Building Capital Program	1,280,383
Total		\$2,046,910

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
Community Services	J_20001336	21- LTC Homes - Bed Replacement	195,481	195,481	-	-	-	-	-
	J_20001337	21 - LTC Homes - Resident Care Equipment	426,883	426,883	-	-	-	-	-
	J_20001338	21 - LTC Homes - Machinery & Equipment	172,687	172,687	-	-	-	-	-
Community Services Total			795,051	795,051	-	-	-	-	-
Corporate Administration	J_20001341	21-HRIS Development	400,000	400,000	-	-	-	-	-
Corporate Administration Total			400,000	400,000	-	-	-	-	-
Corporate Services	J_20001348	21-Court Scheduling Modernization	150,000	150,000	-	-	-	-	-
	J_20001421	21-Telecom Infrastructure – End of Life Voice Speech Attendant	100,000	100,000	-	-	-	-	-
	J_20001349	21-Server Infrastructure – End of Life Asset Replacement	600,000	600,000	-	-	-	-	-
	J_20001350	21-Code and Legislative Compliance Program	290,000	290,000	-	-	-	-	-
	J_20001432	EMS - NOTL Separation Of Utilities From Hospital And Generator Installation	350,000	350,000	-	-	-	-	-
	J_20001433	21-EMS - King St. Base Parking Lot Refurbishment and And Retaining Wall Repair	400,000	400,000	-	-	-	-	-
	J_20001351	21-NRPS - HQ Interior Door Retrofit	150,000	150,000	-	-	-	-	-
	J_20001435	21-PW - Welland Yard Oil Separator And Holding Tank Replacement	100,000	100,000	-	-	-	-	-
	J_20001271	Backup 911 Call Centre Relocation	7,760,000	-	7,760,000	-	-	-	-
	J_20001353	21-Wainfleet Beach - Long Term Sustainability	70,000	70,000	-	-	-	-	-
	J_20000107	Bldg Ext - Emerg Svc - Roof	427,500	427,500	-	-	-	-	-
Corporate Services Total			10,397,500	2,637,500	7,760,000	-	-	-	-
Niagara Regional Housing	J_20001340	21-NRH - Annual Emergency Capital Program	200,000	200,000	-	-	-	-	-
	J_20001398	21-NRH - Annual Grounds Capital Program	2,290,000	311,290	1,836,438	-	-	-	142,272
	J_20001399	21-NRH - Annual Building Capital Program	4,790,000	651,125	3,841,285	-	-	-	297,590
Niagara Regional Housing Total			7,280,000	1,162,415	5,677,723	-	-	-	439,862
NRPS	J_20001447	NRPS - IT & Network Equipment Replacement - Annual (2021)	800,000	800,000	-	-	-	-	-
	J_20001446	NRPS - Annual Vehicle Replacements - NRPS - Annual Forecast (2021)	1,400,000	1,400,000	-	-	-	-	-
	J_20001450	NRPS - Speed Detection Devices (2021)	14,000	14,000	-	-	-	-	-
	J_20001449	NRPS - CEW Replacement - Annual (2021)	75,000	75,000	-	-	-	-	-
	J_20001462	NRPS – Communications Back Up Centre	4,600,000	-	4,600,000	-	-	-	-
	J_20001448	NRPS - Automated Fingerprint Records Check (2021)	125,000	125,000	-	-	-	-	-
	J_20001459	NRPS - Automated Licence Plate Reader (2021)	30,000	30,000	-	-	-	-	-
	J_20001452	NRPS - Binocular Night Vision Devices (2021)	61,000	61,000	-	-	-	-	-
	J_20001456	NRPS - CBRN Non-Encapsulating Protection Suits (2021)	20,000	20,000	-	-	-	-	-
	J_20001454	NRPS - Direct Read Portable X-Ray System (2021)	87,000	87,000	-	-	-	-	-
	J_20001457	NRPS - Forward Looking Infrared Camera (2021)	36,000	36,000	-	-	-	-	-
	J_20001453	NRPS - Diver's Umbilical Breathing Hose (2021)	13,000	13,000	-	-	-	-	-
	J_20001455	NRPS - Self Contained Breathing Apparatus (2021)	47,000	47,000	-	-	-	-	-
	J_20001458	NRPS - Towable Underwater Video/Light System (2021)	18,000	18,000	-	-	-	-	-
	J_20001451	NRPS - Range Target System (2021)	60,000	60,000	-	-	-	-	-
	J_20001460	NRPS - Property and Evidence Money Safes (2021)	45,000	45,000	-	-	-	-	-
	J_20001461	NRPS - Property and Evidence Scissor Lift (2021)	7,500	7,500	-	-	-	-	-
NRPS Total			7,438,500	2,838,500	4,600,000	-	-	-	-
Public Health Emergency Serv	J_20001400	21-Annual - EMS - Ambulance and Equipment Replacement	2,028,958	2,028,958	-	-	-	-	-
	J_20001401	21-EMS - Defibrillator Replacement	2,306,536	2,306,536	-	-	-	-	-
	J_20001402	21-EMS Intraosseous Needles	103,313	103,313	-	-	-	-	-
	J_20001342	Digital Radios - Fire Coordinator	20,000	20,000	-	-	-	-	-
	J_20001440	21-EMS New Ambulance plus Equipment	290,527	290,527	-	-	-	-	-
	J_20001442	21-EMS Emergency Response Vehicles	302,068	302,068	-	-	-	-	-
Public Health Emergency Serv Total			5,051,402	5,051,402	-	-	-	-	-
Public Works - Levy	J_10RC1560	Rds Rehab - RR 1 Dominion Rd Reconstruction - Helena St to Lakeshore Rd	5,860,000	4,419,223	449,777	541,000	-	100,000	350,000
	J_10RC1562	Rds Rehab - RR 42 Ontario St. Reconstruction - Lakeshore to Linwell	710,000	639,000	-	71,000	-	-	-
	J_10RC1564	Rds Rehab - RR 81 King St Reconstruction - Durham Rd to Lincoln Ave	1,000,000	-	900,000	100,000	-	-	-
	J_10RC1566	Struc Rehab - St. Paul W CNR Bridge Replacement (081215)	11,000,000	-	-	1,787,500	5,362,500	3,850,000	-

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
	J_20000489	Rds Rehab - RR 529 Effingham St - Webber Rd to River Rd	5,500,000	-	-	550,000	4,950,000	-	-
	J_10RC1244	Rds Rehab RR87 Lakeshore Rd from Townline Rd to Four Mile Creek Rd	2,000,000	2,000,000	-	-	-	-	-
	J_10RC1559	Rds Rehab - Pelham Rd Reconstruction (Ph 3) - Wessell Dr to 8th Ave	7,000,000	-	5,612,500	700,000	687,500	-	-
	J_20000664	Struc Rehab - Hydro Canal Bridge North Str. 020230	2,580,000	2,580,000	-	-	-	-	-
	J_20001186	Rds Rehab - RR 20 Lundy's Lane - Highland Ave to Montrose Rd	700,000	630,000	-	70,000	-	-	-
	J_20001311	21 Ann-Guide Rail Imprv	250,000	250,000	-	-	-	-	-
	J_20001307	21 Ann-Development Projects	500,000	-	-	-	-	-	500,000
	J_20001317	21 Ann-Roads Resurfacing	10,000,000	9,000,000	-	1,000,000	-	-	-
	J_20001319	21 Ann-Struc Rehab-Eng & Constr	1,500,000	1,500,000	-	-	-	-	-
	J_20001320	21 Ann-Line Marking	200,000	200,000	-	-	-	-	-
	J_20000498	McLeod Rd at Stanley/CNR Tracks - Storm Pumping Station	500,000	500,000	-	-	-	-	-
	J_20001323	21-Rds Rehab-Misc Construction	750,000	750,000	-	-	-	-	-
	J_20001128	21- Vision Zero	500,000	500,000	-	-	-	-	-
	J_20001406	Struc Rehab - Beaver Creek Bridge (063215)	150,000	150,000	-	-	-	-	-
	J_20001407	Struc Rehab - Hwy 20 Bridge - Bridge Replacement (Str. 020220)	3,500,000	3,500,000	-	-	-	-	-
	J_20001414	Struc Rehab -077310-16 Mile Creek Arch Culvert	100,000	100,000	-	-	-	-	-
	J_20001420	21-WM-Ops Vehicle	40,000	40,000	-	-	-	-	-
	J_20001445	21- Water New Vans	55,000	55,000	-	-	-	-	-
Public Works - Levy Total			54,395,000	26,813,223	6,962,277	4,819,500	11,000,000	3,950,000	850,000
Waste Management	J_20000887	Mtn-GW Treatment LCS upgrades	1,200,000	1,200,000	-	-	-	-	-
	J_20000167	Glenridge - Passive Gas System	385,000	385,000	-	-	-	-	-
	J_20001333	21-Ann Misc. Enhance/Replace	165,000	165,000	-	-	-	-	-
	J_20001335	21-Property Acquisition	110,000	110,000	-	-	-	-	-
	J_20001334	21-Humberstone-LGCCS Phase 3	330,000	330,000	-	-	-	-	-
	J_20001329	21-NR12-Compost Pad	520,000	520,000	-	-	-	-	-
	J_10GL1218	Glenridge LCS Header Replacement	825,000	825,000	-	-	-	-	-
	J_20001330	21-Recycling Loader Replacement	358,000	358,000	-	-	-	-	-
	J_20001331	21-Recycling Facility Improvement	44,000	44,000	-	-	-	-	-
	J_20001332	21-Recycling Building & Equip	110,000	110,000	-	-	-	-	-
	J_20001390	21-Recycling Rotary Glass Dryer	880,000	880,000	-	-	-	-	-
Waste Management Total			4,927,000	4,927,000	-	-	-	-	-
Wastewater Operations	J_10SW1517	Niagara Falls WWTP Secondary Treatment Upgrade	47,000,000	25,000,000	19,000,000	-	3,000,000	-	-
	J_20000705	George Street SPS Upgrade	2,600,000	2,600,000	-	-	-	-	-
	J_20000698	Campden Pumping Station Upgrades	1,200,000	120,000	-	1,080,000	-	-	-
	J_20000711	East Side Pump Station Forcemain Replacement	1,500,000	1,500,000	-	-	-	-	-
	J_20000724	South Niagara Falls Wastewater Treatment Plant	26,176,240	-	26,176,240	-	-	-	-
	J_20001146	20-Lakeshore Road Pumping Station Upgrade	500,000	50,000	-	450,000	-	-	-
	J_20001354	21 - Region Wide Sludge Septic Haulage Program	1,000,000	1,000,000	-	-	-	-	-
	J_20001355	21-Laboratory and Sampling Equipment Upgrade Program	100,000	100,000	-	-	-	-	-
	J_20001356	21-WWTP Digester / Sludge Management Program	1,250,000	1,250,000	-	-	-	-	-
	J_20001357	21- Royal Manor Pump Station Upgrades and Forcemain Replacement	300,000	300,000	-	-	-	-	-
	J_20001358	21- Rolling Acres PS Upgrades and Forcemain Replacement	300,000	300,000	-	-	-	-	-
	J_20001359	21- Nigh Rd Pumping Station Upgrade	300,000	150,000	-	150,000	-	-	-
	J_20001360	21 - Nickel St Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001361	21-Seaway WWTP Contact Tank Process Modifications	250,000	250,000	-	-	-	-	-
	J_20001362	21-Fares St Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001363	21- Arena Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001364	21- Spring Gardens Pumping Station Upgrades and Forcemain Replacement	350,000	350,000	-	-	-	-	-
	J_20001365	21-Port Dalhousie WWTP Waste Gas Burner Upgrades	300,000	300,000	-	-	-	-	-
	J_20001366	21 - Ontario St Pumping Station Upgrades	850,000	170,000	-	680,000	-	-	-
	J_20001367	21-New South Niagara Falls WWTP Outfall	780,400	-	780,400	-	-	-	-

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
	J_20001368	21- South Niagara Falls Trunk Sewer	6,264,011	-	6,264,011	-	-	-	-
	J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	600,000	-	600,000	-	-	-	-
	J_20000866	19-Decommission Old Central Pumping Station	400,000	400,000	-	-	-	-	-
	J_20001465	21- Mill St Area Sanitary Improvements Ph 1	825,000	825,000	-	-	-	-	-
Wastewater Operations Total			93,745,651	35,565,000	52,820,651	2,360,000	3,000,000	-	-
Water Operations	J_20000615	DeCew Falls Bypass Channel Weir Upgrade (Middle Res)	750,000	750,000	-	-	-	-	-
	J_20000620	Downing Avenue Transmission Main Replacement	2,000,000	2,000,000	-	-	-	-	-
	J_20000755	WTP Upgrade - DeCew Falls Intake Building Rehabilitation	5,000,000	5,000,000	-	-	-	-	-
	J_20000848	Watermain - Port Robinson System Interconnect	3,600,000	1,800,000	-	1,800,000	-	-	-
	J_20000187	Grimsby WTP Upgrade - Laneway Improvements	1,100,000	1,100,000	-	-	-	-	-
	J_20001396	21- Roof Replacement Program	500,000	500,000	-	-	-	-	-
	J_20001377	21-Water - Hardware & Software Upgrade Program	100,000	100,000	-	-	-	-	-
	J_20001378	21-GAC Replacement program at Water Treatment Plants	2,500,000	2,500,000	-	-	-	-	-
	J_20001379	21-Master Meter Replacement Program - Water	250,000	250,000	-	-	-	-	-
	J_20001380	21-Reservoir & Storage Program	500,000	500,000	-	-	-	-	-
	J_20001382	21-Corporate WIFI Expansion at Water Facilities	200,000	200,000	-	-	-	-	-
	J_20001393	21- Boiler Replacement Program	1,000,000	1,000,000	-	-	-	-	-
	J_20001384	21-Drummond Road Valve Rehabilitation	1,000,000	1,000,000	-	-	-	-	-
	J_20001385	21- New Niagara Falls Elevated Tank	1,500,000	1,050,000	-	450,000	-	-	-
	J_20001391	21- Rosehill WTP New Outfall	400,000	400,000	-	-	-	-	-
	J_20001394	New Trunk Main in Central Fort Erie	400,000	200,000	-	200,000	-	-	-
	J_20001386	21-Bemis Elevated Tank Replacement	500,000	500,000	-	-	-	-	-
	J_20001387	21-DeCew Plant 1 Mixing System	400,000	400,000	-	-	-	-	-
	J_20001388	21-York Road Watermain Replacement	500,000	500,000	-	-	-	-	-
	J_20000467	2017- Grimsby Watermain Replacement	6,000,000	3,000,000	-	3,000,000	-	-	-
	J_20001392	21- Grimsby WTP New Outfall	600,000	600,000	-	-	-	-	-
	J_20001395	21- New Transmission Main in Smithville	900,000	90,000	-	810,000	-	-	-
	J_20001464	21- Grimsby WTP HVAC Upgrades	1,000,000	1,000,000	-	-	-	-	-
Water Operations Total			30,700,000	24,440,000	-	6,260,000	-	-	-
Grand Total			215,130,104	104,630,091	77,820,651	13,439,500	14,000,000	3,950,000	1,289,862

2021 Capital Projects for Future Initiation

Program	Project ID	Project Name	Values						
			Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
Wastewater Operations	J_20000724	South Niagara Falls Wastewater Treatment Plant	161,571,691	-	53,571,691	-	-	-	108,000,000
	J_20001367	21-New South Niagara Falls WWTP Outfall	9,851,933	-	9,851,933	-	-	-	-
	J_20001368	21- South Niagara Falls Trunk Sewer	79,078,177	-	79,078,177	-	-	-	-
	J_20001369	21-New South West Trunk Sewer - South Niagara Falls WWTP	9,770,090	-	9,770,090	-	-	-	-
	J_20001370	21-Peel St PS Upgrades and New Forcemain - South Niagara Falls WWTP	5,921,267	-	5,921,267	-	-	-	-
	J_20001371	21-South Side High Lift PS Decommissioning - South Niagara Falls WWTP	632,660	-	632,660	-	-	-	-
	J_20001372	21-Garner Rd, Oakwood Dr, Grassy Brook PS Decommissioning	1,138,787	-	1,138,787	-	-	-	-
	J_20001373	21-Niagara Falls McLeod Rd Overflow Diversion	1,890,679	-	1,890,679	-	-	-	-
	J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	3,789,611	-	3,789,611	-	-	-	-
	J_20001375	21-New Black Horse PS Forcemain - South Niagara Falls WWTP	12,730,724	-	12,730,724	-	-	-	-
Wastewater Operations Total			286,375,619	-	178,375,619	-	-	-	108,000,000
Grand Total			286,375,619	-	178,375,619	-	-	-	108,000,000

Debt Information

The following is a comparison of the Region's debt-related metrics compiled from the Financial Information Return (FIR) compared to our upper tier municipal peers. The information on the FIR below represents actual debt issued with the exception of the S&P ratio. The S&P Ratio and ARL are presented in the table are based on forecasted timing of debt issuance. The worst case scenario in which all debt is issued upon approval would put the S&P ratio at 108.1% and the ARL at 9.80%.

Metric	Current State	Proposed with 2021 Budget	Average of Comparable Regions ¹	Key thresholds
Debt as a % of Operating Revenues	38.0%	63.0%	29.0%	
Debt as a % of Reserves & Reserve Funds	82.0%	137.0%	65.0%	
Debt per Capita	\$801.02	\$1,335.68	\$583.30	
Debt per Household (upper tier)	\$1,902.10	\$3,171.67	\$1,628.51	
Debt per Household (upper & lower tier)	\$3,550.71	\$4,820.28	\$2,544.89	
S&P Ratio of Total Region and lower tier Debt to Operating Revenue ²	76.20%	90.4%	55.30%	120.00% ³
Annual Repayment Limit (ARL)	7.79%	8.30%	5.64%	25.00% ⁴

Source: Ministry of Municipal Affairs Financial Information Return

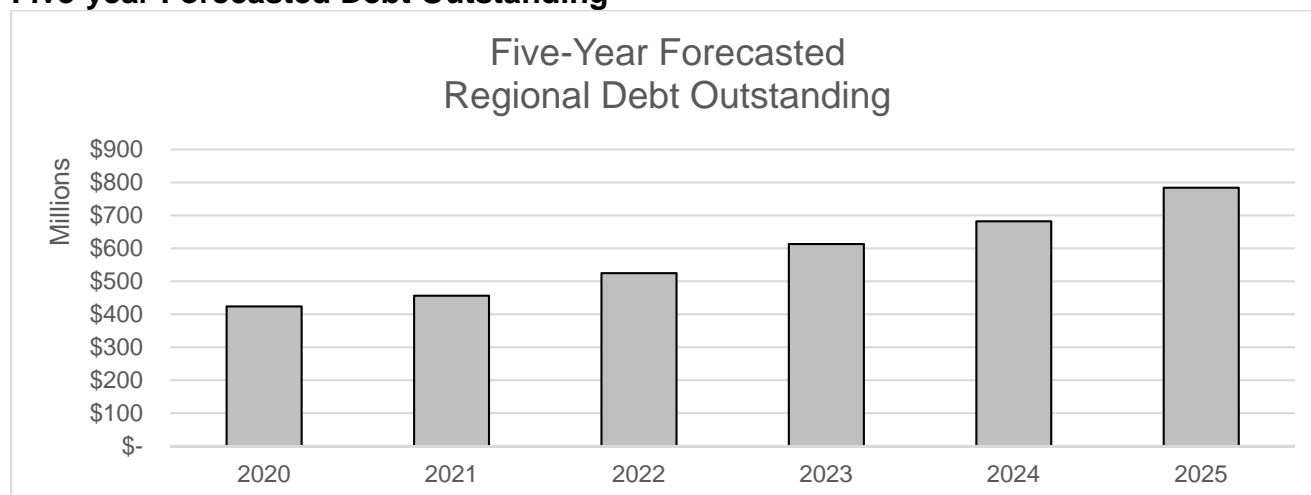
1 - The comparable regions are Durham, Halton, and Waterloo in line with the KPMG Sustainability review

2 - Waterloo does not use S&P as their credit agency and thus was not included for this analysis. The Region's S&P ratio is calculated as of August 31, 2020.

3 - If this ratio surpasses 120% or total consolidated debt surpasses \$1 billion there is a risk of downgrade in the Region's credit rating.

4 - Legislated maximum ratio set by the Province is 25%.

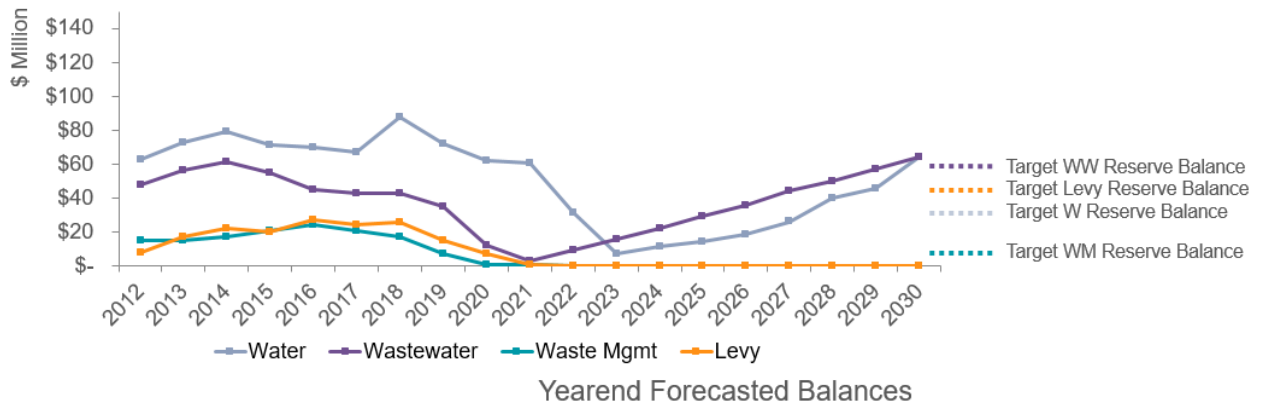
Five-year Forecasted Debt Outstanding



Forecasted Capital Reserve Balances

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water	63	73	79	71	70	67	88	72	62	60	31	7	11	14	19	26	40	46	64
Wastewater	48	56	61	55	45	43	43	35	12	2	9	15	22	28	35	44	49	56	64
Waste Mgmt	15	15	17	21	24	21	17	7	1	1	1	1	1	1	1	1	1	1	1
Levy	8	17	22	20	27	24	26	15	7	1	1	1	1	1	1	1	1	1	1
	134	161	179	167	166	155	174	129	82	64	42	24	35	45	56	72	91	104	130

*Figures presented for Levy may not be comparable for years 2010 – 2012 as CSD 48-2014 authorized the closure of several reserve and reserve funds to capital levy reserves



Operating Impacts of Capital

The following are capital projects that will have impact on the operating budget.

Project ID	Project Name	Operating Impact
J_20001342	Digital Radios - Fire Coordinator	2,400.00
J_20001420	21-WM-Ops Vehicle	1,450.00
J_20001445	21- Water New Vans	1,450.00
Total		\$5,300.00

Project ID	Project Name	Operating Impact
J_20000724	South Niagara Falls Wastewater Treatment Plant	5,230,000.00
Total		\$5,230,000.00

2021 Capital Budget and 9-Year Forecast

Year	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Area Municipality	Other External	Funding Gap
2021	\$501,505,722	\$104,630,091	\$256,196,269	\$13,439,500	\$14,000,000	\$3,950,000	\$109,289,862	0
2022	566,288,459	99,444,099	78,368,868	136,456,432	14,000,000	3,302,075	2,318,493	232,398,491
2023	374,563,769	93,073,306	56,978,230	25,515,000	14,000,000	1,600,000	23,618,493	159,778,740
2024	245,988,734	65,551,310	34,847,946	64,946,500	14,800,000	-	1,105,078	64,737,900
2025	252,807,613	69,330,023	31,280,218	35,974,000	14,800,000	300,000	31,048,874	70,074,498
2026	208,202,577	65,113,708	35,632,092	50,010,000	14,800,000	-	1,048,874	41,597,904
2027	231,943,248	69,794,007	28,908,225	72,670,000	15,300,000	-	1,000,000	44,271,015
2028	292,341,906	73,140,417	8,776,840	70,942,500	15,300,000	-	1,000,000	123,182,150
2029	179,697,601	87,273,421	12,249,082	4,090,000	15,300,000	-	1,000,000	59,785,098
2030	176,136,018	82,063,368	29,207,943	19,400,000	15,900,000	-	1,000,000	28,564,707
Grand	\$3,029,475,647	\$809,413,750	\$572,445,713	\$493,443,932	\$148,200,000	\$9,152,075	\$172,429,674	\$824,390,503

TREASURER'S REPORT

PROJECT IDENTIFICATION AND FINANCING INFORMATION

Project ID	Description	Long-term Financing	Term (min-max)
J_20001368	21-New Oakwood Dr Trunk Sewer - South Niagara Falls WWTP	\$ 85,342,188	1 - 30
J_20000724	South Niagara Falls Wastewater Treatment Plant	79,747,931	1 - 30
J_10SW1517	Niagara Falls WWTP Secondary Treatment Upgrade	19,000,000	1 - 30
J_20001375	21-New Black Horse PS Forcemain - South Niagara Falls WWTP	12,730,724	1 - 30
J_20001367	21-New South Niagara Falls WWTP Outfall	10,632,332	1 - 30
J_20001369	21-New South West Trunk Sewer - South Niagara Falls WWTP	9,770,090	1 - 30
J_20001370	21-Peel St PS Upgrades and New Forcemain - South Niagara Falls WWTP	5,921,267	1 - 30
J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	4,389,611	1 - 30
J_20001373	21-Niagara Falls McLeod Rd Overflow Diversion	1,890,679	1 - 30
J_20001372	21-Garner Rd, Oakwood Dr, Grassy Brook PS Decommissioning	1,138,787	1 - 30
J_20001371	21-South Side High Lift PS Decommissioning - South Niagara Falls WWTP	632,660	1 - 30
J_20001271	Backup 911 Call Centre Relocation	7,760,000	1 - 10
J_10RC1559	Rds Rehab - Pelham Rd Reconstruction (Ph 3) - Wessell Dr to 8th Ave	5,612,500	1 - 10
J_20001462	NRPS – Communications Back Up Centre	4,600,000	1 - 10
J_20001399	21-NRH - Annual Building Capital Program	3,841,285	1 - 10
J_20001398	21-NRH - Annual Grounds Capital Program	1,836,438	1 - 10
J_10RC1564	Rds Rehab - RR 81 King St Reconstruction - Durham Rd to Lincoln Ave	900,000	1 - 10
J_10RC1560	Rds Rehab - RR 1 Dominion Rd Reconstruction - Helena St to Lakeshore Rd	449,777	1 - 10
TOTAL		\$ 256,196,269	

TREASURER'S VERIFICATION REPORT

(REQUIRED ONLY ON PROJECTS INVOLVING DEBENTURE FINANCING)

This confirms that I have checked the "Debt Repayment Limit" for Regional Niagara and passage of the by-law to approve these projects will not cause the Region to exceed its limit.

DATE _____

SIGNATURE _____

MEMORANDUM

BRC-C 1-2020

Subject: Councillor Information Requests from October 15, 2020 Budget Review Committee of the Whole

Date: November 26, 2020

To: Budget Review Committee of the Whole

From: Todd Harrison, Commissioner/Treasurer Corporate Services

This memo is in response to Councillor Information Requests at Budget Review Committee of the Whole on October 15 as follows:

1. *Committee members requested additional information respecting the strategy and rationale behind the budgeting of the South Niagara Falls Wastewater Treatment Plant project.*
 - a) *Provide information regarding the contingency budget for the South Niagara Falls Wastewater Treatment Plant Projects.*
 - b) *Provide additional information regarding the financing strategy for the South Niagara Falls Wastewater Treatment Plant Projects.*
 - c) *Provide information respecting the inclusion of the South Niagara Falls Wastewater Treatment Plant in the Development Charges background study and by-law. (Councillor Redekop).*
2. *Provide information respecting the capital projects evaluated under the CAMRA model which were not included in the 2021 capital budget. (Councillor Heit).*

1. a) Provide information regarding the contingency budget for the South Niagara Falls Wastewater Treatment Plant Projects (SNF WWTP).

Contingencies and estimates are budgeted within the project through the following:

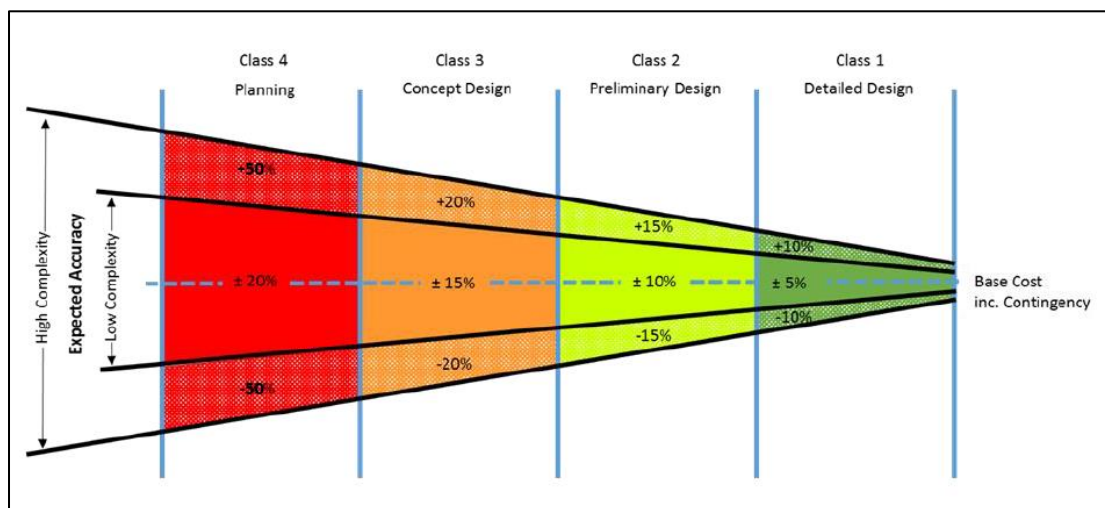
- An overall 10% project contingency.
- Contingency in pricing estimates on price sensitive assets.
- A capital inflation rate of 4% for the time value of money.

Cost estimating accuracy will improve as the project progresses. For the purposes for budgeting, class 3 concept design cost estimates were utilized. Per Table 1 and Figure 1, the accuracy range of these estimates are between 15-20%.

Table 1 Types of Estimate Class and Accuracy Ranges

Estimate Class	Estimate Class Description	End Usage / Major Deliverables	Accuracy Range (+/-)	
			Low Complexity	High Complexity
Class 4	Planning Cost Estimate	Concept Screening; justification for project planning funding. Minimum information requirements.	20	50
Class 3	Concept Design Cost Estimate	Basis for budgeting and approvals.	15	20
Class 2	Preliminary Design Cost Estimate	Used for project cost control during design; initial detailed estimate.	10	15
Class 1	Detailed Design Cost Estimate	Final cost review in preparation for construction; tender ready.	5	10

Figure 1 Variability of Estimates per Class



1. b) Provide additional information regarding the financing strategy for the SNF WWTP Projects.

The SNF WWTP capital requirement is as follows:

- 2021 capital budget includes \$320 million (\$5 million approved in prior years, total cost estimate is \$325 million)
- \$34 million required to be initiated in 2021 for the purchase of land, design, EAs with \$23 million in DC debentures and \$11 million in debentures financed from the wastewater rates.

- Remaining \$286 million to be initiated at a later date with funding of:
 - \$53 million debentures financed from the wastewater rates as this is supporting upgrades of existing infrastructure (i.e. benefit to existing)
 - \$125 million debentures financed from development charges as this is to support growth
 - \$108 million in unconfirmed grants
 - Project construction will not begin until grant funding is confirmed
 - Approval of the debentures at this time ensures Region's debt capacity is preserved for this project however debt will not be acquired until after costs are incurred.
- Operating budget impacts of \$320 million must be approved in year of capital project approval as per policy and can be accommodated within 2% water/wastewater rates. Approval of the wastewater operating budget at this time ensures capacity to support debt servicing costs and plant operating costs of:
 - \$3.8 million for debt servicing
 - \$5.2 million for plant operations
 - Until these wastewater operating funds are required for the above purposes, funding will be transferred to wastewater capital budget to fund replacement of existing infrastructure to be approved within each year's capital budget.
- Timing of Council budget approvals is different than cash flow requirements managed by staff. The differences are provided in appendix 1.

With respect to options to obtain the appropriate approvals to execute the above, there are essentially two options:

Recommended Option 1 – Approve the project in 2021 to construct the plant, and finance/cash flow the construction costs over the construction period and life of the asset.

Alternative Option 2 - Delay approval until Region has adequate funding accumulated to approve and allocate funding to construction of plant

Option 1. Approve the project in 2021 to construct the plant, and finance/cash flow the construction costs over the construction period and life of the asset.

- **Council decision points:**
 - 2021– Capital Budget - approve the \$320 million project. Project expenditures can begin on the design, environmental assessment and land acquisition.

- As the Region has adequate working capital the debt is not acquired at this point. Upon project substantial completion (approx. 2027) debt is issued with a 30 year debt term requiring \$3.8 million each year to pay the principal and interest on that debt.
 - The \$21 million base operating budget transfer to reserve is still available to support other infrastructure renewal in the Region's capital budget.
- 2021– Wastewater Operating Budget – understand and approve the impact and affordability of the operating budget dollars required to support the capital decision. Operating budget includes \$3.8 million required each year for 30 years to pay down the debt and the \$5.2 million that will be required to operate the plant. These amounts are 'placeholders' for Council understanding of financial impact and tradeoffs of the decision to construct the plant.
- Council budget decisions related to this project are complete other than to comply with the procurement policy and/or to deal with capital budget variances if required.

Option 2. Delay approval until Region has adequate funding accumulated to approve and allocate funding to construction of plant.

- **Background**
 - No funding would be spent on construction until all of budget and funding is approved.
 - Option to fund the \$64 million required from the Region's wastewater rates from amounts transferred to capital reserves (benefit to existing). With only \$21 million a year in the base wastewater budget dedicated to all capital reserves it would take three years to accumulate \$64 million to fund this requirement, and leave zero remaining for other infrastructure.
 - Other capital priorities would require debt financing which would require increases to the rate budget to support the annual principal and interest repayment requirements associated with financing those projects.
 - Option to use debenture financing sometime in the future for the project mirrors the funding approval principles of Option 1 but with a later start date and assuming debt capacity not assigned to other projects.
- **Council decision points:**
 - 2021 to 2023 - Wastewater operating budget – set aside \$21 million transfer to capital reserve for the plant construction or not. No funds will be spent on plant until total capital project is approved.

- 2024 – Capital budget - approve the \$320 million project. Project expenditures can begin on the design, environmental assessment and land acquisition.
- 2024 Wastewater operating budget – same as in Option 1 2021 Wastewater Operating Budget decisions.

Cashflow impacts - The cash flow impacts of these options are different and separate from the budget decisions above. Due to the long term nature of the construction of capital infrastructure the following additional opportunities are established in policy relative to Option 1:

- With respect to the Operating Budget - the Region continues to leverage the established \$9.0 million comprised of \$3.8 million (debt charges) and \$5.2 million (operations: staff, utilities, maintenance) to fund pay as you go capital.
 - 2021 to 2026 - \$9.0 million in the operating budget will not be set aside for debt servicing or operations but will be transferred to the wastewater capital reserve to be used/approved in the capital budget each year to invest in infrastructure.
 - 2027 - debentures will be issued and the \$3.8 million already established in the operating budget will be used to fund the principle and interest payments of that debt until it is paid off. Also, the plant will be in service and the \$5.2 million operating budget will be used for staff, maintenance and utility costs.
- With respect to the Capital Budget -
 - 2021 to 2023 - Staff spends \$34 million of the \$320 million approved capital cost on EA, planning, design, land etc.
 - 2024 to 2027 - Staff spends \$286 million of the \$320 million approved capital cost on construction.

1. c) Provide information respecting the inclusion of the South Niagara Falls Wastewater Treatment Plant in the Development Charges (DC) background study and by-law.

The 2017 DC Background study estimated the total cost of the projects to be \$185 million with a potential DC recoverable cost of \$83 million. The revised estimated gross cost of the projects included in the 2021 Capital Budget is \$320 million with a potential DC recoverable of \$148 million. The revised estimates and debt servicing costs will be reflected in future updates to the DC background study.

The primary reasons for the increase from the 2017 estimates are as follows:

- The trunk sewer estimated depth and length increased based on conceptual design information.
- Increased property acquisition cost estimates.
- Addition of treatment costs and provision for potential tertiary treatment
- Capital inflation rate of 4% per year dependent on timing of project cash flow/construction compared to 2% capital inflation rate used previously.
- An updated wastewater strategy that will provide improved level of service, enhanced ability to address wet weather flows, and greater flexibility for efficient servicing in the future.

For an in-depth comparison by project, please see [PW 39-2020 - Appendix 2 Project Budget Cost and Scope Comparison](#).

2. Provide information respecting the capital projects evaluated under the CAMRA model which were not included in the 2021 capital budget.

Attached to this memorandum is appendix 2, which is the listing of deferred capital projects in 2021. These projects were deferred as part of the corporate prioritization process.

Respectfully submitted and signed by

Todd Harrison, CPA, CMA
Commissioner/Treasurer Corporate Services

Appendix 1 SNF WWTP Option Analysis
Appendix 2 List of Deferred Capital Projects in 2021

- Green shading highlights the time of Capital Budget Approval.

Option 1: 2021 Budget Approval and Financing Strategy								
In thousands								
	Rate Budget Approvals							
	2021	2022	2023	2024	2025	2026	2027 - 2057	Total
<u>Operating Budget</u>								
Debt Charge Placeholder	3,800	3,800	3,800	3,800	3,800	3,800	-	22,800
Debt Charges							3,800	
Operating Costs Placeholder	5,200	5,200	5,200	5,200	5,200	5,200	-	31,200
Operating Costs							5,200	
<u>Capital Budget</u>								
One-time Pay As You Go Renewal Projects	9,000	9,000	9,000	9,000	9,000	9,000		54,000
South Niagara Falls Wastewater Treatment Plant	320,000							320,000
Transfer from Capital Reserve to Project	(64,000)							(64,000)
DC Debt Funding	(148,000)							(148,000)
External Funding	(108,000)							(108,000)
	Capital Project Cashflow							
	2021	2022	2023	2024	2025	2026	2027	Total
<u>Expenditure (Initiate \$34M in 2021, Remaining upon grant approval):</u>								
Class EA, Planning, Design & Property	(10,509)							(10,509)
Engineering	(7,406)	(7,702)	(9,482)	(1,529)		(182)	(177)	(26,478)
Construction				(58,990)	(75,669)	(78,696)	(69,658)	(283,013)
<u>Financing:</u>								
Rate Supported Debt							64,000	64,000
DC Debt							148,000	148,000
External Funding							108,000	108,000
Total	(17,915)	(7,702)	(9,482)	(60,519)	(75,669)	(78,878)	250,165	0
Option 2: Delayed Approval and Funding Strategy								
In thousands								
	Rate Budget Approvals							
	2021	2022	2023	2024	2025	2026	2027-2030	Total
<u>Operating Budget</u>								
Transfer to Capital Reserve (Pay As You Go)	21,000	21,000	22,000					64,000
Operating Costs Placeholder			5,200	5,200	5,200	5,200	-	20,800
Operating Costs							5,200	
<u>Capital Budget</u>								
One-time Pay As You Go Renewal Projects	-	-	5,200	5,200	5,200	5,200	-	20,800
South Niagara Falls Wastewater Treatment Plant			320,000					320,000
Transfer from Capital Reserve to Project			(64,000)					(64,000)
DC Debt Funding			(148,000)					(148,000)
External Funding			(108,000)					(108,000)
	Capital Project Cashflow							
	2021	2022	2023	2024	2025	2026	2027-2030	Total
<u>Expenditure (Initiate \$34M in 2023, Remaining upon grant approval):</u>								
Class EA, Planning, Design & Property			(10,509)					(10,509)
Engineering			(7,406)	(7,702)	(9,482)	(1,529)	(359)	(26,478)
Construction						(58,990)	(224,023)	(283,013)
<u>Financing:</u>								
Reserves			64,000					64,000
DC Debt						148,000		148,000
External Funding							108,000	108,000
Total	0	0	46,085	(7,702)	(9,482)	87,481	(116,382)	0

Program	Project ID	Project Description	Original Project Request	Included in 2021 Capital Budget	(Partial) Deferral
Community Services	J_20001338	21 - LTC Homes - Machinery & Equipment	568,895	172,687	396,208
Community Services	J_20001339	21 - LTC Homes - Capital Improvements Replacement	634,474		634,474
Corporate Services	J_20001422	21-Desktop Infrastructure – Surplus Inventory	146,250		146,250
Corporate Services	J_20001423	21-Network Infrastructure – End of Life Wireless Infrastructure	53,000		53,000
Corporate Services	J_20001350	21-Code and Legislative Compliance Program	350,000	290,000	60,000
Corporate Services	J_20001424	21-Child Care Center - Welland Roof Replacement	250,000		250,000
Corporate Services	J_20001425	21-ANNUAL - All Sites Staff Accommodations	100,000		100,000
Corporate Services	J_20001426	21-Multiple Sites - Building Automation Redesign	100,000		100,000
Corporate Services	J_20001208	20-Ener-Meadows of Dorchester Lighting Retrofit	750,000		750,000
Corporate Services	J_20001427	21-Ener-NRHQ CE Lighting Retro	610,000		610,000
Corporate Services	J_20001209	NRHQ - Campbell West HVAC Investigation and Design	400,000		400,000
Corporate Services	J_20001217	NRHQ - Campbell East Windows	900,000		900,000
Corporate Services	J_20001429	21-NRHQ - Campbell West Window Replacement	400,000		400,000
Corporate Services	J_20001430	21-SAEO - Welland Roof Replacement	175,000		175,000
Corporate Services	J_20001431	21-SAEO - Welland HVAC Replacement Phase 2	820,000		820,000
Corporate Services	J_20001434	21-EMS - Ontario St. Base Parking Lot Refurbishment	300,000		300,000
Corporate Services	J_20000117	Long-trm Acc - EMS Central Hub	75,824,750		75,824,750
Corporate Services	J_20001211	NRPS Port Colborne - Generator Replacement	215,000		215,000
Corporate Services	J_20001466	21-NRPS 68 Church Demolition	2,700,000		2,700,000
Corporate Services	J_20001234	PW Thorold Yard - Asphalt Replacement	150,000		150,000
Corporate Services	J_20001436	Annual - Strategic Property Acquisitions	500,000		500,000
Niagara Regional Housing	J_20001397	21-NRH - Annual Units, Fencing, Electrical Systems, Windows & Doors Capital Programs	5,006,000		5,006,000
Public Health Emergency Serv	J_20001441	21-EMS Specialty Transport Units	413,136		413,136
Public Health Emergency Serv	J_20001443	21-EMS Fleet Vehicles	130,529		130,529
Public Health Emergency Serv	J_20001403	21 - EMS Fitness Equipment	50,000		50,000
Public Works - Levy	J_20000927	Thorold Yard Upgrades	500,000		500,000
Public Works - Levy	J_20001309	21 Ann-Patrol Yard Imprv	500,000		500,000
Public Works - Levy	J_20001310	21 Ann-Roads Equip Upgrade	500,000		500,000
Public Works - Levy	J_20001312	21 Ann-Railway Crossing Imprv	120,000		120,000
Public Works - Levy	J_20001313	21 Ann-Storm Sewers & Culverts	1,200,000		1,200,000
Public Works - Levy	J_20001320	21 Ann-Line Marking	300,000	200,000	100,000
Public Works - Levy	J_20001314	21 Ann-Illum Install&Upgrade	1,100,000		1,100,000
Public Works - Levy	J_20001315	21 Ann-Traffic Signal Program	4,050,000		4,050,000
Public Works - Levy	J_20001344	21 Ann-Intelligent Transportation System	1,000,000		1,000,000
Public Works - Levy	J_20001409	21 Ann-Traffic Radio System Upgrades	100,000		100,000
Public Works - Levy	J_20000930	Rds Fac Prog-Traf Cntrl Cntr	1,000,000		1,000,000
Public Works - Levy	J_10RC0816	Cpcty Imprv-Recon RR 57 Thorold Stone Rd ext east of Stanley Ave	6,120,000		6,120,000
Public Works - Levy	J_10RC0840	Rds Rehab RR81 Old Hwy 8 from Vinehaven Tr-23rd St	880,000		880,000
Public Works - Levy	J_10RC0939	Niagara South East West Arterial	500,000		500,000
Public Works - Levy	J_10RC1329	Cpcty Imprv - Casablanca Blvd Widening - Livingston to QEW	5,100,000		5,100,000
Public Works - Levy	J_10RC1354	Rds Rehab - Lakeshore Rd West Recon from Third St to Seventh St	9,750,000		9,750,000
Public Works - Levy	J_10RC1554	Cpcty Imprv - Glendale Ave Interchange at QEW	8,400,000		8,400,000
Public Works - Levy	J_10RC1563	Rds Rehab - RR 45 Creek Rd Reconstruction - RR 4 to RR 63	6,000,000		6,000,000
Public Works - Levy	J_20000145	Rds Rehab - RR 63 Canborough Rd - RR27 Wellandport Rd to Wellandport Community Centre	500,000		500,000
Public Works - Levy	J_20000486	Rds Rehab - RR 48 Niagara St - Carlton to Scott	580,000		580,000
Public Works - Levy	J_20000488	Rds Rehab - RR 87 Main St - Verdun Ave to Ontario St	2,150,000		2,150,000
Public Works - Levy	J_20000490	Cpcty Imprv - RR 56 Collier Rd, Highway 58 to Beavertams	300,000		300,000
Public Works - Levy	J_20000662	Int Imprv-RR81 King St at Main & Nineteenth-LN	1,500,000		1,500,000

Program	Project ID	Project Description	Original Project Request	Included in 2021 Capital Budget	(Partial) Deferral
Public Works - Levy	J_20000665	Struc Rehab - JR Stork Bridge - Bridge Rehab (Str. 038205)	6,000,000		6,000,000
Public Works - Levy	J_20000667	Rds Rehab - RR49 McLeod Rd Phase 2 - HEPC to Wilson	1,900,000		1,900,000
Public Works - Levy	J_20000896	Rds Rehab - RR 43 Bridge St - Victoria Ave to Erie	1,000,000		1,000,000
Public Works - Levy	J_20000897	Rds Rehab RR20 - South Grimsby Rd5 to Industrial Park Rd (Phase 4 and 5)	8,100,000		8,100,000
Public Works - Levy	J_20000900	Rds Rehab - RR 81 Main St - Oakes Rd N to Casablanca Blvd	5,000,000		5,000,000
Public Works - Levy	J_20000928	Int Impr - RR100 Four Mile Creek at York Rd, NOTL	500,000		500,000
Public Works - Levy	J_20001187	20-Cpcty Imprv-RR512 Livingston Ave Extension	1,000,000		1,000,000
Public Works - Levy	J_20001191	20-Cpcty Imprv-RR98 Montrose Rd from Lyon's Creek to Canadian	2,120,000		2,120,000
Public Works - Levy	J_20001192	Struc Rehab - Glendale Ave Bridge (089215)	1,000,000		1,000,000
Public Works - Levy	J_20001196	Struc Rehab - Lakeport Road (087210) and Frank Weir (087205)	250,000		250,000
Public Works - Levy	J_20001308	21 Ann-Misc Road Properties	200,000		200,000
Public Works - Levy	J_20001316	21 Ann-Roads Eng for Future	500,000		500,000
Public Works - Levy	J_20001318	21 Ann-Struc-Eng Stdy Fut Brdg	300,000		300,000
Public Works - Levy	J_20001345	Rds Rehab - RR3 Main St E Barber to Hwy 3	500,000		500,000
Public Works - Levy	J_20001404	Cpcty Imprv - RR 27 East Main St - Hwy 140 to Moyer Rd	250,000		250,000
Public Works - Levy	J_20001405	Struc Rehab - 16 Mile Creek Bridge - Deck Replace (039215)	300,000		300,000
Public Works - Levy	J_20001408	Struc Rehab - Stevensville Bridge (116215)	200,000		200,000
Public Works - Levy	J_20001410	Int Imprv-RR57 TSR at Dorchester	200,000		200,000
Public Works - Levy	J_20001411	Int Imprv-RR57 TSR@Montrose	200,000		200,000
Public Works - Levy	J_20001412	20-Cpcty Imprv-RR54 Rice Rd-Merritt to Thorold	500,000		500,000
Public Works - Levy	J_20001413	Rds Rehab - RR83 Carlton Rd Extension	500,000		500,000
Public Works - Levy	J_20001415	Int Imprv-RR81 St Paul W@Vansickle	100,000		100,000
Public Works - Levy	J_20001416	Struc Rehab - RR98 White Pigeon Bridge (098220)	100,000		100,000
Public Works - Levy	J_20001347	21 Ann-Plan Impl Complete St	300,000		300,000
Public Works - Levy	J_20001321	21 Ann-Fleet & Vehicle Replace	2,232,200		2,232,200
Public Works - Levy	J_20001417	21-NRHQ - Vehicle For Facilities Supervisor	40,000		40,000
Public Works - Levy	J_20001418	21-GO Transit - Vehicle For GO Maintainer	40,000		40,000
Public Works - Levy	J_20001419	LTC Homes - 2021 Capital Vehicles Replacement	66,144		66,144
Public Works - Levy	J_20001475	21-PH-Tobacco Enforcement Vehicles*	64,000		64,000
Public Works - Levy	J_20000494	NRT - Capital Acquisition	3,750,000		3,750,000
Total			180,909,378	662,687	180,246,691

*external funding expedited the project after the project was deferred