



THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
FINAL AGENDA

CSC 3-2021

Wednesday, March 10, 2021

9:30 a.m.

Meeting will be held by electronic participation only

This electronic meeting can be viewed on Niagara Region's Website at:

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

Due to efforts to contain the spread of COVID-19 and to protect all individuals, the Council Chamber at Regional Headquarters will not be open to the public to attend Committee meetings until further notice. To view live stream meeting proceedings, 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 17-2021
2020 Year-End Results and Transfer Report

3 - 163

A presentation will precede the consideration of this item.

6. CONSENT ITEMS FOR INFORMATION

- 6.1. CSC-C 10-2021
COVID-19 Response and Business Continuity in Corporate Services

164 - 178

- 6.2. CSD 14-2021
Motion by the Municipality of Charlton and Dack respecting the Cost of Municipal Insurance

179 - 186

- | | | |
|------|--|-----------|
| 6.3. | <u>CSD 20-2021</u>
Review of Niagara Region Financial Condition | 187 - 230 |
| 6.4. | <u>CSC-C 8-2021</u>
Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2020 | 231 - 235 |
| 7. | <u>OTHER BUSINESS</u> | |
| 8. | <u>NEXT MEETING</u>
The next meeting will be held on Wednesday, April 14, 2021, at 9:30 a.m. | |
| 9. | <u>ADJOURNMENT</u> | |

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).

2020 Year-End Results and Transfer Report

Corporate Services Committee

March 10, 2021

Melanie Steele, Associate Director Reporting & Analysis,
Corporate Services

NIAGARA REGION

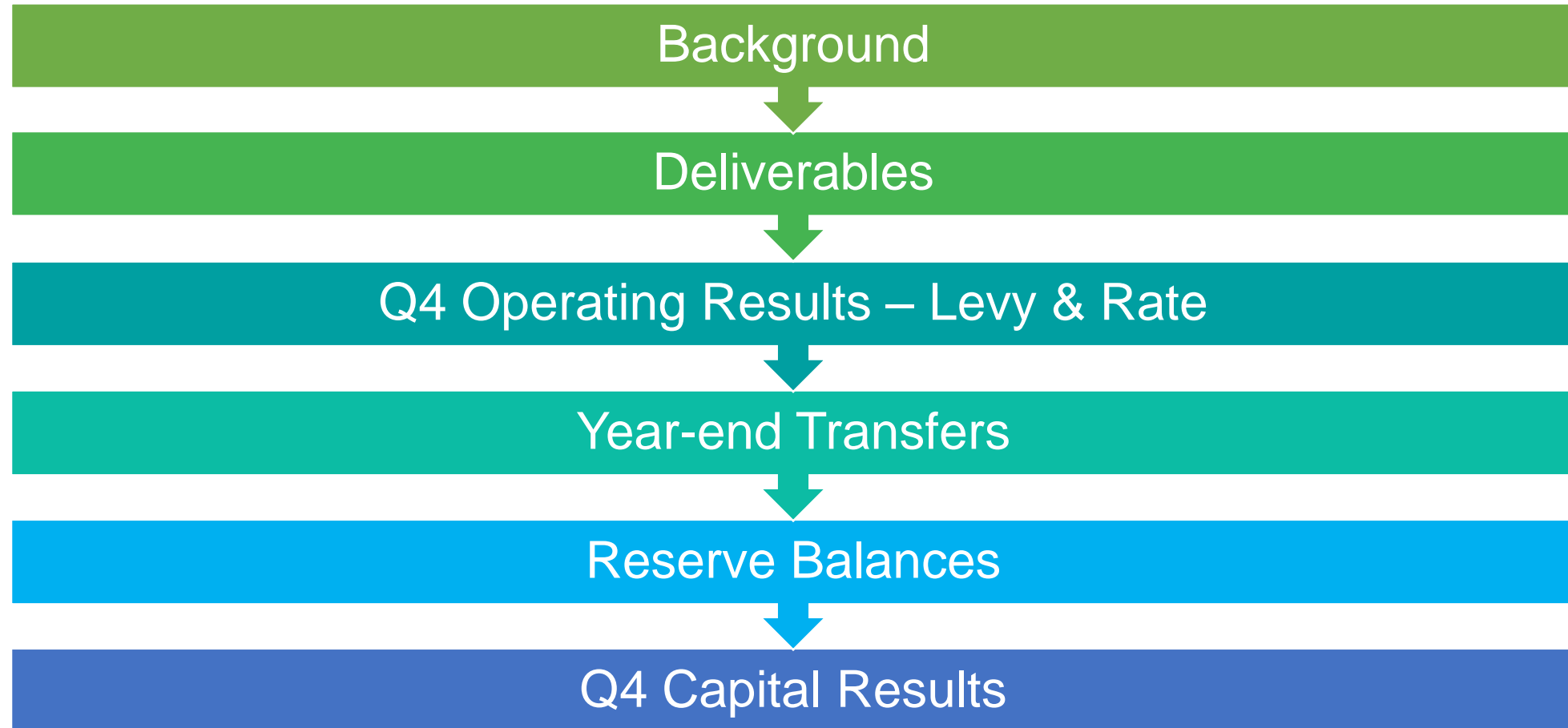
2020

Q4 FINANCIAL UPDATE
DECEMBER

Q4 2020 Financial Update

Corporate Services Committee
March 10, 2021

Agenda

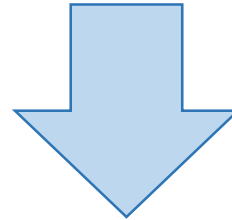


Background

Policies that guide our **financial strategy** and how we allocate resources:

Budget Planning By-Law

Capital Financing Policy



Policies that guide our **financial reporting** requirements:

Budget Control By-Law

Reserve and Reserve Fund Policy

Operating Surplus / Deficit Policy

Financial Reporting and Forecasting Policy

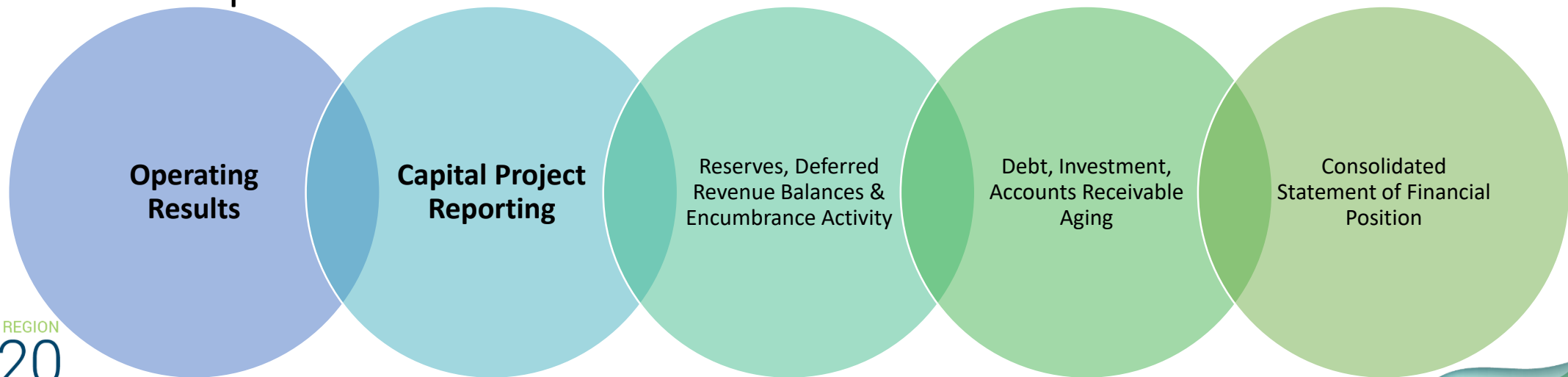
Deliverables

Q4 2020 Financial Update is available on the Niagara Region's external website:

[December 2020 Financial Report](https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx)

(<https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx>)

The report contains information on:



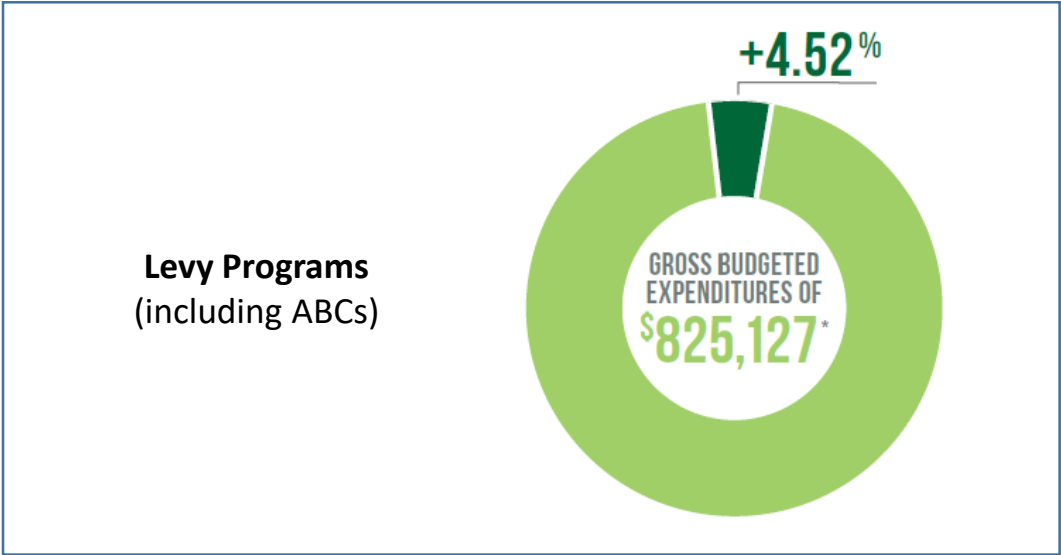
2020 Key Messages

- Surplus driven by
 - ✓ Mitigation efforts to manage costs early in the pandemic, including the redeployment of staff resources and the re-prioritization of planned work
 - ✓ On-going COVID-19 restrictions continued to impact Regional service delivery
- \$47.9 million 2020 COVID funding received & applied to \$49 million in net costs
 - ✓ \$17.1 million announced in December/January 2021
 - ✓ Our Phase 2 Safe Restart application was successful for \$6.7 million
- Transfer recommendation aligned with Operating Surplus/Deficit Policy, with funds allocated to stabilization reserves, capital reserves and to support key initiatives
 - ✓ 2021/2022 budgets relying on this year-end transfer to taxpayer relief to fund pressures

Q4 Summary Results

Levy Programs

(in thousands)	Q4 Final Surplus/(Deficit)		Percentage of Gross Budget	Q3 Forecasted Surplus/(Deficit)	
Regional Departments and General Government	\$	37,410	6.72%	\$	19,504
Agencies, Boards and Commissions (ABCs)		(104)	-0.04%		(2,431)
Total Levy Supported Programs	\$	37,306	4.52%	\$	17,073



Over \$17 million in funding announced in December/January

* Includes transfer, intercompany charges and indirect allocations

Q4 Summary Results

Regional Departments and General Government Drivers

(in thousands)		Q4 Final Surplus/(Deficit)	Percentage of Gross Budget	Q3 Forecasted Surplus/(Deficit)
Regional Departments and General Government	\$	37,410	6.72%	\$ 19,504
Agencies, Boards and Commissions (ABCs)		(104)	-0.04%	(2,431)
Total Levy Supported Programs	\$	37,306	4.52%	\$ 17,073

Major Factors impacting Regional Departments (Surplus of \$37,410):

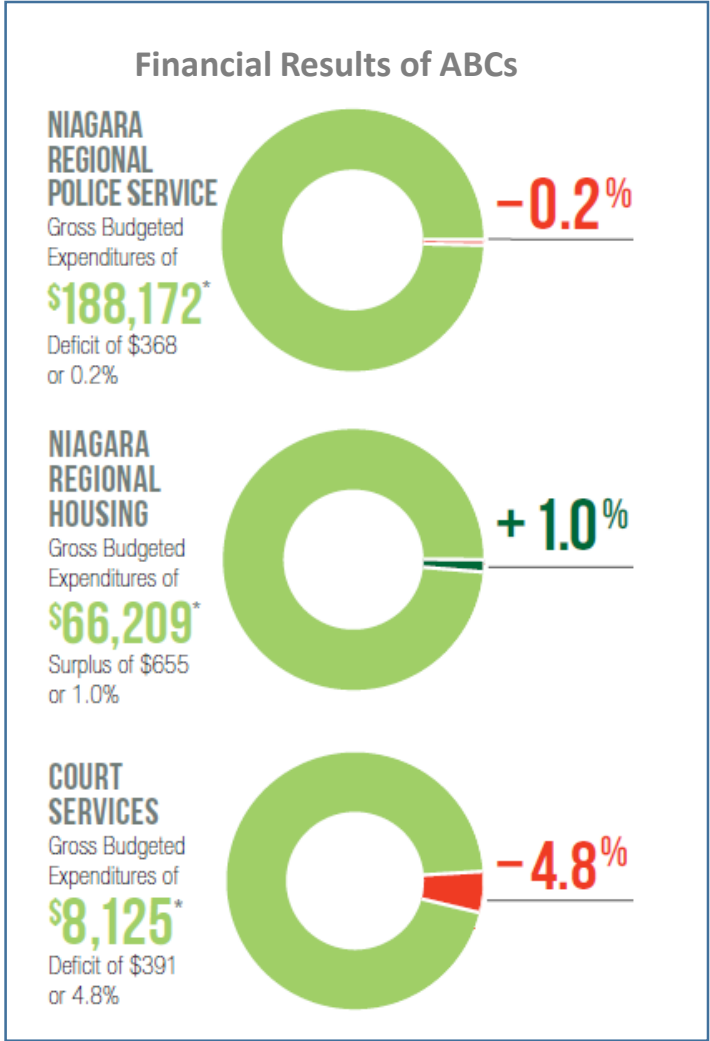
- Safe Re-Start & program-specific COVID-related funding (+\$47,911)
- Incremental COVID-related staffing, cleaning, supplies & personal protective equipment mainly in Community Services and Public Health (-\$26,866)
- Staffing vacancies and benefit savings (+\$9,171)
- NRT/NST COVID-19 service impacts and expansion delays (+\$6,020)
- Incentive grant program uptake and development charge grants (+\$6,063)
- Decrease in investment income and increase in investment income allocation to reserves (-\$4,740)

Q4 Summary Results

ABC Drivers

(in thousands)		Q4 Final Surplus/(Deficit)	Percentage of Gross Budget	Q3 Forecasted Surplus/(Deficit)
Regional Departments and General Government Agencies, Boards and Commissions (ABCs)	\$	37,410 (104)	6.72% -0.04%	\$ 19,504 (2,431)
Total Levy Supported Programs	\$	37,306	4.52%	\$ 17,073

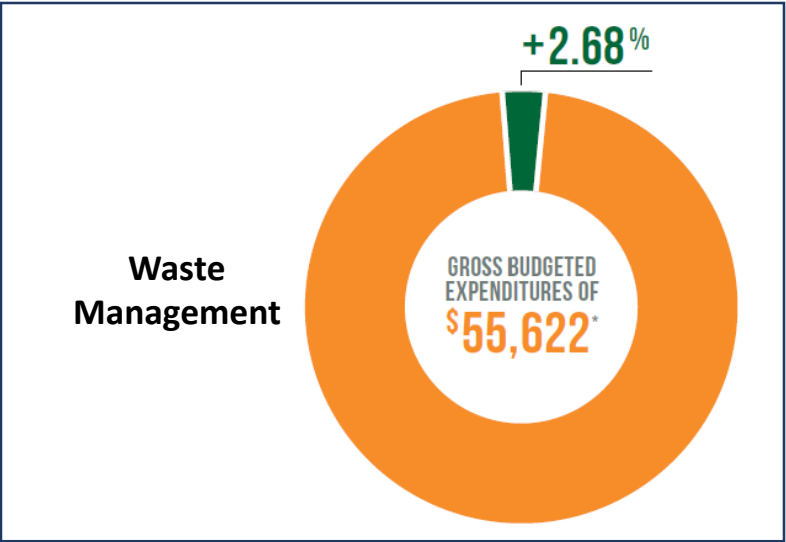
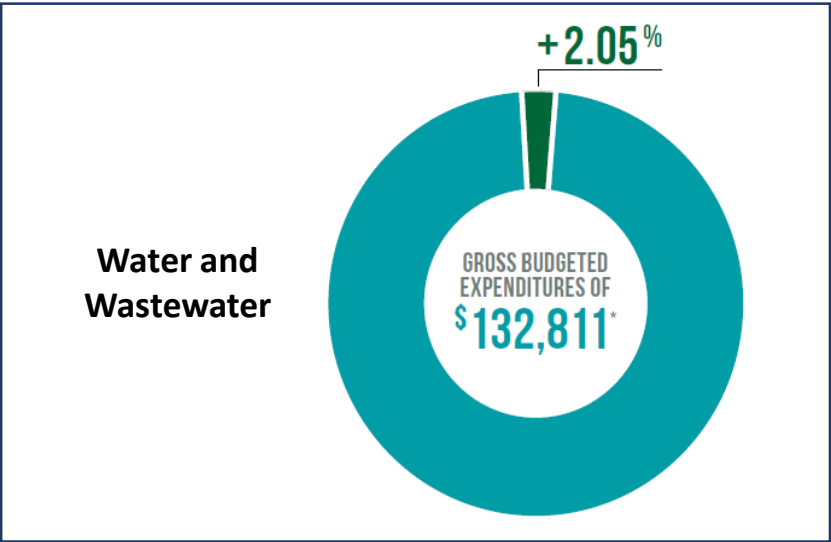
- Major Factors impacting ABCs (Deficit of \$104):
- NRPS** – Revenue decrease mainly due to Casino closures and increase **(-\$3,200)** offset by labour-related costs **(+\$2,762)**
 - NRH** – Labour-related costs savings, utilities , reduced co-op provider subsidies and increased rental revenues **(+\$1,201)** offset by capital grants **(-\$662)**
 - Court Services** – Decreased revenues **(-\$2,765)** offset by labour-related costs savings, decreased court costs and reduced distribution to LAMs **(+\$2,049)**



Q4 Summary Results

Rate Programs

(in thousands)		Q4 Final Surplus	Percentage of Gross Budget	Q3 Forecasted Surplus
Water and Wastewater	\$	2,729	2.05%	\$ 1,649
Waste Management		1,493	2.68%	396
Total Rate Supported Programs	\$	4,222	2.24%	\$ 2,045



* Includes transfer, intercompany charges and indirect allocations

Q4 Summary Results

Rate Drivers

(in thousands)	Q4 Final Surplus	Percentage of Gross Budget	Q3 Forecasted Surplus
Water and Wastewater	\$ 2,729	2.05%	\$ 1,649
Waste Management	1,493	2.68%	396
Total Rate Supported Programs	\$ 4,222	2.24%	\$ 2,045

Major Factors Impacting Water & Wastewater

(Surplus of \$2,729):

- Repair & maintenance work (+\$2,147)
- Labour-related costs (+\$666)
- Utilities (+\$537)
- Water sales (-\$1,020)
- Chemical costs (-\$435)

Major Factors Impacting Waste Management

(Surplus of \$1,493):

- Collection contract (fuel & unit price) savings (+\$647)
- Environmental monitoring/landfill operations (+\$526)
- Labour-related costs, including MRF (+\$321)
- Tipping fee revenue (-\$562)
- Compost facility (-\$430)

Year-end Transfers

- Recommendations outlined in CSD 17-2021
- Aligned with Operating Surplus/Deficit Policy
- Funds allocated
 - ✓ Stabilization reserves
 - ✓ Capital reserves
 - ✓ Key initiatives including funding the West Lincoln Hospital commitment by 2024 & continuing investment in the Niagara Foreign Trade Zone

Key Reserve Targets

Target per Policy are 10% to 15% of operating expense

Forecasted balances are net of 2021 to 2023 budgeted uses of the reserves to fund COVID-19 cost and other pressures

(in thousands)	Reserve Balance				Reserve Target Balance		Conclusion
	At December 31, 2020	At December 31, 2021	At December 31, 2022	At December 31, 2023	Low (10%)	High (15%)	
Taxpayer Relief (*)	\$ 53,509	\$ 27,718	\$ 20,117	\$ 20,962	\$57,263	\$85,895	Underfunded
Water Stabilization	\$ 3,431	\$ 3,438	\$ 3,445	\$ 3,452	\$2,387	\$3,581	Within Funding Targets
Wastewater Stabilization	\$ 3,254	\$ 3,271	\$ 3,288	\$ 3,305	\$6,476	\$9,715	Underfunded
Waste Management Stabilization	\$ 6,365	\$ 2,942	\$ 2,064	\$ 2,688	\$5,296	\$7,944	Underfunded
Hospital Contribution	\$ 6,600	\$ 8,100	\$ 9,600	\$ 11,100	\$12,600 by 2024		Sufficiently Funded

* Niagara Region considers all levy gross expenditures, excluding ABCs, when setting targets for Taxpayer Relief Reserve

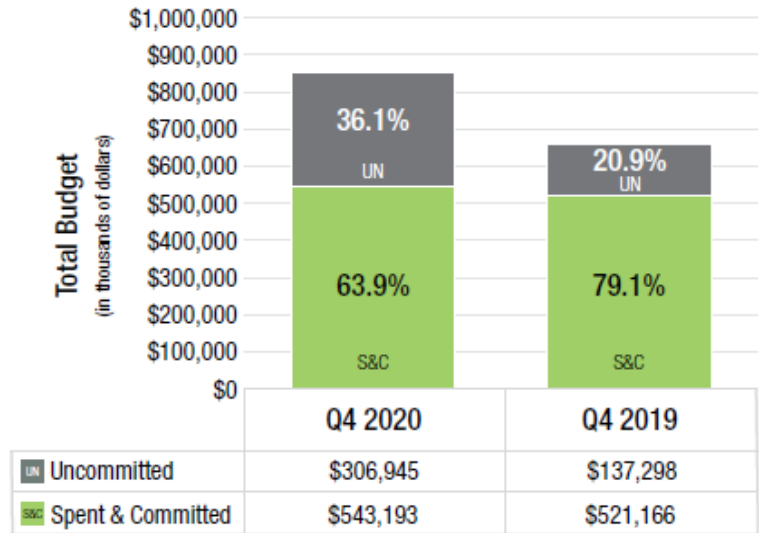
Capital Project Status

Projects with budgets greater than \$1 million

LEVY

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

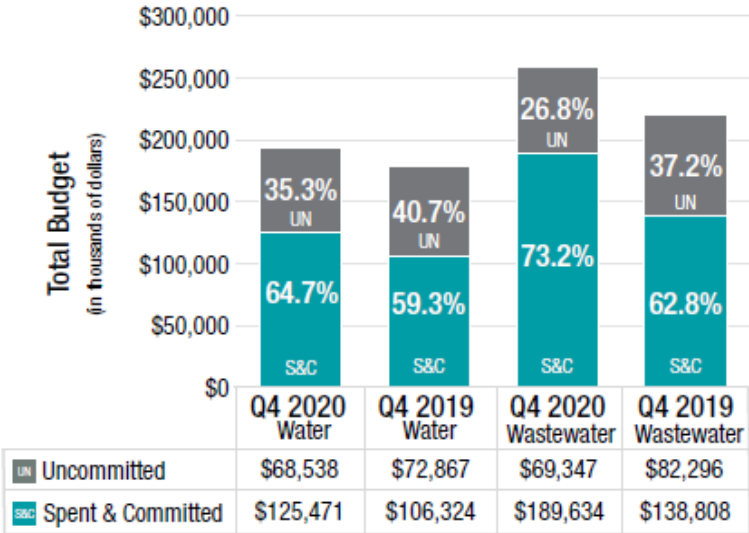
Active projects with budgets greater than \$1 million.



WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

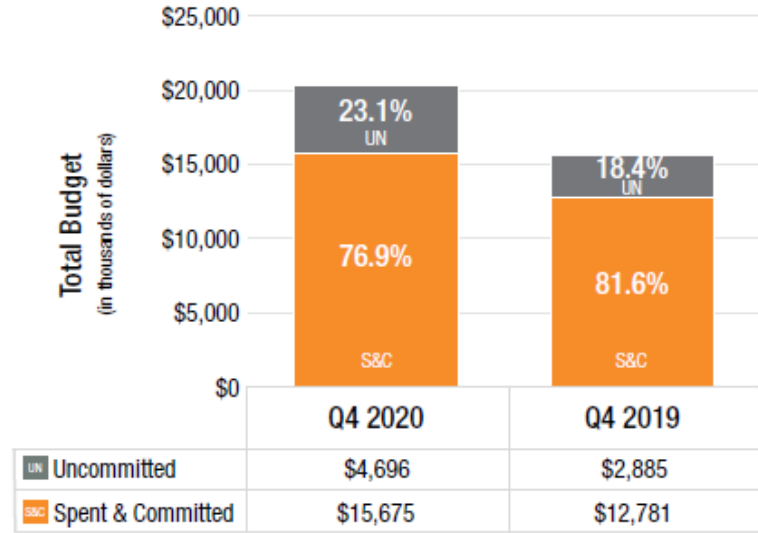
Active projects with budgets greater than \$1 million.



WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Active projects with budgets greater than \$1 million.

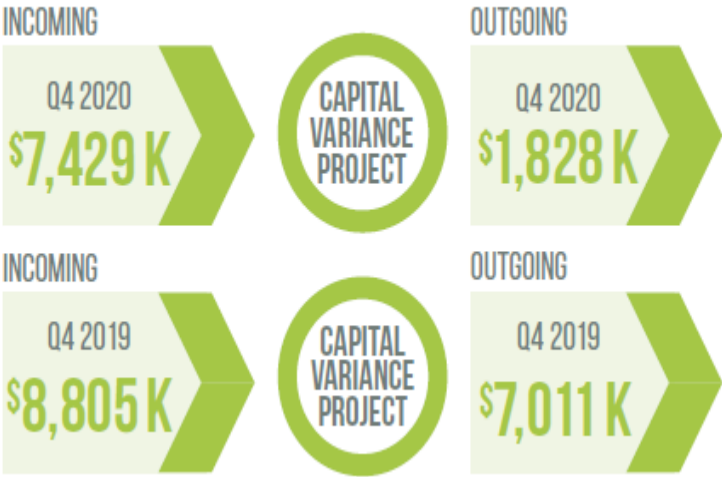


Lower % spent & committed trends partially attributable to COVID-19 focus on **urgent/essential procurements** and overall **increased capital budget** to address infrastructure gap

Capital Variance Project

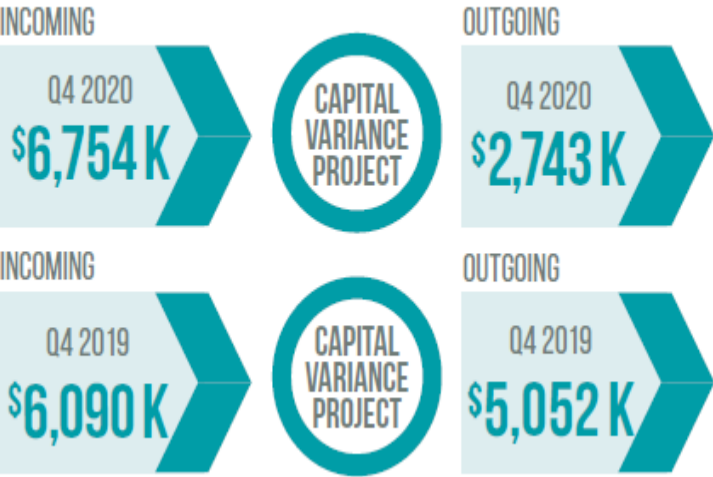
LEVY

YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS



WATER & WASTEWATER

YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS



WASTE MANAGEMENT

YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS



As of Q3 2020, **\$10.8 Million** has been made available for future capital

\$7 Million of this amount has been **committed to the 2021 capital budget**

Next Steps

- Preparation of Consolidated Financial Statements and completion of audit
 - ✓ To be presented to Audit Committee on May 10, 2021
- Preparation of Annual Report to be published in June

Questions?

Melanie Steele
Associate Director, Reporting & Analysis

Subject: 2020 Year-End Results and Transfer Report

Report to: Corporate Services Committee

Report date: Wednesday, March 10, 2021

Recommendations

1. That the unaudited summarized financial results of the Niagara Region as detailed in Appendix 1, **BE RECEIVED**;
2. That the 2020 year-end operating surplus for levy-supported programs including agencies, boards and commissions of \$37,306 thousand **BE TRANSFERRED** as follows:
 - \$69 thousand **BE TRANSFERRED** from the Accumulated Sick Leave Reserve as per NRPS recommendation to their Board in Appendix 8
 - \$2 thousand **BE TRANSFERRED** from the Ontario Police Video Training Alliance (OPTVA) Reserve as per NRPS recommendation to their Board in Appendix 8
 - \$6,600 thousand **BE TRANSFERRED** to the Hospital Contribution Reserve (to be formally established in CSD 19-2021) to fund the committed contribution to the new West Lincoln Hospital.
 - \$230 thousand related to the Niagara Foreign Trade Zone (NFTZ) and Foreign Direct Investment activities **BE TRANSFERRED** to the Taxpayer Relief Reserve to fund the 2021 NFTZ and investment attraction activities in collaboration with Team Niagara.
 - \$30,547 thousand **BE TRANSFERRED** to the Taxpayer Relief Reserve;
3. That the 2020 year-end operating surplus for rate-supported programs of \$4,222 thousand **BE TRANSFERRED** to reserves as follows:
 - \$1,493 thousand **BE TRANSFERRED** to the Waste Management Stabilization Reserve
 - \$1,863 thousand **BE TRANSFERRED** to the Wastewater Stabilization Reserve
 - \$500 thousand **BE TRANSFERRED** to the Water Capital Reserve
 - \$366 thousand **BE TRANSFERRED** to the Water Stabilization Reserve
4. That encumbrances of \$16,275 thousand (Appendix 2) **BE RECEIVED** for information and that the deferral of these expenditures be included in the 2021 operating budget; and
5. That the transfers of \$10,394 thousand from the capital variance projects to Capital Reserves **BE RECEIVED** for information.

Key Facts

- The unaudited results of Niagara's 2020 budget are a surplus of \$37,306 thousand in the levy-supported programs and a surplus of \$4,222 thousand in the rate-supported programs. These results include the Region's \$49 million in COVID-19 gross costs and additional COVID-19 funding of \$47.9 million (general Municipal Safe Restart funding of \$18.9 million and \$28.9 million in program-specific funding). As this funding was unknown until late in the year after the Region employed extensive mitigation, including the redeployment of staff resources and the re-prioritization of planned work at the start of the pandemic, it contributed largely to the year-end surplus. The COVID-19 funding is recommended in this report to be set aside in reserve to support COVID-19 costs as reported in the 2021 budget and 2022 forecast and as reflected in Table 2 of this report.

Table 1: Consolidated Surplus/Deficit Summary (in thousands)

	2020 Surplus/(Deficit) after indirect allocations	2020 Surplus/(Deficit) Percentage of Budgeted Gross Expenditures	2019 Surplus/(Deficit) Percentage of Budgeted Gross Expenditures
Regional Depts. & General Government	\$37,410	6.72%	0.16%
Court Services	(\$391)	(4.81%)	7.24%
NRH	\$655	0.99%	2.03%
NRPS	(\$368)	(0.20%)	0.44%
NPCA	\$0	0.0%	0.13%
Total Levy-Supported Surplus	\$37,306	4.52%	0.44%
Water	\$866	1.86%	(1.13%)
Wastewater	\$1,863	2.16%	(1.46%)
Waste Management	\$1,493	2.68%	(2.13%)
Total Rate-Supported Surplus	\$4,222	2.24%	(1.58%)

- The overall variances as a percentage of gross budgeted expenditure are higher than in the prior year as a result of funding announcements that came late in the year. A 5-year summary of the surplus/deficit can be found in Appendix 3.
- The recommendations included in this report have been guided by the Operating Surplus/Deficit Policy approved by Council in July 2018, which states that "year-

end surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Fund Policy and/or one-time funding needs as recommended by Council,” with funds allocated to stabilization reserves, capital reserves and to support key initiatives.

- In alignment with the corporate strategies and the Operating Surplus/Deficit Policy, NRH made the recommendation to their Board to return the surplus to the Region to be addressed in this report. The NRPS deficit is being addressed with overall corporate surplus. See Appendix 8 and 9 for full the ABC reports.
- Funding of \$16,275 thousand has been set aside in the encumbrance reserve as of December 31, 2020. \$12,333 thousand (75.8%) of the total encumbrance amount is related to various incentive and grant programs such as the Combined Sewer Overflow (CSO) Program, Smarter Niagara Incentive Program (SNIP), Public Realm Investment Program (PRIP), Gateway Tax Increment Grant (TIG) and the Waterfront Investment Program (WIP). For the amounts encumbered, a spending obligation (in the form of a purchase order, contract or other legally binding commitment) has been made against the 2020 operating budget; however, the product or service has not been received in the year. The budgeted funds will be transferred back to the 2021 operating budget when the product or service is received and the related budgeted expense will be grossed up for the year.
- In accordance with the Budget Control By-Law, capital variance projects (CVP) are allocated surplus from capital projects and used for funding capital project deficits in the year. The CVP are maintained at a target balance of \$1 million at the beginning of each year, per the Capital Asset Management Policy. Balances greater than \$1 million are transferred to capital reserves at year-end. Transfers to the General Capital Levy of \$5,601 thousand, Wastewater capital of \$3,664 thousand, Water capital of \$347 thousand and Waste Management Capital of \$782 thousand were completed at year-end. The 2021 capital budget utilizes \$7 million of this funding.

Financial Considerations

The recommendations in this report will fully allocate the 2020 year-end operating surplus to reserves. Full explanations for the surpluses and deficits can be found in Appendix 4 and are summarized on the Consolidated Year-End Funding Surplus/ (Deficit) Review in Appendix 1.

Analysis

Full analysis and explanation of the rate and levy-supported programs can be found in the Annual Financial Update in Appendix 4 and on the Region's website. The report is Accessibility for Ontarians with Disabilities Act compliant. Hard copies of the report can be made available upon request.

[December 2020 Financial Update](#)

<https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx>

Reserve Impacts Based on Report Recommendations

The Niagara Region's Operating Surplus/Deficit Policy outlines how annual operating surpluses or deficits are addressed at year-end, giving consideration to affordability, sustainability and Niagara Region's credit rating. This Policy applies to all departments, agencies, boards and commissions consolidated within the Niagara Region.

The Policy states that year-end surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Funds Policy and/or one-time funding needs as recommended by Council. The Policy states that for corporate stabilization reserves, the minimum balance target is 10% to 15% of Operating Expenses.

The recommended allocations for the year-end surpluses include the following:

- \$6,600 thousand to a new Hospital Contribution Reserve (to be formally established by Council through future report CSD 19-2021). This contribution, in conjunction with the annual contribution of \$1.5 million established in the 2021 budget, will allow the Region to save the required \$12,600 thousand towards the funding commitment for the West Lincoln Hospital by 2024;
- \$230 thousand resulting from the return of surplus grant funding related to the Niagara Foreign Trade Zone (NFTZ) and Foreign Direct Investment activities to be used to fund the 2021 NFTZ and investment attraction activities in collaboration with Team Niagara through the Taxpayer Relief Reserve. The NFTZ established itself as a resource to exporters in Niagara and marketed the designation as a competitive advantage for Niagara in attracting investment. With this foundational work in place, it is planned that the operations of the NFTZ be brought back into the Region's Economic Development

department so that there could be closer alignment with investment attraction activities;

- \$71 thousand from Niagara Regional Police reserves, including the Police Accumulated Sick Leave Reserve (\$69 thousand) and the Ontario Police Video Training Alliance (OPTVA) Reserve (\$2 thousand), per the recommendations of the Niagara Police Service Board to fund related operational deficits during the year;
- The balance of the levy surplus of \$30,547 to the Taxpayer Relief Reserve, with the intention of using these funds to support COVID-19 related pressures as approved in future operating budgets, including funding of the pandemic division within Public Health for 2021 and 2022;
- \$500 thousand to the Water Capital Reserve to help fund capital infrastructure work, given that the Water Stabilization Reserve is within the funding targets; and
- The balance of the rate surpluses to the respective stabilization reserves, including \$366 to the Water Stabilization Reserve, \$1,863 to the Wastewater Stabilization Reserve and \$1,493 to the Waste Management Stabilization Reserve.

The chart below shows a summary of the stabilization reserve balances after the transfers recommended in this report and uses of the reserve included in the multi-year budget requirements for the COVID-19 related costs as presented in the 2021 Budget and 2022 forecast.

Table 2: 2020 to 2023 Stabilization Reserve Projection (in thousands)

Reserve Description	Actual Reserve Balance at December 31, 2020	Forecasted Reserve Balance at December 31, 2021	Forecasted Reserve Balance at December 31, 2022	Forecasted Reserve Balance at December 31, 2023
Stabilization Reserves				
Taxpayer Relief	\$53,509	\$27,718	\$20,117	\$20,962
Water Stabilization	\$3,431	\$3,438	\$3,445	\$3,452
Wastewater Stabilization	\$3,254	\$3,271	\$3,288	\$3,305
Waste Management Stabilization	\$6,365	\$2,942	\$2,064	\$2,688
Police Contingency	\$704	\$954	\$954	\$954
Police Services Board Contingency	\$242	\$242	\$242	\$242

The following shows the forecasted balance of the stabilization reserves at December 31, 2023 after the recommended transfers included in this report relative to the minimum target balances as outline in the Reserve and Reserve Funds Policy.

Table 3: Stabilization Reserve Targets (in thousands)

Reserve Description	Reserve Balance After Transfers at December 31, 2023	Target Balance	Target Balance
		Low (10%)	High (15%)
Taxpayer Relief	\$20,962	\$57,263	\$85,895
Water Stabilization	\$3,452	\$2,387	\$3,581
Wastewater Stabilization	\$3,305	\$6,476	\$9,715
Waste Management Stabilization	\$2,688	\$5,296	\$7,944
Police Contingency	\$954	Determined by NRPS	Determined by NRPS
Policy Services Board Contingency	\$242	Determined by NRPS	Determined by NRPS

Based on the table above, the following stabilization reserves are underfunded, as they are not meeting the minimum target balance thresholds established:

- Taxpayer Relief
- Wastewater Stabilization
- Waste Management Stabilization

Reserve balances below the minimum target may impact the ability to manage future operational risks.

Unspent 2020 Budgeted Reserve Transfers

Budgeted reserve transfers that are unspent during the year are returned to their originating reserves in accordance with the Reserve and Reserve Fund Policy. In 2020, the following funds were returned to reserves:

- Unused drainage assessment funding by local area municipalities of \$9 thousand
- Unused active transportation/bike lane funding by local area municipalities of \$23 thousand
- Unused funds for Niagara Falls and St. Catharines GO Stations not fully operational of \$719 thousand
- Unused funds for ICOPS division reorganization of \$29 thousand
- Unused Waste Management service level campaign funding of \$64 thousand
- Unused funds for sick leave payouts of \$51 thousand
- Unused funding for Human Resources Information Systems project of \$830 thousand

- Unused funding for Community Benefit Charge Study of \$150 thousand
- Unused funding for Niagara Airports of \$144 thousand
- Unused funding for the 50th anniversary of the Niagara Region of \$39 thousand

Encumbrances

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred in the year but the goods or services have not been received by year-end. An obligation to purchase can be in the form of a purchase order, contract or other legally binding commitments. Funds are requested to be set aside in the encumbrance reserve for use in the following year.

Incorporated in the year-end operating funding surpluses are encumbrances totalling \$16,275 thousand (see Appendix 2). As part of the year-end reporting process, the Financial Management and Planning division has reviewed each encumbrance request with the originating department. The encumbrances identified will be transferred to the encumbrance reserve at December 31, 2020 and transferred back to the respective departments in 2021. Encumbrance balances that have been carried forward from a year prior to 2020 have also been identified in Appendix 2.

The majority of the encumbrance requests in 2020 relate to various incentive and grant programs, which are in partnership with the local area municipalities (LAMs) and can span multiple years.

Capital Variance Project Transfer to Capital Reserve

Throughout the year, project variances are transferred to or from the Capital Variance Project (CVP) to be used in-year in accordance with the Budget Control By-Law.

During 2020, a total of 92 projects were closed (compared to 117 projects in 2019). As a result of the project closures and budget reductions, a total of \$16,095 thousand and \$15,727 thousand were returned to the CVP in 2020 and 2019 respectively.

At the end of the year, the balance of the CVPs are reviewed and the amount in excess of \$1 million is transferred to the appropriate capital reserve (see *Capital Variance Project Summary* in Appendix 4 for more detail).

The following is a summary of the amounts transferred to the respective capital reserve from each CVP and the balances remaining in the CVP as of December 31, 2020.

Table 4: 2020 Capital Variance Project Transfers to Reserve (in thousands)

CVP Description	CVP Balance Before Transfer to Reserve	Transfer to Reserve	CVP Balance After Transfer to Reserve
Levy Programs	\$6,601	\$5,601*	\$1,000
Waste Management	\$1,782	\$782	\$1,000
Wastewater	\$4,664	\$3,000**	\$1,000
Water	\$1,347	\$347	\$1,000
Total	\$14,394	\$10,394	\$4,000

* \$4,000 of the amount transferred to reserve has been committed to the approved 2021 capital budget

** \$3,000 of the amount transferred to reserve has been committed to the approved 2021 capital budget

COVID-19 Financial Impacts Summary

Staff tracked costs directly related to the emergency throughout the year which have been incorporated in the comprehensive financial results above. Total gross COVID cost related to the emergency is \$49 million, with a net COVID cost of \$1.1 million after applying confirmed program-specific and Municipal Safe Re-start funding to support the COVID-19 emergency and be utilized as per each funding agreement.

The table below also includes strategic and other mitigations (offset by additional non-COVID pressures) that the Region was able to put in place to help manage the cost of the emergency, resulting in the total net surplus of \$41.5 million.

Table 5: 2020 COVID-19 Financial Impacts

(in thousands)	Levy	Water/ Wastewater	Waste Management	Total
Total COVID Gross Cost	\$ 47,421	\$ 1,117	\$ 448	\$ 48,987
Less: Confirmed Funding Matched to Expenses	(47,911)	-	-	(47,911)
Net COVID Cost to Region	(490)	1,117	448	1,076
Less: Strategic and Other Mitigations	(16,261)	(3,671)	(1,892)	(21,824)
Less: Redeployed resources	(20,555)	(175)	(49)	(20,780)
Net Budget Surplus	\$ (37,306)	\$ (2,729)	\$ (1,493)	\$ (41,528)

Further detail on the corporate assumptions and cost categories can be found in Appendix 5, a more detailed breakdown by operating department in Appendix 6 and a summary of the confirmed funding announcements in Appendix 7.

Alternatives Reviewed

Council may direct staff to consider alternative options for the consolidated net surplus position of \$41,528 thousand however this is not recommended as the report recommendations have been made in accordance with policies and 2021 and 2022 budget commitments.

Relationship to Council Strategic Priorities

Providing formal financial reporting to Council and the public supports the Council Strategic Priority of Sustainable and Engaging Government.

Supporting the COVID-19 emergency response directly supports Council's strategic priority of a Healthy and Vibrant Community.

Other Pertinent Reports

- CSD 30-2020 COVID-19 Preliminary Overview of Financial Impacts (April 23, 2020)
- CSD 31-2020 Concessions to Local Area Municipalities regarding Taxes and Water Wastewater Billings (April 23, 2020)
- CSD 34-2020 COVID Cash Flow Update (May 21, 2020)
- CSD 35-2020 COVID-19 Financial Impact Update (May 21, 2020)
- CSD 39-2020 COVID Cash Flow Update (June 25, 2020)
- CSD 40-2020 COVID-19 Financial Impact Update (June 25, 2020)
- CSD 46-2020 COVID Cash Flow Update (July 23, 2020)
- CSD 47-2020 COVID-19 Financial Impact Update (July 23, 2020)
- CSD 50-2020 COVID Cash Flow Update (August 13, 2020)
- CSD 51-2020 COVID-19 Financial Impact Update (August 13, 2020)
- CSD 56-2020 Q2 2020 Financial Update (CSC September 9, 2020)
- CSD 57-2020 COVID-19 Cash Flow Update (September 17, 2020)
- CSD 63-2020 COVID-19 Cash Flow Update (October 22, 2020)
- CSD 69-2020 COVID-19 Financial Impact Update (October 22, 2020)
- CSD 76-2020 Q3 2020 Financial Update (CSC December 9, 2020)

Prepared by:

Melanie Steele, MBA, CPA, CA
Associate Director, Reporting & Analysis
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with the Corporate Leadership Team and consolidated ABCs and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1	Consolidated Year-End Funding Surplus/(Deficit)
Appendix 2	Detailed Summary of Encumbrances by Department
Appendix 3	5 Year Funding Surplus/(Deficit) Analysis
Appendix 4	Q4 2020 Financial Update
Appendix 5	COVID-19 2020 Financial Impact Summary
Appendix 6	COVID-19 Financial Impact by Department
Appendix 7	Confirmed COVID-19 Funding Announcements
Appendix 8	NRPS Financial Variance Overview for the Year Ending December 31, 2020
Appendix 9	NRH 2020 Year-End transfer Report (NRH 3-2021)

Appendix 1 - Consolidated Year-End Funding Surplus/(Deficit) (in thousands)

	Year-End Operating Surplus/(Deficit) Before Transfers	Year-End Operating Surplus Transferred Back to Reserve(*)	Encumbrance(**)	Year End Operating Surplus/(Deficit)
LEVY-SUPPORTED DEPARTMENTS				
Regional Departments				
Corporate Administration	\$3,215	-\$920	-\$309	\$1,986
Corporate Services	\$989	-\$898	-\$125	-\$34
Community Services	\$6,760	\$0	-\$55	\$6,705
Public Works - Transportation	\$11,230	-\$176	-\$938	\$10,116
Governance	\$22	\$0	\$0	\$22
Planning & Development	\$1,227	\$0	-\$607	\$620
Public Health	-\$377	\$0	\$0	-\$377
Subtotal - Regional Departments	\$23,066	-\$1,994	-\$2,034	\$19,038
General Government	\$23,741	\$0	-\$5,369	\$18,372
Regional Departments and General Government	\$46,807	-\$1,994	-\$7,403	\$37,410
Agencies, Boards and Commissions				
Court Services	-\$391	\$0	\$0	-\$391
Niagara Regional Housing	\$1,804	\$0	-\$1,149	\$655
Niagara Regional Police	-\$368	\$0	\$0	-\$368
Niagara Peninsula Conservation Authority	\$0	\$0	\$0	\$0
Subtotal - Agencies, Boards and Commissions	\$1,045	\$0	-\$1,149	-\$104
Total Levy-Supported Departments	\$47,852	-\$1,994	-\$8,552	\$37,306
RATE-SUPPORTED DEPARTMENTS				
Water	\$963	\$0	-\$97	\$866
Wastewater	\$8,783	\$0	-\$6,920	\$1,863
Waste Management	\$2,263	-\$64	-\$706	\$1,493
Total Rate-Supported Departments	\$12,009	-\$64	-\$7,723	\$4,222

(*) Unspent budgeted reserve transfers are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy

(**) Encumbrances are transferred to 2021 operating budgets in accordance with the Budget Control By-Law

Appendix 2 - Encumbrance Report (in thousands)

CSD 17-2021
March 10, 2021
Appendix 2

Description	Amount	
General Government		
Public Realm Investment Program		
East Fonthill Seating RR20 & Rice Road*	\$12	
RR18 (Ontario St.), RR81 (King St.)*	11	
Civic Square Revitalization*	30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	100	
RR54 Pelham Port Robinson Rice Rd Parkette*	30	
RR27 Welland Parkette Hellems/East Main St*	20	
Downtown Beamsville Beautification Projects	31	
Jordan Hollow Cultural Park	83	
Greening Projects on Martindale and Lakeshore Road Gateway	35	
Yukon House - Canada Summer Games	10	
Pelham Arches Lighting and Streetscape	10	
Trees and Transit Shelters on Rice Road	30	
Oakes Park - Canada Summer Games Plaza	25	\$427
Gateway - Tax Increment Grant		
287 Silverthorne/Buchner*		2,805
Waterfront Improvement Program		
Millennium Recreation Trail*	400	
Town of Lincoln Museum and Cultural Centre*	250	650
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	273	
CIP/MasterPlans/Official Plans Grant Program	400	
ESA Phase II (Risk Assessment Plan)	51	
Heritage Restoration and Improvement Grant	63	
Public Realm Grant Program	130	
Residential Grant/Loan Program	570	1,487
Total Encumbrances for General Government		\$5,369
Corporate Administration		
Economic Development - Study and Lead Generation*		114
Community Safety & Well-Being Plan		142
Recruitment for the Commissioner of Planning and Development		53
Total Encumbrance for Corporate Administration		\$309
Corporate Services		
Business Licensing*		100
Development Charge Background Study		25
Total Encumbrance for Corporate Services		\$125
Community Services		
Gateway Residential Community Support*		55
Total Encumbrance for Community Services		\$55
Planning & Development		
Niagara Official Plan*		417
Municipal Comprehensive Review*		61
Environmental Planning Review*		53
Stormwater Management Guidelines*		76

Appendix 2 - Encumbrance Report (in thousands)

Description	Amount
Total Encumbrance for Planning and Development	\$607
Niagara Regional Housing	
Integrated Housing Solution Software*	31
K3D Thermostat Technology*	317
Consolidated Housing Master Plan	211
Housing Provider Capital Repairs Program	128
Capital Loan & Grant Program - Grant Portion	462
Total Encumbrance for Niagara Regional Housing	\$1,149
Public Works - Transportation	
Emerald Ash Bore	52
Complete Streets Design Manual*	389
Bicycle Facilities Grant	50
Transportation Pavement Management Study	61
Structural Asset Management Cost Forecast for Bridge & Culvert Structures	46
Cityworks Software Upgrade Consulting Services	142
Catch Basin Cleaning	96
Niagara Airports Master Planning	102
Total Encumbrance for Public Works - Transportation	\$938
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	20
MRF Opportunity Review*	286
Long-Term Waste Management Strategic Plan*	400
Total Encumbrance for Public Works - Waste Management	\$706
Public Works - Water/Wastewater**	
Master Service Plans	590
Billing Meter Audit	104
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	435
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	1,214
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	412
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	1,189
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)*	1,714
Unused Combined Sewer Overflow Funding - 2020 Program (at 50%)*	1,359
Total Encumbrance for Public Works - Water/Wastewater	\$7,017
TOTAL 2020 ENCUMBRANCE	\$16,275

* Encumbrance balance carried over in part or fully from 2019

** The Public Works - Water/Wastewater 2020 Encumbrance includes \$11,272 (\$6,323 funded from reserves as summarized above, \$4,949 funded from development charges) related to the Combined Sewer Overflow (CSO) program. Managing this program through the operating budget rather than capital budget began in 2015. \$827 (\$819 funded from reserves, \$8 funded from development charges) remains in capital projects related to the CSO program from 2008 through 2014.

Appendix 3 - 5-Year Consolidated Year-End Funding Surplus/(Deficit) (in thousands)

Year-End Operating Surplus/(Deficit)					
LEVY SUPPORTED DEPARTMENTS	2020	2019	2018	2017	2016
Regional Departments					
Corporate Administration	\$1,986	\$976	\$357	\$365	\$127
Corporate Services	-\$34	\$243	\$264	-\$128	\$0
Community Services	\$6,705	\$1,413	\$1,742	\$3,700	-\$951
Economic Development	\$0	\$0	\$0	\$226	\$216
Public Works - Transportation	\$10,116	\$5,395	\$975	\$1,913	\$2,332
Governance	\$22	\$222	\$413	\$120	-\$190
Planning & Development	\$620	\$244	\$558	\$518	-\$66
Public Health	-\$377	-\$2,243	-\$186	\$1,825	\$345
Subtotal - Regional Departments	\$19,038	\$6,250	\$4,123	\$8,539	\$1,813
General Government	\$18,372	-\$5,373	-\$5,850	-\$6,113	\$192
Regional Departments and General Government	\$37,410	\$878	-\$1,727	\$2,426	\$2,005
Agencies, Boards and Commissions					
Court Services	-\$391	\$444	\$396	-\$344	-\$249
Niagara Regional Housing	\$655	\$1,327	\$2,635	\$1,908	\$624
Niagara Regional Police	-\$368	\$798	\$528	-\$7,641	-\$2,781
Niagara Peninsula Conservation Authority	\$0	\$6	-\$4	-\$3	\$0
Subtotal - Agencies, Boards and Commissions	-\$104	\$2,575	\$3,555	-\$6,080	-\$2,406
Total Levy Supported Departments	\$37,306	\$3,453	\$1,828	-\$3,654	-\$401
RATE SUPPORTED DEPARTMENTS					
Water	\$866	-\$507	\$2,449	\$1,432	\$1,361
Wastewater	\$1,863	-\$1,177	-\$370	-\$1,343	\$588
Waste Management	\$1,493	-\$1,156	\$1,551	\$5,682	\$4,337
Total Rate Supported Departments	\$4,222	-\$2,840	\$3,630	\$5,771	\$6,286

Includes unspent budgeted reserve transfers returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy and year-end encumbrances.

NIAGARA REGION

2020

Q4 FINANCIAL UPDATE
DECEMBER

Q4 Financial Update – December 2020

Table of Contents

<u>Introduction</u>	<u>2</u>
Consolidated Operating Funding Surplus/(Deficit Review):	
<u>Levy</u>	<u>3</u>
<u>Water and Wastewater</u>	<u>4</u>
<u>Waste Management</u>	<u>5</u>
<u>Summary of Consolidated Operating Funding Surplus/(Deficit)</u>	<u>6</u>
Departmental Statement of Operations:	
<u>Consolidated Levy</u>	<u>7</u>
<u>Governance</u>	<u>10</u>
<u>General Government</u>	<u>12</u>
<u>Corporate Administration</u>	<u>15</u>
<u>Corporate Services</u>	<u>19</u>
<u>Community Services</u>	<u>24</u>
<u>Public Health & Emergency Services</u>	<u>29</u>
<u>Public Works Transportation</u>	<u>33</u>
<u>Planning and Development</u>	<u>37</u>
<u>Courts Services</u>	<u>40</u>
<u>Niagara Regional Housing</u>	<u>43</u>
<u>Niagara Regional Police Service</u> <u>Niagara</u>	<u>47</u>
<u>Peninsula Conservation Authority</u>	<u>49</u>
<u>Water and Wastewater</u>	<u>51</u>
<u>Waste Management</u>	<u>54</u>
<u>Operating Budget Amendments & Adjustment Summary</u>	<u>57</u>
<u>Reserves Summary</u>	<u>58</u>
<u>Deferred Revenue Summary</u>	<u>60</u>
<u>Operating Reserve Transfer Reconciliation</u>	<u>63</u>
<u>Capital Reserve Transfer Reconciliation</u>	<u>65</u>
<u>Encumbrance Summary and Detail</u>	<u>67</u>
Capital Project Reports:	
<u>Capital Highlights</u>	<u>70</u>
<u>Capital Summary</u>	<u>71</u>
<u>Capital Budget Adjustments</u>	<u>72</u>
<u>Capital Project Closures</u>	<u>75</u>
<u>Capital Project Closed by Adjustment</u>	<u>77</u>
<u>Capital Project Closed by Transfer</u>	<u>78</u>
<u>Capital Project Summary</u>	<u>79</u>
<u>Capital Project Forecast</u>	<u>80</u>
<u>Capital Variance Project Summary</u>	<u>95</u>
<u>Investment Report and Detail</u>	<u>96</u>
<u>Debt Report</u>	<u>98</u>
<u>Accounts Receivable Aging Report</u>	<u>101</u>
<u>Consolidated Statement of Financial Position</u>	<u>102</u>
<u>Explanation of Statement of Operations</u>	<u>104</u>

Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2020 Q4 financial update.

Niagara is a culturally rich and historically significant region that offers its residents a mix of urban and rural living within 12 area municipalities. The Region boasts a diverse economy that includes manufacturing, tourism, agriculture and emerging sectors such as new media, green technology and bioscience.

Regional government operations are overseen by Niagara Regional Council which is composed of 32 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in November 2018 and the 32 members will serve a four year term to November 14, 2022.

At December 31, 2020 Niagara Region has a surplus of \$37,306 thousand related to the levy programs, a \$2,729 thousand surplus related to Water and Wastewater programs, and a \$1,493 thousand surplus related to the Waste Management Program.

The Niagara Region has responded to the COVID-19 pandemic by strategically redeploying staff resources to areas impacted significantly by COVID-19, as well as re-prioritizing planned work. A recovery plan has been put in place and continues to be refined and actioned to guide the Niagara Region through the COVID-19 pandemic.

Affordability and sustainability are two key elements of Niagara Region’s budget strategy. Achieving a balance between providing the programs and services residents have come to rely upon, ensuring they can afford to pay for them and ensuring that we have money to fund future infrastructure and program needs is critical. We would appreciate your feedback at www.niagararegion.ca.

We hope you will find the information provided in this report of interest and welcome any suggestions for its improvement going forward.

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

The following is an unaudited report which has been prepared and reviewed by the Financial Management & Planning team in Corporate Services.

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

LEVY

(In thousands of dollars)

Niagara Region's levy programs excluding agencies, boards and commissions have an operating surplus of \$37,410, which is largely driven by additional Provincial funding of \$47,911 following extensive mitigation efforts to manage the increased costs related to required investments in Community Services and Public Health to support the COVID-19 emergency, including the redeployment of staff resources and re-prioritizing planned work. These mitigation efforts were put in place for the continuation of essential services prior to announcements of additional funding to address these increased costs. In addition, the recovery process has been slower than anticipated, resulting in further work delays and corresponding cost deferrals. The Region will continue to monitor the emergency and make changes to service delivery to meet the needs of Niagara residents.

Niagara Region's agencies, boards and commissions have a net deficit of \$104, which is driven primarily from lost revenue in Niagara Regional Police Service from reduced OLG payments through the City of Niagara Falls due to the closure of Casino operations and in Courts Services from lost revenues for fines collected. These unfavourable variances are offset by savings in labour-related costs due to the COVID-19 pandemic and the 2020 Niagara Region Police Association wage settlement.

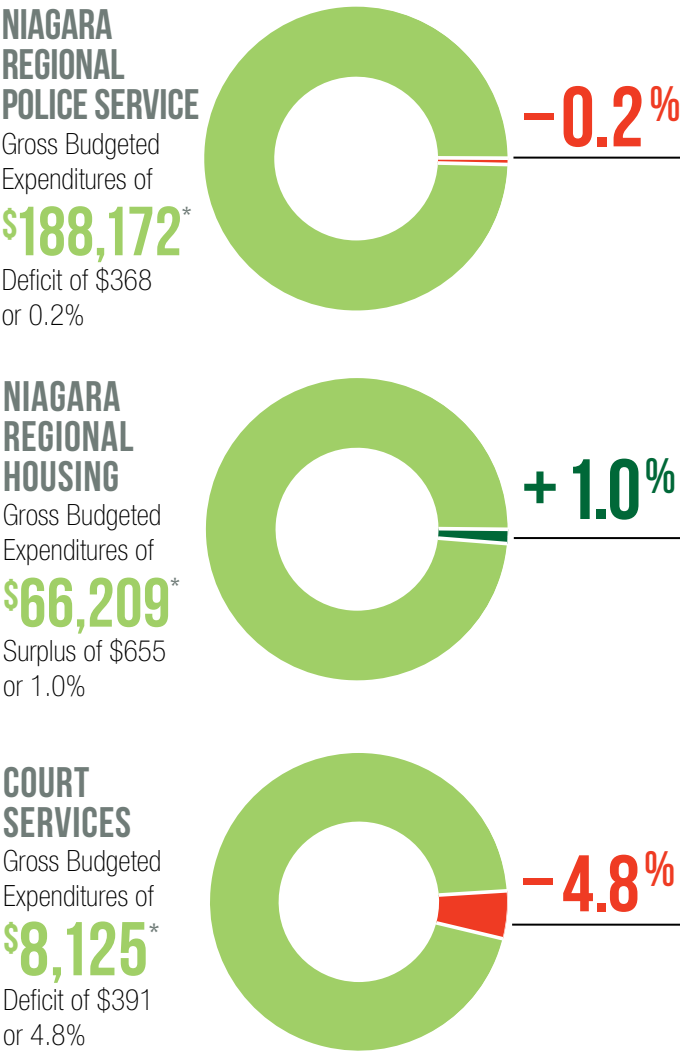
The Niagara Regional Housing Board has recommended that their surplus be allocated to the Taxpayer Relief Reserve in accordance with the Operating Surplus/Deficit Policy C-F-022. Deficits in Niagara Regional Police Service and Court Services would be offset by overall levy surpluses before transferring the remaining levy surplus to the Hospital Contribution and Taxpayer Relief reserves. These recommendations are included in Corporate Services Committee 17-2021, with the intent of using these funds to support COVID-19 related pressures as approved in future operating budgets.

LEVY DEPARTMENT AND PROGRAMS
(Including Agencies, boards and commissions)



*Includes transfer, intercompany charges and indirect allocations

FINANCIAL RESULTS OF AGENCIES, BOARDS AND COMMISSIONS



FINANCIAL STATEMENT HIGHLIGHTS



CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

WATER & WASTEWATER

(In thousands of dollars)

Water and Wastewater Services has a net operating surplus of \$2,729 at year-end, which consists of a surplus of \$1,863 surplus in the Wastewater division and \$866 in the Water division.

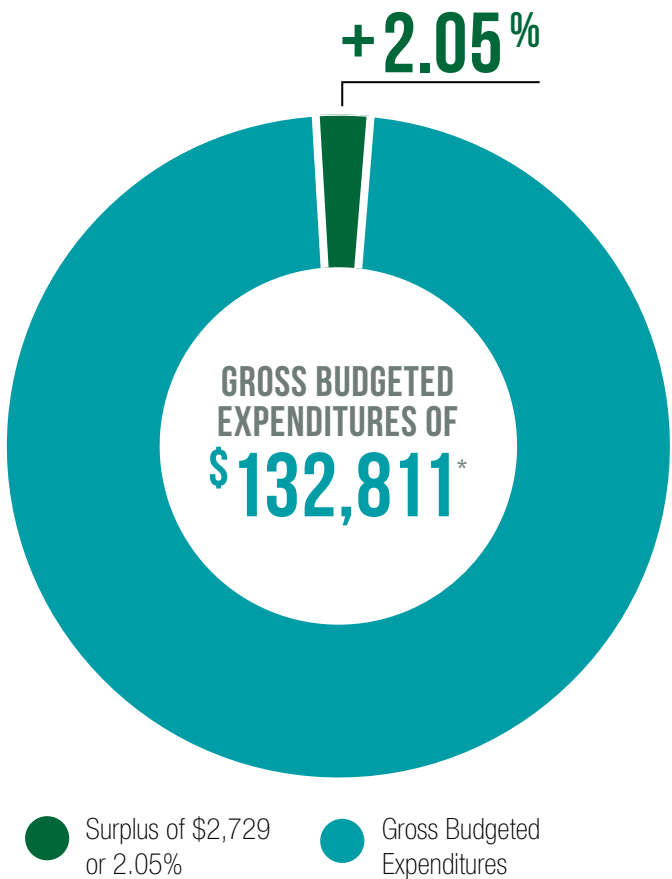
The surplus is primarily attributable to favourable variances of \$2,127 for preventative maintenance and repair work, \$666 resulting from staffing vacancies, \$1,068 in allocation of business support costs, and net utility savings of \$538. These favourable variances are offset by unfavourable variance in water sales of \$1,020 due to decreased water usage as a result of the COVID-19 pandemic combined with a wet spring, and unfavourable variances of \$137 and \$435 due to increased pricing in sludge management and chemical costs, respectively.

It is recommended that the year-end surplus of \$1,863 in the Wastewater division be transferred to the Wastewater Stabilization reserve. For the surplus of \$866 in the Water division, it is recommended that \$500 be transferred to the Water Capital reserve and the remaining \$366 be transferred to the Water Stabilization reserve.

After the recommended year-end transfer of the surplus in the Wastewater division, the Wastewater Stabilization Reserve will be at a balance of \$3,254, which is below the minimum stabilization target for the reserve. The funding targets of 10% to 15% of annual budgeted expenditures (excluding reserve transfers and debt allocations) are \$6,476 to \$9,715. Given that the Wastewater Stabilization reserve is below the minimum funding target, this may impact Niagara Region's ability to manage future operational costs.


As a result of the year-end transfer of the surplus within the Water division, the Water Stabilization Reserve will be at a balance of \$3,431, which is within the funding targets for the stabilization reserve. The funding targets of 10% to 15% of annual budgeted operating expenditures are \$2,387 to \$3,581.

WATER & WASTEWATER OPERATING SURPLUS




* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS



+ \$2,127

Variance in preventative maintenance and repair work due to delays driven by the COVID-19 pandemic



-\$1,020

Variance in water sales due to reduced water usage during the pandemic

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

WASTE MANAGEMENT

(In thousands of dollars)

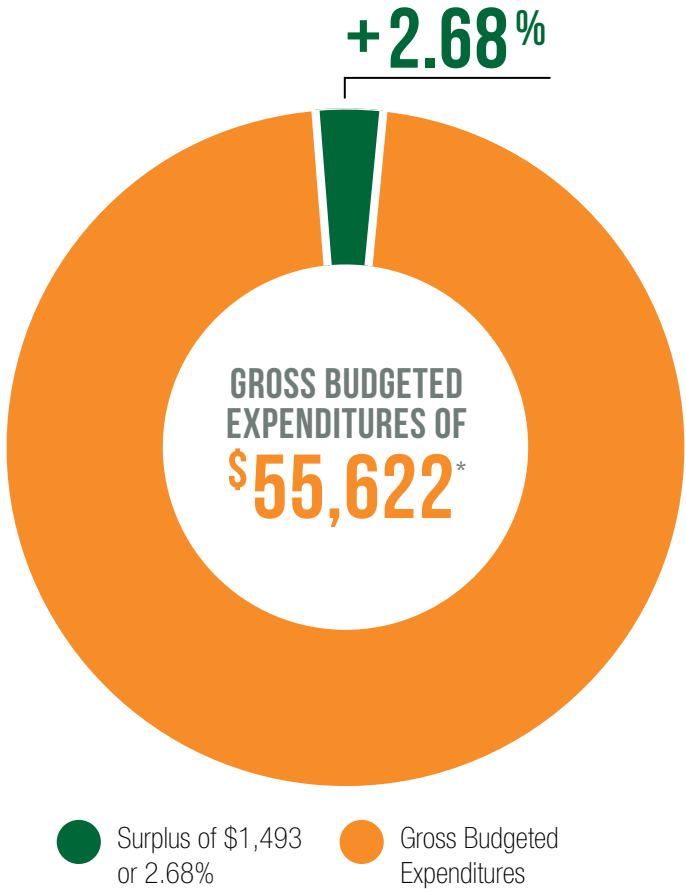
Waste Management Services has an operating surplus of \$1,493 at year-end.

The surplus is primarily a result of favourable variances of \$647 from collection contract adjustments, \$526 from lower than anticipated landfill operation and monitoring costs, \$321 in labour-related cost savings attributable to the COVID-19 pandemic, \$257 from savings in administrative costs such as training and development, as well as promotion and education in addition to smaller favourable variances in other operational accounts. These favourable variances are offset by unfavourable variances of \$159 from overall lower than anticipated net market revenues from the sale of recyclable commodities, \$562 in reduced tipping fee revenue due to service changes as a result of the COVID-19 pandemic, and increased organic processing costs of \$430 due to increased volumes.

It is recommended that at year-end the operating surplus of \$1,493 in Waste Management be transferred to the Waste Management Stabilization Reserve.

As a result of the year-end transfer, the Waste Management Stabilization Reserve will be at a balance of \$6,365 at the end of the year, which is within the funding targets for the Reserve. The funding targets of 10% to 15% of annual budgeted operating expenditures (excluding reserve transfers and debt allocations) are \$5,296 to \$7,944. However, the Reserve balance will fall below the minimum funding targets with the transfer of funds of \$3,572 in 2021 to mitigate increased collection contract and COVID-related costs, as approved in the 2021 operating budget, which may impact the Niagara Region’s ability to manage future operational costs.

WASTE MANAGEMENT OPERATING SURPLUS



* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS



+ \$526

Variance in landfill operation and monitoring costs



+ \$647

Variance in collection contract cost adjustments for fuel, inflation and resident unit counts

Summary of Consolidated Operating Surplus/(Deficit) (in thousands of dollars)

	Before Indirect Allocations			After Indirect Allocations		
	Annual Budget	Actuals	Q4 Surplus / (Deficit)	Annual Budget	Actuals	Q4 Surplus / (Deficit)
LEVY SUPPORTED DEPARTMENTS & PROGRAMS						
Regional Departments						
Governance	\$2,169	\$1,968	\$201	\$2,448	\$2,426	\$22
General Government	-\$320,312	-\$338,684	\$18,372	-\$397,342	-\$415,714	\$18,372
Corporate Administration	\$14,626	\$10,674	\$3,952	\$6,770	\$4,785	\$1,985
Corporate Services	\$36,380	\$34,672	\$1,708	\$859	\$893	-\$34
Community Services	\$29,386	\$24,064	\$5,322	\$50,942	\$44,238	\$6,704
Public Health & Emergency Services	\$26,586	\$27,650	-\$1,064	\$41,638	\$42,014	-\$376
Public Works - Transportation	\$38,527	\$28,745	\$9,782	\$77,855	\$67,739	\$10,116
Planning & Development	\$4,098	\$3,643	\$455	\$5,131	\$4,513	\$618
Sub-Total - Regional Departments	-\$168,540	-\$207,271	\$38,731	-\$211,698	-\$249,108	\$37,410
Agencies, Boards & Commissions						
Court Services	-\$1,885	-\$1,523	-\$362	-\$735	-\$344	-\$391
Niagara Regional Housing	\$28,344	\$27,789	\$555	\$36,443	\$35,788	\$655
Niagara Regional Police	\$154,458	\$154,813	-\$355	\$170,181	\$170,549	-\$368
Niagara Peninsula Conservation Authority	\$5,809	\$5,809	\$0	\$5,809	\$5,809	\$0
Subtotal Agencies, Boards & Commissions	\$186,726	\$186,888	-\$162	\$211,698	\$211,802	-\$104
Total Levy Supported Programs	\$18,186	-\$20,383	\$38,569	\$0	-\$37,306	\$37,306
RATE SUPPORTED DEPARTMENTS						
Public Works - Water & Wastewater	-\$15,750	-\$17,411	\$1,661	\$0	-\$2,729	\$2,729
Public Works - Waste Management	-\$2,436	-\$3,735	\$1,299	\$0	-\$1,493	\$1,493
Total Rate Supported Departments	-\$18,186	-\$21,146	\$2,960	\$0	-\$4,222	\$4,222
TOTAL	\$0	-\$41,528	\$41,528	\$0	-\$41,528	\$41,528

Levy Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$409,088	\$410,193	-\$1,105	-0.3%
Administrative	\$34,807	\$27,765	\$7,042	20.2%
Operational & Supply	\$47,751	\$40,535	\$7,216	15.1%
Occupancy & Infrastructure	\$29,739	\$30,370	-\$631	-2.1%
Equipment, Vehicles, Technology	\$16,209	\$16,013	\$196	1.2%
Community Assistance	\$197,117	\$188,668	\$8,449	4.3%
Partnership, Rebate, Exemption	\$24,823	\$11,820	\$13,003	52.4%
Financial Expenditures	\$69,373	\$54,415	\$14,958	21.6%
Total Expenses	\$828,907	\$779,779	\$49,128	5.9%
Taxation	-\$409,634	-\$409,551	-\$82	0.0%
Federal & Provincial Grants	-\$320,742	-\$359,813	\$39,071	12.2%
By-Law Charges & Sales	-\$21,427	-\$11,199	-\$10,228	-47.7%
Other Revenue	-\$73,324	-\$61,265	-\$12,059	-16.4%
Total Revenues	-\$825,127	-\$841,828	\$16,701	2.0%
Intercompany Charges	-\$1,907	-\$1,680	-\$227	11.9%
Total Intercompany Charges	-\$1,907	-\$1,680	-\$227	11.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$1,873	-\$63,729	\$65,602	3501.7%
Transfers From Funds	-\$14,423	-\$14,593	\$170	1.2%
Transfers To Funds	\$30,876	\$58,058	-\$27,182	-88.0%
Expense Allocations To Capital	-\$140	-\$119	-\$21	-15.0%
Total Transfers	\$16,313	\$43,346	-\$27,033	-165.7%
Net Expenditure (Revenue) Before Indirect Allocations	\$18,186	-\$20,383	\$38,569	212.1%
Indirect Allocations & Debt	-\$18,186	-\$16,923	-\$1,263	-6.9%
Total Indirect Allocations & Debt	-\$18,186	-\$16,923	-\$1,263	-6.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$37,306	\$37,306	0.0%

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy programs operated with a year-end surplus after indirect allocations of \$37,306, due to a number of factors as noted below.

The 2020 budget includes expenditures and revenues related to the implementation of the Vision Zero Road Safety program in 2020 within the Court Services and Transportation Services divisions. The work on the implementation of the program, including the proposed changes to the Niagara Region Courts Inter-municipal Agreement, has been delayed as a result of the COVID-19 pandemic. Accordingly, no expenditures were incurred or revenues realized in 2020. The program was budgeted to break even overall for the year, so while it does cause variances in expense and revenue categories, there will be no net impact on the distribution of net revenue under the Inter-municipal Agreement to the local area municipalities as a result of the delay.

Compensation - The unfavourable variance of \$1,105 is mainly driven by staffing vacancies across the corporation due to a corporate hold on recruitment to help mitigate COVID-19 pandemic pressures, in addition to savings in health and dental benefit costs resulting from reduced claims arising from pandemic-related closures and restrictions. These savings have been partially offset by an unfavourable year-to-date variance in Public Health due to increased Workplace Safety Insurance Board costs and incremental staffing costs within Public Health and Community Services to address increased workload resulting from the pandemic. Savings related to Vision Zero are \$933.

Administration – The favourable variance of \$7,042 is primarily due to a combination of timing differences for consulting expenditures and the deferral of work plans, mostly as a result of the COVID-19 pandemic, such as the Niagara Official Plan and the Human Resources Information Systems (HRIS) transition project, as well as Transportation and Transit studies. Many of these consulting projects are committed and have been included in the 2020 encumbrance reported below in Transfers to Funds. In addition, there have been savings realized on training and travel-related costs as a result of pandemic-related restrictions of \$2,167. Savings related to Vision Zero are \$2,072. These savings are offset by an increase in the estimated liability for insured, uninsured and construction contract claims against the Region.

Operational & Supply – The favourable variance of \$7,216 is primarily due to lower than expected Transit Services costs in both Niagara Regional Transit (NRT) services (\$8,260) and Niagara Specialized Transit (NST) services (\$844) as a result of COVID-19 impacts resulting in service reductions and expansion delays. Forecasted savings related to Vision Zero are \$206. These savings are offset by increased costs relating to purchases of additional personal protective equipment medical supplies within Community Services and Public Health as a result of the pandemic, as well as costs incurred in the operation of the COVID isolation centre within the Homelessness division.

Community Assistance – The favourable variance of \$8,449 is a result of a lower than expected uptake in client-related benefits such as dental, childcare, basic needs income support and shelter (\$6,616), and employment-related benefits (\$713) directly attributable to reduced caseload and the government’s issuance of the federal CERB benefit as a result of the pandemic. In addition, funding of \$585 was provided to child care providers within Childrens Services to fund community capital projects upon completion of the construction projects, which is offset below in Federal and Provincial Grants. Within Niagara Regional Housing (NRH), there are additional savings related to a delayed spend in Ministry-funded programs (\$841) and K3D heat control system upgrades (\$317) due to COVID-related restrictions, as well as lower than budgeted subsidy payment to non-profit and co-op providers and rent supplement to landlords (\$431). These savings are partially offset by the incremental costs of the Region’s COVID shelter (\$1,100) and emergency provider capital repair grants that were issued during the year.

Partnership, Rebate, Exemption – The favourable variance of \$13,003 is primarily due to uptake being lower than anticipated for planning and economic development grants such as Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants (\$6,489), development charge grants (\$5,022), and the regional Connect to Innovate (CTI) program (\$1,000). \$5,369 of the planning and economic development grants are committed and have been included in the 2020 encumbrance reported below in Transfers to Funds.

Levy - Continued

Financial Expenditures – The favourable variance of \$14,958 is primarily due to the debt charge not issued of \$15,664 (due to timing of actual project spending that determines the timing of debt issuance), which has been transferred to the capital levy reserve through Transfers to Funds identified below. The favourable variance is offset by an unfavourable variance of \$693 due to tax write-offs for the Local Area Municipalities (LAMs) being greater than originally budgeted as a result of historical assessment appeals being finalized.

Federal & Provincial Grants - The favourable variance \$39,071 is mainly a result of additional COVID-related funding confirmed of \$47,911, including general Phase 1 and Phase 2 Municipal Safe Re-start funding (\$12,185 and \$6,743 respectively) and program-specific funding within Public Health, Seniors Services, Children’s Services, Homelessness Services and Transportation (\$28,983). There was also \$2,228 in provincial funding recognized for the St. Catharines child care centre and other community capital builds. This additional funding is offset by lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in Social Assistance and Employment Opportunities (SAEO) of \$6,069 and budgeted funding within the Emergency Medical Services division that was not announced for 2020 (\$714).

By-Law Charges & Sales – The unfavourable variance of \$10,228 relates to a number of factors, including reduced Transit fare revenue in both NRT (\$3,384) and NST (\$62) related to COVID-19 impacts and lower ridership, as well as lower than expected signs sales and signal maintenance revenue of \$790. In addition, parental fees were not collected during the emergency order when childcare centres were closed and for the provision of childcare services to emergency workers (\$1,057), and there was a loss of revenue associated with Seniors Community Programs that have not operated during the pandemic (\$574). There was also a shortfall in revenue within NRPS for reductions in third party revenue received from the City of Niagara Falls due to the casino closures, as well as reductions in fees for service, special duty and secondment revenues due to COVID-19 emergency measures (\$3,932).

Other Revenue – The unfavourable variance of \$12,059 is primarily related to decreased portfolio investment income due to the reinvestment of maturities and call proceeds at lower rates, as well as an increased allocation of investment income to the rate reserves and deferred revenue at the average portfolio rate (\$4,810). Also contributing to this deficit is the reduction in fine revenues within Court Services due to a significant decrease in ticket volumes processed since the start of the pandemic, as well as closure of the courts and deferral of trials which has resulted in deferred convictions and corresponding delays in revenue collection (\$1,999). Deficit related to Vision Zero is \$3,519.

Transfers - The unfavourable variance of \$27,033 is a result of the transfer of the debt charge surplus from debt not issued of \$15,664 to the capital reserve, the 2020 encumbrance of \$16,275, and funds returned to reserves, largely due to deferred work resulting from the pandemic: HRIS (\$830), Niagara Region 50th anniversary (\$39), Future Sick Benefit (\$51), community benefit charge study (\$150), GO station operations (\$719), and airports (\$144). The majority of these unfavourable variances have been offset by favourable variances above.

Governance Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$1,959	\$1,886	\$73	3.7%
Administrative	\$205	\$36	\$169	82.7%
Operational & Supply	\$0	\$0	\$0	89.8%
Equipment, Vehicles, Technology	\$2	\$6	-\$4	-164.9%
Partnership, Rebate, Exemption	\$2	\$0	\$2	100.0%
Total Expenses	\$2,168	\$1,928	\$240	11.1%
Total Revenues			\$0	0.0%
Intercompany Charges	\$1	\$40	-\$39	-3183.8%
Total Intercompany Charges	\$1	\$40	-\$39	-3183.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$2,169	\$1,968	\$201	9.2%
Total Transfers			\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$2,169	\$1,968	\$201	9.2%
Indirect Allocations & Debt	\$279	\$458	-\$179	-64.2%
Total Indirect Allocations & Debt	\$279	\$458	-\$179	-64.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,448	\$2,426	\$22	0.9%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance operated with a surplus before indirect allocations of \$201. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$73 is due to a vacancy within the Chair’s Office, implementation of a new salary increase methodology for councillors and a declined salary increase for the Regional Chair.

Administration - The favourable variance of \$169 is due to lower than anticipated travel, meals, mileage and registration fees as a result of the COVID-19 pandemic and related restrictions on travel and conferences.

Intercompany Charges - The unfavourable variance of \$39 is due to an additional staff member redeployed to the Chair’s Office to support council through the COVID-19 pandemic.

Community Impacts & Achievements

Governance consists of the Members of Council and the Office of the Regional Chair who provide the overall political leadership of the organization.

Project Updates/Accomplishments

Nearly all of the resources of the Regional Chair’s Office have been dedicated to managing the COVID-19 pandemic. Some of these activities have included:

- Providing political support where required, on numerous files, including housing, homelessness, long-term care and public health
- Connecting with provincial and federal ministries and MPPs’ offices
- Successfully obtained funding from senior levels of government that will provide much-needed relief of the pressures experienced by the municipality due to COVID-19

Actively advocated for the tourism, hospitality and culture sectors.

General Government Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Administrative	\$6,331	\$8,826	-\$2,495	-39.4%
Occupancy & Infrastructure	\$82	\$93	-\$11	-13.7%
Partnership, Rebate, Exemption	\$18,241	\$5,352	\$12,889	70.7%
Financial Expenditures	\$67,246	\$52,344	\$14,902	22.2%
Total Expenses	\$91,900	\$66,615	\$25,285	27.5%
Taxation	-\$409,633	-\$409,551	-\$82	0.0%
Federal & Provincial Grants	\$0	-\$18,928	\$18,928	0.0%
By-Law Charges & Sales	-\$24	-\$36	\$12	51.0%
Other Revenue	-\$16,170	-\$11,147	-\$5,023	-31.1%
Total Revenues	-\$425,827	-\$439,662	\$13,835	3.2%
Intercompany Charges	-\$107	-\$108	\$1	-0.5%
Total Intercompany Charges	-\$107	-\$108	\$0	-0.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$334,034	-\$373,155	\$39,121	11.7%
Transfers From Funds	-\$8,115	-\$8,115	\$0	0.0%
Transfers To Funds	\$21,837	\$42,586	-\$20,749	-95.0%
Total Transfers	\$13,723	\$34,471	-\$20,749	-151.2%
Net Expenditure (Revenue) Before Indirect Allocations	-\$320,312	-\$338,684	\$18,372	5.7%
Indirect Allocations & Debt	-\$77,030	-\$77,030	\$0	0.0%
Total Indirect Allocations & Debt	-\$77,030	-\$77,030	\$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$397,342	-\$415,714	\$18,372	-4.6%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government operated at a surplus before indirect allocations of \$18,372 due to the following factors:

Administration - The unfavourable variance of \$2,495 is primarily due to an increase in estimated legal claims against the Region.

Partnership, Rebate, Exemption - The favourable variance of \$12,889 is due to the following:

- Lower than anticipated uptake of \$6,489 for planning and economic development grants such as Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants. Due to the pandemic restrictions throughout 2020, planned projects were delayed or cancelled. This amount has been encumbered into 2021 to align with anticipated payments of these grants, as identified in Transfers to Funds below.
- Lower than anticipated uptake for development charge grants of \$5,022 due to an overall reduction of development charge grant applications. In particular, there were no brownfield grant applications throughout the year.
- Savings of \$244 as a result of vacancy rebate claims by the Local Area Municipalities (LAMs) being lower than budget, which reflected the phase-out of the program.
- The regional program Connect to Innovate (CTI) grant was not utilized during the year (\$1,000) and the Youth Retention Program was put on hold due to COVID-19 (\$60).

Financial Expenditures – The favourable variance of \$14,902 is primarily a result of debt charge not issued of \$15,664 (due to timing of actual project spending, which determines the timing of debt issuance), which has been transferred to the capital levy reserve through Transfers to Funds identified below. The overall favourable variance is offset by an unfavourable variance of \$693 due to tax write-offs for the Local Area Municipalities (LAMs) being greater than originally budgeted due to historical assessment appeals being finalized.

Federal & Provincial Grants – the favourable variance of \$18,928 is due to Phase 1 Safe Restart Funding of \$12,185 and Phase 2 Safe Restart Funding of \$6,743 received from the Ontario government to help offset the operating costs and pressures incurred due to COVID-19.

Taxation – The unfavourable variance of \$82 is primarily due to a decrease in supplemental tax revenues of \$410 which is attributable to lower than budgeted growth for Niagara in 2020. This was partially offset by a favourable variance in payment-in-lieu of taxation revenue of \$328.

Other Revenue – The unfavourable variance of \$5,023 is primarily related to:

- Decreased portfolio investment income of \$1,276 due to the reinvestment of maturities and call proceeds at lower rates. Further, the investment of excess cash is performing below budget at an unfavourable variance of \$232 due to lower interest rates than budget on account balances.
- An increased allocation of investment income of \$3,233 to the rate reserves and deferred revenue at the average portfolio rate.
- Lower than anticipated sale of surplus properties of \$268, which is to be transferred to the Capital Levy reserve, per Procurement By-law 02-2016, as identified in Transfer to Funds below. Sales that were anticipated to occur in 2020 have been delayed until 2021.

Transfers To/From Funds – The unfavourable variance of \$20,749 is due to economic incentive grant encumbrances (\$5,369) and transfer of the debt charge surplus for debt not issued to the capital reserve (\$15,664), offset by a favourable variance resulting from the decreased net proceeds from the sale of surplus property (\$256), all as identified in the lines above.

General Government - Continued

Community Impacts & Achievements

The General Government department consists of Taxation revenue and costs associated with Property Assessment Services which are provided by the Municipal Property Assessment Corporation (MPAC), investment income on investments held with different institutions (see investment report for further details), economic incentives and other support grants such as contributions to the Niagara Health System's new cancer centre as well as grants related to development charges, the Smarter Niagara Incentive Program and Canada Summer Games. General Government is also responsible for managing the Region's capital financing sources such as capital levy reserve contributions and debt charges.

- Council approved 193 Capital projects for 2020, which included a \$13,967 reserve contribution to the Capital Levy reserve. Some of the significant capital projects for 2020 included the Long-Term Care (LTC) St.Catharines New Home (\$102,000), LTC Fort Erie New Home (\$57,365), Casablanca Boulevard (\$16,000), Port Dalhousie WasteWater Treatment Plant Upgrade (\$10,000) and Port Colborne Water Treatment Plant Upgrade (\$5,000).
- Funded 113 Capital projects and 3 Operating projects with \$30,983 and \$39 respectively, in addition to 54 CSO projects with \$1,976 of Development Charges reserves by utilizing a more streamlined and efficient funding process.
- Delivered economic incentive grant programs (Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants) partnering with the Local Area Municipalities and Non for Profit Organizations to promote culture, public realm and economic growth.
- Total of \$34,186 debentures successfully issued through the Capital Markets in July:
 - \$15,525 and \$17,954 issued for Regional projects (Roads, Niagara Regional Housing, Police and General Government) and Local Area Municipalities (Welland and St. Catharines) respectively with a term of 10 years and a rate of 1.43%
 - \$707 issued for Local Area Municipalities (St. Catharines) respectively with a term of 5 years and a rate of 1.05%
- Total of \$3,450 debentures successfully issued through Infrastructure Ontario in October for Local Area Municipalities (Pelham) with a term of 20 years and at a rate of 1.89%
- Total of \$16,558 debentures successfully issued through Infrastructure Ontario in November:
 - \$1,756 and \$9,802 issued for Local Area Municipalities (Lincoln, Niagara Falls, and Niagara-on-the-Lake) with a term of 20 years at a rate of 1.96% and 1.99% respectively
 - \$5,000 issued for Local Area Municipalities (Port Colborne) with a term of 30 years and at a rate of 2.29%
- Total of \$54,440 debentures successfully issued through Infrastructure Ontario for Regional Projects in December:
 - \$35,755 issued for Regional projects (Roads, Wastewater, and Water) with a term of 30 years and a rate of 2.39%
 - \$15,335 issued for Regional projects (Senior Services) with a term of 25 years and a rate of 2.29%
 - \$3,350 issued for Regional projects (General Government) with a term of 10 years and a rate of 1.53%

Corporate Administration Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$11,464	\$8,692	\$2,772	24.2%
Administrative	\$4,170	\$2,458	\$1,712	41.1%
Operational & Supply	\$180	\$67	\$113	62.8%
Occupancy & Infrastructure	\$0	\$0	\$0	-12.5%
Equipment, Vehicles, Technology	\$131	\$146	-\$15	-11.3%
Partnership, Rebate, Exemption	\$298	\$325	-\$27	-9.1%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$16,243	\$11,688	\$4,555	28.0%
Federal & Provincial Grants	-\$130	\$0	-\$130	-100.0%
By-Law Charges & Sales	-\$4	-\$4	\$0	3.8%
Other Revenue	-\$133	-\$472	\$339	253.9%
Total Revenues	-\$267	-\$476	\$209	78.1%
Intercompany Charges	-\$62	-\$479	\$417	-675.7%
Total Intercompany Charges	-\$62	-\$479	\$417	-675.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$15,914	\$10,733	\$5,181	32.6%
Transfers From Funds	-\$1,288	-\$1,288	\$0	0.0%
Transfers To Funds	\$0	\$1,229	-\$1,229	0.0%
Total Transfers	-\$1,288	-\$59	-\$1,229	-95.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$14,626	\$10,674	\$3,952	27.0%
Indirect Allocations & Debt	-\$7,856	-\$5,889	-\$1,967	-25.0%
Total Indirect Allocations & Debt	-\$7,856	-\$5,889	-\$1,967	-25.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$6,770	\$4,785	\$1,985	29.3%

Corporate Administration - Continued

Variance Analysis (in thousands of dollars)

Corporate Administration operated at a surplus before indirect allocations of \$3,952. The following factors have contributed to this surplus.

Compensation – The favourable variance of \$2,772 is primarily due to staffing vacancies throughout the divisions of Corporate Administration and a corporate benefit surplus. The vacancy-related surplus (\$1,129) is largely driven by a COVID-19 pandemic-related hold on recruitment for roles within the newly established Corporate Strategy and Innovation team. In addition, due to pandemic-related closures and restrictions, corporate health and dental benefit claims were lower than budgeted (\$2,157) for the year. The vacancy-related surplus is offset by labour relations pressures (\$614).

Administration - The favourable variance of \$1,712 is due to the delay of the Human Resources Information Systems transition project (\$830) and a repurposing of consulting expenditures due to changes in work plans as a result of the COVID-19 pandemic. Surpluses from reduced travel, meals and conference attendance in all divisions, as well as reduced consulting to support foreign direct investment activities, have also contributed to the surplus. This is partially offset by corporate external legal expenses related to labour relations, as well as Transfers to Funds as noted below for 2020 encumbrances and one-time funding.

Operational & Supply - The favourable variance of \$113 is due to lower than anticipated raw data purchases and corporate training costs.

Federal & Provincial Grants - The unfavourable variance of \$130 is due to reduced grants received by Economic Development.

Other Revenue - The favourable variance of \$339 is primarily due to revenue received for an employee seconded to the Niagara District Airports (\$123) and a previous year's grant returned to the Economic Development department (\$230).

Intercompany Charges - The favourable variance of \$417 is reflective of the reallocation of wages for staff who have been redeployed to support other Niagara Region departments in need of resources during the COVID-19 pandemic.

Transfers - The unfavourable variance of \$1,229 is due to one-time and future sick benefit funding being returned to reserves (Niagara 50th anniversary \$39, HRIS \$830, Future Sick Benefit \$51) and the encumbrances for the recruitment of the commissioner of planning and development (\$53), delayed foreign direct investment work (\$114) and the deferred community safety and well-being plan (\$142) due to the COVID-19 pandemic.

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Corporate Strategy & Innovation, Human Resources and Clerks, whose main focus is the general management and support of the other Regional departments. Economic Development is also a part of Corporate Administration and supports the Niagara Region and business communities to compete successfully in Niagara, Ontario and on a global scale.

Corporate Strategy & Innovation

- Kicked off research and consultation phase of Community Safety & Well-being Plan.
- Redeployed all available staff to essential services during the COVID-19 pandemic.
- Collaborated with the 12 Local Area Municipalities to sign a declaration to join the Coalition of Inclusive Municipalities
- Established internal and external working groups and began an environmental scan to support the development of a Diversity, Equity, and Inclusion Action Plan
- Obtained preliminary baseline of staff demographics through the staff Pulse Survey
- Advanced corporate communications priorities and campaigns, including:
 - Ongoing support of the municipality's response to the COVID-19 pandemic.
 - Development, coordination and execution of a comprehensive public relations and media campaign to reinforce the public health guidance and rules for the pandemic during the second wave and holiday season.
 - Delivery of media training and ongoing media relations guidance and support
 - Ongoing media relations support for COVID-19 by-law enforcement activities

Corporate Administration - Continued

- Internal communications supporting HR's COVID-19 Employee Experience Survey
- Support for the Region's second virtual leadership meeting
- Supported budget process including spearheading public and media engagement, preparation of graphic design materials, social media and media releases.
- Supported launch of every-other-week garbage collection, which started October 19 – included media relations, special events, graphics, social media and website support
- Supported launch of NRT OnDemand rideshare service in Niagara-on-the-Lake
- Collaborated with GO Implementation Office and Finance in developing messaging and presentation to LAMs for Transit Governance and the amalgamation of transit

Clerks

- Successfully held over 80 Regional Council, Standing Committee, and Advisory Committee meetings and Workshops by electronic participation in light of COVID-19.
- Ongoing work to guide and develop appropriate processes to support the adoption of a Public Health Information Governance approach for the management of COVID-19 Public Health electronic documents.
- Provision of guidance to SAEO regarding privacy and records management implications for implementing the provincial Electronic Document Management & Digital Mailroom, as they move towards full digitization of documents and information.
- Access and Privacy staff continue to work with divisional leadership to ensure legislative compliance for the ongoing transition to work from home.

Human Resources

- Provided corporate-wide human resources support of the COVID-19 pandemic:
 - Recruitment and selection, and redeployment of staff for roles to support essential business continuity to deliver services to our most vulnerable residents
 - Supported staff working remotely from home, including considerations to support staff with child/elder care responsibilities
 - Created comprehensive manager guides, and employee communication tools
 - Policy development or modification to support staff in areas of attendance management, compensation, leaves of absence for childcare or eldercare obligations, and increased mental health programs
 - Creation of Health and Safety fact sheets and completion of infection control and prevention safety plan reviews of work spaces
 - Consultation & support for corporate business continuity and recovery planning
 - Representation from staff in the Logistics and Health and Safety operations sections of the Regional Emergency Operations Centre
 - Salary data and analysis to support financial reporting and funding requirements
- Implementation of Ontario Ombudsman Report "Inside Job" recommendations approved by Regional Council, namely creation of a CAO Recruitment, Selection, & Performance Management Policy, the amendment of our Corporate Recruitment & Selection Policy, and supporting creation of a Whistleblower Policy, all in the interest of protecting the integrity of our hiring processes and conveyance of service delivery.
- Kronos Time and Attendance technology application upgrade, to support proper attendance reporting and compensation of staff, delivered on time and under budget
- Facilitated the recruitment, selection, and recommendation to Regional Council for committee members appointed to the Women's Advisory Committee

Economic Development

- New Director started at the end of November.
- Secured \$2 million from Fed Dev Ontario's Tourism Adaption and Recovery Fund to provide grants to tourism-dependent businesses in 2021.
- Developed application and evaluation process to distribute funding, in collaboration with the Economic Rapid Response Team.
- Economic Recovery Plan ongoing with most projects initiated and some completed.
- Economic Update report to November PEDC, including the impacts of COVID-19.
- Ongoing biweekly ERRT update calls to stakeholders to communicate new protocols and announcements that affect businesses.
- Buy Local campaign developed and executed to amplify existing LAM campaigns or assist in the development of a new campaign.

Corporate Administration - Continued

- Supply Chains/Import Replacement focus group was held with 10 Niagara Manufacturers. This project comes from responses in the business impact survey.
- FDi meetings with investment prospects continued virtually.

Corporate Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$20,679	\$19,501	\$1,178	5.7%
Administrative	\$6,164	\$5,292	\$872	14.1%
Operational & Supply	\$281	\$236	\$45	16.0%
Occupancy & Infrastructure	\$8,414	\$7,762	\$652	7.8%
Equipment, Vehicles, Technology	\$2,989	\$2,984	\$5	0.2%
Community Assistance	\$0	\$0	\$0	0.0%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$38,527	\$35,775	\$2,752	7.1%
Federal & Provincial Grants	-\$68	-\$67	-\$1	-1.4%
By-Law Charges & Sales	-\$312	-\$243	-\$69	-22.2%
Other Revenue	-\$1,429	-\$888	-\$541	-37.9%
Total Revenues	-\$1,809	-\$1,198	-\$611	-33.8%
Intercompany Charges	\$100	-\$461	\$561	562.5%
Total Intercompany Charges	\$100	-\$461	\$561	562.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$36,818	\$34,116	\$2,702	7.3%
Transfers From Funds	-\$438	-\$438	\$0	0.0%
Transfers To Funds	\$0	\$994	-\$994	0.0%
Total Transfers	-\$438	\$556	-\$994	-226.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$36,380	\$34,672	\$1,708	4.7%
Indirect Allocations & Debt	-\$35,521	-\$33,779	-\$1,742	-4.9%
Total Indirect Allocations & Debt	-\$35,521	-\$33,779	-\$1,742	-4.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$859	\$893	-\$34	-4.0%

Variance Analysis (in thousands of dollars)

Corporate Services operated at a surplus before indirect allocations of \$1,708 due to the following factors:

Compensation – The favourable variance of \$1,178 is due to vacant positions arising through the year in all Corporate Services divisions that were not filled due to prioritization of COVID-19 pandemic related work.

Administration - The favourable variance of \$872 is mainly due to savings in consulting (\$653), IT division phone and internet costs (\$239), training (\$197), and third party claim payouts (\$253), which is partially offset by increased legal costs for non-insurable claims (\$453) and an increase in the Region's insurance premiums (\$212). Other specific savings are for Business Licensing software one-time costs (\$100) and the Development Charge (DC) Background Study (\$25), which were both committed and are included in the 2020 encumbrance reported in Transfers to Funds.

Occupancy & Infrastructure - The favourable variance of \$652 is due to operating savings realized by the delayed purchase of the GO stations, decreased costs associated with operating the St. Catharines Police Building and realization of utility rebates not included in the budget. This is partially offset by COVID-19 related enhanced cleaning and PPE and hand sanitizer purchases, as well as increased costs for leased properties.

By-Law Charges & Sales - The unfavourable variance of \$69 is due primarily to lower than anticipated rental fees recovered for a rental property as a result of reduced operating costs.

Other Revenue - The unfavourable variance of \$541 is due to rental revenue not realized related to GO Station operation, lower than anticipated business licensing fees and development charge (DC) funding not realized due to deferral of the DC bylaw update. These deficits were partially offset by costs recovered from participating local area municipalities for GIS software licensing.

Intercompany Transfers – The favourable variance of \$561 is primarily due to the reallocation of wages for staff who have been redeployed to support Niagara Region departments in need of resources due to COVID-19.

Transfers – The unfavourable variance of \$994 is due to the return to reserves of operating savings realized by the delayed purchase of the GO stations, as well as the 2020 encumbrances for Business Licensing software one-time costs (\$100) and DC Background Study (\$25).

Community Impacts & Achievements

Asset Management Office

- Continuing to collaboratively lead the Region to develop a corporate asset management system
- Established an Asset Management Working Group with cross-Region representation
- Established a region wide asset management community of practice launched in November
- Led the development of a Risk and Corporate Priority model (CAMRA). The model helps determine the best value to the Region from among the many candidate projects for the budget process
- Supported Departments to utilize the CAMRA model, assess, and evaluate the 2021 Capital Budget for presentation to senior management
- Planning and leading the development and submission to the Province of the 2021 Asset Management Plan in accordance with Reg. 588
- Initiated development of a corporate Asset Registry focusing on the asset hierarchy to support the 2021 Asset Management Plan

Business Licensing

- Undertook industry consultation and public consultations in January and February 2020 for business licensing by-law review
- Drafted 5 new business licensing by-laws in May 2020 for industry and Legal review

Corporate Services - Continued

- Preparing Committee report for Q1 2021 new business licensing by-laws
- Preparing for the procurement of a modernized licensing/incident/inspection/enforcement database with a projected Q3 2021 delivery
- Investigating permanent eCommerce licensing sales and software database updates. Currently, the division is using the Region website for eCommerce credit card payment options for license fee payments
- Undertake Provincial Order enforcement in March 2020 for COVID-19 response.
- Review COVID-19 revenue impacts in 2020 and forward, and monitor to determine impact on affected industries
- Establishing industry-specific contracts with various law enforcement agencies, including NRPS, OPP, MTO, MOE, AGCO as well as local by-law enforcement agencies

Construction, Energy and Facilities Management

- Installation/replacement of generator systems at Region headquarters, providing for continuity of services during emergencies, including critical infrastructure
- Outfitting of five SAEO facilities to enable face-to-face consultations with the public
- Coordinated fabrication and installation of COVID-19 barriers in Welland Courthouse for resumption of court service to public
- Procurement of critical PPE and hygiene supplies in support of EMS, Public Health, Police and Community Services for COVID-19 response
- Redeployment of staff to critical duties in support of COVID-19 response
- Procurement of janitorial services for response to COVID-19, ensuring all Region facilities have increased cleaning protocols in place
- Completion of International Plaza at Region Headquarters
- Expansion of the St. Catharines Child Care Centre
- Completion of the Campbell West lighting retrofit project, reducing electricity cost at Region Headquarters and contributing to the Region's pledge to reduce overall electricity use by 8.3% and related Greenhouse gas (GHG) emissions (2019 Conservation & Demand Management Plan)
- Completion of Business Licensing office renovations that have created a more functional workspace

Financial Management and Planning

- Completed the 2019 year end audit
- Submission to the Province of the 2019 Financial Information Return
- Publication of the 2019 Annual Report
- Developed 2020 tax bylaws and provided required necessary report and bylaws
- Worked with Public Works to update financial implications of South Niagara Falls waste water treatment plant for inclusion in the 2021 budget
- Publication of the 2020 Budget Summary
- 2021 budget planning and preparations
- Successful sale of \$34 million in serial debentures (\$15.5 million Regional) on July 31 at all-time historical low interest rate of 1.43% for 10 years
- Preparation of 2021 Capital and Operating Budgets timetables and planning report for Council and establishing strategies for budget preparation;
- Presentation to Budget Review Committee for whole approval of the 2021 Water, Wastewater and Waste Management Operating Budgets and 2021 Capital Budget
- Reported to Council on the second and third quarter financial results and year-end credit rating
- COVID-19 Emergency Operations Centre (EOC) support and reporting, including tracking of incremental costs, redeployed staff, pandemic pay, collaboration with municipal treasurers, capital projects review, on-line/credit card payments for services, etc.
- Completion of Service Sustainability Review project and report to Council
- Update of Standard and Poor's credit rating, reaffirming the Region's AA stable credit rating
- Creation of a new Development Charge Policy regarding payment instalment options and related interest

Internal Audit

- Completed Non-Competitive Procurement Audit
- Preparing detailed scoping documents for planned audits for 2021, including two audits in IT – cyber security and penetration testing, two follow up audits including the Corporate PCard program and several other Audit Committee approved audits

IT Solutions

- Put in place the technology and process to allow: staff to work remotely, Council and Committees to meet over video conference, facilitate public participation in Council and Committee meetings and provide opportunities for public engagement regarding planning and development activities
- Produced and/or iterated a variety of Power BI reports for Public Health (PH) as it relates to COVID-19, including but not limited to: PH and EOC dashboards, public COVID-19 metrics on niagararegion.ca, Local Area Municipality specific report for PH to deliver weekly to each Mayor, CAO and other requested senior staff, repatriation report for HR and PH visualizing the COVID-19 redeployment effort, outbreak COVID-19 reporting, public COVID-19 Info-Line and Online Chat Wait Times and PH COVID-19 Response Tracking
- Implemented online payments on the external website to provide the public with alternative ways to pay for services
- Wireless infrastructure deployed and enhanced the WiFi coverage at all 8 seniors' long-term care facilities
- Deployed Recollect mobile application in support of the Waste Management changes in service delivery
- Produced a data solution for school outbreak COVID-19 reporting in the EOC
- Devised and continuing to implement a long-term data solution for PH COVID-19 information and contact tracing, including integrating with the Provincial application
- Automation of the public daily COVID-19 report publication, which was manually completed 7 days a week for about 5 months
- Provided the Homelessness Reporter suite of applications to Community Services for outreach workers to use with homeless during COVID-19
- Support for onboarding the two new Waste Management collection contractors – modifications and enhancements to various applications were required to support this initiative
- Implementing public-facing website with automation of the application process for qualification of Specialized Transit services offered by Niagara Region
- Modifications to EMS Tools to adhere to recently revised Ministry of Health regulations for Incident reporting
- Modifications to HSMS (Hauled Sewage Management System) for Water and Wastewater to enable GIS/mapping services connectivity, data capture for Source locations, enhance search capabilities, enhance filtering capabilities and usability
- Modifications to various web applications to support the AODA 2021 compliance regulations

Legal Services

- Legal support to the Regional EOC and to all operating and service departments in response to the COVID-19 pandemic
- Legal support for land transactions that advanced various Transportation capital projects and road improvement initiatives
- Strategic advice and legal support to the GO team on the acquisition of the VIA station property in St. Catharines and the development of the Grimsby GO Station
- Legal advice on numerous capital projects affected by the Provincial Emergency Orders to enable work to advance on those projects deemed essential and assisting Project Managers to help minimize pandemic-related project costs and disruptions
- Legal assistance with formal procurements and agreements relating to: Niagara Homelessness Service System; Area Winter Maintenance; and a number of essential projects

- Successful resolution of a number of claims at mediation and otherwise on favourable terms that represented cost savings for the Region
- Advice and legal support related to the development and implementation of the Region’s face covering by-law
- Advice to PH to support the issuance of Orders under the Health Protection and Promotion Act
- Risk management advice on building screening and security issues

Procurement and Strategic Acquisitions

- Implementation of weekly meetings on Procurement Project Prioritization for review of essential capital and operational projects
- Facilitation of over 210 Formal Procurements resulting in approximately \$78 million in Awarded Contract value
- Sourcing critical PPE and supplies needed for the EOC response to the pandemic
- Preparation of COVID-19 recovery planning documentation

Community Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$104,401	\$110,407	-\$6,006	-5.8%
Administrative	\$1,651	\$1,825	-\$174	-10.6%
Operational & Supply	\$8,881	\$12,440	-\$3,559	-40.1%
Occupancy & Infrastructure	\$3,542	\$5,059	-\$1,517	-42.8%
Equipment, Vehicles, Technology	\$1,039	\$1,482	-\$443	-42.6%
Community Assistance	\$165,609	\$158,826	\$6,783	4.1%
Financial Expenditures	\$0	\$10	-\$10	0.0%
Total Expenses	\$285,123	\$290,049	-\$4,926	-1.7%
Federal & Provincial Grants	-\$230,226	-\$245,517	\$15,291	6.6%
By-Law Charges & Sales	-\$3,995	-\$2,364	-\$1,631	-40.8%
Other Revenue	-\$23,763	-\$23,404	-\$359	-1.5%
Total Revenues	-\$257,984	-\$271,285	\$13,301	5.2%
Intercompany Charges	\$286	\$2,235	-\$1,949	-682.4%
Total Intercompany Charges	\$286	\$2,235	-\$1,949	-682.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$27,425	\$20,999	\$6,426	23.4%
Transfers From Funds	-\$289	-\$458	\$169	58.5%
Transfers To Funds	\$2,250	\$3,523	-\$1,273	-56.6%
Total Transfers	\$1,961	\$3,065	-\$1,104	-56.3%
Net Expenditure (Revenue) Before Indirect Allocations	\$29,386	\$24,064	\$5,322	18.1%
Indirect Allocations & Debt	\$21,556	\$20,174	\$1,382	6.4%
Total Indirect Allocations & Debt	\$21,556	\$20,174	\$1,382	6.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$50,942	\$44,238	\$6,704	13.2%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services operated with a surplus before indirect allocations of \$5,322 (18.1 per cent of the net budget), which is due to the following factors:

Compensation - The unfavourable variance of \$6,006 is primarily due to the following:

- Childrens: Favourable variance of \$234 is due to vacancies driven by an initial corporate strategy to hold recruitment for roles due to the pandemic and lower than anticipated replacement pay in the Region-operated child care centres.
- Homelessness: Unfavourable variance of \$440 is due to additional staffing and overtime required at the Region-operated shelters created to respond to COVID-19, which is fully funded in revenues below.
- Seniors: Unfavourable variance of \$6,149 is due to additional hours, overtime and pandemic pay (100% provincially funded below) related to increased workload as a result of COVID-19.
- SAEO: Favourable variance of \$349 is due to vacancies driven by an initial corporate strategy to hold recruitment for roles due to the pandemic.

Administration - The unfavourable variance of \$174 is primarily due to the printing and signage costs for long-term care homes as a result of COVID-19.

Operational & Supply – The unfavourable variance of \$3,559 is due to the following:

- Homelessness: The unfavourable variance of \$1,653 relates to incremental costs to support agencies, food, protective personal equipment (PPE), transportation, estimated room damages, support programs, staffing by agencies at the COVID shelter and operating a housing-focused shelter pilot during COVID-19 (which also added critical enhanced bed capacity to avoid shelter overcrowding). These incremental costs are 100% provincially and/or federally funded in revenues below.
- Seniors: Unfavourable variance of \$2,105 relates primarily to increased usage of medical supplies and PPE, as well as disposable kitchen supplies as a result of COVID-19.
- SAEO: The favourable variance of \$199 is due to lower than expected spend on external employment contracts and mileage due to the pandemic.

Occupancy & Infrastructure – The unfavourable variance of \$1,517 is primarily due to the following:

- Homelessness: The unfavourable variance of \$122 relates to incremental costs for cleaning services at the Region-operated COVID-19 shelters, which are fully funded in revenues below.
- Seniors: The unfavourable variance of \$1,356 is primarily the increased usage of housekeeping supplies (\$284), as well as usage of contracted services to provide both supervision of high risk residents in isolation and support for screening staff at the long-term care homes (\$914).

Equipment, Vehicles, Technology – The unfavourable variance of \$443 is primarily due to the need for additional nursing, housekeeping and laundry equipment (e.g. non-contact thermometers, over-bed tables, isolation laundry carts), as well as table barriers for staff screening and resident dining.

Community Assistance - The favourable variance of \$6,783 is due to the following:

- Childrens: The unfavourable variance of \$585 is due to the completion of the 100% ministry-funded multi-year construction, which is funded from the province with the offset in the federal and provincial grant revenues below.
- Homelessness: The favourable variance of \$40 is related to opportunities associated with COVID-19 funding: additional Region-operated shelters resulted in reduced usage of emergency motels (\$249); due to COVID-19, the province extended the moratorium on utility cutoffs, resulting in less spend on the Emergency Energy Fund (\$98); additional funding reduced the need for use of the prior year encumbrance (\$180); and funding opportunities through SAEO resulted in claiming housing stability plan expenses under the SAEO claim in order to maximize subsidy funding (\$735). These favourable variances are offset by the incremental costs of the Region's COVID-19 shelters (\$1,100) and enhanced outreach services (\$91), offset in revenues below.
- SAEO: The favourable variance of \$7,328 is due to lower than expected uptake in client-related benefits, such as dental, childcare, basic needs income support,

Community Services - Continued

shelter (\$6,616) and employment-related benefits (\$713), directly related to reduced caseload and the government’s issuance of the federal CERB benefit and temporary provincial COVID-19 emergency benefit available to clients as a result of the pandemic. This is offset by a corresponding reduction in revenues below.

Federal & Provincial Grants – The favourable variance of \$15,291 is due to the following:

- **Childrens:** The favourable variance of \$2,228 is due to 100% provincial funding for the St. Catharines child care centre and other community capital builds (a multi-year project).
- **Homelessness:** The favourable variance of \$3,447 relates to confirmed provincial and federal funding specific to supporting incremental costs and pandemic pay related to homelessness during the COVID-19 pandemic (\$3,803), offset by reduced non-COVID revenues due to reduced expenses (\$356).
- **Seniors:** The favourable variance of \$15,685 is primarily related to Long-Term Care Prevention and Containment Funding (\$8,614 – final \$3,700 confirmed January 22, 2021), Pandemic Pay/PSW Wage Enhancement funding (\$4,284 - \$3-4 per hour for eligible staff working in long-term care/assisted living facilities), recovery of lost resident accommodation revenue (\$956), Infection Prevention and Control Funding (\$774) and base funding increases (\$1,135), including funding factor based on resident acuity and minor capital, issued by the Ministry of Long-Term Care (MLTC).
- **SAEO:** Unfavourable variance of \$6,069 is primarily due to the lower than expected client benefit issuances as noted in community assistance above.

By-Law Charges & Sales - The unfavourable variance of \$1,631 is due to the following:

- **Childrens:** The unfavourable variance of \$1,057 is due to parental fees not collected during the emergency order (for both closure of operations and then provision of emergency worker child care with no parental fees), along with subsequent lower capacity, resulting in decreased parental fees collected.
- **Seniors:** The unfavourable variance of \$574 is due to loss of fee revenue associated with Seniors Community Programs that have not operated during the COVID-19 pandemic.

Other Revenue - The unfavourable variance of \$359 is primarily due to lower than anticipated accommodation fees collected within the long-term care homes due to empty beds, which are required to be held temporarily vacant in order to isolate new admissions. This is offset by the variance in Federal & Provincial Grants as the MLTC reimbursed homes for this lost revenue. The reimbursement exceeds the lost fee revenue due to an increase to the provincially established accommodation fees rates in the year.

Intercompany Charges – The unfavourable variance of \$1,949 is primarily due to the reallocation of wages for staff who have been redeployed from other Niagara Region departments to support essential Community Services programs in need during the COVID-19 pandemic. These costs are supported within the base budget of the redeployed staff’s home department and are not incremental costs to the Region.

Transfers – The unfavourable variance of \$1,104 is primarily due to the transfer of provincial funding to the capital project for the St. Catharines child care centre addition upon completion of the project, which is funded from the province with the offset above in the federal and provincial grant line.

Community Impacts & Achievements

Childrens Services

- Niagara Region directly-operated child care centres quickly mobilized to be the only source for emergency child care to essential workers during the initial lockdown. As such, direct operations were well positioned to quickly pivot and provide emergency child care to essential workers during the second lockdown, and support other service providers to also provide emergency child care.
- As of December 31, 2020, the child care system has reopened 97% of its pre-COVID level licensed spaces.

Community Services - Continued

- While the system is currently operating at 50% of current licensed capacity, it is only operating at 42% of the pre-COVID licensed capacity. This reduction in operational capacity is due mostly to staff shortages, lack of operating space available within schools and, as demonstrated in our own directly operated centres, the reduced demand for care for younger age groups (infant, toddler, preschool) with more families working from home.
- Children in the system were absent 1,196 days in December alone due to COVID-related testing or isolation directives while waiting for test results.
- On August 14, 2020, the province announced \$4.533 million of Safe Restart Funding (SRF) for child care. These funds can be used for additional personal protective equipment (gloves, gowns, etc.), enhanced cleaning, additional staff to meet health and safety requirements, support for short-term vacancies as operators transition to return to full capacity, and minor capital required in accordance with the Ministry's reopening operational guidance or local public health requirements.

Senior Services

- In a rapidly changing environment, the Long-Term Care (LTC) homes have implemented every direction issued throughout 2020 and have taken further risk mitigation measures as appropriate based on assessment of risk to residents and staff. Seniors Services has provided feedback to Public Health and the Province on the operational and financial implications of policy changes. Seniors Services has also provided support to other operators in the system (coordinating communication, PPE support, resource support).
- Seniors Services implemented a campaign to address vaccine hesitancy among staff in November and December and supported Niagara Health in vaccination planning for LTC staff and essential caregivers. Early indications suggest that there will be a high level of vaccination rates among staff.
- Seniors Services also had readiness for vaccine clinics hosted on-site at the LTC homes and supported PH in planning with the LTC sector, Assisted Living and high risk Retirement Homes.

Homelessness and Community Engagement

- Established a dedicated site where people experiencing homelessness can safely be isolated while waiting for COVID-19 test results and/or for those who have tested positive for the virus. The Isolation Shelter has been in operation since March 30, 2020. As of December 31, 2020, the isolation shelter has had 350 intakes. Of those, 53 have moved into temporary supportive or permanent housing (includes family reunification).
- On June 1, 2020, a housing-focused shelter pilot was established, which supports individuals who are the most chronically homeless in Niagara. The work at the shelter pilot connects people to permanent housing solutions through Home for Good and Housing First programming. During the 7 months of operation, the shelter has had 39 intakes of which 20 individuals have secured permanent housing.
- Effective April 1, 2020, Homelessness commenced the new Niagara Assertive Street Outreach program (NASO). This enhanced outreach has created a partnership with 211 information services where citizens can report homeless persons who need assistance and includes an online comprehensive mapping and geo-location model to understand and track outreach efforts.
- In October 2020, Niagara Region had achieved a Quality By-Name List. A quality By-Name List means that our community now has the reliable real-time data necessary to inform improvements, monitor trends and progress toward ending chronic homelessness.
- Homelessness Services was successful in Provincial capital funding for a Bridge Housing project in partnership with the City of Niagara Falls and Niagara Regional Housing.
- Implemented 911 Interpreter Translation Services as a corporate tool. All divisions in Community Services utilized this service and 235 client interactions were translated

Community Services - Continued

into another language. Hungarian, Spanish, Arabic, French and Turkish are the top five languages requested for translation.

Social Assistance and Employment Opportunities

- Niagara’s Ontario Works caseload experienced a 3.3% decrease 2020 over 2019, compared to the Provincial 5.1% decrease.
- The average length of time on assistance increased to 41 months in 2020, compared to 35 months in 2019.
- The average number of applications received in 2020 was 473 per month; compared to 624 in 2019.
- Experienced a 33% decrease in the number of cases with earnings 2020 over 2019 (11.08% and 16.64% respectively).
- Total number of file closures in 2020 decrease by 19.5% over 2019, closures due to employment decreased by 45.1% over 2019.
- Offered a blended service delivery model that incorporates in-person, telephone and virtual services to respond to the needs of high-risk clients; provided in-person service to over 2600 clients
- Processed 2,818 COVID-19 Discretionary Benefits requests and issued \$1,003.700
- Established a new operating model and adapted local benefit policy to align with the functions and responsibilities of Employment Services Transformation within the reduced funding model (22%)
- Implemented Electronic Document Management that converts all incoming document channels to a digital format as part of social assistance modernization.
- In preparation for an anticipated 22% caseload surge when federal benefits expire, MCCSS is centralizing the intake function to create capacity at the local level to respond to the increase in demand or service
- Developed a comprehensive plan to support successful launch of centralized intake

Public Health & Emergency Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$82,664	\$88,609	-\$5,946	-7.2%
Administrative	\$1,889	\$1,770	\$119	6.3%
Operational & Supply	\$6,027	\$6,356	-\$329	-5.5%
Occupancy & Infrastructure	\$604	\$777	-\$173	-28.6%
Equipment, Vehicles, Technology	\$2,042	\$2,470	-\$428	-21.0%
Financial Expenditures	\$0	\$2	-\$2	0.0%
Total Expenses	\$93,226	\$99,984	-\$6,758	-7.2%
Federal & Provincial Grants	-\$66,867	-\$72,819	\$5,952	8.9%
By-Law Charges & Sales	-\$130	-\$62	-\$68	-52.1%
Other Revenue	-\$678	-\$687	\$9	1.3%
Total Revenues	-\$67,675	-\$73,568	\$5,893	8.7%
Intercompany Charges	\$1,538	\$1,670	-\$132	-8.6%
Total Intercompany Charges	\$1,538	\$1,670	-\$132	-8.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$27,089	\$28,086	-\$997	-3.7%
Transfers From Funds	-\$759	-\$759	\$0	0.0%
Transfers To Funds	\$256	\$323	-\$67	-26.1%
Total Transfers	-\$503	-\$436	-\$67	-13.3%
Net Expenditure (Revenue) Before Indirect Allocations	\$26,586	\$27,650	-\$1,064	-4.0%
Indirect Allocations & Debt	\$15,052	\$14,364	\$688	4.6%
Total Indirect Allocations & Debt	\$15,052	\$14,364	\$688	4.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$41,638	\$42,014	-\$376	-0.9%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

The year-end unfavourable variance for Public Health (PH) & Emergency Medical Services (EMS) before indirect allocations was \$1,064, due to the following factors:

Compensation – The unfavourable variance of \$5,945 is due to the following:

- Public Health: Unfavourable variances resulting from COVID-19 included approved over-complement staffing (\$3,419), overtime expenses (\$206) and lieu/special lieu (\$500). Partially offsetting the increases related to COVID-19 were savings from gapping due to staff vacancies (\$1,612).
- EMS: Unfavourable variances resulting from COVID-19 included pandemic pay (\$974), replacement pay (\$950), and lieu/special lieu (\$79). In addition, there were increased costs for Workplace Safety Insurance Board (WSIB) (\$617), overtime and lieu expenses (\$462), and additional salaries (\$421). A portion of these additional salaries were due to new Community Paramedicine programs and are partially offset by additional revenues of \$152 as described below.

Administrative – The favourable variance of \$119 was primarily a result of staff development and conferences that did not occur due to restrictions associated with the COVID-19 pandemic.

Operational & Supply - The unfavourable year-end variance of \$329 was due to:

- Public Health: The favourable variance of \$204 was driven by program mileage and supply savings (\$214), as well as reduced expenses in the senior's dental program due to COVID-19 (\$71). Offsetting these savings were additional pandemic-related personal protective equipment (PPE) purchases in Clinical Services (\$83).
- EMS: The unfavourable variance of \$607 was mainly driven by increased personal protective equipment (PPE) purchases in EMS due to COVID-19 (\$824).

Occupancy & Infrastructure – The unfavourable variance of \$173 was driven by the expansion of the EMS Westwood fleet centre (\$133), as well as the COVID-19-driven need to lease additional space to support EMS dispatch training requirements (\$35).

Equipment, Vehicles, Technology – The unfavourable variance of \$428 is primarily due to the purchase of COVID-19 related IT equipment and software licenses in PH (\$146), higher than anticipated vehicle and equipment repair costs in EMS (\$161), and fit-testing equipment and supplies for COVID-19-related PPE in EMS (\$61).

Federal & Provincial Grants – The favourable variance of \$5,638 was driven by:

- Public Health: The favourable year-end variance of \$2,768 was a result of additional funding that included provincial COVID-19 extraordinary funding (\$1,681), school-focused nurse funding (\$678) and one-time mitigation funding from the province (\$455).
- EMS: The favourable variance of \$3,073 was due to incremental COVID-19 funding that included pandemic pay (\$974) as well as COVID-19 relief funding (\$2,006). In addition, non-COVID-19 favourable variances were driven by unbudgeted Dedicated Offload Nurse funding (\$616), one-time dispatch WSIB funding (\$452), and Community Paramedicine funding related to new programs (\$152). The additional funding was offset by funding assumptions included in the 2020 EMS budget that were not provided by the Ministry of Health, including increased land ambulance WSIB (\$316), Emergency Communication Nurse (ECN) funding (\$285), and dispatch WSIB funding (\$113).

By-Law Charges & Sales – The unfavourable variance of \$68 was the result of lower than anticipated Public Health by-law related product sales to the public (food handling courses, contraception, etc.) due to COVID-19.

Intercompany Charges - The unfavourable variance of \$132 was driven mainly by net expenses related to staffing resources who have been redeployed from other departments to support COVID-19 in Public Health (\$280) and from Mental Health to other departments in the organization (\$111).

Public Health & Emergency Services - Continued

Community Impacts & Achievements Mandatory and Related Programs

- Reorientation of Public Health operations to focus on the COVID-19 pandemic response, with 155 staff of approximately 280 FTEs redeployed to support this effort. Core activities included outbreak management, case follow-up, contact tracing, infection prevention and control inspections, collaboration with health care providers, and communicating and informing the public.
- Success in reducing the spread of COVID-19 by early May, and slowing the pace of outbreaks, with remaining outbreaks much smaller during Q2.
- With many staff redeployed, many Public Health services were scaled back, including School Health, Dental Health, Vaccinations, Sexual Health, parenting and child health supports, and family home visiting.
- Public Health is continuing to move forward the Health Promotion Project, understanding that 75% of morbidity and mortality is due to chronic diseases (alcohol, tobacco, unhealthy eating and lack of physical activity) using Evidence-Informed Decision Making to develop the best interventions to address Niagara's biggest health priorities.

Mental Health

- Participation in a four year project to improve evidence-based treatment protocols in the Early Intervention in Psychosis service.
- Improvements to our intake process to ensure our clients have access to the right service, at the right time, in the right place.
- Intensive training for clinical staff on evidence-based treatments and protocols, including suicide assessment and intervention, cognitive behavioural therapy and dialectical behaviour therapy.
- Participating in the Mental Health and Addictions Collaborative for system planning in Niagara.
- Working in partnership with Community Services to bring mental health services to the homelessness sector.
- Increased collaboration with Niagara Health to improve the provision of mental health services.

Emergency Services

- For the duration of the COVID-19 pandemic, Niagara Emergency Medical Services (NEMS) has continued uninterrupted provision of core 911 Mobile Integrated Health (MIH) services, including land ambulance services.
- Community response to COVID-19 has had a significant impact on the delivery of EMS services
 - Provided unconventional resources such as Public Health specimen collection and PPE training to the community
 - Reductions in calls, patient transports and overall hospital utilization resulted in a decrease of ambulance offload delays by 81%
 - The recovery of emergency ambulance resources otherwise spent in offload delay has normalized system performance, demonstrating that response time performance targets can be achieved.
- Economic analysis of the EMS system transformation by McMaster University has identified significant efficiencies from this model and is informing future sustainability planning.
- The system has decreased call volumes for most municipal fire services responding to medical-related calls by approximately 50% or more, with no identifiable adverse impacts to patient outcomes as a result.
- Emergency Communications Nurse (ECN) program provided pandemic support and received Accredited Centre of Excellence designation – only the fourth service in the world to achieve this standard.

Emergency Management

Public Health & Emergency Services - Continued

- The Emergency Management (EM) program has provided full pandemic response support to the Region and local area municipalities in all areas of planning and response.
- Future focus is on recovery planning and preparation for second wave.

Fire Coordinator

- Coordination of pandemic response plans related to fire tiered response.

Chemical-Biological-Radioactive-Nuclear-Explosive (CBRNE) Response Team

- Preparing for the deployment of a revised response plan in partnership with NRPS and municipal fire services.
- Training of team members to support pandemic response.

911 PSAP

- Preparation for implementation of Next Generation 911 (NG911) in 2023.

Public Works – Transportation Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$17,240	\$15,001	\$2,239	13.0%
Administrative	\$3,889	\$1,417	\$2,472	63.6%
Operational & Supply	\$28,779	\$18,221	\$10,558	36.7%
Occupancy & Infrastructure	\$987	\$563	\$424	42.9%
Equipment, Vehicles, Technology	\$2,701	\$2,036	\$665	24.6%
Partnership, Rebate, Exemption	\$367	\$278	\$89	24.2%
Financial Expenditures	\$0	\$19	-\$19	0.0%
Total Expenses	\$53,963	\$37,535	\$16,428	30.4%
Federal & Provincial Grants	\$0	-\$55	\$55	0.0%
By-Law Charges & Sales	-\$9,061	-\$4,901	-\$4,160	-45.9%
Other Revenue	-\$2,696	-\$566	-\$2,130	-79.0%
Total Revenues	-\$11,757	-\$5,522	-\$6,235	-53.0%
Intercompany Charges	-\$1,920	-\$2,644	\$724	-37.7%
Total Intercompany Charges	-\$1,920	-\$2,644	\$724	-37.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$40,286	\$29,369	\$10,917	27.1%
Transfers From Funds	-\$1,619	-\$1,619	\$0	0.0%
Transfers To Funds	\$0	\$1,114	-\$1,114	0.0%
Expense Allocations To Capital	-\$140	-\$119	-\$21	-15.0%
Total Transfers	-\$1,759	-\$624	-\$1,135	-64.5%
Net Expenditure (Revenue) Before Indirect Allocations	\$38,527	\$28,745	\$9,782	25.4%
Indirect Allocations & Debt	\$39,328	\$38,994	\$334	0.8%
Total Indirect Allocations & Debt	\$39,328	\$38,994	\$334	0.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$77,855	\$67,739	\$10,116	13.0%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy operated at a surplus before indirect allocations of \$9,782, with the factors noted below contributing to this surplus.

The 2020 budget included expenditures and revenues related to the implementation of the Vision Zero Road Safety program in 2020, in conjunction with the Court Services division. The work on the implementation of the program, including the proposed changes to the Niagara Region Courts Inter-municipal Agreement, has been delayed as a result of the COVID-19 pandemic. Accordingly, no expenditures have been incurred nor revenues realized in 2020. The program was budgeted to break even overall for the year, so while it does cause variances in expense and revenue categories, there will be no net impact on the distribution to the local area municipalities because of the delay.

Compensation – The favourable variance of \$2,239 is primarily due to delays in filling vacant positions and decreased overtime costs. Savings related to Vision Zero are \$283.

Administration – The favourable variance of \$2,472 is primarily due to: a decrease in consulting work of \$1,015 related to timing differences in the rollout of Transportation Services, Transit and Airport-related studies; reduced information & promotions costs of \$221; and reduced staff travel, training and other administrative expenses of \$202 due to the COVID-19 pandemic and vacant positions. Of this unspent budget, \$740 has been committed to future consulting engagements, including the Complete Streets Design manual, Cityworks system upgrade and Airport study and are included in the 2020 encumbrances reported in Transfers to Funds. Savings related to Vision Zero are \$1,034.

Operational & Supply – The favourable variance of \$10,558 is largely a result of reduced Transit Services costs in both Niagara Region Transit (NRT) of \$8,260 and Niagara Specialized Transit (NST) of \$844 as a result of COVID-19 impacts resulting in lower ridership and schedule reductions in 2020. NRT adjusted to COVID-19 impacts by significantly reducing its service by eliminating all express routes and routes 50/55, as well as reducing its operating hours, effectively reducing forecasted service levels to approximately 55% of budget for the entire year. Similarly, NST experienced lower ridership which resulted in savings as the service operator only receives payment per trip delivered. Other operational impacts include: lower than anticipated usage of winter sand, winter salt and organic de-icing material of \$517 and other program specific services of \$227 due to mild winter conditions; decreases in hired equipment of \$432 related to the Emerald Ash Borer tree removal project; and other program specific supplies and materials of \$179. A total of \$148 of the unspent hired equipment budget has been committed to the Emerald Ash Borer tree removal project and catch basin cleaning and is included in the 2020 encumbrances reported in Transfers to Funds. Savings related to Vision Zero are \$100.

Occupancy & Infrastructure – The favourable variance of \$424 is due to lower than expected electricity costs related to the timing difference in the rollout of the Street Lighting program.

Equipment, Vehicles, Technology – The favourable variance of \$665 is due to savings from lower than expected fuel prices and usage of \$417, offset by higher than expected vehicle and equipment repairs on aging fleet vehicles of \$99 and increases in other equipment, vehicle and technology costs of \$41. Savings related to Vision Zero are \$388.

Partnership, Rebate, Exemption – The favourable variance of \$89 is due to lower than anticipated Local Area Municipality (LAM) grants associated with bicycle network facilities and drainage assessment funding for LAMs. Of this unspent budget, \$50 has been committed to future bicycle network facilities funding in the city of St. Catharines and is included in the 2020 encumbrances reported in Transfers to Funds.

Federal & Provincial Grants – The favourable variance of \$55 is due to one-time funding received from the provincial government of Ontario, in partnership with the federal government, under both the Safe Restart Agreement (SRA) and Municipal Transit Enhanced Cleaning (MTEC) funding to assist with delivery of transit services during the COVID-19 pandemic; specifically, funding to support enhanced cleaning costs of buses.

By-Law Charges & Sales Revenue – The unfavourable variance of \$4,160 is due to reduced Transit fare revenue in both NRT of \$3,384 and NST \$62 related to COVID-19

Public Works Transportation - Continued

impacts and lower ridership. Niagara College transitioned to an online educational model and opted to terminate the U-Pass program beginning in May 2020, thereby eliminating a significant portion of NRT revenue, as Niagara College students represented approximately 80% of NRT ridership. The remaining variance is primarily due to lower than expected signs sales and signal maintenance revenue of \$790, offset by higher than expected aggregate and other fee revenue of \$77.

Other Revenue – The unfavourable variance of \$2,130 is primarily due to the deficit related to Vision Zero of \$1,725, with the balance of the deficit due to lower proceeds from sale of equipment of \$257 and other revenue shortfalls of \$148.

Intercompany Charges – The favourable variance of \$724 is largely due to the reallocation of wages for staff redeployed to support other regional divisions in need of resources due to the COVID-19 pandemic.

Transfers to Funds – The unfavourable variance of \$1,135 relates primarily to 2020 encumbrances of \$938, as outlined above, and lower than anticipated Airport-related studies of \$145 and LAM grants of \$31.

Community Impacts & Achievements

- The Regional Road Network consists of 1,732 total lane kms of road. As part of the Region’s Transportation Engineering capital program, 37 lane kms of roadways were resurfaced in 2020 through the annual Hot Mix Program-Phases I and II.
- The Region’s Transportation Planning department has initiated the Vision Zero Road Safety Plan to enhance safety and community wellbeing for Niagara’s residents and visitors. A comprehensive 5 year Action Plan is underway, focused on reducing traffic-related fatalities and serious injuries on Niagara’s streets. The Plan addresses safety for the most vulnerable users of our transportation system (pedestrians, school children, older adults and cyclists) and encourages a multi-modal transportation system. Ten (10) additional community safety zones launched in fall 2020 throughout the Region, in conjunction with the new school year.
- Regional Road 20 through Smithville in the Township of West Lincoln is now home to the Region’s fourth and fifth roundabouts at the intersections of South Grimsby Road 6 and Townline Road. The implementation of these features represents a significant investment in a growing community aimed at improving traffic flow and road safety through the Township.
- Transportation Master Plan (TMP) ongoing strategic projects are underway, including St. Paul Street Bridge Environmental Assessment (EA), Bridge Street EA, Casablanca Boulevard Detailed Design, Thorold Stone Road Extension Detailed Design, Merritt Road EA and York Road EA that support multi-modal travel demands and capacity improvements, active transportation and GO Initiatives.
- Active Transportation grant funding of \$200,000 in total was awarded to the cities of Niagara Falls, St. Catharines, Thorold, Pelham and the Town of Niagara-on-the-Lake to build 3.84 kms of active transportation network to better connect cities and towns across Niagara.
- Complete Street Design Manual and Guidelines project is underway with an extensive engagement with area municipalities and key stakeholders to set the policy, streets concepts and design features across the Niagara region, which will result in better livable streets by drilling down to specific engineering details and real world unique to Niagara conditions.

Public Works Transportation - Continued

- Access Management Policies and Guidelines project is underway in consultation with the local area municipalities, local BIAs, transit authorities and Active Transportation committees. The project’s purpose is to set goals related to development applications to support a connected and convenient public transit network, create and interconnect active transportation systems, support implementation of complete streets and promote road safety across Niagara. Update to Niagara Region Traffic Impact studies and saturation flow rates are included within this assignment.
- Transit Governance framework: The transit governance study, undertaken to recommend a consolidated Full Commission model for regional transit service in Niagara, was completed in Q4 2020 and brought forward to the Linking Niagara Transit Committee (LNTC). Additional feedback to be sought from local area municipalities through Q1 2021.
- Niagara Region launched NRT OnDemand in West Niagara in Q3, 2020 and on November 23, 2020, expanded the service to Niagara-on-the-Lake. NRT OnDemand ridership continues to grow steadily across the service.
- NRT made significant service-level changes due to both Brock University and Niagara College transitioning to substantially online program delivery. As approximately 80% of NRT’s ridership is made of students, current ridership requirements are significantly lower than in 2019. Staff continues to monitor these events to ensure that appropriate level of service is deployed to meet demand.

Planning & Development Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$5,837	\$5,156	\$681	11.7%
Administrative	\$2,391	\$803	\$1,588	66.4%
Operational & Supply	\$23	\$15	\$8	32.0%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$36	\$36	\$0	-0.8%
Partnership, Rebate, Exemption	\$106	\$56	\$50	47.5%
Total Expenses	\$8,393	\$6,066	\$2,327	27.7%
By-Law Charges & Sales	-\$1,833	-\$1,412	-\$421	-22.9%
Other Revenue	-\$1,358	-\$457	-\$901	-66.4%
Total Revenues	-\$3,191	-\$1,869	-\$1,322	-41.4%
Intercompany Charges	-\$440	-\$497	\$57	-12.9%
Total Intercompany Charges	-\$440	-\$497	\$57	-12.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$4,762	\$3,700	\$1,062	22.3%
Transfers From Funds	-\$664	-\$664	\$0	0.0%
Transfers To Funds	\$0	\$607	-\$607	0.0%
Total Transfers	-\$664	-\$57	-\$607	-91.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$4,098	\$3,643	\$455	11.1%
Indirect Allocations & Debt	\$1,033	\$870	\$163	15.8%
Total Indirect Allocations & Debt	\$1,033	\$870	\$163	15.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,131	\$4,513	\$618	12.1%

Variance Analysis (in thousands of dollars)

Planning and Development operated at a surplus before indirect allocations of \$455. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$681 is due to staff vacancies resulting from delayed recruitment due to the COVID-19 pandemic and difficulty recruiting senior professional positions.

Administration - The favourable variance of \$1,588 is due to the timing of consulting expenditures involving the Niagara Official Plan (NOP) and a known surplus of consulting dollars due to prioritization of the background studies which form the NOP. The delay in NOP expenditure is a direct result of the provincial decision to release revised guidance material and the related process. Committed funds related to the NOP and other key projects are included in the 2020 encumbrances and reported below through Transfers.

Partnership, Rebate, Exemption - The favourable variance of \$50 is due to agricultural grants not accessed due to pandemic restrictions.

By-Law Charges & Sales - The unfavourable variance of \$421 is due to lower than anticipated application volumes within development planning. The volumes decreased significantly at the end of the first quarter as a direct result of the COVID-19 pandemic; however, development activity recovered in the third and fourth quarter.

Other Revenue - The unfavourable variance of \$901 is due to a decreased transfer of development charge revenue. The development charge revenue is matched to expenditures to partially fund the NOP and Secondary/District Plans and offsets the favourable surplus in administration above.

Intercompany Charges - The favourable variance of \$57 is reflective of the reallocation of wages for staff members who have been redeployed to support essential services in Community Services during the COVID-19 pandemic.

Transfers - The unfavourable forecasted variance of \$607 is primarily due to the 2020 encumbrance for NOP project funds to support project completion timelines, as well as the Municipal Comprehensive Review, Environmental Planning Reviews and the Stormwater Management Guidelines.

Community Impacts & Achievements

Planning & Development provides land use planning and development review including natural heritage, urban design, growth management policy and implementation services, capacity planning, water and wastewater master planning, development engineering, development agreements and growth infrastructure planning. The department also provides services related to Part 8 of the Ontario Building Code (private sewage systems) to nine of the twelve local area municipalities.

Project Updates/Accomplishments

- Niagara Official Plan work is ongoing and progressing on track with the completion of background reports, ongoing consultation (Public Information Centres/Open Houses, online electronic surveys, public meetings and communication via social media). Moving into 2021 will see the preparation of draft policy.
- Supported full audit preparation for the grant and incentives review while continuing to deliver programs; future direction from Council will be required.
- Woodland By-law review is ongoing and a virtual open house was held on June 17th, 2020. Updated By-law was endorsed by Council in Q4.

Other Initiatives

Leading/Supporting the following Regional Council's Strategic Priorities:

- Implementing GO Hub and Transit Stations Strategy, Streamlining Process for Development Approvals, Facilitating Development Solutions, Grant and Incentive Programs, Affordable Housing and the Housing Action Plan and the Airport Strategy.

Growing Niagara:

Planning & Development - Continued

- Substantive background work on the Niagara Official Plan, including separate background reports or studies on Employment, Housing, Climate Change, Aggregates, Agriculture, and Natural Environment.
- Leading the 2021 Water & Wastewater (W&WW) Master Servicing Plan Update (MSPU)
- Niagara 2051 – Coordination of Corporate Projects to accommodate growth out to 2051 including the Development Charges By-Law and Background Study, and the W&WW MSPU, and Transportation Project Updates
- District & Secondary Plans: Brock Plan implementation, Glendale Plan ongoing and Prudhommes Plan complete
- Providing assistance with development of the Master Community Plan for Smithville
- Supporting major development initiatives and alignment with growth infrastructure.
- Concluding a Provincial appeal that resulted in bringing new employment land into the urban area of Welland.
- Providing assistance for City of Welland for northwest urban boundary expansion.

Supporting Local Communities, Fostering Great Development:

- 33% increase in development application revenues between 2016-2020
- 7.8% increase in pre-consultations between 2016-2020
- Leading Environmental Planning review function
- Developing stormwater and hydrogeology guidelines for the Niagara Region
- Developing and implementing wet weather management programs and education in partnership with the Local Area Municipalities and the Combined Sewer Overflow Program.
- Advancement of Master Plan/Site Plans for long-term care (LTC) builds at Linhaven in St. Catharines and Gilmore Lodge in Fort Erie. The plans for these properties, and considerations for adjacent compatible uses, are advancing to the initial planning approvals stage, concurrently with architectural designs for the LTC homes themselves.
- Establishing Joint Agency Review Teams to guide two new pending quarry applications in the City of Niagara Falls and the City of Port Colborne and a quarry expansion in the Township of Wainfleet.
- Working with the agricultural community to streamline provincial regulations related to on-farm uses.
- Updated the Regional Woodland Conservation By-law and related recruitment for a new Regional Forester to administer/enforce the new By-law.
- Working with the City of Niagara Falls in advancing infrastructure works and planning approvals for the South Niagara Falls Hospital, and supporting Hamilton Health Sciences on the redevelopment of West Lincoln Memorial Hospital.

Building Great Communities - Urban Design and Landscape Architecture:

- Regional facilities and streetscapes in core areas through the Public Realm Investment Program,
- Providing assistance to several communities with urban design solutions,
- Implementing the Transportation Master Plan through Complete Streets,
- Successful construction of the International Plaza
- 2020 Niagara Biennial Design Awards ceremony was presented successfully with 18 winning projects selected.

Court Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$2,570	\$1,601	\$969	37.7%
Administrative	\$2,890	\$1,169	\$1,721	59.6%
Operational & Supply	\$1,163	\$469	\$694	59.7%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$1	\$11	-\$10	-2099.6%
Financial Expenditures	\$158	\$193	-\$35	-22.0%
Total Expenses	\$6,782	\$3,443	\$3,339	49.2%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$8,860	-\$5,067	-\$3,793	-42.8%
Total Revenues	-\$8,860	-\$5,067	-\$3,793	-42.8%
Intercompany Charges	-\$7	-\$99	\$92	-1329.9%
Total Intercompany Charges	-\$7	-\$99	\$92	-1329.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$2,085	-\$1,723	-\$362	-17.4%
Transfers To Funds	\$200	\$200	\$0	0.0%
Total Transfers	\$200	\$200	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-\$1,885	-\$1,523	-\$362	-19.2%
Indirect Allocations & Debt	\$1,150	\$1,179	-\$29	-2.5%
Total Indirect Allocations & Debt	\$1,150	\$1,179	-\$29	-2.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$735	-\$344	-\$391	53.2%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Court Services operated at a deficit after indirect allocation of \$391 due to the factors described below.

The 2020 budget includes expenditures and revenues related to the implementation of the Vision Zero Road Safety program in 2020 in conjunction with the Transportation Services division. The work on the implementation of the program, including the proposed changes to the Niagara Region Courts Inter-municipal Agreement, has been delayed as a result of the COVID-19 pandemic. Accordingly, no expenditures have been incurred or revenues realized in 2020. The program was budgeted to break even overall for the year, so while it does cause variances in expense and revenue categories, there will be no net impact on the distribution to the local area municipalities as a result of the delay.

Distribution to Local Area Municipalities – The total distribution to the local area municipalities and the Region is \$343 each, which reflects an unfavourable variance of \$391. This is due in large part to a decrease in fine payments received as a result of the impacts of the COVID-19 pandemic, such as the closure of the courthouse to the public (re-opened September 14, 2020) and adjournment of in-person court proceedings, as well as a reduction in the volume of charges that have been laid since the start of the pandemic. The revenue reductions have been partially offset by savings realized as a result of the adjournment of court matters, as well as the redeployment of staff to other departments within the Niagara Region in greater need of resource support through the pandemic. First and second quarter payments were distributed based on the budgeted allocations, which has resulted in an overpayment to the LAMs. The unfavourable variance of \$24 will be adjusted through the first quarter distribution payment for 2021 to local area municipalities.

Compensation - The favourable variance of \$969 is partially due to savings related to Vision Zero of \$650. The balance of the surplus is related to vacancy management, including several staff who have taken voluntary leaves of absence due to the COVID-19 pandemic.

Administrative - The favourable variance of \$1,721 is partially due to savings related to Vision Zero of \$1,038. The balance of the surplus is mainly due to savings associated with the provincial order to temporarily close the courts for the COVID-19 pandemic, such as adjudication and Part III prosecution costs, as well as reduced Victim Fine Surcharge costs resulting from reduced ticket volumes and fine payments received since the start of the pandemic.

Operational & Supply - The favourable variance of \$694 is partially due to savings related to Vision Zero of \$106. The balance of the surplus is related to reduced payments to other POA courts for fines collected on their behalf, which is offset in reduced infraction revenues, and the decrease in the net revenue distribution payment to the local area municipalities reflective of the overall net revenue for the year being less than budgeted.

Equipment, Vehicles & Technology – The unfavourable variance of \$10 is a result of higher than budgeted minor IT purchases to support the virtual court and electronic COVID screenings, in addition to higher than budgeted computer software support.

Financial Expenditures – The unfavourable variance of \$35 is a result of higher than budgeted collection charges paid to third party collection agencies at a higher rate for third placement matters.

Other Revenue - The unfavourable variance of \$3,793 is partially due the revenue deficit related to Vision Zero of \$1,794. The balance of the deficit is due to a significant decrease in ticket volumes processed since the start of the COVID-19 pandemic, as well as closure of the courts and deferral of trials, which has resulted in deferred convictions and delays in revenue collection.

Intercompany Charges – The favourable variance of \$92 is primarily due to the reallocation of wages for staff who have been redeployed to support Niagara Region departments in need of resources due to the COVID-19 pandemic.

Court Services - Continued

Community Impacts & Achievements

Court Services is responsible for overseeing the Provincial Offences Court on behalf of the Niagara Region and the 12 Local Area Municipalities in the areas of Administration, Collections and Prosecutions.

- Despite the pandemic requiring the temporary closure of the courthouse building for certain periods, customer service continued to be delivered to the public via email and telephone throughout the closure period. Court Services staff also remained onsite to receive filing from enforcement agencies and ensure business continuity.
- The Ministry of the Attorney General (MAG) has provided direction that all Provincial Offences matters required to be conducted in-person have been adjourned to at least January 25, 2021.
- In the interim, Court Services is well equipped to deliver Court services remotely, and has begun to do so, based on extensive preparation for remote matters, in addition to the modern technology available onsite at the courthouse facility. Even during the period the courthouse was open to the public for counter service (from September 14, 2020 to January 14, 2021), remote service continued to be leveraged wherever possible.
- Since July 6, 2020, judicial pre-trial matters and early resolution guilty pleas have been conducted remotely where eligible, before a Justice of the Peace via audio conference.
- Commencing October 19, 2020, all other non-trial remote matters have commenced remotely where eligible, before a Justice of the Peace via audio conference.
- In addition to audio conferencing, Court Services has collaborated with IT Services to prepare for video conferencing via Zoom, MAG’s preferred conferencing platform, in anticipation of the expansion of virtual court matters in 2021.
- Amendments to the Provincial Offences Act made pursuant to Bill 197, the COVID-19 Economic Recovery Act, 2020, came into effect July 21, 2020. These amendments have enabled Court Services, in consultation with the judiciary, to make greater use of technology to deliver justice services remotely.
- Court Services participated in ongoing collaboration with Facilities and Corporate Health & Safety staff to prepare for the eventual re-opening of the courthouse to the public for counter service, as well as the resumption of in-person court matters in 2021, subject to Provincial approval.
- The Court Services team also supported the delivery of essential services by the Seniors Services division through redeployment to aid staff, residents and visitors at Niagara Region’s long-term care homes during the pandemic.
- While the COVID-19 pandemic certainly changed the landscape for 2020, the Court Services team has continued to focus their efforts on providing a high level of customer service to the public and transparent, ongoing communication with stakeholders, including enforcement agencies, judiciary, and legal professionals. This helped keep all parties informed, and allowed staff to remain responsive to their needs and maintain business continuity.

Niagara Regional Housing Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$5,215	\$5,042	\$173	3.3%
Administrative	\$1,007	\$629	\$378	37.5%
Operational & Supply	\$140	\$110	\$30	21.6%
Occupancy & Infrastructure	\$15,750	\$15,849	-\$99	-0.6%
Equipment, Vehicles, Technology	\$277	\$196	\$81	29.1%
Community Assistance	\$31,507	\$29,842	\$1,666	5.3%
Partnership, Rebate, Exemption	\$0	\$0	\$0	0.0%
Financial Expenditures	\$1,967	\$1,842	\$125	6.3%
Total Expenses	\$55,863	\$53,510	\$2,353	4.2%
Federal & Provincial Grants	-\$13,713	-\$12,785	-\$928	-6.8%
Other Revenue	-\$16,052	-\$16,336	\$284	1.8%
Total Revenues	-\$29,765	-\$29,121	-\$644	-2.2%
Intercompany Charges	\$65	\$70	-\$5	-7.5%
Total Intercompany Charges	\$65	\$70	-\$5	-7.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$26,163	\$24,459	\$1,704	6.5%
Transfers From Funds	-\$1,002	-\$1,002	\$0	0.0%
Transfers To Funds	\$3,183	\$4,332	-\$1,149	-36.1%
Total Transfers	\$2,181	\$3,330	-\$1,149	-52.7%
Net Expenditure (Revenue) Before Indirect Allocations	\$28,344	\$27,789	\$555	2.0%
Indirect Allocations & Debt	\$8,099	\$7,999	\$100	1.2%
Total Indirect Allocations & Debt	\$8,099	\$7,999	\$100	1.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$36,443	\$35,788	\$655	1.8%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) operated at a surplus before indirect allocations of \$555. The surplus is due to the following factors:

Compensation - The favourable variance of \$173 is primarily due to a health and dental benefit surplus as a result of lower claims from COVID-19 pandemic-related closures and restrictions (\$108) and savings from delays in filling non-essential vacant positions due to COVID-19 (\$83).

Administration - The favourable variance of \$378 is primarily due to \$320 in savings on consulting expenses during the year, including \$211 for the Affordable Housing Master Plan, which was committed and is included in the 2020 encumbrance reported in Transfer to Funds.

Occupancy & Infrastructure - The unfavourable variance of \$99 is primarily due to \$264 in incremental costs associated with increased security at owned units and cleaning of high-touch surfaces and common areas due to COVID-19, as well as \$96 in higher than budgeted regular maintenance costs. This unfavourable variance is offset partially by savings seen in utilities of \$272, mainly for natural gas due to recent upgrades in hot water systems and a mild winter.

Equipment, Vehicles, Technology – The favourable variance of \$81 is primarily from savings on licensing fees due to a delay in the implementation of Integrated Housing Solutions software. \$31 for implementation costs of the software was committed and is included in the 2020 encumbrances reported in Transfer to Funds.

Community Assistance - The favourable variance of \$1,665 is due to delayed spend in ministry-funded programs (\$841) and K3D heat control system upgrades for providers encumbered from the 2019 budget (\$317), both delayed primarily as a result of COVID-19 restrictions. The variance associated with ministry-funded programs is offset by a reduction in Federal & Provincial Grants below, as revenue is recognized to align with timing of the programs and their related administrative costs. Also contributing to the positive variance is \$431 in lower than budgeted subsidy payments to non-profit and co-op housing providers and \$128 in lower than budgeted provider capital repair grants. This is offset by \$200 in grants provided in the year under the capital loan and grant program. A combined \$907 for the K3D heat control system upgrades for providers, provider capital grants, and grants under the capital loan and grant program was committed and is included in the 2020 encumbrance reported in Transfer to Funds.

Financial Expenditures – The favourable variance of \$125 is primarily the result of lower than anticipated write-offs on uncollectable tenant rents on owned units.

Federal & Provincial Grants - The unfavourable variance of \$928 is due to timing of ministry-funded programs and related administrative costs, as revenue is recognized based on actual expenses incurred.

Other Revenue - The favourable variance of \$284 is due primarily to \$308 in higher than anticipated rental revenues for NRH-owned units.

Transfer to Funds – The unfavourable variance of \$1,149 relates to the 2020 encumbrances as identified in the lines above.

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for Community, Social, Public & Affordable Housing within the context of an ever-increasing wait list and clients struggling through negative effects of poverty. Accomplishments to date in 2020 include:

- *Development*
 - Construction continues for 73 units in two apartment buildings on Hawkins Street in Niagara Falls. This project is estimated to be complete in December of 2021. At the end of 2020, it was approximately 40% complete.
 - Two of the five units acquired in Thorold are now complete with an occupancy date of March 1, 2021. The remaining three units will be complete in 2021-Q2.

Niagara Regional Housing - Continued

- NRH's development team submitted an application to the Canadian Mortgage and Housing Corporation (CMHC) for the Rapid Housing Initiative. This funding would support the full capital ask for 32 new modular units on the POA lands in Welland purchased by NRH.
- *Home Repairs* – NRH received \$545,920 through the Ontario Priorities Housing Initiative (OPHI) for all three streams of the program (Homeowner, Secondary Suite and Multi-Unit). 18 homeowners are currently approved for funding.
- *Homeownership* – NRH received \$200,000 through the Ontario Priorities Housing Initiative (OPHI) Year 1 and \$100,000 through OPHI Year 2. Down payment assistance was provided to 23 households to help purchase their first home in 2020. One was an NRH tenant.
- *Canada Ontario Housing Benefit (COHB)* – COHB is a portable rent benefit that helps applicants on the Centralized Waiting List pay their rent to their current landlord in the private market. By year-end in 2020, more than 240 Niagara residents had applied and many have started receiving subsidy. Successful COHB applicants are removed from the waiting list, allowing other applicants to move up this list more quickly.
- *Addressed Homelessness* – Ongoing partnership with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports. In an effort to support more participants to graduate from the program, Community Services were offered several spots for the COHB. By supporting graduates, we allow more space for those in need to enter the program and receive housing along with supports. Additionally, 10 more Rent Supplements were offered to Homelessness Services for their clients.
- *Housing Providers*
 - There have been no interruptions to program delivery throughout the pandemic and intake processes were adjusted at the beginning so applications have not been affected.
 - Remote operational reviews of the providers will begin in January. This process, which usually requires NRH staff to be on site with the provider for a few days, has been ceased since March 2020. Virtual support and monitoring has been taking place since that time. This new process will allow the Housing Administrators to conduct the majority of their inspection remotely while coordinating with provider staff to facilitate the exchange of documents when required.
 - Disposable masks were donated to providers by Niagara Region.
 - Providers have been asked to contact NRH should they experience financial stress as a result of COVID and increased cleaning costs but none have asked for this type of support. NRH will continue to watch for opportunities to support housing providers throughout the pandemic.
- *Improved Public Housing (NRH-owned) communities*
 - NRH reverted back to only responding to urgent/emergency maintenance requests until lockdown ends
 - Community Programs Coordinators (CPCs) continue to offer telephone support and attend communities if necessary for particularly vulnerable tenants
 - 136 refurbished computers were delivered to tenants along with information about the CyberSeniors partnership that offers workshops and programs on-line. NRH continues to advocate for affordable internet so that tenants can access information, supports and programs.
 - RAFT began to provide “Drive Through After School Programs”, which involved children walking through the Community Houses to chat with RAFT staff while they pick up snack and craft bags. Faith Welland has been providing After School programming throughout the pandemic.
 - Instead of the traditional Christmas parties, NRH and partners (RAFT, Faith Welland, Community Support Services Niagara, Niagara College) delivered Christmas bags, gifts and lunches directly to households.

Niagara Regional Housing - Continued

- Faith Welland engaged NRH seniors in their “Letters to Santa” project in family communities, with the seniors volunteering to assist with answering the childrens’ letters.
- As a result of a considerable mask donation to Niagara Region, NRH began delivering packages of 50 disposable masks to every NRH household. NRH’s Niagara College Security Student has been delivering them while he walks the communities, reminding tenants of the COVID guidelines and answering questions.

Niagara Regional Police Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$157,060	\$154,298	\$2,762	1.8%
Administrative	\$4,220	\$3,541	\$679	16.1%
Operational & Supply	\$2,277	\$2,622	-\$345	-15.2%
Occupancy & Infrastructure	\$361	\$267	\$94	26.1%
Equipment, Vehicles, Technology	\$6,991	\$6,645	\$346	4.9%
Financial Expenditures	\$1	\$6	-\$5	-469.6%
Total Expenses	\$170,910	\$167,379	\$3,531	2.1%
Federal & Provincial Grants	-\$9,737	-\$9,641	-\$96	-1.0%
By-Law Charges & Sales	-\$6,068	-\$2,177	-\$3,891	-64.1%
Other Revenue	-\$2,186	-\$2,241	\$55	2.5%
Total Revenues	-\$17,991	-\$14,059	-\$3,932	-21.9%
Intercompany Charges	-\$1,361	-\$1,407	\$46	-3.4%
Total Intercompany Charges	-\$1,361	-\$1,407	\$46	-3.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$151,558	\$151,913	-\$355	-0.2%
Transfers From Funds	-\$250	-\$250	\$0	0.0%
Transfers To Funds	\$3,150	\$3,150	\$0	0.0%
Total Transfers	\$2,900	\$2,900	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$154,458	\$154,813	-\$355	-0.2%
Indirect Allocations & Debt	\$15,723	\$15,736	-\$13	-0.1%
Total Indirect Allocations & Debt	\$15,723	\$15,736	-\$13	-0.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$170,181	\$170,549	-\$368	-0.2%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending December 31, 2020, Niagara Regional Police Service's financial result was a combined Net Expenditure before Indirect Allocations deficit of \$355. The Service recommended a transfer from reserves of \$71, which will reduce the deficit to \$284. The deficit consists of a \$532 deficit attributable to the Service, offset by a \$248 surplus attributable to the Police Service Board. The following factors contributed to this deficit:

Compensation – Compensation expense was below the approved budget by \$2,762. This favourable variance is primarily due to the net result of savings realized within uniform salaries due to hiring lags, employee benefits and the 2020 NRPA wage settlement, partially offset by increased spending of civilian salaries to backfill operationally essential civilian positions, WSIB claims experience, and sick leave payouts from greater than budgeted retirements. Additionally some savings were realized as a result of COVID-19 restrictions including savings in court time as a result of courts operating at reduced and modified capacity, as well as savings in special duty expense due to cancelled events, however special duty savings are fully offset by a reduction in Revenue.

Administrative – Administrative expense was below the approved budget by \$679. This favourable variance is the result of savings in legal expenses for the Police Services Board, as well as COVID-19 related savings in staff development due to reduced travel and cancelled events, conferences and training as well as savings in administrative mileage and travel expenses. These savings were offset partially by PPE purchases including gloves, masks and disinfectant purchased at the onset of the pandemic for frontline staff.

Operational & Supply – Operational & Supply expense was above the approved budget by \$345. This unfavourable variance is the result of two major special investigations, as well as increased uniform expenses required to outfit the significant number of constables hired during the year as a result of retirements and the 40 Officer Program Change. In addition, there were increased costs from COVID-19 supply costs for PPE, IT hardware to equip members to work from home, building renovations such as Plexiglas barriers and signage, and deep cleaning decontamination costs.

Occupancy & Infrastructure – Occupancy & Infrastructure expenses was below the approved budget by \$94. This favourable variance is the result of savings in leases for the IT disaster recovery site, which is now being charged through indirect allocations, as well as minor building renovations-based requests and projects completed during the year.

Equipment, Vehicles & Technology – Equipment, Vehicles & Technology was below the approved budget by \$346. This favourable variance is mainly due to savings in fuel costs due to lower than budgeted fuel rates throughout the year.

Recoveries & Revenues – Recoveries & Revenues were below the approved budget by \$3,932. This unfavourable variance is the result of a shortfall of third party revenue received from the City of Niagara Falls due to the Casino closures as well as reductions in fees for service, special duty and secondment revenues as a result of closures and/or event cancellations imposed by the COVID-19 emergency orders.

Conclusion

The detailed variance analysis has been prepared based on results of operations at December 31, 2020. The Service's year-end deficit of \$284 represents 0.2% of the total budget. The results include the actual expenditures incurred and provisions for all known liabilities and offsetting revenues at December 31, 2020.

NPCA Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Partnership, Rebate, Exemption	\$5,809	\$5,809	\$0	0.0%
Total Expenses	\$5,809	\$5,809	\$0	0.0%
Total Revenues			\$0	0.0%
Total Intercompany Charges			\$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$5,809	\$5,809	\$0	0.0%
Total Transfers			\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$5,809	\$5,809	\$0	0.0%
Total Indirect Allocations & Debt			\$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,809	\$5,809	\$0	0.0%

Niagara Peninsula Conservation Authority - Continued

Niagara Peninsula Conservation Authority (NPCA) is a separate corporation and the Niagara Region levies the Niagara share of the NPCA levy on their behalf. The above summary shows the amount levied on behalf of the NPCA and not their operating results.

Water & Wastewater Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$24,852	\$24,186	\$666	2.7%
Administrative	\$3,433	\$1,830	\$1,603	46.7%
Operational & Supply	\$13,166	\$14,052	-\$886	-6.7%
Occupancy & Infrastructure	\$17,700	\$16,517	\$1,183	6.7%
Equipment, Vehicles, Technology	\$6,588	\$5,337	\$1,251	19.0%
Partnership, Rebate, Exemption	\$17,516	\$5,138	\$12,378	70.7%
Financial Expenditures	\$0	\$146	-\$146	0.0%
Total Expenses	\$83,255	\$67,206	\$16,049	19.3%
Taxation	-\$122,942	-\$121,922	-\$1,020	-0.8%
By-Law Charges & Sales	-\$1,421	-\$1,642	\$221	15.6%
Other Revenue	-\$8,448	-\$2,610	-\$5,838	-69.1%
Total Revenues	-\$132,811	-\$126,174	-\$6,637	-5.0%
Intercompany Charges	\$1,777	\$1,631	\$146	8.2%
Total Intercompany Charges	\$1,777	\$1,631	\$146	8.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$47,779	-\$57,337	\$9,558	20.0%
Transfers From Funds	-\$8,720	-\$2,876	-\$5,844	-67.0%
Transfers To Funds	\$40,749	\$42,802	-\$2,053	-5.0%
Total Transfers	\$32,029	\$39,926	-\$7,897	-24.7%
Net Expenditure (Revenue) Before Indirect Allocations	-\$15,750	-\$17,411	\$1,661	10.5%
Indirect Allocations & Debt	\$15,750	\$14,682	\$1,068	6.8%
Total Indirect Allocations & Debt	\$15,750	\$14,682	\$1,068	6.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$2,729	\$2,729	0.0%

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services concluded 2020 with a \$2,729 surplus after indirect allocations, consisting of favourable variances of \$866 in Water and \$1,863 in Waste Water. The following factors have contributed to these variances:

Compensation - The favourable variance of \$666 is due to delays in filling vacancies and the gapping of student positions and water wagon staff due to the COVID-19 pandemic.

Administration – There is a favourable variance of \$1,603 primarily due to lower than expected consulting expenses of \$1,685 as a result of the timing of the Master Servicing Plans (MSP), which are included in the 2020 encumbrance and reflected in Transfers to Funds. Due to the pandemic, there were savings arising from the cancellation of the Niagara Children’s Water Festival, the Water Wagon program and conferences, as well as a reduction in travel-related expenses such as mileage, which resulted in savings of \$199. Partially offsetting the variances noted are increased external legal expenses for pending litigation of \$222.

Operational & Supply – There is an unfavourable variance of \$886 primarily due to higher chemical costs (\$435) resulting from increased pricing and usage. In addition, there were higher than expected bio-solids costs (\$137) due to increased pricing during the temporary contract period and higher than expected lab-related costs (\$190) due to additional compliance testing. Partially offsetting these variances were lower than expected training expenses of \$173 due to delayed training as a result of COVID-19.

Occupancy & Infrastructure – There is a favourable variance of \$1,183 due to lower than expected electricity costs of \$269, natural gas costs of \$114 and increased utility rebates of \$362. There were also favourable variances in repairs and maintenance (R&M) for water and sewer mains of \$876 due to delays in completing this work as a result of COVID-19. This is partially offset by higher than expected costs for property taxes (\$226) and water (\$207) due retroactive billings for the new Niagara-on-the-Lake Waste Water Treatment Plant.

Equipment, Vehicles, Technology – The favourable variance of \$1,251 is primarily due to prioritization of preventative maintenance and repairs due to COVID-19, which resulted in a positive variance of \$1,116 in Minor Equipment and Equipment R&M. As well, there are savings of \$184 for computer software licensing and support due to the deferral of Asset Management software.

Partnership, Rebate, Exemption - The favourable variance of \$12,378 is due to CSO funds committed to local area municipalities but not yet paid of \$12,367. All CSO funding not spent will be encumbered and is reflected in the Transfer of Funds below.

Taxation - The unfavourable variance of \$1,020 is due to decreased water sales as a result of reduced water usage during the pandemic.

By-Law Charges & Sales Costs - The favourable variance of \$221 is due to higher than expected hauled sewage revenue of \$284, partially offset by lower than expected sewer surcharge revenue of \$70.

Other Revenue – There is an unfavourable variance of \$5,838 driven by the timing of development charge revenue recognition to fund the CSO program and MSP of \$5,884.

Transfers of Funds - The unfavourable variance of \$7,897 is due to previously encumbered CSO funds committed to local municipalities but not yet paid, and the encumbrance related to the 2020 CSO program and MSP funding for costs that have not yet been incurred.

Community Impacts & Achievements

- The Water and Wastewater division treated 55,517 ML of water through six water treatment plants and 312 km of watermains, as well as 69,759 ML of wastewater through eleven plants and one biosolids storage facility, with collection through 113 pumping stations and 306 km of forcemains and gravity trunk sewers
- Successful completion of Water Quality Management System (QMS) External Audit by a third-party auditor in July 2020. Successful external audit is required to maintain

Water & Wastewater - Continued

the accreditation of Water QMS, in turn allowing the Region to continue to hold our Municipal Drinking Water Licenses

- Piloting project to develop a Normalized Difference Vegetation Index (NDVI) to improve Harmful Algae Bloom (HAB) risk management
- Taste and odour sampling program at all water treatment plants to develop timeline of formation for future prediction and improve GAC replacement matrix
- Completion of several chemical system retrofit upgrades using internal resources; realizing significant savings and eliminating the need for inclusion in W-WW capital program
- Re-assignment of water operations and maintenance managers to new areas to facilitate additional cross-training opportunities
- The Region was awarded the 2020 AMO Federal Gas Tax Funding Award for work contributing to the Stamford Gravity Sewer Relining project. The project consisted of the rehabilitation of approximately 2,300 meters of trunk sanitary sewer and manholes using a Cured-in-Place Pipe rehabilitation method. This is the largest sewer rehabilitation undertaken by the Region thus far and has increased the capacity of the Stamford Interceptor by 25% which will help accommodate the economic growth and additional residential development in South Niagara Falls
- Niagara Falls Wastewater Operations team brought the Stanley Avenue facility, under order by MECP, back into compliance; the plant has been in compliance for the past 21 months
- Successful completion of the requirements for membership with AWWA Partnership for Clean Water at the Niagara Falls Wastewater Treatment Facility
- Optimization of the Port Weller Wastewater Treatment Facility is underway
- Niagara Region's first RTC project was initiated between Lowlift CSO, Lowlift SPS, and Highlift SPS to better control wet weather flows in the Niagara Falls sewershed
- 100% compliance on our MECP inspections for all six water treatment systems
- The 17th annual Niagara children's water festival delivered via a virtual format this year due to COVID-19 with 1,500 page visits to the festival
- Completion of several chemical and control system retrofit upgrades using internal resources; realizing significant savings and eliminating the need for inclusion in an already pressured W-WW capital program
- Administration of over 50 W-WW essential supplies and services contracts implementing new business processes with service providers as required as part of divisional pandemic response plan
- Transition of training sessions to virtual e-learning as part of continuing efforts to minimize dependency on in-class delivery methods
- Acquired Health Canada license to allow in-house production of hand sanitizer, developed on-line Hand Sanitizer ordering site and produced and distributed hand sanitizer to various Regional departments
- Detailed design has commenced for the Niagara Falls Raw Water Intake Relocation project. This project began in collaboration with Ontario Power Generation (OPG) to ensure a long-term water supply for the Niagara Region, while allowing for the continued operations and maintenance of the Sir Adam Beck Power Canal by OPG. The Region has secured \$2,500,000 from OPG to complete the detailed design, and is on target to complete the design by December 31, 2021.
- The Environmental Assessment is in the final phase of planning for the South Niagara Falls WWTP. The selected site was presented to the public in March 2020. The Project team anticipates going to the public for the final PIC in spring 2021 to present the evaluation and preliminary preferred concepts for all components
- Port Dalhousie WWTP Upgrades Contract 1 design was completed in 2020 followed by the pre-qualification of 5 general contractors. Contract 1 was successfully tendered within budget and was awarded to Maple Reinders for \$32,599,000. Upgrades include a new fine bubble aeration system with two new aeration tanks, a new blower building, RAS pumps, associated piping, valves, instrumentation and electrical and a back-up power generator system
- 80 virtual tours of W-WW facilities, replacing on-site tours in response to COVID-19
- 9,486 locate requests, 17 drone flights supporting various projects
- A Power BI Capital Project Dashboard to provide insight into the status of current capital projects

Waste Management Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	\$3,923	\$3,792	\$131	3.3%
Administrative	\$2,106	\$1,007	\$1,099	52.2%
Operational & Supply	\$42,448	\$41,614	\$834	2.0%
Occupancy & Infrastructure	\$1,453	\$1,477	-\$24	-1.6%
Equipment, Vehicles, Technology	\$1,214	\$1,039	\$175	14.4%
Partnership, Rebate, Exemption	\$189	\$45	\$144	76.5%
Financial Expenditures	\$0	\$48	-\$48	0.0%
Total Expenses	\$51,333	\$49,022	\$2,311	4.5%
Taxation	-\$38,822	-\$38,822	\$0	0.0%
By-Law Charges & Sales	-\$11,609	-\$11,315	-\$294	-2.5%
Other Revenue	-\$5,191	-\$5,162	-\$29	-0.6%
Total Revenues	-\$55,622	-\$55,299	-\$323	-0.6%
Intercompany Charges	\$130	\$49	\$81	62.3%
Total Intercompany Charges	\$130	\$49	\$81	62.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$4,159	-\$6,228	\$2,069	49.8%
Transfers From Funds	-\$2,413	-\$2,413	\$0	0.0%
Transfers To Funds	\$4,136	\$4,906	-\$770	-18.6%
Total Transfers	\$1,723	\$2,493	-\$770	-44.7%
Net Expenditure (Revenue) Before Indirect Allocations	-\$2,436	-\$3,735	\$1,299	53.3%
Indirect Allocations & Debt	\$2,436	\$2,242	\$194	8.0%
Total Indirect Allocations & Debt	\$2,436	\$2,242	\$194	8.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$1,493	\$1,493	0.0%

Variance Analysis (in thousands of dollars)

Waste Management Services operated at a surplus after indirect allocations of \$1,493. The following factors contributed to this surplus:

Compensation – The favourable variance of \$131 is due primarily to salary gapping and position vacancy management as a result of the COVID-19 pandemic.

Administrative – The favourable variance of \$1,099 is primarily due to the timing of \$706 of consulting engagements related to the Long-Term Strategic Plan (LTSP) Study and the Material Recovery Facility (MRF) Opportunity Review – Phase 4, which was committed and is included in the 2020 encumbrance reported in Transfers to Funds. Promotional and educational costs, including a decrease in printing services and postage, were also lower than anticipated as a result of the deferral of planned campaigns due to the COVID-19 pandemic. Staff mileage, training and development expenses were lower than anticipated by \$66 due to travel limitations involved with the ongoing pandemic.

Operational & Supply – The favourable variance of \$834 is primarily due to lower than anticipated environmental monitoring, leachate processing fees and operating services for the landfill sites, as well as lower than anticipated annual fuel, CPI and residential unit count adjustments for the collection contracts. The pandemic has also led to a savings of \$191 for lower than anticipated labour costs at the MRF for 2020. Partially offsetting these savings are higher than anticipated costs for cart purchases of \$57 and recyclable material purchase costs from Waterloo of \$405, which were higher than anticipated due to market conditions, which is offset by related increases in recycling processing revenues. In addition, due to stay-at-home orders as a result of the pandemic and every-other-week garbage collection implemented in October 2020, significantly higher volumes of organics were collected than projected, leading to increased costs of \$429.

Equipment, Vehicles, Technology – The favourable variance of \$175 is primarily due to lower than anticipated equipment repairs required at various sites and fuel savings.

Partnership, Rebate, Exemption – The favourable variance of \$144 is primarily due to an unanticipated HST recovery related to eligible expenses in the commercial operations of the division.

By-Law Charges & Sales – The unfavourable variance of \$294 is primarily due to reduced tipping fee revenue as a result of limiting non-essential trips to the residential drop-off depots at the landfill sites and the waiving of tipping fees for large household items (\$558), as well as reduced commercial shredding and recycling revenue due to commercial business closures (\$49), both of which are an impact of the COVID-19 pandemic. These unfavourable variances are partially offset by overall higher than anticipated market revenues received from the sale of recyclable commodities (i.e. favourable variance for fibres, including boxboard, aluminum, HDPE and Eco-glass, of \$1,218, offset by an unfavourable variance from containers such as PET plastic, steel, newsprint, bulky rigid plastics, mixed plastics, cardboard and fine paper of \$1,048). Unfavourable variances were also offset by an increase in garbage tag sales of \$96 and green bin sales of \$21 resulting from collection changes.

Intercompany Charges – The favourable variance of \$81 is primarily due to the reallocation of wages for staff who have been redeployed to support Niagara Region departments in need of resources due to the COVID-19 pandemic.

Transfers – The unfavourable variance of \$770 is mainly due to the 2020 encumbrance of \$706 related to the LTSP study and MRF opportunity review. Also contributing to the unfavourable variance is the transfer of unspent funds associated with the service level campaign of \$64 transferred back to the Waste Management Stabilization Reserve (the original funding source of the service level campaign budget).

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities, including landfill sites, HHW depots and the Recycling Centre. WMS is also responsible for the delivery of curbside waste, recycling and organics collection and diversion programs, the management of long-term organics processing and disposal contracts, the operations and maintenance contracts at open and closed landfill sites, the recycling

Waste Management Services - Continued

processing contract, policy development, capital program delivery and supporting outreach and communications programs.

- Since January 2020, Niagara Region has been managing various aspects of the implementation plan for the new waste collection contract, which commenced on October 19, 2020.
- Completion of a multi-tiered social marketing and communication campaign across all platforms which focused on:
 - Promoting and raising awareness of the new collection service level changes which began October 19, 2020;
 - Increasing participation in the Region's recycling and organics collection programs.
 - Recognizing and expressing appreciation to residents and businesses that have embraced and adapted to the changes.
 - Compliance and illegal dumping.
- Development and implementation of an on-line sale platform for garbage tags, curbside containers for recycling and organics programs, and backyard composters.
- Implementation of a Niagara Region web and mobile app 'Niagara Region Waste,' which is free for download from the Google Play and Apple App store. This tool provides an additional mechanism to communicate waste management program information, such as collection limits and collection day, and collection for special items such as Christmas trees. Other functionalities includes a 'where does it go' search tool, collection reminders and related collection delay notifications.
- The terms of reference for the Niagara Region's Waste Management Long-Term Strategic Plan is in the process of being finalized and the request for proposals will be issued in Q1 2021.
- Continue to market recyclable materials despite restrictive global market conditions.
- MRF Opportunity Review Phase 4 is in progress:
 - Purpose is to identify options for the MRF considering the transition of the residential Blue Box program to extended producer responsibility.
 - Project consultant/ transaction advisor is in the process of preparing a negotiated request for proposal for issuance in Q1 2021.
- Continue to investigate, assess and mitigate any environmental impacts related to the two open and twelve closed landfill sites.
- Waste Management's Condition Assessment and Asset Management project has been completed, which captures all capital assets related to the Niagara Region's 14 landfill sites. This work will help with planning for the future capital funding needs of the Waste Management division and was relied upon as part of the 2021 capital budget development process.
- On-going discussions are occurring with the Ministry of the Environment, Conservation and Parks (MECP) and work is being conducted to reduce the number of monitoring wells required at both open and closed landfill sites leading to an optimization of the monitoring program translating to an anticipated reduction in future costs. An immediate result has been a reduction in the number of monitoring wells at the Humberstone Landfill.
- Niagara Region Waste Management Services received a silver award in the campaign category at the Municipal Waste Association Promotion and Education Awards for the 'Recycling Matters' campaign. The Recycling Matters Awareness campaign focused on educating residents on acceptable materials and proper preparation of recyclables in order to decrease contamination and improve the quality of recyclables that are sent to end market.
- Since the start of the partnership between the Broken Spoke bicycle refurbishment program and Niagara Region, a total of 7,611 bicycles have been collected at Niagara Region Drop-off Depots and provided to this program in favour of reuse.
- Due to COVID 19, the annual spring compost giveaway event was held from September 14 – 26. A total of 490 cars picked up compost and approximately 3,500 bags were given out. Over \$1,600 and 300 Kgs of food were collected for charity.
- The addition of SCADA at all Niagara Region Landfill Sites will provide Operations staff with real time line of sight of the pump station operational condition.

Operating Budget Amendments & Adjustment Summary (in thousands of dollars)

The following identifies all budget amendments & adjustments as per Budget Control Policy 2017-63.

Department	Adjustment Amount	Adjustment Description
Original Budget Revenue & Expenditures	1,015,216	
Corporate	16,377	To record the 2019 Encumbrance budget adjustment as detailed in the 2019 Year-End Results & Transfer report (CSD 15-2020).
Corporate Administration	(55)	To record the termination of federal grant funding that supported the Niagara Development Corridor Partnership Inc. (NDCPi)
General Government	178	To utilize 2019 Smarter Niagara Incentive Program (SNIP) surplus to fund the 2020 SNIP as per the 2019 Year-End Results & Transfer report (CSD 15-2020).
Community Services	157	To record one-time funding and expenditures for the extension of Homelessness contracts provided by the Community Homelessness Prevention Initiative.
Planning and Development	612	To utilize 2019 unused development charge funding and related expenditures for the Regional Official Plan as per the 2019 Year-End Results & Transfer report (CSD 15-2020).
Public Health and Emergency Services	7	To record one-time funding from the Local Health Integrated Network (LHIN) to support expenditures for Community Paramedicine remote patient monitoring.
Public Health and Emergency Services	253	To record renewed funding from the LHIN to support expenditures for the Community Paramedicine remote patient monitoring program for April to December 2020.
Public Health and Emergency Services	24	To record revised funding and related expenditures for annualized Mental Health LHIN revenues approved after the approval of the 2020 annual budget.
Public Health and Emergency Services	613	To record funding from the Ministry of Health to support expenditures for the Dedicated Offload Nursing program for April to December 2020.
Wastewater	5,286	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2019 in relation to the 2019 Year-End Results & Transfer report (CSD 15-2020).
Niagara Regional Housing	250	To utilize 2019 Niagara Regional Housing surplus to fund the Affordable Housing Master Plan to be completed in 2020 as per the 2019 Year-End Results & Transfer report (CSD 15-2020).
Niagara Regional Police Service	198	To record funding and related expenditures from the Province of Ontario related to the purchase of equipment and software.
Total Budget Adjustment	23,900	
December 31, 2020 Adjusted Budget	1,039,116	

Reserve Summary (in thousands of dollars)

Reserves are an important tool to assist in financial management and planning of a municipality. Prudent use of reserves help mitigate fluctuations in taxation and rate requirements and assist in funding capital projects. Reserves are governed by the Region's Reserve and Reserve Fund Policy C-F-013.

At December 31, 2020 the Region's consolidated and uncommitted reserve balance (excluding commitments made with the 2021 approved budget) was \$260,727 (\$245,612 at December 31, 2019). The ratio of debt to reserves is an important marker of fiscal sustainability. A ratio of less than 1 shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if the ratio is greater than 1, it can indicate vulnerability to economic downturns. The Region's debt to reserve ratio, including unissued debt is 2.37 (2.07 at December 31, 2019).

Description	Balances at Dec 31, 2019	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balances at Dec 31, 2020 before Transfers	Year-end Transfers *	Balances Available at Dec 31, 2020	Capital Commitments to Uninitiated Projects	Balances Available at Dec 31, 2020
Wastewater Capital	\$41,575	\$23,814	\$0	-\$44,716	\$817	\$21,490	\$3,664	\$25,154	-\$6,660	\$18,494
Water Capital	\$78,813	\$21,135	\$0	-\$30,810	\$1,969	\$71,107	\$847	\$71,954	-\$6,660	\$65,294
Waste Management	\$15,770	\$2,524	\$0	-\$8,250	\$343	\$10,387	\$782	\$11,169	-\$9,002	\$2,167
General Capital Levy	\$15,680	\$29,245	-\$2,212	-\$28,373	\$0	\$14,340	\$5,601	\$19,941	-\$400	\$19,541
Infrastructure Deficit	\$0	\$3,657	\$0	-\$3,657	\$0	\$0	\$0	\$0	\$0	\$0
Court Services Facility Renewal	\$2,876	\$200	\$0	\$134	\$0	\$3,210	\$0	\$3,210	\$0	\$3,210
Niagara Regional Housing	\$8,228	\$1,541	-\$250	-\$2,814	\$0	\$6,705	\$0	\$6,705	\$0	\$6,705
NRH Owned Units	\$5,988	\$1,542	\$0	-\$2,258	\$0	\$5,272	\$0	\$5,272	\$0	\$5,272
NRPS Long-Term Accommodation (LTA)	\$52	\$0	-\$52	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ontario Police Video Training Alliance	\$109	\$0	\$0	\$0	\$0	\$109	-\$2	\$107	\$0	\$107
Police Capital Levy	\$561	\$1,200	\$0	-\$1,477	\$0	\$284	\$0	\$284	\$0	\$284
Police Vehicle and Equipment Replacement	\$24	\$1,500	\$0	-\$1,500	\$0	\$24	\$0	\$24	\$0	\$24
Total Capital Reserves	\$169,676	\$86,358	-\$2,514	-\$123,721	\$3,129	\$132,928	\$10,892	\$143,820	-\$22,722	\$121,098
Wastewater Stabilization	\$1,848	\$0	-\$500	\$0	\$43	\$1,391	\$1,863	\$3,254	\$0	\$3,254
Water Stabilization	\$2,985	\$0	\$0	\$0	\$79	\$3,064	\$366	\$3,430	\$0	\$3,430
Waste Management Stabilization	\$6,043	\$289	-\$1,604	\$0	\$143	\$4,871	\$1,493	\$6,364	\$0	\$6,364
Encumbrance	\$16,377	\$10,600	-\$10,702	\$0	\$0	\$16,275	\$0	\$16,275	\$0	\$16,275
Investment Income Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxpayer Relief	\$23,757	\$2,629	-\$3,654	\$0	\$0	\$22,732	\$30,777	\$53,509	\$0	\$53,509
NRH Rent Supplements	\$266	\$0	-\$17	\$0	\$0	\$249	\$0	\$249	\$0	\$249
Police Contingency	\$454	\$250	\$0	\$0	\$0	\$704	\$0	\$704	\$0	\$704

Reserve Summary (in thousands of dollars) - continued

Description	Balances at Dec 31, 2019	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balances at Dec 31, 2020 before Transfers	Year-end Transfers *	Balances Available at Dec 31, 2020	Capital Commitments to Uninitiated Projects	Balances Available at Dec 31, 2020
Police Services Board Contingency	\$242	\$0	\$0	\$0	\$0	\$242	\$0	\$242	\$0	\$242
Total Corporate Stabilization Reserves	\$51,972	\$13,768	-\$16,477	\$0	\$265	\$49,528	\$34,499	\$84,027	\$0	\$84,027
Ambulance Communication	\$37	\$0	-\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Circle Route Initiatives	\$1,383	\$0	\$0	\$0	\$0	\$1,383	\$0	\$1,383	\$0	\$1,383
Hospital Contribution**	\$0	\$0	\$0	\$0	\$0	\$0	\$6,600	\$6,600	\$0	\$6,600
Total Specified Contribution Reserves	\$1,420	\$0	-\$37	\$0	\$0	\$1,383	\$6,600	\$7,983	\$0	\$7,983
Future Benefit Costs	\$24,695	\$51	-\$195	\$0	\$0	\$24,551	\$0	\$24,551	\$0	\$24,551
Self Insurance	\$2,270	\$0	\$0	\$0	\$0	\$2,270	\$0	\$2,270	\$0	\$2,270
Smart Growth	\$201	\$0	\$0	\$0	\$0	\$201	\$0	\$201	\$0	\$201
Landfill Liability	\$8,205	\$1,387	\$0	\$979	\$250	\$10,821	\$0	\$10,821	\$0	\$10,821
NRH Employee future benefits	\$793	\$0	\$0	\$0	\$0	\$793	\$0	\$793	\$0	\$793
Police Accumulated Sick Leave	\$1,680	\$0	-\$250	\$0	\$0	\$1,430	-\$69	\$1,361	\$0	\$1,361
Police Future Benefit Cost	\$4,152	\$0	\$0	\$0	\$0	\$4,152	\$0	\$4,152	\$0	\$4,152
Police WSIB	\$3,270	\$200	\$0	\$0	\$0	\$3,470	\$0	\$3,470	\$0	\$3,470
Total Future Liability Reserves	\$45,266	\$1,638	-\$445	\$979	\$250	\$47,688	-\$69	\$47,619	\$0	\$47,619
Total (Excluding Deferred Revenues)	\$268,334	\$101,764	-\$19,473	-\$122,742	\$3,644	\$231,527	\$51,922	\$283,449	-\$22,722	\$260,727

* Subject to Council approval in CSD 17-2021.

** Reserve to be formally created by Council through CSD 19-2021.

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2019	Year to Date Transfers from Revenues (Collections)	Year to Date Transfers from Revenues (DC Grants)	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at December 31, 2020	Capital Commitments *	Balance Available at December 31, 2020**
Development Charges-General Government	\$1,483	\$413	\$28	-\$348	\$0	\$41	\$1,617	\$0	\$1,617
Development Charges-Police Services	\$2,980	\$866	\$48	\$0	-\$21	\$91	\$3,964	-\$22	\$3,942
Development Charges-Roads	\$56,893	\$14,427	\$790	-\$43	-\$10,748	\$1,573	\$62,892	-\$51,594	\$11,298
Development Charges-Sewer	\$52,193	\$9,799	\$558	-\$1,976	-\$2,319	\$1,470	\$59,725	-\$18,740	\$40,985
Development Charges-Water	\$35,029	\$6,948	\$397	\$0	-\$11,084	\$882	\$32,172	-\$16,731	\$15,441
Development Charges-Emergency Medical	\$1,531	\$385	\$11	\$0	-\$158	\$44	\$1,813	-\$982	\$831
Development Charges-LT Care	\$5,727	\$2,954	\$46	\$0	-\$1,109	\$178	\$7,796	-\$23,469	-\$15,673
Development Charges-POA	\$315	\$116	\$4	\$0	-\$449	\$4	-\$10	\$0	-\$10
Development Charges-Health	\$768	\$345	\$9	\$0	\$0	\$25	\$1,147	\$0	\$1,147
Development Charges-Social Housing	\$4,370	\$2,946	\$20	\$0	-\$5,048	\$89	\$2,377	-\$11,287	-\$8,910
Development Charges-Waste Division	\$1,852	\$925	\$13	\$0	-\$47	\$61	\$2,804	-\$263	\$2,541
Subtotal Development Charges	\$163,141	\$40,124	\$1,924	-\$2,367	-\$30,983	\$4,458	\$176,297	-\$123,088	\$53,209
Federal Gas Tax	\$34,343	\$13,587	\$0	\$0	-\$21,138	\$813	\$27,605	-\$25,515	\$2,090
Provincial Gas Tax	\$658	\$856	\$0	-\$105	\$0	\$28	\$1,437	\$0	\$1,437
Subtotal Gas Tax	\$35,001	\$14,443	\$0	-\$105	-\$21,138	\$841	\$29,042	-\$25,515	\$3,527
Total	\$198,142	\$54,567	\$1,924	-\$2,472	-\$52,121	\$5,299	\$205,339	-\$148,603	\$56,736

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or year end a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

** Negative balances after commitments for individual reserves are a result of timing differences between when growth projects are initiated and the anticipated future inflow of development charge revenue receipts.

Deferred Revenue Summary (in thousands of dollars) - continued

Summary of All Mandatory and Discretionary Grants, per Regional Development Charge Bylaw (2020)

Grant Category	Q1-Q3 Actuals	Q4 Actuals	Total Year-to-Date Actuals	Annual Budget	Actual Variance
Other Economic Incentives:					
50% Industrial - (M)	\$75	\$205	\$279		
Brownfield - (D) ²	\$0	\$0	\$0		
Smart Growth Niagara - (D)	\$174	\$0	\$174		
Long-Term Care Facility - (D)	\$0	\$0	\$0		
Board of Education - (D)	\$0	\$0	\$0		
NRH - (D)	\$706	\$0	\$706		
Parking garage - (D)	\$188	\$0	\$188		
Agriculture - (D)	\$0	\$0	\$0		
Place of Worship - (D)	\$0	\$0	\$0		
Intensification RDC Reductions - (M)	\$0	\$0	\$0		
Hotels/Motels - (D)	\$7	\$0	\$7		
Other (D)	\$85	\$17	\$102		
Subtotal - Other Economic Incentives	\$1,236	\$222	\$1,458	\$5,668	\$4,210
Non-Profit - (D) ¹	\$150	\$0	\$150	\$150	\$0
Industrial and Gateway - (D) ³	\$173	\$144	\$317	\$1,050	\$733
Total	\$1,559	\$366	\$1,925	\$6,868	\$4,943

Note: (D) – Discretionary, (M) – Mandatory

Deferred Revenue Summary (in thousands of dollars) - continued

Details for Application Based Regional Development Charge Grants (2020)

Address	Application Date	Development Description	Municipality	Approved Eligible Costs	Grants Paid to Date	Grants Paid 2020
Grants Application Prior to 2020 ^{1,2}				\$29,221	\$2,090	\$0
2020 Applications:						
Nil				\$0	\$0	\$0
Total				\$29,221	\$2,090	\$0

¹Grants awarded in prior years may be paid in current or future periods depending on the timing of building permit issuance.

2020 Non-Profit RDC Grant Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2020
Q1-Q3 Applications:				\$158	\$150
Q4 Applications:					
NIL				\$0	\$0
Total				\$158	\$150

2020 Discretionary Industrial RDC Grant Applicants and Approved Amounts

Address	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2020
Q1-Q3 Applications:				\$173	\$173
Q4 Applications:					
100 Downs Drive	Nov 11, 2020	Rebar Fabrication	Welland	\$63	\$63
6934 Kinsmen Court	Dec 3, 2020	Industrial facility built on spec	Niagara Falls	\$81	\$81
Total				\$317	\$317

Operating Reserve Transfer Reconciliation

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e development charges, gas tax receipts). A requirement in the Reserve and Reserve Funds Policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Council approved net operating transfers to reserves, including interest allocation to reserves	-\$67,010	Council approved net operating transfers before seniors approved debt charge placeholder
Capital Levy	-\$5,620	Transfer debt charge placeholder surplus to fund budget requirements for Seniors long-term care home redevelopment
	-\$72,630	Council approved net operating transfers
<u>Additional operating reserve transfers (to)/from reserves:</u>		
All Rate Reserves	-\$1,071	Interest income allocation to reserve at investment income portfolio rate in alignment with the Reserve Policy
2019 Encumbrances	\$16,377	2019 Encumbrances (CSD 15-2020)
2020 Encumbrances	-\$16,275	2020 Encumbrances (CSD 17-2021)
Wastewater Capital	-\$880	Underspent CSO projects closed during the year, transfer amount back to Wastewater Capital Reserve
Capital Levy	\$256	Reduced budgeted transfer to reserve for proceeds on sale of surplus properties less than planned (as per Procurement By-Law)
Capital Levy	-\$67	Transfer to reserve for proceeds on sale of land ambulances (as per Procurement By-law)
Capital Levy	-\$29	Transfer back to reserve for unused funds - ICOPS reorganization
Capital Levy	-\$719	Transfer back to reserve for unused funds - Niagara Falls and St. Catharines GO Stations not fully operational
Capital Levy	-\$9	Transfer back to reserve for unused funds - Drainage Assessment funding for LAMS

Operating Reserve Transfer Reconciliation (in thousands of dollars) – Continued

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Capital Levy	-\$23	Transfer back to reserve for unused funds - Active Transportation/Bike Lane Funding for LAMS
Capital Levy	-\$6,695	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Water Capital	-\$1,349	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Wastewater Capital	-\$1,971	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Niagara Regional Housing	\$250	Transfer from reserve - to fund the Niagara Regional Housing Affordable Housing Master Plan as per CSD 15-2020
Waste Management Stabilization	-\$64	Transfer back to reserve for unused funds - temporary staffing for service level campaign
Future Benefit Costs	-\$51	Transfer back to reserve for unused funds – lower than anticipated sick leave payouts resulting in surplus reserve funding in the 2020 budget
Taxpayer Relief	\$178	Transfer from reserve - to fund the 2020 SNIP program as directed by Council at December 5, 2019 BRCOTW (CSD 15-2020)
Taxpayer Relief	-\$150	Transfer back to reserve for unused funds - Community Benefit Charge Study
Taxpayer Relief	-\$144	Transfer back to reserve for unused funds - Niagara Airports
Taxpayer Relief	-\$39	Transfer back to reserve for unused funds - one-time funding for the 50th anniversary of the Niagara Region
Taxpayer Relief	-\$830	Transfer back to reserve for unused funds - Human Resources Information Systems project deferred to 2021
Net operating transfers to reserves	-\$85,935	

Capital Reserve Transfer Reconciliation (in thousands of dollars)

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e development charges, gas tax receipts). A requirement in the Reserve and Reserve Funds Policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds.

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Council approved net capital transfers per 2020 Budget	\$123,818	Reserve Transfers to capital projects
Capital reserve transfer commitments from 2019 or prior Budget	\$22,722	2019 or prior uninitiated capital projects
<u>Q1 and Q2 additional capital reserve transfers:</u>		
Landfill Liability	-\$908	Project close out, funds returned to reserve - Line 5 - Leachate Collection System
Landfill Liability	-\$200	Budget reductions - Mountain Road Pond Expansion (-\$125), Glenridge Landfill Gas Collection Flaring System Decomission (-\$75)
NRH Owned Units	-\$6	Project close out, funds returned to reserve - Grounds Capital 2017
NRH Owned Units	\$580	2019 year-end surplus transferred to reserve to fund heat control system upgrades in owned units to be completed as per CSD 15-2020
Niagara Regional Housing	-\$107	Reduced transfer from reserves as a result of additional Ontario Priority Housing Initiatives funding for the Hawkins Street Project received not considered in the Council approved budget.

Capital Reserve Transfer Reconciliation (in thousands of dollars) – Continued

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
<u>Q3 additional capital reserve transfers:</u>		
Police Capital Levy	-\$27	Project close outs, funds returned to reserve - Niagara Regional Police Tactical Explosives Robot (-\$14), Niagara Regional Police Communications Unit Noise Reduction (-\$2), Niagara Regional Police Armor Rescue Vehicle (-\$0), Niagara Regional Police Forensic Scanner (-\$1), Niagara Regional Police Fraud Unit Scanner (-\$6), Niagara Regional Police CCTV Equipment (-\$0), Hyundai Data Collection Equipment (-\$5)
Landfill Liability	-\$91	Project close out, funds returned to reserve - Mountain Road - Leachate Collection System
Niagara Regional Housing	-\$130	Budget reduction - New Build, Carlton Street, St. Catharines (-\$90), Intensification, Welland (-\$40)
<u>Q4 additional capital reserve transfers:</u>		
Court Services Facility Renewal	-\$134	Transfer back to reserve as a result of project eligibility to use Development Charge revenue as a funding source instead of reserves
NRH Owned Units	-\$53	Project close outs, funds returned to reserve - Social Housing Improvement Program - 2016 (-\$17), Expansion - Roach Avenue Welland (-\$23), New Build - Carlton Street St. Catharines (-\$13)
Net capital transfers	\$145,464	

Encumbrance Summary (in thousands of dollars)

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred but the goods or services had not been received by year end. Public sector accounting requires the Niagara Region to follow accrual based accounting. This creates a funding complication in that goods or services contracted before year end and received subsequent to year end would not be matched to their budgeted funding. Encumbrance accounting was introduced to effectively transfer the budgeted funding for goods and services where a purchase order, contract or other commitment exists, to an encumbrance reserve at year end. Below is a detailed summary of 2020 encumbrances by department.

Encumbrance History

	2020	2019	2018	2017	2016
Governance	\$0	\$0	\$0	\$0	\$35
General Government	\$5,369	\$4,463	\$3,363	\$2,278	\$250
Corporate Administration	\$309	\$84	\$135	\$390	\$249
Corporate Services	\$125	\$198	\$779	\$239	\$389
Community Services	\$55	\$289	\$36	\$3	\$0
Planning & Development Services	\$607	\$664	\$1,881	\$1,649	\$3,254
Public Health	\$0	\$65	\$1,318	\$79	\$275
Economic Development	\$0	\$0	\$285	\$678	\$95
Niagara Regional Housing	\$1,149	\$735	\$371	\$501	\$223
Public Works - Transportation	\$938	\$849	\$735	\$1,544	\$2,104
Public Works - Waste Management	\$706	\$810	\$932	\$522	\$204
Public Works - Water/ Wastewater *	\$7,017	\$8,220	\$9,659	\$9,495	\$7,989
Council Direction (CSD 21-2019)	\$0	\$0	\$1,828	\$0	\$0
TOTAL	\$16,275	\$16,377	\$21,322	\$17,378	\$15,067

* The Public Works - Water/Wastewater 2020 Encumbrance includes \$11,272 (\$6,323 funded from reserves, \$4,949 funded from development charges) related to the Combined Sewer Overflow (CSO) program. Managing this program through the operating budget rather than capital budget began in 2015. \$827 (\$819 funded from reserves, \$8 funded from development charges) remains in capital projects related to the CSO program from 2008 through 2014.

Notes:

- \$12,333 of the total encumbrances in 2020 (2019 - \$12,683) relate to incentive and grant programs.

Encumbrance Detail (in thousands of dollars)

Description	Amount	
General Government		
Public Realm Investment Program		
East Fonthill Seating RR20 & Rice Road*	\$12	
RR18 (Ontario St.), RR81 (King St.)*	\$11	
Civic Square Revitalization*	\$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	\$100	
RR54 Pelham Port Robinson Rice Rd Parkette*	\$30	
RR27 Welland Parkette Hellems/East Main St*	\$20	
Downtown Beamsville Beautification Projects	\$31	
Jordan Hollow Cultural Park	\$83	
Greening Projects on Martindale and Lakeshore Road Gateway	\$35	
Yukon House - Canada Summer Games	\$10	
Pelham Arches Lighting and Streetscape	\$10	
Trees and Transit Shelters on Rice Road	\$30	
Oakes Park - Canada Summer Games Plaza	\$25	\$427
Gateway - Tax Increment Grant		
287 Silverthorne/Buchner		\$2,805
Waterfront Improvement Program		
Millennium Recreation Trail*	\$400	
Town of Lincoln Museum and Cultural Centre*	\$250	\$650
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	\$273	
CIP/MasterPlans/Official Plans Grant Program	\$400	
ESA Phase II (Risk Assessment Plan)	\$51	
Heritage Restoration and Improvement Grant	\$63	
Public Realm Grant Program	\$130	
Residential Grant/Loan Program	\$570	\$1,487
Total Encumbrances for General Government		\$5,369
Corporate Administration		
Economic Development - Study and Lead Generation*		\$114
Community Safety & Well-Being Plan		\$142
Recruitment for the Commissioner of Planning and Development		\$53
Total Encumbrance for Corporate Administration		\$309
Corporate Services		
Business Licensing*		\$100
Development Charge Background Study		\$25
Total Encumbrance for Community Services		\$125
Community Services		
Gateway Residential Community Support*		\$55
Total Encumbrance for Community Services		\$55
Planning & Development		
Niagara Official Plan*		\$417
Municipal Comprehensive Review*		\$61
Environmental Planning Review*		\$53
Stormwater Management Guidelines*		\$76
Total Encumbrance for Planning and Development		\$607
Niagara Regional Housing		
Integrated Housing Solution Software*		\$31
K3D Thermostat Technology*		\$317
Consolidated Housing Master Plan		\$211
Housing Provider Capital Repairs Program		\$128
Capital Loan & Grant Program - Grant Portion		\$462

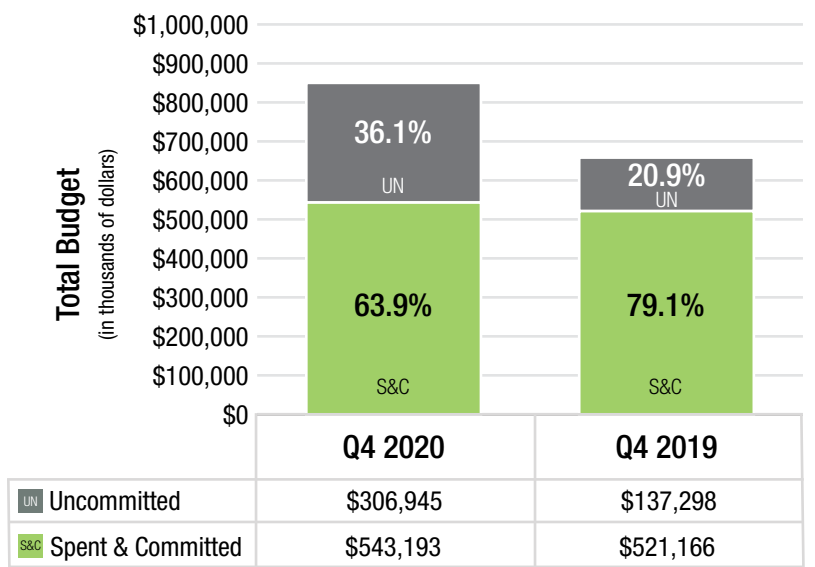
Encumbrance Detail (in thousands of dollars) – Continued

Description	Amount
Total Encumbrance for Niagara Regional Housing	\$1,149
Public Works - Transportation	
Emerald Ash Bore	\$52
Complete Streets Design Manual*	\$389
Bicycle Facilities Grant	\$50
Transportation Pavement Management Study	\$61
Structural Asset Management Cost Forecast for Bridge & Culvert Structures	\$46
Cityworks Software Upgrade Consulting Services	\$142
Catch Basin Cleaning	\$96
Niagara Airports Master Planning	\$102
Total Encumbrance for Public Works - Transportation	\$938
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	\$20
MRF Opportunity Review*	\$286
Long-Term Waste Management Strategic Plan*	\$400
Total Encumbrance for Public Works - Waste Management	\$706
Public Works - Water/Wastewater	
Master Service Plans	\$590
Billing Meter Audit	\$104
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	\$435
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	\$1,214
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	\$412
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	\$1,189
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)*	\$1,714
Unused Combined Sewer Overflow Funding - 2020 Program (at 50%)	\$1,359
Total Encumbrance for Public Works - Water/Wastewater	\$7,017
TOTAL 2020 ENCUMBRANCE	\$16,275

CAPITAL HIGHLIGHTS

LEVY

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END
Active projects with budgets greater than \$1 million.

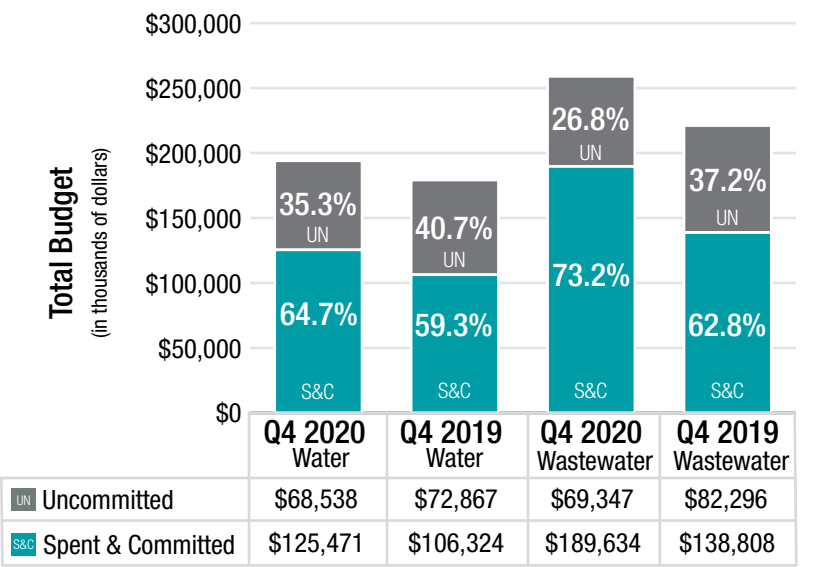


YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS

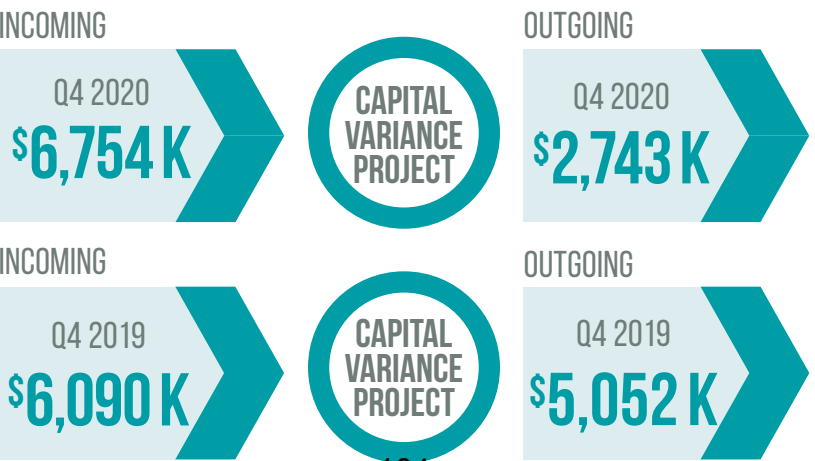


WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END
Active projects with budgets greater than \$1 million.

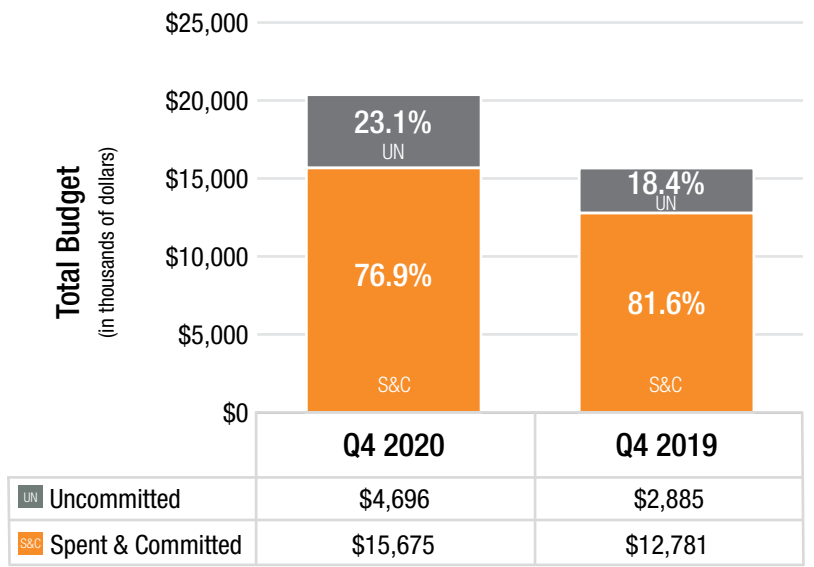


YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS

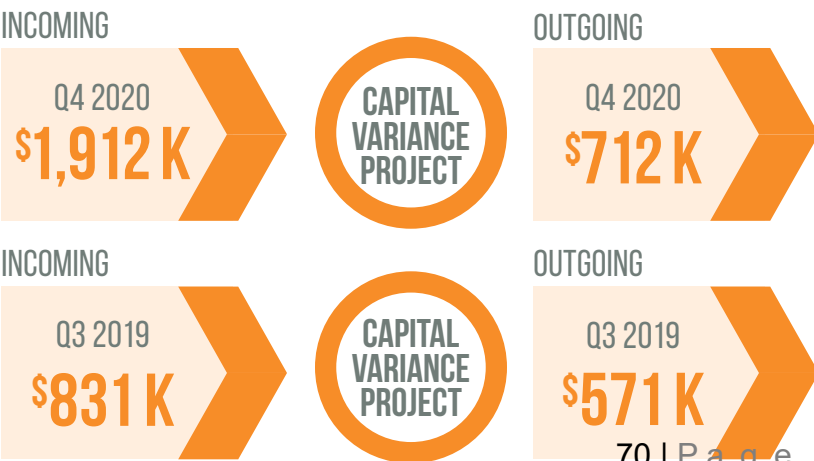


WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END
Active projects with budgets greater than \$1 million.



YEAR-TO-DATE CAPITAL VARIANCE PROJECT TRANSFERS



Capital Summary (in thousands of dollars)

The Corporate Services department develops the Capital Financing Strategy and Capital Budget guidelines in co-ordination with department and board input and in alignment with Council objectives and corporate policies. The Corporate Services department is responsible for the following: preparing the consolidated capital budget and forecast based on the requests of departments and boards; coordinating capital initiations, financing, closure and budget reduction of capital projects approvals and reporting; supporting tangible capital asset accounting in accordance with the Capital Asset Management Policy; and reporting on the consolidated activity of the capital program.

The capital budget represents priority projects as determined by the departments and boards and approved by Council. Following capital budget approval, projects are initiated based on department requirements and timing to complete projects. Project managers within departments and boards administer the projects and maintain the related tangible capital asset information. Project managers are accountable for monitoring the capital projects within the capital program and taking corrective action, when necessary, including both reporting on significant variances as well as taking part in the capital closure and budget reduction of capital projects process.

Capital Program Reconciliation

The capital budget managed by Niagara Region has decreased by \$43,863 since Q3 2020. This decrease is primarily caused by projects closed (\$47,449) and budget reductions (\$4,397). The decrease is mitigated by gross budget adjustments (\$6,663) and transfers from capital variance project (\$1,320).

Eight capital projects of the 590 capital sub-projects, with budgets totalling approximately \$37,369 (levy \$36,224 / rate \$1,145) remain uninitiated at December 31, 2020. A summary of the levy and rate impact of Niagara Regions total capital program during the year is presented below:

Capital Program Reconciliation	Levy Programs	Rate Programs	Adjusted Program
2019 Total Adjusted Program (excluding Capital Variance Projects) at December 31, 2019	\$754,803	\$466,963	\$1,221,766
Council Approved 2020 Budget	\$270,399	\$105,125	\$375,524
Gross Budget Adjustment (including transfers from operating)	\$2,340	\$346	\$2,686
Transfer from Capital Variance Project	\$584	\$830	\$1,414
Budget Reductions on Active Capital Projects *	- \$5,321	- \$9,823	- \$15,144
Projects Closed	- \$27,952	- \$7,005	- \$34,957
2020 Total Adjusted Program (excluding Capital Variance Projects) at July 27, 2020	\$994,853	\$556,436	\$1,551,289
Gross Budget Adjustment (including transfers from operating)	\$3,656	\$0	\$3,656
Transfer from Capital Variance	\$351	\$2,198	\$2,549
Budget Reductions on Active Capital Projects *	- \$2,018	- \$13,300	- \$15,318
Projects Closed	- \$7,577	- \$2,316	- \$9,893
2020 Total Adjusted Budget (excluding Capital Variance Projects) at October 22, 2020	\$989,265	\$543,018	\$1,532,283
Gross Budget Adjustment (including transfers from operating)	\$6,663	\$0	\$6,663
Transfer from Capital Variance	\$893	\$427	\$1,320
Budget Reductions on Active Capital Projects *	- \$3,039	- \$1,358	- \$4,397
Transfer between Levy/Rate Programs	\$130	- \$130	\$0
Projects Closed	- \$36,516	- \$10,933	- \$47,449
2020 Total Adjusted Budget (excluding Capital Variance Projects) at December 31, 2020	\$957,396	\$531,024	\$1,488,420

* Budget reductions do not necessarily reflect surplus funding as not all project budgets are funded in advance.

Capital Budget Adjustments (in thousands of dollars)

The chart below identifies the projects which have received gross budget adjustments (from external revenue sources), transfers from the capital variance project, budget reductions and transfer to operations during Q4 2020 per the budget control policy 2017-63.

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Community Services	Long Term Care Roof Replacement Program - 2018	\$373		\$23			\$396
Corporate Services	Energy Conservation Program - 2018	\$849	\$37				\$886
Corporate Services	Information Technology Asset Replacement - 2020	\$1,035	\$416				\$1,451
Corporate Services	Niagara Regional Police Gun Range HVAC	\$60		\$140			\$200
Corporate Services	Court Facilities Renewal	\$12,908	\$134		- \$134	Reserve - Courts	\$12,908
Corporate Services	Public Works Service Centre Structural Improvement	\$110		\$1			\$111
Corporate Services	Long-term Accommodations - NRPS Headquarters D2	\$65,627	\$43				\$65,670
Niagara Regional Housing	Niagara Falls Supportive Housing Renovation	\$0	\$3,650				\$3,650
Public Works - Levy	Roundabout - South Grimsby Road	\$5,712			- \$250	CVP - Levy \$246, DC Roads \$4	\$5,462
Public Works - Levy	Intersection - Townline Road Phase 2	\$3,231		\$450			\$3,681
Public Works - Levy	Roads Rehabilitation - RR81 Main Street	\$250	\$20	\$180			\$450
Public Works - Levy	Roads Resurfacing - 2020	\$8,345	\$72				\$8,417
Public Works - Levy	Roads Reconstruction - RR38 QEW/Fourth	\$23,156	\$2,291	\$99	- \$1,555	External Funding Contributions	\$23,991
Public Works - Levy	Intersection - RR89 Jacobsen/Burleigh	\$5,786			- \$200	CVP - Levy \$137, DC Roads \$63	\$5,586

Capital Budget Adjustments (in thousands of dollars) – Continued

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Public Works - Levy	Structural Rehabilitation - Reece Bridge	\$9,733			- \$400	CVP - Levy	\$9,333
Public Works - Levy	Capacity Improvements - RR54 Hwy 20/Merritt	\$7,850			- \$500	CVP - Levy \$75, DC Roads \$425	\$7,350
All Levy Departments		\$145,025	\$6,663	\$893	- \$3,039		\$149,542
Wastewater	Wastewater Treatment Plant Upgrade - Secondary Clarifier - Seaway	\$3,115			- \$320	CVP - Wastewater	\$2,795
Wastewater	Wastewater Treatment Plant Seaway Capacity Phase 2	\$300		\$50			\$350
Wastewater	Miscellaneous Program - Motor Control Centres	\$2,000		\$250			\$2,250
Wastewater	George Street Pumping Station Upgrade	\$200		\$50			\$250
Wastewater	18-SPS & FM UPG-City Hall-PC	\$300		\$37			\$337
Wastewater	Carleton Pumping Station Forcemain Upgrade	\$150		\$35			\$185
Water	Elevated Tank Rehabilitation - Thorold South	\$2,992			- \$140	CVP - Water	\$2,852
Water	Watermain Program - Lundy's Lane	\$1,000			- \$898	Debt	\$102
Water	Security Improvement - Decew Water Treatment Plant	\$190		\$5			\$195
All Rate Departments		\$10,247	\$0	\$427	- \$1,358		\$9,316
Corporate Services	2020 Code and Legislative Compliance Program	\$60	- \$60				\$0
Corporate Services	Niagara Regional Police Gun Range HVAC	\$140	\$60				\$200
Niagara Regional Police Services Board	Vehicles Replacement - 2019	\$1,454	- \$23				\$1,431
Niagara Regional Police Services Board	Vehicles Replacement - 2020	\$1,500	\$23				\$1,523

Capital Budget Adjustments (in thousands of dollars) – Continued

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Public Works - Levy	2020 Traffic Signals Program	\$3,000	- \$3,000				\$0
Public Works - Levy	Traffic Signal Niagara @ Welland	\$0	\$300				\$300
Public Works - Levy	Traffic Signal Prince Charles @ Fitch	\$0	\$300				\$300
Public Works - Levy	Traffic Signal Woodlawn @ Niagara	\$0	\$300				\$300
Public Works - Levy	Traffic Signal Queenston @ Eastchester	\$0	\$300				\$300
Public Works - Levy	Traffic Signal Niagara @ Lakeshore	\$0	\$300				\$300
Public Works - Levy	Traffic Signal Asset Management	\$0	\$468				\$468
Public Works - Levy	Traffic Signal Advance Design	\$0	\$50				\$50
Public Works - Levy	Traffic Signal Upgrades	\$0	\$196				\$196
Public Works - Levy	New Traffic Control Devices	\$0	\$215				\$215
Public Works - Levy	Intelligent Transportation Systems	\$0	\$572				\$572
Wastewater	Vacuum Truck Replacement	\$500	- \$130				\$370
Public Works - Levy	Vacuum Truck Replacement	\$500	\$130				\$630
All inter-project		\$7,154	\$0	\$0	\$0		\$7,154
All Departments	Total	\$162,426	\$6,663	\$1,320	- \$4,397		\$166,012

Capital Project Closures (in thousands of dollars)

Projects are closed throughout the year. When projects are closed, surplus funds are transferred to Capital Variance Projects that have been set up in various functional areas (levy-supported and water / wastewater / waste management capital projects). For projects that are not funded from the general capital levy or rate reserves, any surpluses identified through the closeout report would be returned to the specific source reserve for future use, and reported as part of the year-end transfer report. The following 20 projects were closed between October 23 to December 31, 2020. Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Public Works - Levy	Reconstruction - RR14 Smithville Road and Millcreek Bridge	\$5,071	\$4,922	\$149	\$149	CVP Levy	13
Public Works - Levy	Property - RR14 Smithville Road and Millcreek Bridge	\$468	\$467	\$1	\$0	CVP Levy	8
Public Works - Levy	Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley	\$8,278	\$8,250	\$28	\$15	CVP Levy	12
Public Works - Levy	Complete Rebuild - Ontario Street @ Carlton Street	\$250	\$249	\$1	\$1	CVP Levy	5
Public Works - Levy	Complete Rebuild - Prince Charles Drive @ Maple Street	\$220	\$192	\$28	\$28	CVP Levy	5
Public Works - Levy	Interchange Sir Isaac Brock Way @ 406 Hwy	\$4,271	\$4,159	\$112	\$6	CVP Levy	4
Corporate Services	Upgrade of iDarts - 2017	\$50	\$25	\$25	\$25	CVP Levy	4
Corporate Services	SAEO Office Niagara Falls Building Renovations	\$210	\$207	\$3	\$3	CVP Levy	2
Niagara Regional Housing	New Build, Carlton Street, St. Catharines	\$14,980	\$14,967	\$13	\$13	NRH Owned Units	5
Niagara Regional Housing	Expansion, Roach Avenue, Welland	\$2,718	\$2,705	\$13	\$23	NRH Owned Units	4
Total Levy Reporting Projects Closed and Removed from Project Listing		\$36,516	\$36,143	\$373	\$263		
Waste Management	Landfill Gas Collection & Flaring System Decommissioning - Glenridge	\$705	\$671	\$34	\$34	CVP WMT	6
Waste Management	Line 5 - Monitoring Well Replacement	\$75	\$46	\$29	\$29	CVP WMT	6
Total Waste Management Projects Closed and Removed from Project Listing		\$780	\$717	\$63	\$63		
Water Works	Water Security Improvements - Rosehill	\$114	\$114	\$0	\$0	CVP WAT	6
Water Works	Water Security Improvements - Port Colborne	\$122	\$115	\$7	\$7	CVP WAT	6
Water Works	Water Security Improvements - Grimsby	\$134	\$130	\$4	\$4	CVP WAT	6
Water Works	Water Security Improvements (Raw Water Channel Fencing) - Decew	\$32	\$28	\$4	\$4	CVP WAT	6

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Water Works	Water Pressure Relief Valve - Four Mile Creek	\$650	\$526	\$124	\$67	CVP WAT	4
Water Works	Deconstruction of King Street Elevated Storage Tank	\$950	\$371	\$579	\$405	CVP WAT	4
Water Works	Watermain Intake Channel Modifications - DeCew - 2017	\$1,500	\$0	\$1,500	\$0	CVP WAT	4
Total Water Projects Closed and Removed from Project Listing		\$3,502	\$1,284	\$2,218	\$487		
Wastewater	Pump Station Improvement Program - South Side High Lift	\$6,651	\$6,370	\$281	\$259	CVP SEW	8
Total Wastewater Projects Closed and Removed from Project Listing		\$6,651	\$6,370	\$281	\$259		
Total Rate Projects Closed and Removed from Project Listing		\$10,933	\$8,371	\$2,562	\$809		
Total Projects Closed		\$47,449	\$44,514	\$2,935	\$1,072		

Capital Project Closed by Adjustment (in thousands of dollars)

Capital projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Combined Sewer Overflow Tank Construction - Chippawa Sewer Flooding	\$4,323	\$3,364	\$959	\$169	CVP SEW	8
Wastewater	South Side Low Lift Pump Station Upgrade	\$2,500	\$649	\$1,851	\$47	CVP SEW	7
Niagara Regional Housing	Social Housing Improvement Program - 2016	\$1,200	\$1,098	\$102	\$17	NRH Owned Units	4
Closed Capital Project Adjustments		\$8,023	\$5,111	\$2,912	\$233		

Capital Project Closed by Transfer (in thousands of dollars)

Projects may be required to be closed throughout the year from transfers to other active capital projects. Transfers allow staff to fiscally manage the project's initiative and scope through the procurement and reporting process. Transfers to projects are shown on the Capital Budget Adjustments page. Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Total Budget	Closure	Transfers	Adjusted Budget	Surplus (Deficit)	Destination of Transfer
Public Works - Levy	Annual - Traffic Signals Program - 2020	\$3,000	- \$3,000		\$0	\$0	CVP Levy
Public Works - Levy	Traffic Signal Niagara @ Welland	\$0		\$300	\$300		
Public Works - Levy	Traffic Signal Prince Charles @ Fitch	\$0		\$300	\$300		
Public Works - Levy	Traffic Signal Woodlawn @ Niagara	\$0		\$300	\$300		
Public Works - Levy	Traffic Signal Queenston @ Eastchester	\$0		\$300	\$300		
Public Works - Levy	Traffic Signal Niagara @ Lakeshore	\$0		\$300	\$300		
Public Works - Levy	Traffic Signal Asset Management	\$0		\$468	\$468		
Public Works - Levy	Traffic Signal Advance Design	\$0		\$50	\$50		
Public Works - Levy	Traffic Signal Upgrades	\$0		\$196	\$196		
Public Works - Levy	New Traffic Control Devices	\$0		\$215	\$215		
Public Works - Levy	Intelligent Transportation Systems	\$0		\$572	\$572		
Corporate Services	Region Wide - Code & Legislation Compliance - 2020	\$60	- \$60		\$0	\$0	CVP Levy
Corporate Services	Niagara Regional Police Gun Range HVAC	\$140		\$60	\$200		
Capital Projects Closed Upon Transfers & Capital Project Adjustments		\$3,200	- \$3,060	\$3,060	\$3,200	\$0	

Capital Project Summary (in thousands of dollars)

Once a project is initiated, multiple projects may be set up to manage the overall project. Illustrated below is the \$1,488,420 capital budget managed by Niagara Region, representing 590 sub-projects, total capital spending including commitments to date of \$941,787 and budget remaining of \$546,633, after commitments.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 181 projects with budgets greater than \$1 million are discussed on subsequent pages.

Departments and Boards with projects with budgets greater than \$1 million	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed
Community Services	\$1,675	\$1,663	\$12	99.3%
Corporate Services	\$315,973	\$143,829	\$172,144	45.5%
Niagara Regional Housing	\$53,953	\$43,374	\$10,579	80.4%
Niagara Regional Police Services Board	\$29,884	\$27,750	\$2,134	92.9%
Planning	\$3,294	\$3,279	\$15	99.5%
Public Health	\$8,164	\$6,989	\$1,175	85.6%
Public Works - Levy	\$437,195	\$316,309	\$120,886	72.3%
Waste Management	\$20,371	\$15,675	\$4,696	76.9%
Wastewater	\$258,981	\$189,634	\$69,347	73.2%
Water Works	\$194,009	\$125,471	\$68,538	64.7%
Active projects with budgets greater than \$1 million	\$1,323,499	\$873,973	\$449,526	66.0%
Uninitiated projects with budgets greater than \$1 million	\$36,869	\$0	\$36,869	0.0%
Total projects with budgets greater than \$1 million	\$1,360,368	\$873,973	\$486,395	64.2%
Active projects with budgets less than \$1 million	\$127,552	\$67,814	\$59,738	53.2%
Uninitiated projects with budgets less than \$1 million	\$500	\$0	\$500	0.0%
Total Capital Projects	\$1,488,420	\$941,787	\$546,633	63.3%

Capital Project Forecast (in thousands of dollars)

A detailed analysis of capital sub-projects with budgets greater than \$1 million is presented below. There are a total of 181 projects totaling \$1,360,368 of adjusted capital budget. Project spending to date including commitments on these sub-projects amounts to \$873,973, representing 64.2 per cent of the adjusted capital budget on these active and uninitiated sub-projects.

When a surplus exists at the end of a project, the surplus funds will be transferred back to the respective Capital Variance Project (CVP). Projects forecasting a deficit will require additional funding. Project-to-date funding requests up to \$250 can be made through a CVP request at the discretion of the Commissioner of the department and the Treasurer. Requests in excess of \$250 will be makde through Council.

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
St. Catharines Child Care Addition		\$1,675	\$1,663	\$12	99.3%	\$14	\$0	\$0	\$0	2021
Total Community Services		\$1,675	\$1,663	\$12	99.3%	\$14	\$0	\$0	\$0	
2021 Canada Summer Games ****		\$20,037	\$19,687	\$350	98.3%	\$350	\$0	\$0	\$0	2021
911 Backup Rationalization - 2020		\$1,000	\$738	\$262	73.8%	\$763	\$0	\$0	\$0	2021
Asset Replacement - 2018		\$2,947	\$2,860	\$87	97.1%	\$287	\$0	\$0	\$0	2021
Asset Replacement - 2019		\$2,288	\$2,043	\$245	89.3%	\$287	\$0	\$0	\$0	2021
Asset Replacement - 2020		\$1,451	\$968	\$483	66.7%	\$504	\$0	\$0	\$0	2021
Court Facilities Welland *		\$12,490	\$12,358	\$132	98.9%	\$56	\$0	\$0	\$353	2021
Customer Service Strategic Priority		\$1,685	\$232	\$1,453	13.8%	\$300	\$1,220	\$0	\$0	2022
Emergency Medical Services Central Hub	Uninitiated	\$3,895	\$0	\$3,895	0.0%	\$3,895	\$0	\$0	\$0	2021
Emergency Medical Services Facility Welland		\$1,100	\$393	\$707	35.7%	\$707	\$0	\$0	\$0	2021
Environmental Centre Expansion		\$2,000	\$145	\$1,855	7.2%	\$250	\$1,605	\$0	\$0	2024
Environmental Centre Expansion	Uninitiated	\$21,177	\$0	\$21,177	0.0%	\$0	\$395	\$20,789	\$0	2024

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Expansion of Social Housing Units (Alternative Service Delivery Model)		\$1,750	\$0	\$1,750	0.0%	\$1,750	\$0	\$0	\$0	2021
Health Facilities - Niagara Falls *		\$6,069	\$5,960	\$109	98.2%	\$50	\$0	\$0	\$94	2021
Long-term Accommodations - NRPS D1		\$20,496	\$20,392	\$104	99.5%	\$2,275	\$0	\$0	\$0	2021
Long-term Accommodations - NRPS Headquarters D2		\$65,670	\$65,629	\$41	99.9%	\$378	\$0	\$0	\$0	2021
Long-term Care Home Redevelopment - 2015		\$73,000	\$10,317	\$62,683	14.1%	\$3,214	\$29,451	\$31,572	\$0	2023
Redevelopment of Linhaven Long Term Care Home - 2020		\$102,000	\$394	\$101,606	0.4%	\$10,500	\$42,000	\$49,377	\$0	2024
Regional Headquarters Generator Replacement		\$1,990	\$1,713	\$277	86.1%	\$405	\$0	\$0	\$0	2021
Total Corporate Services		\$341,045	\$143,829	\$197,216	42.2%	\$25,971	\$74,671	\$101,738	\$447	
Building Capital - 2018		\$4,673	\$4,629	\$44	99.1%	\$231	\$0	\$0	\$0	2021
Building Capital - 2019		\$5,536	\$5,425	\$111	98.0%	\$535	\$0	\$0	\$0	2021
Building Capital - 2020		\$3,974	\$3,434	\$540	86.4%	\$2,736	\$0	\$0	\$0	2021
Expansion, Thorold		\$1,101	\$1,101	\$0	100.0%	\$0	\$0	\$0	\$0	2022
Grounds Capital - 2020		\$1,010	\$977	\$33	96.7%	\$448	\$0	\$0	\$0	2021
Muli-Residential Intensification - Niagara Falls - 2018		\$20,900	\$18,797	\$2,103	89.9%	\$13,036	\$0	\$0	\$0	2021
Social Housing Assistance Improvement Program - 2018		\$2,683	\$2,618	\$65	97.6%	\$82	\$0	\$0	\$0	2021
Unit Capital - 2018		\$1,600	\$1,401	\$199	87.6%	\$245	\$0	\$0	\$0	2021
Unit Capital - 2019		\$5,355	\$4,833	\$522	90.2%	\$2,424	\$0	\$0	\$0	2021
Unit Capital - 2020		\$3,471	\$139	\$3,332	4.0%	\$3,331	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Niagara Falls Supportive Housing Renovation		\$3,650	\$20	\$3,630	0.6%	\$3,643	\$0	\$0	\$0	2021
Total Niagara Regional Housing		\$53,953	\$43,374	\$10,579	80.4%	\$26,711	\$0	\$0	\$0	
Communications Unit Back-up		\$1,000	\$0	\$1,000	0.0%	\$0	\$1,000	\$0	\$0	2022
Communications Unit Back-up	Uninitiated	\$1,250	\$0	\$1,250	0.0%	\$0	\$1,250	\$0	\$0	2022
Information Technology & Equipment Replacement		\$1,100	\$1,095	\$5	99.6%	\$30	\$0	\$0	\$0	2021
Information Technology Continuity Plan		\$1,500	\$1,003	\$497	66.9%	\$497	\$0	\$0	\$0	2021
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		\$8,630	\$8,482	\$148	98.3%	\$148	\$0	\$0	\$0	2021
Vehicles - 2018		\$1,386	\$1,386	\$0	100.0%	\$0	\$0	\$0	\$0	2021
Vehicles - 2019		\$1,430	\$1,430	\$0	100.0%	\$0	\$0	\$0	\$0	2022
Vehicles - 2020		\$1,523	\$1,149	\$374	75.4%	\$1,050	\$0	\$0	\$0	2021
Voice Radio System		\$13,315	\$13,205	\$110	99.2%	\$99	\$11	\$0	\$0	2022
Total Niagara Regional Police Services Board		\$31,134	\$27,750	\$3,384	89.1%	\$1,824	\$2,261	\$0	\$0	
Regional Headquarters Landscape Master Plan		\$3,294	\$3,279	\$15	99.5%	\$51	\$0	\$0	\$0	2021
Total Planning		\$3,294	\$3,279	\$15	99.5%	\$51	\$0	\$0	\$0	
Ambulance & Equipment - 2018		\$2,595	\$2,381	\$214	91.7%	\$215	\$0	\$0	\$0	2021
Ambulance & Equipment - 2019		\$2,201	\$2,112	\$89	95.9%	\$89	\$0	\$0	\$0	2021
Ambulance & Equipment - 2020		\$3,368	\$2,496	\$872	74.1%	\$1,604	\$0	\$0	\$0	2021
Total Public Health		\$8,164	\$6,989	\$1,175	85.6%	\$1,908	\$0	\$0	\$0	

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Annual - Development Projects - 2020 ***		\$1,000	\$0	\$1,000	0.0%	\$0	\$0	\$0	\$1,000	2021
Annual - Storm Sewer & Culvert Program - 2019		\$1,000	\$969	\$31	96.9%	\$634	\$0	\$0	\$0	2021
Annual - Storm Sewer & Culvert Program - 2020		\$1,100	\$708	\$392	64.4%	\$900	\$191	\$0	\$0	2022
Capacity Improvements - Charnwood/McLeod *		\$7,110	\$6,790	\$320	95.5%	\$50	\$50	\$0	\$321	2022
Capacity Improvements - New Escarpment Crossing		\$2,200	\$691	\$1,509	31.4%	\$500	\$1,009	\$0	\$0	2023
Capacity Improvements - New Escarpment Crossing	Uninitiated	\$1,000	\$0	\$1,000	0.0%	\$0	\$491	\$509	\$0	2023
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		\$1,460	\$727	\$733	49.8%	\$100	\$250	\$383	\$0	2023
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		\$8,000	\$154	\$7,846	1.9%	\$2,000	\$2,000	\$3,854	\$0	2023
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		\$4,575	\$3,223	\$1,352	70.4%	\$750	\$1,138	\$0	\$0	2022
Capacity Improvements - RR10 Livingston/QEW-GR		\$27,750	\$2,113	\$25,637	7.6%	\$12,000	\$12,000	\$2,028	\$0	2023
Capacity Improvements - RR54 Hwy 20/Merritt *		\$7,350	\$6,985	\$365	95.0%	\$417	\$0	\$0	\$500	2021
Capacity Improvements - RR98 Montrose Road		\$1,050	\$1,001	\$49	95.3%	\$500	\$146	\$0	\$0	2022
Environmental Assessment - RR 42 Ontario Street		\$1,900	\$610	\$1,290	32.1%	\$1,761	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Fleet & Vehicle Replacement Program - 2020		\$1,520	\$0	\$1,520	0.0%	\$1,520	\$0	\$0	\$0	2021
Illumination Program - 2020		\$1,000	\$0	\$1,000	0.0%	\$400	\$600	\$0	\$0	2022
Intersection - RR20 Industrial Park/South Grimsby Road 6		\$2,898	\$2,839	\$59	98.0%	\$64	\$0	\$0	\$0	2021
Intersection - RR20 Roundabout at S Grimsby Rd		\$5,462	\$4,803	\$659	87.9%	\$659	\$0	\$0	\$0	2021
Intersection - RR20 Industrial Park toTownline Phase 2		\$3,681	\$3,629	\$52	98.6%	\$319	\$0	\$0	\$0	2021
Intersection Improvement - RR24 Victoria Ave		\$2,200	\$2,196	\$4	99.8%	\$300	\$756	\$0	\$0	2022
Intersection Improvement - RR46 Geneva Street		\$1,000	\$19	\$981	1.9%	\$750	\$231	\$0	\$0	2022
Intersection Improvement - RR46 Geneva/St. Paul *		\$5,750	\$5,323	\$427	92.6%	\$222	\$0	\$0	\$400	2021
Intersection - RR89 Jacobsen/Burleigh		\$5,586	\$5,494	\$92	98.4%	\$307	\$0	\$0	\$0	2021
Replacement of Burgoyne Bridge **		\$99,534	\$98,590	\$944	99.1%	\$101	\$0	\$0	\$879	2021
Road Equipment Upgrade - 2020		\$1,000	\$0	\$1,000	0.0%	\$1,000	\$0	\$0	\$0	2021
Roads Facility Program - Patrol Yard Improvement - 2019		\$1,000	\$14	\$986	1.4%	\$500	\$486	\$0	\$0	2022
Roads Facility Program - Patrol Yard Improvement - 2020		\$1,000	\$158	\$842	15.8%	\$500	\$491	\$0	\$0	2022
Roads Reconstruction - RR20 Station/Rice		\$3,793	\$3,477	\$316	91.7%	\$20	\$200	\$96	\$0	2023

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Roads Reconstruction - RR38 QEW/Fourth *		\$23,992	\$19,868	\$4,124	82.8%	\$1,000	\$1,000	\$0	\$2,663	2022
Roads Reconstruction - St Davids Road East		\$10,224	\$8,473	\$1,751	82.9%	\$6,150	\$820	\$0	\$0	2022
Roads Rehabilitation - RR27 Prince Charles Dr to Lincoln St		\$5,750	\$4,719	\$1,031	82.1%	\$1,340	\$0	\$0	\$0	2021
Roads Rehabilitation - RR63 Baldwin/Coffee Bridge		\$3,035	\$3,030	\$5	99.8%	\$61	\$0	\$0	\$0	2021
Roads Rehabilitation - RR69 Wessel/Centre Phase 3		\$1,000	\$175	\$825	17.5%	\$829	\$0	\$0	\$0	2021
Roads Rehabilitation - RR1 Albert/Lakeshore		\$2,165	\$588	\$1,577	27.1%	\$583	\$1,000	\$0	\$0	2022
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Buffalo		\$12,070	\$11,291	\$779	93.5%	\$500	\$279	\$0	\$0	2022
Roads Rehabilitation - RR45 RR4/RR63		\$1,775	\$405	\$1,370	22.8%	\$1,200	\$246	\$0	\$0	2022
Roads Rehabilitation - RR56 Glendale to St Davids		\$1,330	\$1,325	\$5	99.6%	\$5	\$0	\$0	\$0	2021
Roads Rehabilitation - RR57 Thorold Stone Road Extension		\$25,300	\$11,326	\$13,974	44.8%	\$7,500	\$2,000	\$4,634	\$0	2023
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2 *		\$9,118	\$7,571	\$1,547	83.0%	\$2,500	\$0	\$0	\$463	2021
Roads Rehabilitation - RR87 Townline/Four Mile Creek		\$8,500	\$5,239	\$3,261	61.6%	\$3,306	\$0	\$0	\$0	2021
Roads Rehabilitation - RR87 Third/Seventh		\$2,800	\$2,595	\$205	92.7%	\$1,326	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Roads Rehabilitation - RR49 Hydro Power Canal to Wilson Cres Phase 2		\$1,700	\$370	\$1,330	21.7%	\$1,496	\$0	\$0	\$0	2021
Roads Rehabilitation - RR 43 Bridge Street - 2019		\$1,250	\$389	\$861	31.1%	\$750	\$355	\$0	\$0	2022
Roads Resurfacing - 2013 *		\$4,933	\$4,797	\$136	97.2%	\$69	\$0	\$0	\$136	2021
Roads Resurfacing - 2018		\$9,510	\$9,439	\$71	99.3%	\$127	\$0	\$0	\$0	2021
Roads Resurfacing - 2019		\$8,939	\$8,929	\$10	99.9%	\$526	\$0	\$0	\$0	2021
Roads Resurfacing - 2020		\$8,417	\$8,335	\$82	99.0%	\$3,596	\$0	\$0	\$0	2021
Storm Pumping Station Improvements - McLeod Rd at Stanley Ave - 2017		\$2,050	\$1,793	\$257	87.4%	\$1,854	\$0	\$0	\$0	2021
Structural Rehabilitation - 2016 Program		\$3,700	\$3,053	\$647	82.5%	\$750	\$385	\$0	\$0	2022
Structural Rehabilitation - 2019 Program		\$1,000	\$972	\$28	97.2%	\$81	\$0	\$0	\$0	2021
Structural Rehabilitation - 2020 Program		\$1,000	\$25	\$975	2.5%	\$984	\$0	\$0	\$0	2021
Structural Rehabilitation - Main Street Bridge *		\$4,703	\$4,434	\$269	94.3%	\$60	\$0	\$0	\$209	2021
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake *		\$8,100	\$8,007	\$93	98.8%	\$0	\$0	\$0	\$104	2021
Structural Rehabilitation - Reece Bridge		\$9,333	\$9,267	\$66	99.3%	\$146	\$0	\$0	\$0	2021
Structural Rehabilitation - RR81 St Paul West CNR Bridge		\$2,250	\$696	\$1,554	30.9%	\$1,794	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Structural Replacement - RR81 20 Mile Arch Bridge		\$5,020	\$445	\$4,575	8.9%	\$196	\$1,500	\$3,226	\$0	2024
Structure Rehabilitation - Schisler Road Bridge		\$2,000	\$328	\$1,672	16.4%	\$1,750	\$122	\$0	\$0	2022
Transportation Infrastructure Means Protection *		\$4,000	\$3,086	\$914	77.2%	\$40	\$0	\$0	\$894	2021
Public Works - Roads & Fleet		\$385,883	\$291,483	\$94,400	75.5%	\$66,793	\$27,746	\$14,730	\$7,569	
GO Transit		\$31,598	\$9,532	\$22,066	30.2%	\$22,138	\$0	\$0	\$0	2023
GO Transit	Uninitiated	\$8,402	\$0	\$8,402	0.0%	\$3,994	\$2,318	\$2,090	\$0	2023
Total GO Transit		\$40,000	\$9,532	\$30,468	23.8%	\$26,132	\$2,318	\$2,090	\$0	
Inter-Municipal Transit Capital Acquisition - 2017		\$20,714	\$15,294	\$5,420	73.8%	\$6,500	\$1,766	\$0	\$0	2022
Total IMT Transit		\$20,714	\$15,294	\$5,420	73.8%	\$6,500	\$1,766	\$0	\$0	
Total Public Works - Levy		\$446,597	\$316,309	\$130,288	70.8%	\$99,425	\$31,830	\$16,820	\$7,569	
Bridge St - Public Drop Off Depot Improvement	Uninitiated	\$1,145	\$0	\$1,145	0.0%	\$0	\$1,050	\$95	\$0	2023
Glenridge - Leachate Collection System		\$1,210	\$376	\$834	31.1%	\$211	\$790	\$74	\$0	2023
Humberstone - Infrastructure Upgrades		\$10,706	\$9,036	\$1,670	84.4%	\$750	\$1,000	\$1,117	\$0	2024
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation *		\$3,455	\$3,390	\$65	98.1%	\$5	\$0	\$0	\$77	2021
Niagara Road 12 & Park Road - Pump Station Upgrades *		\$1,677	\$1,654	\$23	98.6%	\$5	\$0	\$0	\$66	2021
Recycling Centre - Facility Improvements Groundwater		\$1,123	\$1,039	\$84	92.5%	\$50	\$42	\$0	\$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Recycling Centre - Fibre Line Enhancements		\$2,200	\$180	\$2,020	8.2%	\$2,018	\$1	\$0	\$0	2022
Total Waste Management		\$21,516	\$15,675	\$5,841	72.9%	\$3,039	\$2,883	\$1,286	\$143	
Combined Sewer Overflow - Grimsby		\$1,725	\$222	\$1,503	12.9%	\$0	\$1,503	\$0	\$0	2022
Decommissioning Wastewater Treatment Plant - Niagara-on-the-Lake		\$12,700	\$593	\$12,107	4.7%	\$200	\$1,000	\$11,151	\$0	2025
Digester & Sludge Program - 2018 *****		\$2,550	\$2,203	\$347	86.4%	\$650	\$583	\$0	- \$250	2022
Digester & Sludge Program - 2020		\$1,250	\$560	\$690	44.8%	\$400	\$505	\$0	\$0	2022
Forcemain Replacement Bridgeport Sewage Pump Station		\$3,250	\$569	\$2,681	17.5%	\$2,600	\$204	\$0	\$0	2022
Forcemain Replacement Jordan Valley Sewage Pump Station		\$3,175	\$366	\$2,809	11.5%	\$250	\$2,000	\$838	\$0	2023
Lagoon Upgrade program - Stevensville/Douglastown		\$4,100	\$447	\$3,653	10.9%	\$2,000	\$1,846	\$0	\$0	2022
Miscellaneous Program - Centrifuge Components		\$1,211	\$1,210	\$1	99.9%	\$1	\$0	\$0	\$0	2022
Miscellaneous Program - Chemical System Upgrades - 2017		\$1,900	\$1,626	\$274	85.6%	\$1,500	\$306	\$0	\$0	2022
Miscellaneous Program - Chemical System Upgrades - 2018		\$2,200	\$275	\$1,925	12.5%	\$148	\$1,900	\$0	\$0	2022
Miscellaneous Program - Garner Road		\$5,242	\$5,109	\$133	97.5%	\$136	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Miscellaneous Program - Motor Control Centres		\$2,250	\$1,739	\$511	77.3%	\$2,095	\$0	\$0	\$0	2021
Pump Station Capacity Expansion Program - Odour Control - Smithville		\$1,500	\$888	\$612	59.2%	\$300	\$359	\$0	\$0	2022
Pump Station Improvement Program - Design		\$5,711	\$5,664	\$47	99.2%	\$95	\$0	\$0	\$0	2021
Pump Station Improvement Program - Haulage Road		\$2,150	\$2,068	\$82	96.2%	\$437	\$20	\$0	\$0	2022
Pump Station Improvement Program - Lakeside		\$2,500	\$2,232	\$268	89.3%	\$1,458	\$20	\$0	\$0	2022
Pump Station Improvement Program - NOTL, Garrison Rd, William St		\$3,285	\$3,140	\$145	95.6%	\$25	\$25	\$95	\$0	2021
Pump Station Improvement Program - Park Lane		\$1,400	\$1,045	\$355	74.6%	\$977	\$0	\$0	\$0	2021
Pump Station Improvement Program - Riverview SPS		\$1,305	\$905	\$400	69.4%	\$581	\$0	\$0	\$0	2021
Pump Station Improvement Program - Wellandvale		\$3,446	\$3,012	\$434	87.4%	\$1,000	\$433	\$0	\$0	2022
Pump Station Improvement Program - Woodsville		\$5,420	\$478	\$4,942	8.8%	\$309	\$2,800	\$2,000	\$0	2023
Pump Station Improvement Program - Shirley Road		\$2,400	\$419	\$1,981	17.5%	\$1,036	\$1,036	\$0	\$0	2022
Pump Station Improvement Program - East Side Port Colborne		\$4,500	\$305	\$4,195	6.8%	\$2,102	\$2,102	\$0	\$0	2022
Pump Station Improvement Program - Laurie Ave		\$4,700	\$624	\$4,076	13.3%	\$165	\$4,300	\$0	\$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Sewer & Forcemain Program - Dain City		\$11,525	\$4,749	\$6,776	41.2%	\$6,633	\$1,658	\$0	\$0	2022
Sewer & Forcemain Program - Highway 406 Trunk		\$1,274	\$1,273	\$1	100.0%	\$1	\$0	\$0	\$0	2021
Sewer & Forcemain Program - Stamford Centre *		\$10,562	\$10,233	\$329	96.9%	\$235	\$0	\$0	\$850	2021
Sewer & Forcemain Program - Tupper Dr Trunk		\$2,910	\$1,781	\$1,129	61.2%	\$2,709	\$0	\$0	\$0	2021
Sewer Trunk Rehabilitation - Stamford - Phase 2		\$7,950	\$6,139	\$1,811	77.2%	\$7,711	\$0	\$0	\$0	2021
Sewer Relining Program		\$1,336	\$1,336	\$0	100.0%	\$3	\$0	\$0	\$0	2021
Wastewater Treatment Plant Capacity Expansion - Niagara-on-the-Lake		\$47,895	\$47,521	\$374	99.2%	\$50	\$50	\$414	\$0	2021
Wastewater Treatment Plant Capacity Expansion - South Niagara Falls		\$4,900	\$2,757	\$2,143	56.3%	\$2,933	\$0	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Garner Road		\$6,940	\$6,689	\$251	96.4%	\$1,513	\$0	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Niagara Falls		\$2,350	\$2,313	\$37	98.4%	\$362	\$0	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Port Weller		\$5,900	\$3,389	\$2,511	57.4%	\$500	\$100	\$3,132	\$0	2023
Wastewater Treatment Plant Upgrade - Port Weller 2017 *		\$1,310	\$1,290	\$20	98.5%	\$0	\$0	\$0	\$24	2021
Wastewater Treatment Plant Upgrade - Welland		\$22,373	\$22,184	\$189	99.2%	\$3,861	\$429	\$0	\$0	2022
Wastewater Treatment Plant Upgrade - Welland Phase 2		\$2,400	\$432	\$1,968	18.0%	\$1,670	\$716	\$0	\$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Wastewater Treatment Plant Upgrade - Aeration - Seaway		\$1,236	\$1,228	\$8	99.4%	\$8	\$0	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Bar Screen - Port Weller		\$3,230	\$2,892	\$338	89.5%	\$1,100	\$151	\$0	\$0	2022
Wastewater Treatment Plant Upgrade - Fine Bubble Aeration - Port Dalhousie		\$39,500	\$32,974	\$6,526	83.5%	\$15,780	\$15,780	\$6,526	\$0	2023
Wastewater Treatment Plant Upgrade - Grit System - Grimsby ***		\$1,725	\$1,614	\$111	93.5%	\$0	\$0	\$0	\$212	2021
Wastewater Treatment Plant Upgrade - Primary Digester #2 - Niagara Falls		\$1,000	\$552	\$448	55.2%	\$513	\$250	\$115	\$0	2025
Wastewater Treatment Plant Upgrade - Secondary Clarifier - Seaway *		\$2,795	\$2,591	\$204	92.7%	\$213	\$0	\$0	\$185	2021
Total Wastewater		\$258,981	\$189,634	\$69,347	73.2%	\$64,260	\$40,076	\$24,271	\$1,021	
Elevated Tank - New - Pelham		\$2,820	\$225	\$2,595	8.0%	\$2,697	\$0	\$0	\$0	2021
Elevated Tank - New - Fort Erie		\$1,755	\$516	\$1,239	29.4%	\$350	\$1,238	\$0	\$0	2022
Elevated Tank - Corrosion Protection - Virgil *		\$3,524	\$2,845	\$679	80.7%	\$2,517	\$0	\$0	\$500	2021
Elevated Tank Rehabilitation - Thorold South		\$2,852	\$2,796	\$56	98.0%	\$2	\$59	\$0	\$0	2022
Meter Replacement Program		\$3,550	\$2,096	\$1,454	59.1%	\$1,200	\$500	\$38	\$0	2023
Miscellaneous Program - Evaluation & Replacement *		\$1,100	\$1,093	\$7	99.4%	\$0	\$0	\$0	\$37	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Miscellaneous Program - Granular Activated Carbon Replacement		\$4,260	\$3,287	\$973	77.2%	\$2,532	\$0	\$0	\$0	2021
Miscellaneous Program - System Storage - Grimsby		\$22,914	\$19,955	\$2,959	87.1%	\$13,000	\$555	\$0	\$0	2022
Miscellaneous Program - System Storage - Port Colborne		\$11,850	\$11,790	\$60	99.5%	\$196	\$0	\$0	\$0	2021
Pumping Station Upgrades - Shoalts Drive		\$1,400	\$6	\$1,394	0.4%	\$0	\$1,045	\$348	\$0	2023
Transmission Main over Welland River		\$4,080	\$6	\$4,074	0.1%	\$407	\$0	\$3,667	\$0	2024
Water Treatment Plant Raw Water Intake - Niagara Falls		\$2,700	\$2,213	\$487	82.0%	\$2,346	\$0	\$0	\$0	2021
Water Treatment Plant Roadway & Parking Lot - Grimsby		\$1,880	\$986	\$894	52.5%	\$1,614	\$20	\$0	\$0	2022
Water Treatment Plant Upgrade - Decew Falls - 2016		\$22,250	\$12,008	\$10,242	54.0%	\$10,219	\$5,121	\$5,121	\$0	2023
Water Treatment Plant Upgrade - Niagara Falls - 2015		\$3,495	\$3,043	\$452	87.1%	\$2,320	\$808	\$94	\$0	2023
Water Treatment Plant Upgrade - Niagara Falls - 2017		\$12,952	\$12,622	\$330	97.4%	\$695	\$0	\$0	\$0	2021
Water Treatment Plant Upgrade - Port Colborne		\$13,600	\$1,920	\$11,680	14.1%	\$7,000	\$5,605	\$0	\$0	2022
Water Treatment Plant Upgrade - Rosehill		\$15,000	\$14,495	\$505	96.6%	\$1,134	\$0	\$0	\$0	2021
Water Treatment Plant Upgrade - Rosehill - 2017		\$2,686	\$336	\$2,350	12.5%	\$254	\$2,100	\$130	\$0	2025

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Water Treatment Plant Upgrade - Welland - 2017		\$5,000	\$2,133	\$2,867	42.7%	\$1,521	\$2,867	\$0	\$0	2022
Water Treatment Plant Upgrade - Niagara Falls - 2018		\$4,565	\$143	\$4,422	3.1%	\$2,500	\$1,500	\$472	\$0	2023
Water Treatment Plant Upgrade - Decew Falls Plant 2 - 2020		\$2,000	\$0	\$2,000	0.0%	\$200	\$400	\$1,400	\$0	2024
Watermain Security Study - Decew Water Treatment Plant to Townline Rd E		\$1,000	\$310	\$690	31.0%	\$305	\$690	\$0	\$0	2022
Watermain Replacement - Vineland 19th Street and Glen Road		\$2,500	\$0	\$2,500	0.0%	\$2,500	\$0	\$0	\$0	2021
Watermain Program - Along CNR Grimsby		\$16,825	\$12,038	\$4,787	71.6%	\$0	\$5,827	\$0	\$0	2022
Watermain Program - Barrick Road		\$1,965	\$1	\$1,964	0.0%	\$0	\$1,571	\$393	\$0	2023
Watermain Program - Fort Erie, Dominion Road *		\$10,615	\$10,053	\$562	94.7%	\$177	\$0	\$0	\$400	2021
Watermain Program - Hwy406 Cross Trans		\$1,911	\$1,905	\$6	99.7%	\$6	\$0	\$0	\$0	2021
Watermain Program - Welland Canal Extension		\$4,620	\$0	\$4,620	0.0%	\$4,620	\$0	\$0	\$0	2021
Watermain Program - Welland East and West		\$6,200	\$4,831	\$1,369	77.9%	\$1,653	\$0	\$0	\$0	2021
Watermain Program - St. Davids Rd Phase 2		\$2,140	\$1,819	\$321	85.0%	\$2,101	\$20	\$0	\$0	2022
Total Water Works		\$194,009	\$125,471	\$68,538	64.7%	\$64,066	\$29,926	\$11,663	\$937	

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2021 Forecasted Expenditures	2022 Forecasted Expenditures	2023 and Beyond Forecasted Expenditures	Forecasted Surplus / Deficit	Estimated Year of Completion
Total Projects with remaining budgets greater than \$1 million		\$1,360,368	\$873,973	\$486,395	64.2%	\$287,269	\$181,647	\$155,778	\$10,117	

- (*) At the time of report preparation, the surplus either has been returned or is anticipated to be returned to respective reserves or CVP in 2020 or early 2021.
- (**) Gross expenditure surplus on this project will be used to offset external revenue shortfall.
- (***) Project close form has been received subsequent to the date that report was prepared. Project to be closed and surplus transferred back to CVP in Q1 2021.
- (****) This project includes the Region’s initial planned contribution to the project being managed by the Host Society. The Canada Summer Games project is currently under review and will be consolidated into the Region’s operations. The full value of the project to be managed by the Region will be reflected in our 2021 financial reports.
- (*****) Request for additional funding from CVP has been made.

Capital Variance Project Summary (in thousands of dollars)

Capital projects sometimes require more or less than the approved budget. Throughout the year, project variances are managed through either requesting extra budget dollars from the Capital Variance Project (CVP), or by transferring excess capital project budget dollars to the CVP through a budget reduction.

Transfers to the CVP do not require approval. Requests less than \$250, one-time or cumulative on a project, may be approved by the departmental Commissioner or Director, in combination with the Commissioner of Corporate Services. Requests in excess of \$250, one-time or cumulative on a project, require Council approval. Throughout the year, the balances of the CVPs are monitored and, if significant excess exists, would be adjusted by transferring the excess to the respective capital reserve following Council approval.

The excess funds in the Levy and Wastewater CVPs have been identified as a funding source for the 2021 Capital Budget and will be transferred to the reserve at year-end. The excess funds in the Waste Management and Water CVP will be transferred to the respective capital reserves for use in the long-term capital strategy.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water Works	Total Programs
Balance at December 31, 2019*	\$1,000	\$582	\$1,000	\$1,000	\$3,582
Transfer to Active Capital Projects	- \$584	- \$6	- \$388	- \$436	- \$1,414
Budget Reductions on Active Capital Projects	\$1,261	\$975	\$4,561	\$150	\$6,947
Transfers (to)/from Closed Capital Projects	\$2,400	\$291	\$264	\$203	\$3,158
Adjustments to Previously Closed Projects	\$41				\$41
Balance at July 27, 2020	\$4,118	\$1,842	\$5,437	\$917	\$12,314
Transfer to Active Capital Projects	- \$351	- \$706	- \$1,292	- \$200	- \$2,549
Budget Reductions on Active Capital Projects	\$1,674	\$450			\$2,124
Transfers (to)/from Closed Capital Projects	\$968	\$133	\$146	\$8	\$1,255
Balance at October 22, 2020	\$6,409	\$1,719	\$4,291	\$725	\$13,144
Transfer to Active Capital Projects	- \$893		- \$422	- \$5	- \$1,320
Budget Reductions on Active Capital Projects	\$858		\$320	\$140	\$1,318
Transfers (to)/from Closed Capital Projects	\$227	\$63	\$259	\$487	\$1,036
Adjustments to Previously Closed Projects			\$216		\$216
Balance at December 31, 2020	\$6,601	\$1,782	\$4,664	\$1,347	\$14,394
Committed to approved 2021 capital budget	- \$4,000		- \$3,000		- \$7,000
Transfer to reserve per Capital Asset Management Policy	- \$1,601	- \$782	- \$664	- \$347	- \$3,394
Uncommitted Balance at December 31, 2020	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

* Due to limited funding availability in the Waste Management Capital reserve for the 2020 budget, funds were committed from the CVP, drawing it

Investment Report (in thousands of dollars)

Investment income during Q4 on the primary portfolio amounted to \$4,596, which includes investment portfolio income and interest on cash balances.

Investment Performance

Investment Income Before Transfers to Reserves:

Unfavourable investment income in Q4 of \$893 is a result of the declining bond yield environment, investment calls from corporate bonds and the Region choosing to maintain higher cash balances in high-interest savings accounts as a mitigation strategy. Investment income before transfers for 2020 at year-end is unfavourable by \$1,577 when compared to budget, as the bond yield environment remained low throughout the year.

Budget vs Actual/Forecast before Reserve Transfers	Q1 YTD Actuals	Q2 YTD Actuals	Q3 YTD Actuals	Q4 YTD Actuals	Total
Budget	\$5,143	\$5,283	\$5,439	\$5,489	\$21,354
Actual	\$5,219	\$5,028	\$4,934	\$4,596	\$19,777
Variance	\$76	\$-255	\$-505	\$-893	\$-1,577

Year-to-date cumulative portfolio return:

Q1*	Q2*	Q3*	Q4
3.05%	2.88%	2.76%	2.64%

*Previous quarter’s forecasted annualized returns were re-stated for Q4

Investment Income After Transfers to Reserves:

Investment income after transfers for 2020 is unfavourable by \$4,809 as a result of interest income transferred to development charges and rate reserves at a higher rate than budgeted in alignment with the reserve and reserve fund policy.

Budget vs Actual/Forecast after Reserve Transfers	Q1 YTD Actuals	Q2 YTD Actuals	Q3 YTD Actuals	Q4 YTD Actuals	Total
Budget	\$5,143	\$5,283	\$5,439	\$5,489	\$21,354
Net Budget Transfers	\$-1,325	\$-1,325	\$-1,325	\$-1,325	\$-5,300
Budget (Net)	\$3,818	\$3,958	\$4,114	\$4,164	\$16,054
Actual	\$5,219	\$5,028	\$4,934	\$4,596	\$19,777
Net Actual Transfers	\$-1,012	\$-128	\$-5,515	\$-1,877	\$-8,532
Actual (Net)	\$4,207	\$4,900	\$-581	\$2,719	\$11,245
Variance	\$389	\$942	\$-4,695	\$-1,445	\$-4,809

Note: Foreign exchange losses of \$69 are included in investment income. Staff monitor foreign exchange rates during the year to take advantage of favourable opportunities and minimize losses with changes in the rates. Amounts reflected in this report for investment performance above do not include the NRH investment portfolio since these are managed separately.

For completeness, the value of the NRH investments is shown in the total investment holdings.

Investment Term Holdings

Funds	Book Value	Weight
Cash Equivalent<1Yr	\$42,093	4.7%
2 Year	\$20,965	2.4%
3 Year	\$23,035	2.6%
4 Year	\$19,580	2.2%
5+ Year	\$545,865	61.2%
NRH Investments	\$6,477	1.0%
Subtotal (Investments)	\$658,015	74.1%
Cash	\$212,199	23.8%
Sinking Fund (Incl.Cash)	\$18,382	2.1%
Total Portfolio	\$888,596	100.0%

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *	Policy Percentage Limits
Bank of Montreal	Corporate	\$70,400	10.54%	15.00%
Bank of Nova Scotia	Corporate	\$35,000	5.24%	15.00%
Canadian Imperial Bank of Commerce	Corporate	\$71,000	10.63%	15.00%
National Bank of Canada	Corporate	\$69,500	10.41%	15.00%
Royal Bank of Canada	Corporate	\$49,500	7.41%	15.00%
Total	Corporate	\$295,400	44.24%	50.00%
City of Hamilton	Municipal	\$9,167	1.37%	5.00%
City of Montreal	Municipal	\$3,025	0.45%	5.00%
City of Ottawa	Municipal	\$5,342	0.80%	5.00%
City of Quebec	Municipal	\$2,305	0.35%	5.00%
City of Saskatoon	Municipal	\$3,332	0.50%	5.00%
City of Toronto	Municipal	\$9,199	1.38%	5.00%
County of Wellington	Municipal	\$852	0.13%	5.00%
Municipal Finance Authority of BC	Municipal	\$5,018	0.75%	5.00%
New Brunswick Municipal Finance Authority	Municipal	\$5,508	0.82%	5.00%
Region of Halton	Municipal	\$1,519	0.23%	5.00%
Region of Peel	Municipal	\$3,515	0.53%	5.00%
Region of Waterloo	Municipal	\$13,088	1.96%	5.00%
Region of York	Municipal	\$9,695	1.45%	5.00%
Region of Durham	Municipal	\$2,233	0.33%	5.00%
York Region District School Board	Municipal	\$4,159	0.62%	5.00%
York Sinking Fund Debenture	Municipal	\$1,793	0.27%	5.00%
Total	Municipal	\$79,750	11.94%	25.00%
Newfoundland and Labrador Hydro	Provincial	\$758	0.11%	25.00%
Ontario Hydro	Provincial	\$22,504	3.37%	25.00%
Province of Alberta	Provincial	\$1,357	0.20%	25.00%
Province of British Columbia	Provincial	\$3,756	0.56%	25.00%
Province of Manitoba	Provincial	\$38,979	5.84%	25.00%
Province of New Brunswick	Provincial	\$2,379	0.36%	25.00%
Province of Newfoundland	Provincial	\$64,133	9.60%	25.00%
Province of Nova Scotia	Provincial	\$17,542	2.63%	25.00%
Province of Ontario	Provincial	\$42,355	6.34%	25.00%
Province of Prince Edward Island	Provincial	\$4,004	0.60%	25.00%
Province of Quebec	Provincial	\$71,222	10.67%	25.00%
Province of Saskatchewan	Provincial	\$5,209	0.78%	25.00%
Quebec Hydro	Provincial	\$14,457	2.17%	25.00%
Total	Provincial	\$288,655	43.23%	75.00%
Region of Niagara Debentures	Municipal	\$3,934	0.59%	100.00%
Total Niagara Region Investments		\$667,739	100.00%	100.00%
NRH Investments		\$6,477		
TOTAL Region (excl Cash) & NRH	All	\$674,216		
General Chequing **	Cash	\$91,649		
Savings	Cash	\$120,550		
Sinking Fund	Cash	\$2,181		
Total		\$214,380		
TOTAL including Cash		\$888,596		

* Note: Holdings by security percentages exclude cash balances and NRH investments.

**Cash balances shown are the amounts held by the financial institution at the end of the quarter and do not include adjustments for outstanding payments or deposits or the NRH general operating account and payroll trust accounts. Balances include USD funds converted at quarter end spot rate of 1.2732.

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with stable outlook since April 5, 2001 when S&P and CBRS (Canadian Bond Rating Service) merged their ratings. S&P affirmed Niagara’s AA rating with stable outlook on October 13, 2020. The ratings reflect S&P's opinion of Niagara's exceptional liquidity and budgetary performance, strong financial management, and moderate debt burden. Niagara continually strives to improve our credit rating, as it sends a strong, positive message to investors, and directly impacts our cost of borrowing in the capital markets.

Standard and Poor uses an assessment scale of 1 to 5, with an assessment score of 1 being exceptional and 5 being the weakest score.

Key Rating Factor	Institutional Framework	Economy	Financial Management	Budgetary Performance	Liquidity	Debt Burden
Standard & Poor’s Assessment	2	3	2	2	1	2

Department	Total Debt as at December 31, 2019 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2020 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt as at December 31, 2020	Annual Repayment Limits**
General Government	\$21,122	\$6,350	- \$1,988	- \$59	\$25,425	\$0	\$25,425	
Police	\$87,489	\$1,214	- \$4,113	- \$219	\$84,371	\$2,250	\$86,621	
Transportation	\$131,585	\$24,766	- \$13,042	- \$253	\$143,056	\$30,848	\$173,904	
Public Health	\$14,657	\$0	- \$1,990	\$0	\$12,667	\$3,037	\$15,704	
Community Services	\$19,538	\$15,335	- \$2,608	\$0	\$32,265	\$129,187	\$161,452	
NRH	\$36,357	\$3,300	- \$4,282	\$0	\$35,375	\$2,519	\$37,894	
Planning	\$32	\$0	- \$32	\$0	\$0	\$0	\$0	
Total Levy	\$310,780	\$50,965	- \$28,055	- \$531	\$333,159	\$167,841	\$501,000	
Wastewater	\$56,797	\$4,395	- \$2,347	- \$1,121	\$57,724	\$27,901	\$85,625	
Water	\$11,114	\$14,605	- \$376	- \$279	\$25,064	\$7,644	\$32,708	
Waste Management	\$795	\$0	- \$795	\$0	\$0	\$0	\$0	
Total Rate	\$68,706	\$19,000	- \$3,518	- \$1,400	\$82,788	\$35,545	\$118,333	

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2019 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2020 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt as at December 31, 2020	Annual Repayment Limits**
Total Niagara Region	\$379,486	\$69,965	- \$31,573	- \$1,931	\$415,947	\$203,386	\$619,333	8.59%
Fort Erie	\$6,333	\$0	- \$809	\$0	\$5,524	\$0	\$5,524	2.39%
Grimsby	\$3,140	\$0	- \$355	\$0	\$2,785	\$0	\$2,785	2.75%
Lincoln	\$6,676	\$1,756	- \$615	\$0	\$7,817	\$0	\$7,817	3.09%
Niagara-on-the-Lake	\$3,609	\$1,402	- \$531	\$0	\$4,480	\$0	\$4,480	1.99%
Niagara Falls	\$48,560	\$8,400	- \$3,890	\$0	\$53,070	\$0	\$53,070	3.69%
Pelham	\$32,252	\$3,450	- \$2,237	\$0	\$33,465	\$0	\$33,465	13.77%
Port Colborne	\$27,246	\$5,000	- \$1,975	\$0	\$30,271	\$0	\$30,271	7.99%
St. Catharines	\$118,033	\$13,444	- \$12,706	- \$262	\$118,509	\$0	\$118,509	9.41%
Thorold	\$950	\$0	- \$120	\$0	\$830	\$0	\$830	0.51%
Wainfleet	\$1,708	\$0	- \$190	\$0	\$1,518	\$0	\$1,518	1.17%
Welland	\$49,199	\$5,217	- \$6,265	\$0	\$48,151	\$0	\$48,151	9.82%
West Lincoln	\$18,496	\$0	- \$662	\$0	\$17,834	\$0	\$17,834	7.11%
NPCA	\$216	\$0	- \$216	\$0	\$0	\$0	\$0	
Separate School Board	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Assumed for Others (External)	\$316,418	\$38,669	- \$30,571	- \$262	\$324,254	\$0	\$324,254	
Total Niagara Region & External	\$695,904	\$108,634	- \$62,144	- \$2,193	\$740,201	\$203,386	\$943,587	

*Unissued debt information from the local area municipalities is not provided to Niagara Region

**2019 FIR data used for ARL calculation for all municipalities with the exception of Niagara Falls, Grimsby, Lincoln, and Wainfleet that relied on 2018 data.

Debt Report (in thousands of dollars) - Continued

2020 Debt Issuances

- By-law 2020-45: Capital Markets \$34,186, 10 years, 1.43% for Niagara Region and municipalities of Welland and St. Catharines
- By-law 2020-58: Infrastructure Ontario \$3,450, 20 years, 1.98% for Pelham
- By-law 2020-75: Infrastructure Ontario \$5,000, 30 years, 2.29% for Port Colborne
- By-law 2020-76: Infrastructure Ontario \$1,402, 20 years, 1.99% for Niagara-on-the-Lake
- By-law 2020-77: Infrastructure Ontario \$8,400, 20 years, 1.99% for Niagara Falls
- By-law 2020-78: Infrastructure Ontario \$1,756, 20 years, 1.96% for Lincoln
- By-law 2020-87: Infrastructure Ontario \$35,755, 30 years, 2.39% for Niagara Region
- By-law 2020-88: Infrastructure Ontario \$15,335, 25 years, 2.29% for Niagara Region
- By-law 2020-89: Infrastructure Ontario \$3,350, 10 years, 1.53% for Niagara Region

Accounts Receivable Aging Report (in thousands of dollars)

The accounts receivable aging report reflects all unpaid accounts greater than 120 days and greater than \$25. Listing does not include outstanding invoices at quarter-end where payments have been received prior to finalization of the Q4 Financial Update.

Customer Name	Over 120	Explanation of Account	Status
Bell Canada	\$72	Cost sharing invoice for work completed during the Church Street transportation project. Invoice and payment approved in late December 2020; payment expected in February 2021.	Collection to continue
City of Niagara Falls	\$73	2018 RDC invoice in dispute with developer (\$60), applied for NFP grant, which was denied. Collection efforts to continue, which may include collecting through property tax. 2019 RDC's (\$13) for one multiple permit for which staff have followed up with the City building department on status.	Collection to continue
GFL Environmental Inc	\$39	Recycling end market sales from July 2020. Communication issue around the submission and receipt of their invoices which has been resolved; payment expected in February 2021.	Collection to continue
Merritton Mills Redevelopment Corp	\$262	Receivable of 2007 tipping fees for the last of four redeveloped brownfield sites. Niagara Region will offset the tipping fees against the Tax Increment Grant (TIG) being paid on the development, which was initiated in 2019 and is expected to be fully recovered by 2024. In the interim, the Niagara Region is holding a Letter of Credit (LOC) as security for the full amount of the receivable.	2019 TIG agreements Collection to continue
Town of Grimsby	\$401	2018 RDC invoice in dispute with developer (\$401), Grimsby to collect additional amounts outstanding through property tax (Grimsby currently proceeding with legal action). Staff will continue to work with Grimsby building staff to determine expected remittance dates.	Collection to continue
Town of Lincoln	\$1,104	RDC balance owing (\$296) from developer that made payment at prior year rates. Lincoln building staff have followed up with the developer and Region will take necessary corrective action if not received. Timing difference (\$808) between when Region receives permit information and when permit is issued and payment made by developer. Region staff will continue to work with Lincoln staff to create a better process flow for permit and remittance information.	Collection to continue
Town of NOTL	\$43	RDC balance outstanding due to timing difference between when Region receives permit information and when permit is issued and payment made by developer. Region staff will continue to work with NOTL staff to create a better process flow for permit and remittance information.	Collection to continue
TOTAL	\$1,994		

Consolidated Statement of Financial Position (in thousands of dollars)

The consolidated statement of financial position is prepared in accordance with Canadian public sector accounting standards ("PSAS") and includes all unfunded liabilities, impacts of amortization and capital fund activity. This report is unaudited and prepared with information as at February 19, 2021. Small changes will occur between this version and the final audited financial statements published in May 2021 as final adjustments relating to capital accounting are processed in March.

	Dec. 31, 2020	Dec. 31, 2019
FINANCIAL ASSETS		
Cash	\$ 226,144	\$ 135,681
Investments (page 96)	658,015	635,596
Accounts receivable	78,204	80,140
Other current assets	948	417
Tangible capital assets held for sale	2,178	1,760
Debt Recoverable from others (page 99)	324,254	316,419
	1,289,743	1,170,013
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	160,551	129,782
Employee future benefits and post-employment liabilities	116,148	109,462
Deferred revenue	235,356	219,750
Landfill closure and post-closure liability	67,872	61,277
Unfunded contaminated sites	576	0
Long-term liabilities (page 99)	740,201	695,904
Capital lease obligation	4,262	4,352
	1,324,926	1,220,527
Net debt	(35,183)	(50,514)
NON-FINANCIAL ASSETS		
Tangible capital assets	1,904,611	1,823,929
Inventory	8,485	7,498
Prepaid expenses	21,220	18,609
	1,934,316	1,850,036
Accumulated surplus	\$ 1,899,133	\$ 1,799,522

ACCUMULATED SURPLUS RECONCILIATION:

	Dec. 31, 2020	Dec. 31, 2019
Invested in tangible capital assets	\$ 1,484,172	\$ 1,440,091
Capital fund – unexpended capital financing	323,960	271,407
Operating fund	(9,660)	(10,886)
Unfunded landfill closure & post-closure liability	(67,872)	(61,277)
Unfunded contaminated sites liability	(576)	0
Unfunded employee future benefits & post-employment liabilities	(114,340)	(108,148)

	Dec. 31, 2020	Dec. 31, 2019
Total surplus	1,615,684	1,531,187
Total reserves and reserves funds (page 59)	283,449	268,335
Total accumulated surplus	\$ 1,899,133	\$ 1,799,522

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region’s financial activity as of December 31, 2020. These statements have been compiled by Corporate Services and the departments have validated the information and provided commentary.

These statements present the net funding position of Niagara Region’s operating budget and do not include Public Sector Accounting (PSA) adjustments for amortization, employee future benefits and landfill liability.

Approved and/or expected unbudgeted transfers to/from reserves can offset other variances and impact net surplus/deficit reported by departments. These statements do not include capital activity. Capital activity is summarized by project in the capital reports section.

Definition of Column Headings

Year to date Budget - the portion of the annual budget expected to be realized from January through September.

Year to date Actual - actual costs incurred and revenues earned from January to June. Departments have accrued for goods or services received but not yet paid for and revenues earned but not yet received.

Year to date Budget vs Actual Variance Favourable/(Unfavourable) - the difference between the year to date budget and the year to date actual. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Annual Budget - the annual budget approved by council with budget adjustments as explained on the Operating Budget Amendments & Adjustment Summary.

Annual Forecast - the year to date actual plus the year to go forecast. It is intended to project expected organization results at the end of the current year based on information available. As noted, actual operating results may vary from the forecasted information presented (not applicable for quarter 4).

Annual Budget vs Forecast Variance Favourable/(Unfavourable) - the difference between the annual budget and the annual forecast. An unfavourable variance (i.e. forecasted expenditures are greater than budgeted or forecasted revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. forecasted expenditures are less than budgeted or forecasted revenues are greater than budgeted) is shown as a positive.

Definition of Report Rows – Expenditures

Compensation – salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administration – costs for audit, advertising, consulting, insurance, contracted services, Court Services expenses, allowances (car, mileage, etc.), telephone, training and related expenses, office supplies, memberships and other miscellaneous expenses.

Operational & Supply – program specific costs including: chemical, medical, waste management supplies and purchased services.

Occupancy & Infrastructure – costs to repair or maintain property and infrastructure, property tax, leases and all utilities.

Equipment, Vehicles, Technology – costs to repair or maintain equipment and vehicles, minor equipment purchases, computer licenses and support.

Community Assistance – Ontario Works allowances and benefits program costs, rent supplements and the use of all housing related subsidies.

Financial Expenditures – interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments though indirect allocations & debt.

Partnership, Rebate, Exemption – grants, rebates and exemptions provided to local area municipalities and/or other organizations to support projects within the region.

Explanation of Statement of Operations - Continued

Definition of Report Rows – Revenues

Taxation – revenues received from local area municipalities including payment-in-lieu, supplemental and power dams revenue; as well as funds received to support waste management, water and wastewater operations.

Federal & Provincial Grants – funds received from the provincial and federal governments.

By-law Charges & Sales – shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue – shared services revenue (with shared services agreement), investment income, Court Services revenue, recycling revenue, housing revenue and other miscellaneous revenue.

Definition of Report Rows – Intercompany Charges

Intercompany Charges – direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate (i.e. fleet, fuel, photocopiers, and print shop). This includes the allocation of the costs of staffing resources that have been strategically redeployed due to the COVID-19 pandemic from one department to another. The pre-established rate is intended to recover the costs incurred by the service providing department (time and material).

Definition of Report Rows – Transfers

Transfer to Reserves – includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

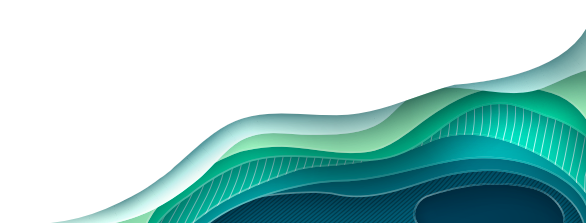
Transfer from Reserves – transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.

Expense Allocation to Capital – eligible costs recorded and managed in the operating program allocated to the capital program.

Definition of Report Rows – Indirect Allocation & Debt

Indirect Allocation – costs that are not directly traceable to a specific program or department (i.e. HR, finance, procurement, legal, IT, properties, and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Capital Financial Allocation – allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.



Appendix 5: COVID-19 2020 Financial Impact Summary (in thousands)

The information available and estimated to date has been summarized into the following key categories.

1. Total COVID Gross Cost: This category represents all costs tracked and associated with the emergency response including costs that can be accommodated within our approved 2020 budget. It is important to note that while the Region does have an established base budget to support some of these expenditures, it is not what was originally contemplated in the base budget and may result in delays in work plans and/or backlogs after the emergency is complete.
2. Net COVID Cost: This category considers confirmed funding sources that have been matched to eligible expenditures.
3. Net Deficit/(Surplus): This category removes the costs that can be supported by our approved base budget. It also considers strategic and other mitigations (offset by other non-COVID pressures) the Region has been able to identify and put in place to help manage the cost of the emergency.

	Total
Redeployed Resources	
EOC Dedicated Resources ¹	\$ 4,952
Lost Productivity – Staff Unable to Work ²	3,289
Redeployed Resources ³	11,936
Emergency Child Care Costs ⁴	602
Total redeployed resources	20,780
Costs incremental to base budget	
Additional labour related costs ⁵	11,117
Pandemic Pay & PSW Wage Enhancement ⁶	5,669
Purchases made ⁷	14,346
Total costs incremental to base budget	31,132
Lost Revenue ⁸	14,382
Cost Savings ⁹	(17,306)
Total COVID Gross Cost	48,987
Confirmed Funding Matched to Expenses ¹⁰	(47,911)
Net COVID Cost to Region	1,076
Strategic and Other Mitigations ¹¹	(21,824)
Redeployed resources	(20,780)
Net Deficit/(Surplus)	\$ (41,528)

- ¹ Mar 13 to June 29 - Assumes 100% of salary and benefit costs to any staff member fully activated in the Regional EOC, Public Health EOC, and EMS EOC . As of June 30th, all EOC members have estimated their ongoing time commitment and costs have been estimated accordingly.
- ² Staff unable to work due to self-isolation, needing to care for family members or being sick directly associated with COVID-19.
- ³ Corporate cost of staff redeployed from their main role to new roles to support the pandemic.
- ⁴ Emergency child care services were provided as requested by the province. Costs include base staffing and supplies used while delivering emergency childcare in April through June.
- ⁵ Additional salary, benefits and overtime costs related to managing the emergency. Overtime (banked and paid) represents 21% of the additional labour-related cost, which averages to an additional 20 FTE each week of the pandemic.
- ⁶ Final pandemic pay from April 24 to August 13 and PSW wage enhancement from October 1 to December 31. The total is allocated by department as follows: Seniors Services \$4.3 million thousand, Homelessness Services \$0.4 million, Emergency Medical Services \$1 million, Public Health Programs \$0.04 million.
- ⁷ Additional purchase commitments made to directly support the emergency (e.g. cleaning supplies and services, personal protective equipment, emergency shelter, screening, advertising). As of February 16, 2021, the Region has executed 43 special circumstance purchases over \$10 thousand for a total value of \$7.3 million. These purchases consist mainly of personal protective equipment, cleaning supplies/services, emergency shelter, homelessness agency support and screening services. Staff will continue to rely on the special circumstance provisions in the procurement by-law on an as-required basis and report back to Council as needed.
- ⁸ Estimated loss of expected revenue sources (e.g. rental income on owned units, transit fare revenue, business licensing revenue, development applications, parental fees, POA infraction revenue, investment income).
- ⁹ Estimated cost savings directly related to the COVID measures (e.g. reduced travel costs, reduced electricity, cancelled events). Fuel savings in EMS and transportation estimated at \$0.45 million.
- ¹⁰ Funding received has been matched to eligible expenditures.
- ¹¹ Strategic mitigations put in place by the Region (e.g. gapping of vacant positions, reduced non-emergency repair work, reduced transit service costs, other non-COVID related savings). This category is offset by other non-COVID related pressures.

Appendix 6 - COVID-19 2020 Financial Impact by Department (in thousands)

Department	Redeployed Resources	Costs Incremental to Base Budget	Lost Revenue	Cost Savings	Total Gross Cost	Confirmed Funding Matched to Expenses	Net Cost to Region	Strategic & Other Mitigations	Costs Supported by Base Budget	Net Deficit/ (Surplus)
General Government	\$ -	\$ 6	\$ 1,668	\$ (4,943)	\$ (3,270)	\$ (18,928)	\$ (22,198)	\$ 3,826	\$ -	\$ (18,372)
Corporate Administration	1,124	166	-	(2,161)	(870)	-	(870)	(1,958)	(1,124)	(3,952)
Governance	79	3	-	(168)	(87)	-	(87)	(35)	(79)	(201)
Corporate Services	964	1,112	297	(14)	2,359	-	2,359	(3,103)	(964)	(1,708)
Court Services	20	5	996	(426)	596	-	596	(213)	(20)	362
Planning	250	10	340	-	600	-	600	(807)	(250)	(457)
Niagara Regional Housing	3	306	-	(108)	201	-	201	(753)	(3)	(555)
NRPS *	1,551	795	3,972	(1,142)	5,176	-	5,176	(3,270)	(1,551)	355
Transportation	191	133	3,599	(6,226)	(2,303)	(86)	(2,389)	(7,203)	(191)	(9,782)
Public Health										
Public Health	8,189	4,981	165	-	13,334	(2,412)	10,922	(2,951)	(8,189)	(218)
EMS	2,334	3,124	36	(322)	5,172	(3,124)	2,048	1,567	(2,334)	1,281
Sub-total Public Health	10,522	8,105	201	(322)	18,507	(5,536)	12,971	(1,384)	(10,522)	1,064
Community Services										
Childrens Services	923	4,043	200	-	5,166	(4,931)	236	683	(923)	(5)
Seniors Services **	4,234	12,277	1,127	(831)	16,807	(14,628)	2,179	(55)	(4,234)	(2,110)
SAEO	163	41	-	-	203	-	203	(2,226)	(163)	(2,186)
Homelessness Services	530	3,805	-	-	4,335	(3,803)	532	(1,024)	(530)	(1,022)
Sub-total Community Services	5,850	20,166	1,327	(831)	26,512	(23,362)	3,150	(2,623)	(5,850)	(5,322)
Indirect allocation levy related deficit	-	-	-	-	-	-	-	1,263	-	1,263
Total Levy Supported	20,555	30,805	12,401	(16,340)	47,421	(47,911)	(490)	(16,261)	(20,555)	(37,306)
Waste Management	49	141	853	(595)	448	-	448	(1,697)	(49)	(1,298)
Water/Wastewater	175	186	1,127	(372)	1,117	-	1,117	(2,603)	(175)	(1,661)
Indirect allocation rate related surplus	-	-	-	-	-	-	-	(1,263)	-	(1,263)
Total Rate Supported	225	327	1,981	(967)	1,566	-	1,566	(5,563)	(225)	(4,222)
Total	\$ 20,780	\$ 31,132	\$ 14,382	\$ (17,306)	\$ 48,987	\$ (47,911)	\$ 1,076	\$ (21,824)	\$ (20,780)	\$ (41,528)

*NRPS figures reflect yearend results presented to NRPS Board in February 2021.

** The incremental costs in seniors services is 33% labour-related, 34% pandemic pay-related and 33% supplies/PPE/screening-related. While there has been incremental staffing needs in the long-term care homes, the hours per bed per day is 3.55 from April 1 to December 31 2020 remains under the recommended level of 4.

Appendix 7 - Confirmed COVID-19 Funding Announcements (in thousands)

Description	Amount	2020 Operating	2021 Operating	Capital
Social Services Relief Fund - Phase 1 (Note 1)	\$ 2,408	\$ 1,802	\$ 606	\$ -
Reaching Home Funding (Note 1)	1,253	905	348	-
Social Services Relief Fund - Phase 2 (Note 1)	3,014	674	340	2,000
Community Response Fund	62	62	-	-
Reaching Home Funding - Phase 2 (Note 1)	1,705	-	1,705	-
School Focused Nursing Initiative (Note 2)	1,827	678	1,149	-
Case and contact management funding	32	-	32	-
EMS Emergency Funding	2,006	2,006	-	-
EMS IPAC	201	145	56	-
Public Health Emergency Funding	1,682	1,682	-	-
Transit Bus Cleaning	27	27	-	-
Safe Restart - Transit Funding (Note 3)	59	59	-	-
Safe Restart - Child Care Funding	4,533	4,030	503	-
Children's Services Fee Subsidy Funding Reallocation	901	901	-	-
Long-term Care - Emergency Funding	9,570	9,570	-	-
Long-term Care - Infection Prevention & Control Funding	774	774	-	-
Long-term Care - PSW Wage Enhancement	1,384	692	692	-
Pandemic Pay (Note 4)	4,976	4,976	-	-
Sub-total of program specific funding	36,414	28,983	5,431	2,000
Safe Restart - Municipal Phase 1 Funding	12,185	12,185	-	-
Safe Restart - Municipal Phase 2 Application Based Funding	9,184	6,743	2,441	-
Total	\$ 57,783	\$ 47,911	\$ 7,872	\$ 2,000

Note 1: Social Services Relief Fund covers eligible expense from April 1, 2020 to March 31, 2021 and Reaching Home Funding covers eligible expense from April 1, 2020 to June 30, 2021.

Note 2: Estimated based on 20 FTE notice provided.

Note 3: Funding allocation was \$609,693 in Phase 1 and \$772,490 in phase 2. Based on terms of funding and no net eligible expenditures, the Region expects to return most of this funding.

Note 4: Pandemic payments from April 24 to August 13. Including payments to 3rd party agencies.

RECEIVED
F05
FEB 11 2021



NIAGARA REGIONAL POLICE SERVICE Police Services Board Report

PUBLIC AGENDA

Subject: Niagara Regional Service and Board Financial Variance Overview
for the Year Ending December 31, 2020

Report To: Chair and Members, Niagara Police Services Board Finance
Committee

Report Date: 2021-02-05

Recommendation(s)

That subject to the approval by Regional Municipality of Niagara (Region) Council of the Consolidated Regional Year End Transfer Report, the Niagara Police Services Board approves the:

1. Transfer of \$69,084 from the Accumulated Sick Leave Reserve to offset the additional pay-out of Sick Credits and;
2. Transfer of \$2,250 from the OPVTA Reserve to offset a slight deficit from current year operations.

Key Facts

- The purpose of the report is to provide an analysis of the 2020 year-end financial results of the Service and Board as per the Financial Reporting, Control and Procurement of Goods and Services By-Law 384-2019.
- The Niagara Region requires that all Operating Departments and Agencies, Boards and Commissions (ABCs) report on variances between actual operating results and approved budgets as part of the Year End Results and Transfer Report to Council.
- For the year ending December 31, 2020, the Service and Board have a combined net expenditure before indirect allocations deficit of \$283,492 or 0.2% above the 2020 approved budget resulting from normal operations and the net impact of COVID-19 expenses.

Financial Considerations

Approval of the recommendations would provide for the transfer of reserve funds from the Services reserves to offset budget shortfalls.

Analysis

The year-end variance summary (Appendix 1) provides a synopsis of the combined financial operations for the Police Service and the Board for the year ended December 31, 2020, including net COVID unbudgeted costs. The combined Service and Board net expenditure deficit before indirect allocations is \$283,492. A summary of the financial impact of COVID-19 pandemic on the Service operations follows.

In March 2020, in response to the growing COVID-19 pandemic, the Service initiated the Pandemic Business Continuity plan to support the emergency orders mandated by government and health agencies. Activities included the purchase of additional and alternative infection control supplies and personal protective equipment (PPE), introduction of social distancing protocols, and the introduction of administrative leave for identified members out of the workplace due to COVID-19 related restrictions.

For the year ending December 31, 2020, gross costs related to COVID-19 totalled \$5,049,868. Included in this total is \$1,551,136 related to permanent members on administrative leave or rotating shifts. These costs represent a loss of productive time, however, the expense is supported by the base budget. As such, the net incremental unbudgeted costs related to COVID-19 as of December 31, 2020 are \$3,498,732. A financial impact summary, which includes supported salary costs, incremental direct costs, as well as savings as a result of mitigation strategies implemented by the Service, is provided as Appendix 2.

The Services' COVID-19 costs have been included in the Regions applications for Phase 1 and Phase 2 of the Safe Restart Agreement program. The Region received \$12.1M in Phase 1 funding to help with costs incurred in 2020, as well as \$9.184M in Phase 2. Any excess funds after accounting for the 2020 net COVID expenses will be transferred to the Taxpayer Relief Reserve to offset pandemic-related costs experienced in 2021. As a result, the Region has not allocated any of the Safe Restart funding received directly to the ABCs; therefore there is no funding reported in the Services financial results. Since the Service received no direct funding from the Safe Restart Program then any deficit as a result of COVID-19 will be funded by the Region's Taxpayer Relief Reserve.

Through the course of the year, the Service was able to achieve a \$2,966,751 surplus from normal operations. These savings were achieved mainly from uniform hiring lags, benefit claims experience, 2020 NRPA wage settlement and fuel rate savings. This surplus from normal operations offset a significant portion of the \$3,498,732 costs attributed to COVID-19 resulting in a net year-end deficit of \$531,981 for the Service.

For the year ending December 31, 2020, the Police Service Board (PSB) Office ended their fiscal year with a \$248,489 surplus. This was mainly the result of savings to the legal expense budget as a number of outstanding legal matters were deferred to 2021. At the presentation of the PSB 2021 Budget, the Board approved in principle the transfer of any year-end surplus funds from the 2020 Operating Budget to the Boards Contingency

Reserve fund to mitigate future expenses related to legal matters. Any unbudgeted transfers to Reserves must be approved by Regional Council as recommended by the Region's Treasurer. Under Region Reserve Policy C-F-013, *"ABC's must first consult with Niagara Region's Treasurer to gain agreement on the recommendations for reserve transactions outside of the approved budget."* Under the recommendation of the Region Treasurer, the PSB surplus of \$248,489 is to be used to partially offset the Services' deficit rather than be transferred to the PSB Reserve Fund to mitigate future legal expenses.

For the year ending December 31, 2020, the Service and Board have a combined Net Expenditure before Indirect Allocations deficit of \$283,492. This deficit includes the recommended transfers from Reserves as detailed in the body of this report. The table below illustrates the combined net deficit resulting from normal operations and the cost impact of COVID-19.

	Surplus /(Deficit)
Niagara Regional Police Service -Normal Operations	\$ 2,966,751
Net Incremental Costs related to COVID-19	(3,498,732)
Service Net Expenditure before Indirect Allocations	(531,981)
Police Service Board	248,489
Service and Board Net Expenditure before Indirect Allocations	\$ (283,492)

A detailed discussion of the actual performance to budget by major expense category including the COVID-19 impact and results of normal operations follows.

Compensation:

For the year ending December 31, 2020, Compensation costs were below the approved budget by \$2,762,136, which represents 1.8% of the total Compensation budget. This favorable variance is the net result of savings realized within uniform salaries due to hiring lags, employee benefits and the 2020 NRPA wage settlement, partially offset by increased spending of civilian salaries to backfill operationally essential civilian positions, WSIB claims experience, and sick leave payouts from greater than budgeted retirements.

The incremental unbudgeted cost impact on compensation attributable to COVID-19 is \$310,392. These costs were incurred at the onset of the pandemic when staff were assigned to assist in the implementation of the emergency orders or to replace members off on administrative leave based on Public Health recommendations throughout the year. In addition, some savings in uniform salaries were realized as a result of COVID-19 restrictions including savings in court time as a result of courts operating at reduced and modified capacity, as well as savings in special duty expense due to cancelled events however these savings are fully offset by a reduction in revenue.

Administrative:

For the year ending December 31, 2020, Administrative costs were below the approved budget by \$679,307, which represents 16.1% of the total administrative budget. This favorable variance is the result of savings in legal expenses for the Police Services Board, as well as COVID-19 related savings in staff development due to reduced travel and cancelled events, conferences and training as well as savings in administrative mileage and travel expenses. These savings were offset partially by PPE purchases including gloves, masks and disinfectant purchased at the onset of the pandemic for frontline staff.

Operational & Supply:

For the year ending December 31, 2020, Operational & Supply costs were above the approved budget by \$345,535, which represents 15.2% of the total operational & supply budget. This unfavorable variance is the result of two major special investigations, as well as increased uniform expenses required to outfit the significant number of constables hired during the year as a result of retirements and the 40 Officer Program Change. Also included in Operational & Supply is COVID-19 supply costs for PPE, IT hardware to equip members to work from home, building renovations such as Plexiglas barriers and signage, and deep cleaning decontamination costs.

Occupancy & Infrastructure:

For the year ending December 31, 2020, Occupancy & Infrastructure costs were below the approved budget by \$94,032, which represents 26.1% of the total occupancy and infrastructure budget. This favorable variance is the result of savings in leases for the IT disaster recovery site which is being charged through indirect allocations, as well as minor building renovations based requests and projects completed during the year.

Equipment, Vehicles & Technology:

For the year ending December 31, 2020, Equipment, Vehicles & Technology costs were below the approved budget by \$345,535, which represents 5.0% of the total equipment, vehicles & technology budget. This favorable variance is mainly the result of savings in fuel costs due to lower than budgeted fuel rates throughout the year.

Revenues & Recoveries:

For the year ending December 31, 2020, Revenues & Recoveries were below the approved budget by \$3,917,632, which represents 20.0% of the total revenues and recoveries budget. This unfavorable variance is the result of a shortfall of third party revenue received from the City of Niagara Falls due to the Casino closures as well as reductions in fees for service, special duty and secondment revenues as a result of closures and/or event cancellations imposed by the COVID-19 emergency orders.

Transfers to/from Reserves:

For the year ending December 31, 2020, staff are recommending two unbudgeted transfers from reserve funds as illustrated in the table below. These transfers have been reviewed and approved by the Region's Treasurer. Further, these reserve transfers have been included in the financial results reported above.

	Amount
OPVTA Reserve	2,250
Accumulated Sick Leave	69,084
Total	\$ 71,334

OPVTA Reserve Fund:

Staff recommend a transfer of \$2,250 from the reserve fund to offset a slight expenditure deficit from OPVTA operations. The deficit is the result of lost revenue from lower than budgeted membership levels during the year.

Accumulated Sick Leave Reserve Fund:

Staff recommend a transfer of \$69,084 from the reserve fund to offset the greater than budgeted payouts experienced in the 2020 fiscal year. The Accumulated Sick Leave reserve fund is used to partially fund the liability set aside to pay-out the unused sick leave for members in the accumulated sick leave program which was grandfathered starting in 1990.

Police Service Board Contingency Reserve Fund:

Service staff recommended to transfer \$100,000 of the \$284,489 year-end surplus to the PSB Contingency Reserve Fund to mitigate known outstanding legal matters; however, this recommendation was not supported by the Region's Treasurer.

In accordance with the Region's Reserve Policy C-F-013, "*ABC's must first consult with Niagara Region's Treasurer to gain agreement on the recommendations for reserve transactions outside of the approved budget.*" Further, the Region Treasurer explained using the PSB surplus to offset the Services deficit, as opposed to a transfer to the PSB Contingency Reserve, would reduce the burden of the Service deficit \$531,981, due from COVID-19, on the underfunded Taxpayer Relief Reserve fund. The Safe Restart funding will be used to fund any net COVID expenses and any excess funding will be transferred to the Taxpayer Relief Reserve. This Reserve is currently underfunded at only 3.5% of gross operating expenditures when compared to the target levels of a minimum of 10% to a maximum of 15% of gross operating expenditures as set by the Reserve Policy. In comparison, the PSB Contingency fund balance is currently at 21.6% of the gross annual

operating expenses which exceeds the Reserve Policy target. The Region Treasurer further explained the transfer of the Board surplus to the PSB Contingency Reserve would increase the combined deficit of the Service and Board, which would require additional funding from the Region's Taxpayer Relief Reserve to offset the impact of COVID-19; this recommendation was made despite the risk to the Board to cover all future legal costs resulting from arbitrations and legal indemnification matters.

As a result of these factors, the Service has not included an additional recommended reserve transfer of \$100,000 to the PSB Contingency Reserve.

Appendix 3 summarizes the Service's year-end reserve funds as at December 31, 2020.

Conclusion:

The detailed variance analysis has been prepared based on results of operations at December 31, 2020. The Services year-end deficit of \$283,492 represents 0.2% of the total budget. This deficit includes incremental COVID-19 related costs of \$3.5M which were predominantly offset through savings from mitigation strategies and normal operations.

Alternatives Reviewed

The alternative is to not approve the transfers from reserves, which will increase the deficit of the Service or to further request a transfer to the PSB Contingency reserve against the recommendation of the Region's Treasurer.

Relationship to Police Service/Board Strategic Priorities

To ensure compliance to the Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service By-Law 384-2019.

Relevant Policy Considerations

- Section 289 of the Municipal Act requires municipalities to prepare a balanced budget that includes all of the expenditures and revenues for the taxation year.
- Niagara Region Policy- C-F-013 Reserve and Reserve Funds Policy.

Other Pertinent Reports

- Minute No. 91/2020 - NRPS Financial Variance Overview – Year Ending March 31, 2020

- Minute No. 151/2020 - NRPS Financial Variance Overview – Year Ending June 30, 2020
- 2020/11/26 Public 7.6 - NRPS Financial Variance Overview – Year Ending September 30, 2020

This report was prepared by Courtney Woods, Financial Analyst, in consultation with Laura Rullo, Manager, Finance, reviewed by Richard Frayne, Superintendent Corporate Services and recommended by Bill Fordy, Deputy Chief of Police, Support Services.



Submitted by:

Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

- Appendix 1 Niagara Regional Police Service and Board Year End Variance Summary
- Appendix 2 Financial Impact of COVID-19 ending December 31, 2020
- Appendix 3 Niagara Regional Police Service and Board 2020 Year End Reserves Schedule

Niagara Regional Police Service and Board
Appendix 1: 2020 Operating Statement of Revenue and Expenses

	2019 Actual	2020 Actual	2020 Budget	Variance Surplus/(Deficit)	Variance %
Gross Expenditures					
Compensation	150,262,861	154,297,907	157,060,043	2,762,136	1.8%
Administrative	3,825,672	3,540,769	4,220,076	679,307	16.1%
Operational & Supply	2,476,288	2,622,415	2,276,880	(345,535)	-15.2%
Occupancy & Infrastructure	311,149	266,688	360,720	94,032	26.1%
Equipment, Vehicles & Technology	6,199,488	6,658,565	7,010,762	352,196	5.0%
Financial Expenditures	6,118	5,697	1,000	(4,697)	-469.7%
Intercompany Charges	145,905	152,166	177,533	25,367	14.3%
Transfers To/From Reserve Funds	3,491,918	2,828,666	2,900,000	71,334	2.5%
Total - Gross Expenditures	166,719,399	170,372,874	174,007,013	3,634,140	2.1%
Revenues					
Provincial Grants	(9,651,756)	(9,641,503)	(9,736,790)	(95,286)	1.0%
Fees for Service	(6,456,194)	(2,176,514)	(6,068,250)	(3,891,736)	64.1%
Other Revenues	(2,328,766)	(2,241,415)	(2,185,763)	55,652	-2.6%
Recoveries	(1,568,469)	(1,571,729)	(1,557,991)	13,738	-0.9%
Total - Revenues & Recoveries	(20,005,186)	(15,631,161)	(19,548,794)	(3,917,632)	20.0%
Net Expenditures Before Indirect Allocations	\$ 146,714,213	\$ 154,741,713	\$ 154,458,220	\$ (283,492)	-0.2%

Appendix 2: COVID-19 Pandemic Financial Impact for Period Ending December 31, 2020

	Expenses as of Date	Actual
Direct Costs Supported by Approved Operating Budget		
1. Permanent Members on Administrative Leave	Dec 26	1,165,282
2. Members on Rotating Shifts	Dec 26	127,331
Associated Benefit Costs	Dec 26	258,523
Direct Costs Supported by Approved Operating Budget		1,551,136
Incremental Direct Costs related to COVID-19		
3. Personnel Costs Specific to COVID-19 Activities	Dec 26	310,392
4. Other Supply Costs	Dec 31	357,628
5. Lost Revenue	Dec 31	3,972,225
Total - Incremental Direct Costs related to COVID-19		4,640,246
6. Savings Related to COVID-19	Dec 31	(1,141,514)
Total Gross Costs related to COVID-19		5,049,868
Less Direct Costs Supported by Approved Operating Budget		(1,551,136)
Net Incremental Costs related to COVID-19		3,498,732

1. Permanent member on administrative leave due to COVID-19 restrictions where possible these members are working from home and are only replaced when operationally essential.
2. Positions identified where working from home is not possible and rotating shifts were implemented to support COVID-19 restrictions.
3. Temporary member salaries incurred due to self isolation from travel/contact during initial onset of pandemic. Overtime costs incurred to implement initial phase of pandemic and overtime to cover staff off due to isolation or symptomatic.
4. Includes the purchase of additional and alternative infection control supplies, personal protective equipment and other costs resulting from implementation of COVID-19 measures
5. Anticipated loss of third party revenues; including \$3.2M from City of Niagara Falls OLG Transfer Payments, special duty and fees for services in Records Unit.
6. Savings realized from cancelation of conference/workshop including travel related costs, special duty labor costs and overtime from court attendance

Niagara Regional Police Service and Board
Appendix 3 - Reserve Fund Balance - As at December 31, 2020

Description	Fund 20050 - 20550	Balance at 31-Dec-2019	Trf. From Operation	Trf. To Operation	Trf. To Capital RE2	Report & YE	Balance at 31/12/2020
Accumulated Sick Leave	562	1,679,575	-	(250,000)	-	(69,084)	1,360,491
Vehicles and Equipment Replacement	506	24,044	1,500,000	-	(1,500,000)		24,044
Future Benefit Liabilities	563	4,152,398	-	-	-	-	4,152,398
WSIB	564	3,269,590	200,000	-	-	-	3,469,590
Contingency Reserve	534	454,332	250,000	-	-	-	704,332
Capital Levy	507	561,163	1,200,000	-	(1,504,500)	27,497	284,160
PSB Contingency	535	242,119	-	-	-		242,119
OPTVA Reserve	505	109,297	-	-	-	(2,250)	107,047
TOTAL		10,492,518	3,150,000	(250,000)	(3,004,500)	(43,837)	10,344,181



Mailing Address:
P.O. Box 344
Thorold ON L2V 3Z3

Street Address:
Campbell East
1815 Sir Isaac Brock Way
Thorold ON

Phone: 905-682-9201
Toll Free: 1-800-232-3292
(from Grimsby and beyond Niagara region only)

Main Fax: 905-687-4844
Fax – Applications: 905-935-0476
Fax – Contractors: 905-682-8301
Web site: www.nrh.ca

February 19, 2021

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T7

Dear Ms. Norio,

At their February 19, 2021 meeting, the Niagara Regional Housing Board of Directors passed the following motion as recommended in attached report NRH 3-2021:

1. That the unaudited summarized results for Niagara Regional Housing (NRH) as detailed in Appendix 1, **BE RECEIVED**.
2. That the transfer of the NRH 2020 year-end operating surplus of \$555,286 to the Niagara Region, to be addressed through the Niagara Region's consolidated levy yearend transfer report, **BE APPROVED**.
3. That this report **BE FORWARDED** to the March 10, 2021 Corporate Services Committee (CSC) meeting.

Your assistance is requested in moving report NRH 3-2021 through proper channels for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Sendzik", with a long horizontal flourish extending to the right.

Councillor Walter Sendzik
Chair

Subject: 2020 Year-End Transfer Report

Report to: Board of Directors of Niagara Regional Housing

Report date: Friday, February 19, 2021

Recommendations

1. That the unaudited summarized results for Niagara Regional Housing (NRH) as detailed in Appendix 1, **BE RECEIVED**.
2. That the transfer of the NRH 2020 year-end operating surplus of \$555,286 to the Niagara Region, to be addressed through the Niagara Region's consolidated levy yearend transfer report, **BE APPROVED**.
3. That this report **BE FORWARDED** to the March 10, 2021 Corporate Services Committee (CSC) meeting.

Key Facts

- For the year ended December 31, 2020, NRH operated at a surplus before indirect allocations of \$555,286 or 2 percent of NRH's overall net budget.
- The purpose of this report is to obtain approval from the NRH Board to transfer the year-end surplus to the Niagara Region to allow Council to consider the full impact of all consolidated levy results and direct any remaining surplus/deficit in accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022.
- Consistent with the principles in the surplus/deficit policy and the strategy adopted in the Council approved 2021 levy operating budget, any levy surplus is expected to be used to fund net pressures related to the COVID-19 pandemic. This includes \$412,457 in anticipated one-time incremental cost pressures related to the COVID-19 pandemic included in NRH's 2021 operating budget.
- An amount of \$1.15 million of the 2020 NRH budget has been transferred to the encumbrance reserve as of December 31, 2020. For an amount to be encumbered, a spending obligation has been made against the 2020 budget, however the product or service has not been received in the year. The funding will be transferred to the 2021 operating budget when the product or service is received.

Financial Considerations

A summarized explanation of the 2020 year end operating surplus of \$555,286 can be found in the *December 31, 2020 Operating Statement* in Appendix 1.

Incorporated in the year-end operating surplus of \$555,286 is \$1,148,945 in encumbrances that will be transferred back to the NRH operating budget for the 2021 year. Encumbrances arise when an obligation to purchase a good or service (in the form of a purchase order or contract) has occurred, but the goods or services have not been received by year end. A full list of encumbrances for Regional Departments and ABCs will be presented for information to Corporate Services Committee (CSC) on March 10, 2021.

NRH encumbrance requests are summarized as follows:

Encumbrance	Amount
Provider Capital Loan & Grant Program Grants	\$ 462,223
K3D Thermostat Technology for providers	316,880
Affordable Housing Master Plan	210,460
Housing provider capital repairs program	128,463
Integrated Housing Solution Software implementation	30,919
Total	\$ 1,148,945

Analysis

At the time of writing this report, the Niagara Region is consolidating its overall levy results and expects a consolidated levy surplus which includes Provincial Safe Restart Funding to be used to fund the net pressures related to the COVID-19 pandemic – both for 2020 actual expenditures and 2021 expenditures. This strategy was adopted in the Council approved 2021 levy operating budget for Regional Departments as well as Agencies, Boards and Commissions in order to mitigate any 2021 taxpayer impact associated with those incremental costs. This strategy is also consistent with the NRH Board approved 2021 Operating Budget which included incremental costs due to the COVID-19 pandemic of \$412,457 for increased cleaning, PPE and security at owned units being fully funded by Provincial Safe Re-start funding.

In accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022, the Niagara Region would recommend any unused 2020 surplus be allocated to areas identified as underfunded per the Reserve and Reserve Fund Policy C-F-013.

The Corporate Year-End Results and Transfer Report will be considered at CSC on March 10, 2021 and ratified at the Regional Council meeting on March 25, 2021.

Alternatives Reviewed

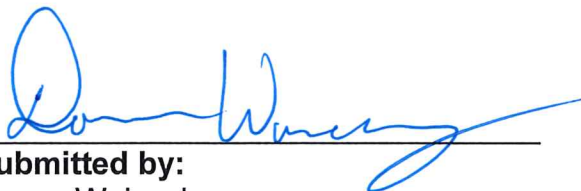
Staff's recommendation is in alignment with the Niagara Region's 2021 levy budget strategy and its Operating Surplus/Deficit policy, however the Board may direct staff to consider alternatives for the \$555,286 year-end operating surplus position.

Relationship to NRH and/or Council Strategic Priorities

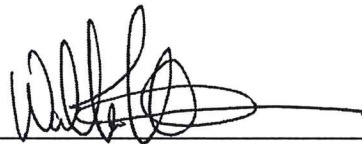
Providing formal financial reporting to the NRH Board and Council and the public supports the Council strategic priority of Sustainable and Engaging Government.

Other Pertinent Reports

20-193-4.6 - Proposed 2021 Operating Budget
CSD 5-2021 - 2021 Levy Operating Budget



Submitted by:
Donna Woiceshyn
Chief Executive Officer



Approved by:
Walter Sendzik
Chair

This report was prepared in consultation with Donovan D'Amboise, Program Financial Specialist.

Appendices

Appendix 1 December 31, 2020 Operating Statement

Niagara Reginal Housing Operating Statement As of December 31, 2020					
	Actual	Budget	Budget to Actual Variance \$	Budget to Actual Variance %	Explanation of Variance
Expenses					
Salaries & Wages	4,025,743.46	4,128,665.85	102,922.39	2.5%	
Benefits & WSIB	965,549.21	961,244.51	(4,304.70)	-0.4%	
Additional Compensation	0.00	0.00	0.00	0.0%	
Other Compensation Expense	(108,231.67)	0.00	108,231.67	0.0%	
External Support Services	159,170.39	124,800.00	(34,370.39)	-27.5%	
Compensation	5,042,231.39	5,214,710.36	172,478.97	3.3%	The favourable variance of \$172 is primarily due to a health and dental benefit surplus due to lower claims resulting from COVID-19 pandemic-related closures and restrictions (\$108) and savings from not filling non-essential vacant positions due to COVID-19 (\$83).
External Professional Services	281,310.86	542,796.10	261,485.24	48.2%	
Staff Development	22,372.22	64,768.01	42,395.79	65.5%	
Office, Printing & Postage	32,374.42	22,550.02	(9,824.40)	-43.6%	
Advertising & Promotion	11,794.90	18,750.00	6,955.10	37.1%	
Travel & Meals	68,226.88	90,250.00	22,023.12	24.4%	
Telephone & Communications	119,913.16	98,200.22	(21,712.94)	-22.1%	
Insurance	35,713.57	50,000.00	14,286.43	28.6%	
Fees & Charges Expense	6,860.60	6,000.00	(860.60)	-14.3%	
General Administrative Costs	50,712.48	113,764.99	63,052.51	55.4%	
Administrative	629,279.09	1,007,079.34	377,800.25	37.5%	The favourable variance of \$378 is primarily due to \$320 in savings on consulting expenses to the end of the year. \$210 for the Affordable Housing Master Plan was committed and is included in the 2020 encumbrance reported in Transfer to Funds.
Program Specific Supp & Mat'l	41,927.38	5,000.00	(36,927.38)	-738.5%	
Program Specific Purch Service	67,862.91	135,000.00	67,137.09	49.7%	
Operational & Supply	109,790.29	140,000.01	30,209.72	21.6%	

Niagara Regional Housing Operating Statement As of December 31, 2020					
	Actual	Budget	Budget to Actual Variance \$	Budget to Actual Variance %	Explanation of Variance
<i>Property Taxes & Rent</i>	5,208,782.69	5,197,102.48	(11,680.21)	-0.2%	
<i>Property & Infrastructure Mtce</i>	5,007,208.80	4,629,702.61	(377,506.19)	-8.2%	
<i>Grounds</i>	1,140,712.55	1,158,090.01	17,377.46	1.5%	
<i>Utilities</i>	4,492,724.16	4,764,914.36	272,190.20	5.7%	
Occupancy & Infrastructure	15,849,428.20	15,749,809.45	(99,618.75)	-0.6%	<i>The unfavourable variance of \$100 is primarily due to \$264 in incremental costs associated with increased security at owned units and cleaning of high-touch surfaces and common areas due to COVID-19, as well as \$96 in higher than budgeted regular maintenance costs. The unfavourable variance is offset partially by savings seen in utilities of \$272, mainly for natural gas due to recent upgrades in hot water systems and a mild winter.</i>
<i>Minor Equipment</i>	9,813.87	25,000.00	15,186.13	60.7%	
<i>Equipment R&M</i>	37,139.31	500.00	(36,639.31)	-7327.8%	
<i>IT Licences & Support</i>	149,141.34	251,218.76	102,077.42	40.6%	
Equipment, Vehicles, Technology	196,094.52	276,718.77	80,624.25	29.1%	<i>The favourable variance of \$81 is primarily from savings on licensing fees due to a delay in the implementation of Integrated Housing Solutions software. \$31 for implementation costs of the software was committed and is included in the 2020 encumbrances reported in Transfer to Funds.</i>
<i>Other Benefits</i>	418,519.09	739,711.72	321,192.63	43.4%	
<i>Housing</i>	29,422,412.30	30,768,238.99	1,345,826.69	4.4%	

Niagara Reginal Housing Operating Statement As of December 31, 2020					
	Actual	Budget	Budget to Actual Variance \$	Budget to Actual Variance %	Explanation of Variance
Community Assistance	29,840,931.39	31,507,950.71	1,667,019.32	5.3%	<i>The favourable variance of \$1,667 is due to delayed spend in ministry-funded programs (\$841) and K3D heat control system upgrades for providers encumbered from the 2019 budget (\$317), both delayed primarily due to COVID-19 restrictions. The variance associated with ministry-funded programs is offset by a reduction in Federal & Provincial Grants, as revenue is recognized to align with timing of the programs and their related administrative costs. Also contributing to the positive variance is \$431 in lower than budgeted subsidy payments to non-profit and co-op housing providers and \$128 lower than budgeted provider capital repair grants. This is offset by \$200 in grants provided in the year under the capital loan and grant program. A combined \$908 for the K3D heat control system upgrades for providers, provider capital grants, and grants under the capital loan and grant program was committed and is included in the 2020 encumbrance reported in Transfer to Funds.</i>
<i>Rebates & Exemptions</i>	<i>71.22</i>	<i>0.00</i>	<i>(71.22)</i>	<i>0.0%</i>	
Partnership, Rebate, Exemption	71.22	0.00	(71.22)	0.0%	
<i>Principal</i>	<i>1,694,866.10</i>	<i>1,694,866.02</i>	<i>(0.08)</i>	<i>0.0%</i>	
<i>Interest</i>	<i>(0.60)</i>	<i>0.00</i>	<i>0.60</i>	<i>0.0%</i>	
<i>Bad Debt, Losses & Recoveries</i>	<i>147,306.86</i>	<i>272,100.00</i>	<i>124,793.14</i>	<i>45.9%</i>	
Financial Expenditures	1,842,172.36	1,966,966.02	124,793.66	6.3%	<i>The favourable variance of \$125 is primarily the result of lower than anticipated write-offs on uncollectable tenant rents on owned units.</i>

Niagara Reginal Housing Operating Statement As of December 31, 2020					
	Actual	Budget	Budget to Actual Variance \$	Budget to Actual Variance %	Explanation of Variance
Total Expenses	\$53,509,998.46	\$55,863,234.65	\$2,353,236.19	4.2%	
Revenues					
<i>Federal & Provincial Grants</i>	<i>(12,785,198.77)</i>	<i>(13,713,766.01)</i>	<i>(928,567.24)</i>	<i>0.0%</i>	<i>The unfavourable variance of \$929 is due to timing of ministry-funded programs and related administrative costs, as revenue is recognized based on actual expenses incurred.</i>
Federal & Provincial Grants	(12,785,198.77)	(13,713,766.01)	(928,567.24)	0.0%	
<i>Other Revenues/Reimbursements</i>	<i>(16,336,107.95)</i>	<i>(16,051,611.08)</i>	<i>284,496.87</i>	<i>0.0%</i>	
Other Revenue	(16,336,107.95)	(16,051,611.08)	284,496.87	0.0%	<i>The favourable variance of \$285 is due primarily to \$308 in higher than anticipated rental revenues for NRH-owned units.</i>
Total Revenues	(\$29,121,306.72)	(\$29,765,377.09)	(\$644,070.37)	0.0%	
Intercompany Charges					
<i>Allocation Between Departments</i>	<i>70,414.69</i>	<i>65,479.54</i>	<i>(4,935.15)</i>	<i>-7.5%</i>	
Intercompany Charges	70,414.69	65,479.54	(4,935.15)	-7.5%	
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$24,459,106.43	\$26,163,337.10	\$1,704,230.67	6.5%	
Transfers					
<i>Transfers From Funds</i>	<i>(1,001,582.63)</i>	<i>(1,001,582.59)</i>	<i>0.04</i>	<i>0.0%</i>	
<i>Transfers To Funds</i>	<i>4,331,872.14</i>	<i>3,182,927.00</i>	<i>(1,148,945.14)</i>	<i>-36.1%</i>	
Transfers Between Funds	3,330,289.51	2,181,344.41	(1,148,945.10)	-52.7%	<i>The unfavourable variance of \$1,149 relates to the 2020 encumbrances.</i>

Niagara Reginal Housing Operating Statement As of December 31, 2020						
	Actual	Budget	Budget to Actual Variance \$	Budget to Actual Variance %	Explanation of Variance	
Net Expenditure (Revenue) Before Indirect Allocations	\$27,789,395.94	\$28,344,681.50	\$555,285.56	2.0%	<i>Niagara Regional Housing (NRH) operated at a surplus before indirect allocations of \$555</i>	
Indirect Allocations & Debt						
<i>Indirect Allocation</i>	<i>1,897,124.28</i>	<i>1,991,647.29</i>	<i>94,523.01</i>	<i>4.7%</i>		
<i>Capital Financing Allocation</i>	<i>6,102,287.31</i>	<i>6,107,425.94</i>	<i>5,138.63</i>	<i>0.1%</i>		
Indirect Allocations & Debt	7,999,411.59	8,099,073.23	99,661.64	1.2%		
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$35,788,807.53	\$36,443,754.73	\$654,947.20	1.8%		

MEMORANDUM

CSC-C 10-2021

Subject: COVID-19 Response and Business Continuity in Corporate Services
Date: March 10, 2021
To: Corporate Services Committee
From: Todd Harrison, Commissioner, Corporate Services/Treasurer

Corporate Services delivers efficient and innovative service excellence to external and internal customers in an integrated and timely manner.

During this pandemic, our staff have continued this support function for core businesses within our group and for operating departments. In addition, Corporate Services has provided critical support to the Emergency Operations Committee (EOC).

The following provides an overview of activity that has taken place and a projection of expected service delivery moving forward:

CONSTRUCTION, ENERGY AND FACILITIES MANAGEMENT (CE&FM)

The CE&FM group is divided into two main groups, Construction and Facilities Management. This team continues to be an essential component of the Region's EOC.

Some of the functions performed in this capacity are:

- Maintaining Vine Portal for EOC supply chain requests allowing for increased efficiencies and tracking of delivery;
- Coordinating the sourcing of essential supplies in collaboration with other departments;
- Continuing Operations and Maintenance of all opened facilities including enhanced cleaning protocols to ensure safe working environment for essential staff not working from home;

- Coordinating emergency procurements of PPE and other supplies that are critical to business continuity for essential services;
- Coordinating shipping/receiving and securement of critical supply needs;
- Providing dedicated and secured storage areas to assist LTC pandemic supply requirements;
- Upgrading facilities with social distancing barriers, protective screens;
- Responding to internal client needs for changes in normal operations, special moves and health & safety concerns;
- Providing enhanced security monitoring of sites with reduced and or no staff on site; and
- Redeployment of CE&FM staff to support REOC and facilities operations
- Supporting the Public Health mass immunization plan

Operational Outlook

1/3/6 months

Construction:

- Supporting the Public Health mass immunization plan with logistics, supply chain, facilities management and facility planning
- Continue to work with contractors on construction sites for work deemed to be essential.
- For projects not in construction, staff is proceeding with procurement for projects deemed to be critical to proceed.
- Working with OH&S, determining what physical changes are required to re-open Regional office locations to the public.
- Continue installation of Physical distancing signage as needs are identified
- Completing installation of air exchange equipment to meet Dental Clinic requirements in order to resume in person appointments.
- Reconfiguration of Vaccine storage room and complete upgrades to electrical and HVAC to accommodate COVID vaccine.
- All capital projects at Niagara Region are considered essential construction and are not affected by the Province's lockdown order.

Cleaning:

- Staff has extended the current enhanced COVID cleaning requirements for facilities managed by CE&FM and EMS stations.

- Renegotiated cleaning contract to extend for another 6 months based on right sizing operations to meet PH guidelines.
- Continue to procure additional cleaning and janitorial supplies to meet divisional and client needs.
- Continue to address emergency workplace disinfection requests following positive COVID findings in the workplace.

Supply Chain and Deliveries:

- Direct staff for delivery and reception of all Region Headquarters deliveries to loading dock to limit personnel entry to Region Headquarters.
- Continue to meet client and division's support requests for procurement of PPE, hygiene and cleaning supplies.
- Sourced face shields, N95, cloth and surgical masks for use by region staff based on operational needs.
- Maintain inventory of critical PPE supplies for pandemic response
- Working with REOC and PHEOC to prepare for storage, security and distribution of COVID vaccines and immunization supplies for mass immunization clinics.

Building Security:

- Continue to monitor security and facility access control systems to meet program delivery needs.
- Continue to keep all Region sites functional, safe and secure for eventual return to normal operations.

Non-essential maintenance and repair work:

Continue with critical maintenance repair work and services and any other work required for the efficient building operations.

FINANCIAL MANAGEMENT AND PLANNING (FMP)

Current Status of Operations

As indicated, all of the Corporate Services Departments continue to deliver core services while at the same time perform a significant number of duties to support the Regional EOC.

FMP staff have continued to support core business functions during the pandemic. Some highlights of these actions include:

- Complete the 2019 year end audit;
- Submission to the Province of the 2019 Financial Information Return;
- Publication of the 2019 Annual Report;
- Develop 2020 tax bylaws and provide required necessary report and bylaws;
- Work with Public Works to update financial implications of SNF water treatment plant for inclusion in the 2021 budget;
- Publication of the 2020 Budget Summary;
- 2021 operating and capital budget planning, preparation and approval;
- Successful sale of \$34 million in serial debentures (\$15.5 million Regional) on July 31 at all time historical low interest rate of 1.43% for 10 years;
- Reported to Council on the second and third quarter financial results and year end forecast;
- Completion of Service Sustainability Review project and reporting to Council;
- Update of Standard and Poor's credit rating, reaffirming the Region's AA stable credit rating;
- Creation of new Development Charge Policy regarding payment instalment options and related interest; and
- Review of Niagara Region Financial Health.

Additionally, FMP has a main role in the Region's EOC as part of the Finance and Administration Unit. Highlights include:

- Development and implementation of procedures for cost reporting and tracking;
- Coordination and collaboration with municipal treasurers of assumptions and information for consolidated financial impact information for advocacy to provincial and federal governments;
- Review of Regional capital projects in light of provincial legislative essential construction business and Regional capacity to complete;

- Complying with the multiple and iterative reporting requirements to different Ministries for more than 24 new revenue streams for various Regional programs.
- Implementation of on-line/credit card payments for services such as business licenses, garbage bag tags including direct sales to residents, planning and transportation permits, long term accommodations, etc.;
- Support HR in development of cost tracking system to facilitate staff redeployment to essential services in pandemic including ongoing update of EOC costing assumptions;
- Support HR in establishing process to administer 2020 pandemic pay.
- Extensive 2020 cash flow and collections analysis and planning in conjunction with local municipalities;
- Analysis and reporting related to Council motion to consider deferral of 2020 water/wastewater budget increases;
- Preparation of COVID-19 recovery planning documentation and consolidation of corporate plan; and
- Successful in application to Provincial Safe Restart Phase 2 for \$9.2 million in COVID-19 funding for 2020 and 2021 and on-going applications for other funding programs.

Operational Outlook

1/3/6 months

- Ongoing financial reporting submissions for COVID-19 extraordinary cost claims
- Supporting GO implementation, Niagara Regional Transit Governance, Canada Summer Games, Incentive Review, Airport Master Plan RFP, sponsorship revenue, Asset Management Planning, Niagara Regional Housing ASD.
- Beginning work on Development Charge Bylaw update with consultant and other teams involved in master plan updates.
- Evaluation of the HRIS RFP.
- Coordinating debenture issuances with infrastructure Ontario for Region and Area Municipalities.
- Supporting Procurement in actioning the recommendations from the non-competitive procurement audit.
- Analysis and reporting of 2021 tax policy decisions to set the 2021 tax rates.
- Finalizing 2020 year end reporting to Council and completing 2020 financial statement audit, financial information return and annual report.
- Planning and strategy for the 2022 Budget.

- Updates to various policies include Reserve and Reserve Fund Policy.
- Financial system upgrades and improvements.

PROCUREMENT AND STRATEGIC ACQUISITIONS (PSA)

Current Status of Operations

Similar to other departments within Corporate Services, PSA staff have delivered by supporting core business functions while taking on additional projects to support the Region's EOC.

Highlights of activity during the operational period includes:

- Facilitating new and ongoing procurements culminating in award;
- Realty related works for inflight projects, leases and licenses;
- PeopleSoft Change PO's, Supplier and PCard administration; and
- Sourcing critical PPE and supplies needed for the EOC response to the pandemic.

Operational Outlook

1/3/6 months

The Region's review of essential projects both capital and operational has resulted in a prioritization of formal procurements moving forward. This will continue throughout the pandemic and afterwards.

INFORMATION TECHNOLOGY SERVICES (ITS)

Similar to other departments within Corporate Services, ITS staff have delivered by supporting core business functions while taking on additional established projects to support the Region's EOC.

Highlights of initiatives completed during the pandemic include the following:

- PH Mass Immunization clinic planning and prep – prepping up to 100 reclaimed laptops with specific images needed for multi user access in a Mass immunization scenario. Working with the PH Pandemic planning team to evaluate IT requirements of Mass Immunization sites and help coordinate Internet access at sites with the LAM's.
- Call Centre As A Service – collaborative effort with Customer Service team to pilot and procure a CaaS solution through Avaya to help with our Customer Service call centres.
- Implemented Spear Phishing and Ransomware eLearning modules for all staff, and non-staff – i.e. contractors, vendors, volunteers, students, etc.
- The conversion of 180+ SAEO staff over from Thin Client hardware to laptops to further enable Work from home on Niagara Region devices.
- Modifications to various web applications to support the AODA 2021 compliance regulations.
- Updated external COVID reporting on website to simplify information and added vaccination data.
- Provide support for Community Services in the onboarding of an online financial assistance application (OLAF).
- Creation of new reports to support the HR Redeployment tool- currently reactivated for use in the 2nd wave of COVID.
- Produced and/or iterated a variety of Power BI reports for Public Health as it relates to COVID, including:
 - PH and REOC dashboards;
 - The public COVID metrics on niagararegion.ca;
 - LAM specific report for public health to deliver weekly to each Mayor and CAO and other requested senior staff;
 - A repatriation report for HR and public health visualizing the COVID redeployment effort;
 - Outbreak COVID reporting;
 - Public COVID Info-Line and Online Chat Wait Times; and
 - Public Health COVID Response Tracking.
- Additional Power BI reports were produced for:
 - SAEO Intake – to assist in assessing the impact of CERB etc. to their call volume and intake load;
 - Customer Service Call Volume – to assess the impact on dispatch with forwarding all HQ call attendant calls to dispatch; and
 - CAMRA Reporting for capital project budget decision making.
- Produced a data solution for school outbreak COVID reporting in the EOC (both EOC's).
- Devised and are continuing to implement a long term data solution for public health COVID information and contact tracing, including integrating with the Provincial CCM application.

- Automation of the public daily COVID report publication which was manually completed 7 days a week for ~ 5 months.
- Provided the Homelessness Reporter suite of applications to Community Services for outreach workers to use with the homeless during COVID.
- Support for onboarding the 2 new WM collection contractors - modifications and enhancements to various applications were required to support this initiative.
- Implemented a public facing website with automation of the application process for qualification of Specialized Transit services offered by Niagara Region.
- Assisted the City of Thorold by producing economic development maps to be used with prospective clients/developers for the City. Five different maps were produced in total.
- Worked collaboratively with NH on rebuilding the application 'Transfer of Care' which will improve efficiencies and tracking in the life cycle of a patient beginning care with EMS up to the hand off (transfer) of care to NH.
- Support for HR on the Talent Map Survey regarding work conditions in the COVID-19 Pandemic.

Operational Outlook

1/3/6 months

- Continue support for COVID-19 initiatives while supporting and enabling staff to work from home. Prior to COVID-19 daily average for the number of remote connections was approximately 90 users, current daily average is 1270 users.
- Ongoing updates to the screening questions used by EMS in their tool 'EMS Tools'.
- Ongoing COVID-19 data analytics including internal operations supports and external data visualizations - Launched enhanced stats on external website including municipal breakdown.
- Implement and review technology and processes to accommodate electronic public participation in Council and Committee meetings.
- Automate Public Health EOC status report for daily briefing and Ministry submission as well as call center processes.
- Supporting Niagara Regional Transit and Canada Summer Games with technology planning and review.
- Provide support to Community Services in transitioning the services of 'Pro Kids' to the YMCA.
- Creating the ability for taxpayers to upload immunization records, which will increase efficiencies and accuracy of this PH data.
- Increased performance abilities in the application used to Permits, enabling efficiencies for Transportation staff.

LEGAL SERVICES

Current Status of Operations

As indicated for all of the Corporate Services Departments Legal Services continues to deliver core services, while at the same time providing a significant level of support in response to the COVID-19 pandemic to the Region's EOC and all operating departments.

The Legal team performs a key role in the Region's EOC providing risk management and legal advice. The team provides ongoing legal support to the Region's EOC and operating departments in particular related to the interpretation and implementation of new provincial legislation and Emergency Orders that have been issued throughout the pandemic. Highlights of advice and legal support provided include:

- Advice and legal support related to the development and implementation of the Region's mass immunization plan;
- Advice regarding the preparation, communication and enforcement of the Region's face covering by-law;
- Advice related to impact of emergency orders on procurement and construction to ensure the continuation of essential Regional capital projects and help minimize pandemic-related project costs and disruptions;
- Advice to Public Health to support the issuance of Orders under the Health Protection and Promotion Act;
- Legal support related to enforcement of and compliance with a broad range of regulatory requirements imposed in response to the pandemic;
- Risk management advice on building screening and security issues; and
- Advice related to recovery planning/reopening of Regional facilities.

Operational Outlook

1/3/6 months

The Legal team continues to provide advice and support to operational departments on core business activities, including risk management and insurance advice and litigation support. Litigation and claims management have become increasingly active as Courts and lawyers adapt to pandemic constraints and remote working alternatives. The team also continues to provide additional support for REOC and COVID-19 related matters as required, with the majority of the team working remotely.

COURT SERVICES

Current Status of Operations

The Court Services team is overseen by the Region's legal department on behalf of the joint board of management, between the Region and area municipalities.

Highlights of operational changes to Court Services:

- In alignment with the Stay at Home Order, the Niagara Region's POA Courthouse building closed temporarily to the public with alternative services (via telephone phone and email) being offered effective Friday January 15, 2021. The building reopened to the public for counter service as of February 16, 2021.
- Court Administration & Collections staff are working onsite to provide customer service in person, via telephone and email, as well as conduct remote court matters as scheduled. Prosecution Staff are largely able to work remotely, except where attendance at the Courthouse is necessary (e.g. to support remote court proceedings).
- Direction from the Ministry of the Attorney General (MAG) has been received indicating that in-person Provincial Offences matters have begun to gradually resume across the province as of January 25, 2021. There has been ongoing collaboration with Facilities and Corporate Health & Safety to prepare for resumption of in-person court matters, utilizing the initial Recovery Secretariat Guidelines provided by the MAG. A successful site assessment by the Public Services Health & Safety Association (PSHSA) was completed on January 26, 2021, supporting the resumption of in-person court matters. While in-person matters have not yet resumed in Niagara, Court Services is presently awaiting official communication from MAG regarding next steps.
- Since July 6, 2020 judicial pre-trial matters and early resolution guilty pleas have been conducted remotely where eligible, before a Justice of the Peace via audio conference.
- Since October 19, 2020 non-trial remote matters have been conducted remotely where eligible, before a Justice of the Peace via audio conference.
- Court services is well equipped to deliver services remotely, based on extensive preparation for remote and virtual matters in addition to the modern technology available onsite at the courthouse facility. The Courthouse is now Zoom enabled (which is the video platform required by MAG), which will support Court Services in conducting trials by video when permitted and staff are engaged in the development of communication tools for the public to assist in this transition.

Operational Outlook

1/3/6 months

Continue to provide customer service support remotely wherever possible, and in-person via counter service where required. Continue to conduct eligible remote court matters via audio while awaiting resumption of in-person and commencement of virtual court proceedings by video.

ASSET MANAGEMENT OFFICE

Current Status of Operations

AMO staff continue to support core business functions during the pandemic. Some highlights of these actions include:

- Planning and leading the development and submission to the Province of the 2021 Asset Management Plan in accordance with Reg 588.
- Initiated development of a corporate Asset Registry focusing on the asset hierarchy to support the 2021 AMP.
- Continuing development of the Region's Enterprise Risk Management Framework.

The Senior Project Manager is seconded to ITS to assist with the ECM project. This position was backfilled in February.

Projects to improve the Region's Asset Management System (AMS) require participation and collaboration from staff across the organization. Given the impact of COVID-19 on divisional plans and resources, the ability of Region staff to focus time on the AMS projects is limited and will have further impact on the schedule of 2020 projects. A schedule assessment indicates the majority of planned 2020 projects are now delayed while some are on hold due to the previous staffing levels.

The overall 5-year plan has been impacted and will be re-evaluated in Q2 2021 with short-term adjustments made over the next few months. A strategy to rework the 5-year plan has been developed and will be put into place in the next one to two months.

Operational Outlook

1/3/6 months

The Asset Management System development projects that are underway (Priority 0) and those planned in the coming months (Priority 1) are tabled below. These projects are directly related to the requirements of the 2021 Asset Management Plan.

Table 1: Asset Management System development projects

Priority	Service availability by Phase	Current status	Project
0	PNM	Delayed	Region AM delivery structure ID 112
0	PNM	Delayed	AM program foundations ID 430
0		Pilot completed	CAMRA - Risk Management Framework ID 248
0	PNM	Delayed	Develop data analytics capabilities- Microsoft BI ID 530
0	PNM	Delayed	Develop AM performance management KPIs ID 410
1	PNM	Inaugural meeting held	Niagara Region AM working group ID 512
1	PNM	Completed	Process for preparing the AM Plan ID 210
0	PNM	Underway	Capital planning process ID 262
0	PNM	Scope revised	Enterprise Risk Management Framework ID 249
0	PNM	Scope revised	Develop Asset Registry - hierarchy and relationships ID 242
1	C	On hold pending resource evaluation	Project Resource Estimating - cost model ID 310
0	PNM	Initiated and on track	2021 AMP ID 630

Notes: PNM: No changes but delivered differently - e.g. working remotely

C: Cancelled pending redeployed/ staff vacancies and resource evaluation

Other planned 2020 projects not tabled above, and that have only an indirect bearing on the 2021 Asset Management Plan, or are related to supporting Niagara's local municipalities are also on hold until staffing issues have been resolved.

BUSINESS LICENSING

Current Status of Operations

Similar to the other departments in Corporate Services, the Business Licensing department continues to operate with core service delivery as well as playing a role in the Region's EOC and response to Provincial O.Reg enforcement. These activities are identified separately.

Business Licensing

- Continue processing, and issuance of business licenses including fee payments and response to enforcement and inspection requirements.
- Developing office protocols for streamlined business licensing processes under COVID-19 restrictions including the issuance of licenses at set times in the lobby of the facility.
- Investigating permanent eCommerce licensing sales and software database updates. Currently using Region website ecommerce credit card payment options for license fee payments.
- Establishing industry specific contacts with various law enforcement agencies including NRPS, OPP, MTO, MOE and AGCO as well as local by-law enforcement agencies.
- Preparing for the procurement of a modernized licensing/incident/inspection/enforcement database with a projected Q3 2021 delivery.

Provincial Order Enforcement

The provincial government requires continued enforcement of provincial orders by municipalities. Business Licensing staff maintain availability for active enforcement and inspection measures for the orders and provide support to local municipalities and Niagara Regional Police. They provide both random inspections and complaint driven inspections 7 days a week.

- 3 staff from Business Licensing have been re-assigned to enforce the Provincial Orders and are providing 7 day a week coverage. Staff remain assigned to this until further notice or when the orders and state of emergency are lifted. Hours of operation and days of service are assessed weekly and are adjusted to meet demands and pressures.

- Beginning December 06, 2020, two staff Tobacco Enforcement have been assigned to augment Business Licensing staff assigned to provincial pandemic O.Reg. enforcement and inspection. These staff will be assigned to this detail until the end of January 2021 at which time their deployment will be re-assessed.
- Staff respond to Provincial Order and Regional Face Covering By-law complaints to assist the local response and also conduct random compliance inspections. Staff also continue to ensure Region licensed businesses are following order requirements and adherence to the Regional Licensing Bylaw.
- Provincial Order enforcement, including education, warnings, charges and summons for the Re-opening Ontario Act.
- Regional Face Covering By-law enforcement including education, warnings and summons.
- Provide Provincial O.Reg enforcement data to the Ministry of the Solicitor General and the local area municipalities weekly.
- Publically post general weekly inspection and enforcement statistics for O.Reg enforcement.
- Provide background justification for business closure orders that consistently fail to comply with Reopening Ontario Act O.Reg.
- Provide support for changing O.Reg stages of opening.

Operational Outlook

1/3/6 months

- The Business Licensing Manager will continue to work with local municipalities, NRPS and other Regional departments and external agencies in a coordinated approach to enforcement of Provincial Orders and the Regional Face Covering Bylaw until the pandemic eases.
- The Business Licensing Manager will be available to assist with security measures surrounding COVID-19 vaccinations and deployment.
- The business license bylaw review is ongoing and will come before Council in February of 2021.
- The Business Licensing Manager is reviewing COVID-19 pandemic impacts on licence holders licensed by the Region.
- The Business Licensing Manager will be developing a “return to normal operations” plan for implementation when the pandemic measures ease.

INTERNAL AUDIT

Current Status of Operations

- Finalizing RFP scoping documents for planned audits for 2021 including two audits in IT – cyber security and penetration testing. Preparing all material related to these two audits including evaluation criteria, timing and client briefings.
- Researching additional audit areas that will be issued later in 2021 including contract/consultant management audit and BioSolids Audit.
- Developing testing criteria for follow up audit on the Corporate PCard program.

Operational Outlook

1/3/6 months

- Proponent to select for audit on cyber security. Support fieldwork and act as liaison during audit completion of cyber audit.
- Working with client groups to prepare response back to Management Action Plan, report expected at May Audit Committee meeting.
- Beginning review and update to foundational audit documents, most notably Audit Committee Terms of Reference and Internal Audit Charter.

Respectfully submitted and signed by

Todd Harrison, CPA, CMA
Commissioner, Corporate Services/Treasurer

Subject: Motion by the Municipality of Charlton and Dack respecting the Cost of Municipal Insurance

Report to: Corporate Services Committee

Report date: Wednesday, March 10, 2021

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- This report is provided in response to a request made at Corporate Services Committee on January 13, 2021, and ratified by Regional Council on January 21, 2021, that staff provide a report respecting Correspondence Item CWCD 2021-08.
- Correspondence Item CWCD 2021-08 concerned a Motion from the Municipality of Charlton and Dack respecting the rising cost of municipal insurance in light of the joint and several liability regime.
- As a result, this report provides Council with an update with respect to Staff's review of the efforts undertaken by other municipalities and Association of Municipalities of Ontario (AMO) to request the Province take action to address concerns regarding municipal insurance and the need for joint and several liability reform.
- Joint and several liability, in its current form, creates significant financial risk to municipalities, including increased liability payouts and insurance premium costs.
- With joint and several liability, if other parties are unable to pay, damages can be recovered from any defendant, even if they are deemed just one per cent responsible. As a result, a fraction of fault can cause municipalities to pay significant damage awards. Often municipalities are targeted for inclusion in litigation deliberately as "deep pocket" insurers when other defendants do not have the means to pay.
- In September, 2019 a letter was submitted by the Region's Legal Services division to the Attorney General of Ontario, in response to a broad municipal consultation on the joint and several framework, supporting reform.
- In October 2019 Regional Council approved a Staff report (being CL-C 67-2019 – AMO Submission regarding Joint and Several Liability Reform) endorsing AMO's October, 2019 report and recommendations to the Attorney General for Ontario for joint and several liability reform.

- Despite numerous municipalities endorsing AMO's recommendations and sending letters of support to the Attorney General for Ontario, except for a change to the limitation period for slip and falls, it does not appear that any further steps have been taken by the Province to date to address the concerns raised.

Financial Considerations

As reported in CSD 74-2020 Insurance Program Update for 2020-2021, Niagara Region experienced a significant premium increase. The premium increase from 2020 to 2021 of \$899,386 or 99.5% was approved in the 2021 Levy Operating Budget.

Analysis

In July, 2019 the Attorney General of Ontario (Attorney General) reached out to municipalities to participate in the government's consultations regarding joint and several liability, insurance costs, and the 'liability chill' affecting the delivery of public services. At that time, Legal Services Staff conducted a review in consultation with Niagara Region's insurer, completed a questionnaire and a formal response was provided to the Attorney General on September 27, 2019.

In an October 2019 report to the Attorney General, AMO recommended seven measures to address the issues posed by joint and several liability reform, summarized as follows:

1. Adopt a model of full proportionate liability to replace joint and several liability;
2. Implement enhancements to the existing limitations period including the applicability of the existing 10-day rule on slip and fall cases and whether a 1-year limitation period may be beneficial;
3. Implement a cap for economic loss awards;
4. Increase the catastrophic impairment default benefit limit as well as the third-party liability coverage to \$2M in government regulated auto insurance plans;
5. Assess and implement additional measures which would support lower premiums or alternatives to the provisions of insurance by other entities such as non-profit insurance reciprocals;
6. Compel the insurance industry to supply all necessary financial evidence which support arguments as to the fiscal impact of joint and several liability; and
7. Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General.

On October 17, 2019, Regional Council endorsed AMO's report and approved the following resolution:

1. The Regional Municipality of Niagara hereby **ENDORSES** the submission of the Association of Municipalities Ontario to the Attorney General of Ontario entitled “Towards a Reasonable Balance: Addressing growing municipal liability and insurance costs” dated October 1, 2019; and,
2. That Staff **BE DIRECTED** to forward the approved resolution to the Ministry of the Attorney General prior to November 1, 2019.

At the January 13, 2021, meeting Corporate Services Committee received a letter from the Municipality of Charlton and Dack (“Charlton and Dack”), being Correspondence Item CWCD 2021-08, to the Honourable Doug Ford, Premier of Ontario regarding municipal insurance and joint and several liability reform issues. As a result, Staff was requested to provide a report regarding the matter.

Staff reached out to Charlton and Dack as well as other municipalities to see what actions or other steps have occurred since the 2019 consultation efforts noted above. Similar to other municipalities canvassed, Charlton and Dack indicated that the 2021 insurance renewal was very difficult and resulted in a significant overall premium increase. The common concern expressed amongst municipalities is that premium increases and overall claims costs are not sustainable and action by the Province is necessary.

In addition, Staff was informed that in May 2020 AMO provided an update to indicate that regretfully they had no news to offer municipalities in terms of steps being taken by the Province. AMO indicated that at the January 2020 Rural Ontario Municipal Association Conference the Attorney General was asked a question regarding progress on joint and several (which was also the one-year anniversary of the Premier’s announcement to pursue options). It is Staff’s understanding that the Attorney General at that time was non-committal.

A further update from AMO in August 2020 advised as follows:

AMO awaits the government’s response to the consultation and understands that delays are occurring due to COVID-19. However, the current environment is seeing increased liability concerns emerge as municipal governments work to manage COVID-19 and the phased re-opening across the province.

The concerns set out above are what prompted the recent Motion by Charlton and Dack to reach out to the Premier of Ontario.

Staff can report, however, that further to the recommendations made by AMO the Province did recently change and reduce the two year limitation for an individual to bring an action for a slip and fall to 60 days.

On February 16, 2021 AMO posted an article (attached as Appendix 1) with respect to Joint and Several Liability and Rising Municipal Insurance Costs, highlighting that this continues to be an issue of significant concern for all municipalities.

As indicated in CSD 74-2020 Insurance Program Update for 2020-2021, Staff is undertaking a review of the current insurance program and associated risks in the context of the now known changing insurance market. Staff is targeting a report back to Council by the end of April 2021 regarding available options including potentially going back out to market in 2021 with a new procurement process and a revised insurance program.

Alternatives Reviewed

No alternatives were reviewed as this report is being provided for information purposes.

Relationship to Council Strategic Priorities

Niagara Region's review of the Province's actions respecting Municipal Insurance and Joint and Several Liability Reform is consistent with Council's strategic priority focus on Sustainable and Engaging Government – High Quality, Efficient and Coordinated Core Services and Fiscally Sustainable.

Other Pertinent Reports

- CWCD 2021-08 – Motion from the Municipality of Charlton and Dack respecting Municipal Insurance
- CSD 74-2020- Insurance Program Update for 2020-2021
- CL-C 67-2019- AMO Submission regarding Joint and Several Liability Reform

Prepared by:

Donna Pasto
Risk Management Program Manager
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Donna Gibbs, Director Legal and Court Services.

Appendices

Appendix 1 AMO Article dated February 16, 2021



[Home](#) / [Learning](#) / [Blog](#) /

Joint and Several Liability & Rising Municipal Insurance Costs

February 16, 2021

By Rick Johal, Senior Advisor, AMO

In early 2019, Premier Doug Ford announced to the delegates of the Rural Ontario Municipal (ROMA) Conference that his government was going to launch consultations into the long-standing municipal concern around joint and several liability. I remember being in the room and noting that this announcement was positively received. I think many, including myself, thought that this new government could well take a different perspective and approach to this issue.

Later that year, with the support of its Task Force, AMO staff prepared a submission titled, "Toward a Reasonable Balance: Addressing growing municipal liability and insurance costs" to the Attorney General. In this submission, AMO outlined a series of recommendations that included, but was not limited too, introducing a model for full proportionate liability to replace joint and several liability and implementing a cap for economic loss awards.

Unfortunately, AMO and the municipal sector have not formally heard back from the Attorney General with respect to the outcome of this consultation. Naturally, many in the sector understood the impact of

the pandemic and that it placed a pause on many government consultations in early 2020. However, recent comments at the AMO and ROMA Conference from the Attorney General have caused some concern. Notably, Minister Downey indicated in a response to a Minister's Forum question that he may still be unconvinced about the data surrounding joint and several liability and its relation to higher insurance premiums for municipal governments. Suffice it to say, this may be a point of contention and AMO is keen to learn more about the Attorney General's thoughts moving forward.

2021 is representing a challenging year for municipalities in several ways. One of these challenges focuses on insurance premiums. It is a growing trend that municipal governments are reporting significant increases and, in some cases, even struggling to get quotes. This can be attributed to a series of factors including being in a "hard" insurance market, managing challenges arising from COVID-19, and joint and several liability that continues to place a heavy burden on municipalities.



Recently, the Federation of Northern Ontario Municipalities (FONOM) and the Northwestern Ontario Municipal Association (NOMA) shared some initial data gathered from their members on insurance premiums.

The data captures the percentage increase in premiums from 2020 to 2021 for nearly 65 municipalities. The average rate of increase is just over 20% and for many smaller communities, this is simply not sustainable. One municipal government noted that it must now increase taxes to ratepayers by 2.5% to simply make up for the increase on its insurance premiums. This scenario, left unaddressed, will continue to draw property tax dollars away from key public services for Ontario residents.

This issue is not going away.

Without action, the public and media will continue to circle matters related to joint and several liability. AMO has outlined options for the government to pursue that have worked in other jurisdictions. The provincial government can do more to support a risk management approach from municipal governments in the pursuit of a more fair, reasonable, and responsible system for liability.

The time to restart this dialogue is now as there remain too many outstanding concerns and the trend line is less favourable for municipal governments with each passing year.

Category

AMO

Share this Post

Subject: Review of Niagara Region Financial Condition

Report to: Corporate Services Committee

Report date: Wednesday, March 10, 2021

Recommendations

1. That the Review of Niagara Regional Financial Condition **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to respond to a Council inquiry at Budget Review Committee of the Whole on January 14, 2021 to provide a review of Niagara Regions financial condition.
- Staff have accumulated in this report financial indicators that are routinely referred to throughout the year when providing Council financial strategy and planning reports. This report also includes in Appendix 1 an indicator description, an evaluation of the indicator and policy references with opportunities for influencing the indicator provided in the body of the report.
- Sources for financial indicators are the Ministry of Municipal Affairs and Housing (MMAH), BMA Consulting Group, Standard & Poor's (S&P) Global Ratings and KPMG Service Sustainability Review.
- Indicators have been grouped using three categories: Financial Sustainability, Financial Flexibility and Financial Vulnerability.

Financial Considerations

There are no financial considerations for this report; however this report highlights the financial indicators that are utilized by staff when developing financial strategy and planning reports to Council.

Analysis

Regional staff rely on a number of external sources for financial indicators. These are used to assess the financial condition of the Region and complete comparisons to our peers where relevant. Each external source provides an evaluation of Niagara's performance indicator that is relevant for their use. However in Appendix 1, staff have

evaluated Niagara's indicators considering the entirety of the multiple sources and applied a consistent rating scheme to all using a scale of negative, neutral and positive.

Source of Financial Indicators Information

- **Ministry of Municipal Affairs and Housing (MMAH) – Financial Indicator Review** (Appendix 2). This is completed annually by MMAH, the 2020 review uses 2019 Financial Information Return (FIR) data. The FIR is the data collection tool used by MMAH to collect financial and statistical information on municipalities. It is populated each year by the Region and all of Ontario municipalities. Niagara Region is compared to the “South – Upper Tier- Regions” grouping which is comprised of Durham, Halton, Niagara, Peel, Waterloo, York, Muskoka and Oxford County. The median outcome of the review was used for the Regions evaluation purposes.
- **BMA Consulting – 2020 Municipal Study Executive Summary** (Appendix 3). The Region participates each year in the BMA consulting municipal study, which identifies key financial and economic indicators that are used to evaluate a municipality's financial condition. These indicators are compared to survey respondents in Ontario; there were 110 municipalities that participated in the 2020 study which leverages 2019 FIR information as well as 2020 taxation information. It should be noted that in some cases where the indicator for Niagara utilized local area municipality information, the BMA study uses a simple average for its calculations when considering Niagara's result where a weighted average may be more appropriate in some cases however for the sake of comparability the BMA info has been utilized in its published form.
- **Standard & Poor's (S&P) Global Ratings – Criteria used to determine credit ratings** (Appendix 4). S&P Global Ratings reviews multiple factors to determine the credit rating it applies. Most relevant to the matter of financial condition are Financial Management, Budgetary Performance, Liquidity and Debt Burden. These indicators were most recently assessed by S&P using the 2019 FIR data and on a scale of 1 to 5, with 1 being very strong, and 5 being very weak. The overall credit rating for 2020 was re-affirmed on October 13, 2020 at AA, with a stable outlook.
- **KPMG's Service Sustainability Review – Indicators of Financial Performance** (Appendix 5). KPMG was engaged to conduct a Service Sustainability Review which was completed in August 2020. The KPMG Final Report included the evaluation of the Region's financial condition as

recommended by the Public Sector Accounting Board (PSAB), and evaluated Niagara against Durham, Halton and Waterloo as upper tier comparisons.

Financial Indicator Summary:

The Public Sector Accounting Board establishes the accounting standards for public sector organizations which includes municipal governments. They recommend that the factors of sustainability, flexibility and vulnerability are considered when reporting on indicators of financial condition therefore the Region's financial indicators have been grouped using these categories.

Financial Sustainability: The degree to which the Region can maintain its existing financial obligations both in respect to services and its financial commitments without inappropriately increasing its debt or tax burden relative to the economy in which it operates.

Financial Flexibility: The Region's ability to change its available sources of funding (debt, taxes, user fees) to meet financial obligations.

Financial Vulnerability: The extent to which the Region is dependent on sources of revenue, predominantly grants from senior levels of government, over which it has no discretion or control.

In addition to the categorization and rating of the financial indicators in Appendix 1, staff have provided references to policies that apply to and guide the performance of the indicator. For those indicators where performance has been assessed as negative, the Action Plan items below present opportunities to improve the measures.

- Reserve measures -
 - Rating: Total reserves and discretionary reserve funds as a percentage of municipal expenses and total reserves and reserve funds per household are assessed as negative;
 - Risk: Lower level of reserves is indicative of limited ability to deal with cost increases or revenue losses, which would require the Region to issue debt or increase taxation and user fees.
 - Communication to Council: Reserve uses and balances are communicated to Council both with the annual budget process, during the year in the three quarterly financial updates and the annual financial report.

- Action Plan:
 - Support contributions to capital reserves as per the Capital Financing Strategy in order to support the approved asset management plan for infrastructure renewal and growth.
 - Support the uses for operating reserves as defined in the Reserve and Reserve Fund policy for one-time items in the budget or for extraordinary expenses outside of the budget process in accordance with the Budget Control By-law rather than funding on-going services or property tax increases which impact financial sustainability of services and create downward pressure on reserves balances.
 - Support the year-end transfer report recommended uses of the surplus to fund reserves which are made in accordance with the Reserve and Reserve Fund Policy.
- Tax Burden measures -
 - Rating: Residential, Multi-Residential, Commercial and Industrial relative property taxes, and property taxes as a percentage of household income are assessed as negative;
 - Risk: Higher taxes may be indicative of a higher service standard in Niagara but affordability could impact Niagara's competitiveness relative to neighbouring municipalities.
 - Communication to Council: These are communicated to Council each year with the presentation of the annual tax policy review, which identifies the impacts that policy decisions have on shifting of taxes between property classes and the potential for advancement of Regional strategic objectives.
 - Action Plan:
 - Consider the impacts that tax policy changes have on the residential taxpayers that comprise 73% of Regional taxation.
 - Consider recommendations of KPMG Service Sustainability Plan regarding opportunities for cost reduction in discretionary spending or alternative service models.
 - Endorse the mandate of the CAO Working Group and support opportunities identified to explore and collaborate on service areas of mutual interest to achieve administrative and/or operational efficiencies and cost savings in partnership with lower tier municipalities.

- Capital grants measures -
 - Rating: Capital grants as a percentage of total capital expenditures are assessed negative;
 - Risk: Necessary capital investment/renewal may be too reliant on funding from other levels of government because the Region hasn't established a sustainable capital financing plan.
 - Communication to Council: The annual capital budget identifies the external (provincial and federal) grants that are associated with each project being proposed.
 - Action Plan:
 - Support the Capital Financing Policy that only confirmed funding from other levels of government be included in the capital budget and forecast and that projects relying on this funding proceed only with this confirmation.
 - Continue with advocacy for sustainable and predictable capital funding sources from the Federal and Provincial government and for review of services funded from the property tax base such that funding can be made available from the property tax base for much needed local infrastructure.

Other indicators that have been assessed as positive or neutral are summarized below also with opportunities for actions to improve:

- Debt measures –
 - Rating: Debt burden, net debt as a percentage of own source revenue, debt servicing costs as a percentage of total revenues and total long-term debt per household assessed as neutral;
 - Risk: Debt financing of capital inclusive of interest costs is at a higher cost than reserve financing of capital, which impacts operating budgets and potential affordability. In addition, debt strategies may affect the credit rating which has a direct impact on the Region's cost of borrowing for capital projects.
 - Communication to Council: Debt information is reported to Council with approval of the capital budget, in year when seeking approval to acquire approved debentures, in the three quarterly financial updates and the annual financial report.

- Action Plan:
 - Support reserving the use of debt financing for growth related projects in accordance with the Capital Financing Strategy.
 - Support operating budget increases to capital reserve contributions to ensure reserves are available to fund infrastructure renewal in accordance with the Capital Financing Strategy.
- Capital investment measures -
 - Rating: Closing amortization balance as a percentage of total cost of capital assets, and capital additions as a percentage of amortization expenses are assessed as neutral;
 - Risk: Inability to make investments in aging infrastructure in accordance with the asset management plan, may impact integrity, functionality and service delivery of assets, and higher maintenance costs.
 - Communication to Council: While these measures are not reported individually to Council the level of recommended, required and backlog of capital investment and average annual rate of investment required to support the Asset Management Plan is reported annually with the capital budget deliberations.
 - Action Plan:
 - Support the Development Charge By-law principle of “growth pays for growth” so that tax dollars are available to invest in aging assets renewal in accordance with the Asset Management Plan and the Capital Financing Policy.
 - Support operating budget increases to capital reserve contributions to ensure reserves are available to fund infrastructure renewal in accordance with the Capital Financing Strategy.
- Credit rating measures –
 - Rating: Financial management, budgetary performance and liquidity are assessed as positive;
 - Risk: Lack of compliance with approved financial policies and by-laws could negatively impact the credit rating.
 - Communication to Council: Each year S&P undertakes a credit rating review of Niagara Regions financial position and forecast, this information is shared via an annual press release and used in preparation of all budget material.
 - Action Plan:

- Support actions and recommendations during budget deliberations and in year in accordance with approved policies and by-laws.

As noted above there are policies, guidelines and by-laws that address each of the financial indicators. All indicators will continue to be monitored, in particular those that are negatively ranked. Staff will also continue to advise Council in accordance with the established policies, inform Council of actions that may be contrary to the policies, and when actions could negatively affect the financial condition of the Region.

Alternatives Reviewed

N/A.

Relationship to Council Strategic Priorities

This supports the responsible growth and infrastructure planning and sustainable and engagement government strategic priorities.

Other Pertinent Reports

CSD 21 – 2017	Asset Management Plan
CSD 20 - 2019	Asset Management Policy
CSD 65 – 2019	Budget Planning By-law (No.2020-84)
CSD 13 - 2017	Budget Control By-law (No.2017-63)
CSD 51 – 2019	Capital Financing Policy
CSD 11 – 2017	Development Charge By-law (No.2017-68)
CSD 39 - 2018	Financial Reporting and Forecasting Policy
CSD 12 - 2019	Procurement By-law (No.2016-02)
CSD 48 - 2014	Reserve and Reserve Funds Policy

Prepared by:

Carrie Sportel, CPA, CA
Supervisor, Corporate Budgets
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

This report was prepared in consultation with Margaret Murphy, Associate Director Budget Planning and Strategy, and reviewed by Helen Chamberlain, Director Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1	Financial Indicators Summary
Appendix 2	Ministry of Municipal Affairs and Housing (MMAH) Financial Indicator Review
Appendix 3	BMA Consulting – Municipal Study 2020: Executive Summary
Appendix 4	S&P Global Ratings 2020
Appendix 5	KPMG – Region of Niagara Service Sustainability Review 2020

Appendix 1 – Financial Indicators Table

Sustainability Indicators:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
Net financial Assets or Net Debt as % of Own Source Revenue	Indicates how much property tax and user fee revenue is servicing debt.	2020 MMAH (Appendix 2)	-7.90%	36.60%	Neutral	Capital Financing Policy
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Indicates how much money is set aside for future needs and contingencies.	2020 MMAH (Appendix 2)	28.20%	98.50%	Negative	Reserve & Reserve Fund Policy Capital Financing Policy Financial Reporting and Forecasting Policy
Financial Management	Assessment of Regions financial management framework and the policies that guide it.	2020 S&P (Appendix 4)	2	N/A	Positive	Asset Management Policy Budget Planning By-law Capital Financing Policy Financial Reporting and Forecasting Policy Procurement Bylaw Reserve and Reserve Funding Policy
Debt Burden	Debt and interest being paid relative to available resources.	2020 S&P (Appendix 4)	2	N/A	Neutral	Capital Financing Policy
Total Reserves and Reserve Funds per Household	Funds set aside for future needs/contingencies.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Lowest	Highest: Halton 2nd Highest: Durham Lowest: Waterloo	Negative	Reserve & Reserve Fund Policy Financial Reporting and Forecasting Policy

Sustainability Indicators continued:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
Capital Additions as a percentage of Amortization Expenses	Extent to which it is sustaining its tangible capital assets.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	Lowest	Highest: Waterloo2nd Highest: Halton2nd Lowest: Durham	Neutral	Asset Management Policy

Flexibility Indicators:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
Debt Servicing Cost as a % of Total Operating Revenue	Indicates how much of each dollar raised in revenue is spent on paying down existing debt.	2020 MMAH (Appendix 2)	4.90%	4.90%	Positive	Capital Financing Policy
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Indicates how much of the assets' life expectancy has been consumed.	2020 MMAH (Appendix 2)	44.70%	34.90%	Neutral	Asset Management Policy
Annual Surplus / Deficit as a % of own source Revenues	Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)	2020 MMAH (Appendix 2)	8.90%	20.30%	Neutral	Budget Planning By-law
Property Taxes (Upper & Lower Tier) as a % of Household Income	Availability of gross household income to fund municipal services on a typical household.	2020 BMA (Appendix 3)	4.10%	3.80%	Negative	Budget Planning By-law
Water/Wastewater + Taxes (Upper & Lower Tier) as a % of Household Income	Availability of gross household income to fund municipal services on a typical household.	2020 BMA (Appendix 3)	5.20%	4.80%	Negative	Budget Planning By-law

Flexibility Indicators continued:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
2020 Estimated Avg. Household Income	Provides average household income and a indication of potential affordability concerns.	2020 BMA (Appendix 3)	\$101,933	\$107,715	Neutral	Budget Planning By-law
Residential Property Tax Burden	Property tax amount for 2-storey home	2020 BMA (Appendix 3)	\$4,981	\$4,714	Negative	Annual Tax policy
Multi-Residential Property Tax Burden	Property tax amount for mid/high rise (per unit)	2020 BMA (Appendix 3)	\$1,797	\$1,802	Neutral	Annual Tax policy
Commercial Property Tax Burden	Property tax amount for Neigh. Shopping (per Sq. Ft)	2020 BMA (Appendix 3)	\$4.16	\$3.88	Negative	Annual Tax policy
Industrial Property Tax Burden	Property tax amount for industrial Std. (per sq. ft.)	2020 BMA (Appendix 3)	\$1.97	\$1.72	Negative	Annual Tax policy
Budgetary Performance	Measures the level and volatility of the Region's expected cash flows in the year and overall performance compared to budget.	2020 S&P (Appendix 4)	2	N/A	Positive	Asset Management Policy Budget Planning By-law Capital Financing Policy Financial Reporting and Forecasting Policy Procurement Bylaw Reserve and Reserve Funding Policy

Flexibility Indicators continued:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
Liquidity	Measures the estimated free cash available to cover debt service costs for the year.	2020 S&P (Appendix 4)	1	N/A	Positive	Asset Management Policy Budget Planning By-law Capital Financing Policy Financial Reporting and Forecasting Policy Reserve and Reserve Funding Policy
Debt Servicing Costs (Interest & Principal) as a Percentage of Total Revenues	Percentage of revenues used to fund long-term debt servicing costs.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Highest	Highest: Waterloo 2nd Lowest: Durham Lowest: Halton	Neutral	Capital Financing Policy
Upper Tier Residential Taxes per Household	Ability to increase taxes to incrementally fund operating expenses and capital expenditures.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Lowest	Highest: Durham 2nd Highest: Waterloo 2nd Lowest: Halton	Positive	Budget Planning By-law
Total Long-Term Debt per Household	Debt load on a per household basis.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Highest	Highest: Waterloo 2nd Lowest: Halton Lowest: Durham	Neutral	Capital Financing Policy
Upper Tier Residential Taxation as a % of Household Income	Calculates the percentage of total household income used to pay municipal property taxes.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Lowest	Highest: Durham 2nd Highest: Waterloo Lowest: Halton	Positive	Budget Planning By-law

Vulnerability Indicators:

Indicator	Definition	Source	Result	Comparator	Performance	Policy/Bylaw Reference
Operating Grants as a % of Total Revenues	Degree of reliance on senior governments to fund operating expenses. Higher levels of grants decrease the share of the municipal operating costs funded by taxpayers and extent to which service levels can be impacted by a decrease in grants.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	Highest	2nd Highest: Waterloo & Durham Lowest: Halton	Neutral	Budget Planning By-law
Capital Grants as a % of Total Capital Expenditures	Degree of reliance on senior governments to fund capital expenses. Higher levels of grants decrease the share of the municipal capital costs funded by taxpayers or debt and the extent to which capital investments can be impacted by a decrease in grants.	2020 KPMG: Region of Niagara Service Sustainability Review (Appendix 5)	2nd Highest	Highest: Durham 2nd Lowest: Waterloo Lowest: Halton	Negative	Asset Management Plan Capital Financing Policy

FINANCIAL INDICATOR REVIEW

(Based on the 2019 Financial Information Return)

Niagara R

Date Prepared:	22-Oct-20
MSO Office:	Central
Prepared By:	Diane Ploss
Tier:	UT

2019 Households:	201,797
2019 Population	479,183
2020 MFCI Index	n/a

Median Household Income (2016):	66,137
Taxable Residential Assessment as a	
% of Total Taxable Assessment:	72.5%
Own Purpose Taxation:	374,060,800

SUSTAINABILITY INDICATORS

Indicator	Ranges		Actuals	South - UT - Regions		Level of Risk	Comments
				Median	Average		
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2015	0.0%	0.0%	0.0%	LOW	
		2016	0.0%	0.0%	0.0%	LOW	
		2017	0.0%	0.0%	0.0%	LOW	
		2018	0.0%	0.0%	0.0%	LOW	
		2019	0.0%	0.0%	0.0%	LOW	
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2015	-11.9%	-4.1%	15.7%	LOW	
		2016	-17.1%	7.7%	20.5%	LOW	
		2017	-14.2%	18.3%	28.4%	LOW	
		2018	-6.7%	30.3%	42.0%	LOW	
		2019	-7.9%	36.6%	50.0%	LOW	
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2015	34.0%	87.2%	81.0%	LOW	
		2016	32.4%	89.3%	85.3%	LOW	
		2017	32.3%	93.2%	87.5%	LOW	
		2018	32.5%	94.4%	91.8%	LOW	
		2019	28.2%	98.5%	96.2%	LOW	
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2015	1.26:1	0.96:1	1.59:1	LOW	
		2016	0.82:1	0.78:1	1.43:1	LOW	
		2017	1.18:1	0.75:1	1.38:1	LOW	
		2018	0.94:1	0.84:1	1.63:1	LOW	
		2019	1.05:1	1.34:1	1.98:1	LOW	

FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2015	4.2%	5.2%	5.1%	LOW	
		2016	4.3%	4.7%	5.3%	LOW	
		2017	4.6%	4.6%	6.0%	LOW	
		2018	4.2%	4.3%	4.3%	LOW	
		2019	4.9%	4.9%	4.6%	LOW	
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2015	43.2%	34.1%	34.7%	LOW	
		2016	41.6%	34.5%	35.0%	LOW	
		2017	42.5%	34.2%	34.7%	LOW	
		2018	43.9%	34.6%	35.6%	LOW	
		2019	44.7%	34.9%	36.1%	LOW	
Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2015	15.0%	23.4%	28.5%	LOW	
		2016	12.4%	22.8%	26.9%	LOW	
		2017	7.8%	25.9%	23.6%	LOW	
		2018	11.1%	23.6%	25.1%	LOW	
		2019	8.9%	20.3%	21.2%	LOW	

 The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.

FINANCIAL INDICATOR REVIEW

(Based on the 2019 Financial Information Return)

Niagara R

Date Prepared:	22-Oct-20	2019 Households:	201,797	Median Household Income (2016):	66,137
MSO Office:	Central	2019 Population	479,183	Taxable Residential Assessment as a	
Prepared By:	Diane Ploss	2020 MFCI Index	n/a	% of Total Taxable Assessment:	72.5%
Tier:	UT			Own Purpose Taxation:	374,060,800

FOLLOW - UP REVIEW AND COMMENTS

MSO has no concerns about the financial health of this municipality

NOTES

Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.

Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.
A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

FINANCIAL INDICATOR REVIEW

(Based on the 2019 Financial Information Return)

Niagara R

Date Prepared:	22-Oct-20
MSO Office:	Central
Prepared By:	Diane Ploss
Tier:	UT

2019 Households:	201,797
2019 Population	479,183
2020 MFCl Index	n/a

Median Household Income (2016):	66,137
Taxable Residential Assessment as a	
% of Total Taxable Assessment:	72.5%
Own Purpose Taxation:	374,060,800

Additional Notes on what Financial Indicators may indicate:

Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied - Shows how much of the taxes billed are not collected.

Net Financial Assets or Net Debt as % of Own Source Revenues - Indicates how much property tax and user fee revenue is servicing debt.

Reserves and Reserve Funds as a % of Municipal Expenses - Indicates how much money is set aside for future needs and contingencies.

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities) - Indicates how much cash and liquid investments could be available to cover current obligations.

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs) - Indicates how much of each dollar raised in revenue is spent on paying down existing debt.

Closing Amortization Balance as a % or Total Cost of Capital Assets (Asset Consumption Ratio) - Indicates how much of the assets' life expectancy has been consumed.

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues - Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)

The Northern and Rural Municipal Fiscal Circumstances Index (MFCl) is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFCl is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFCl corresponds to relatively positive fiscal circumstances, whereas a higher MFCl corresponds to more challenging fiscal circumstances. (Note: the MFCl index is only available for northern and rural municipalities)

CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied	SLC 70 0699 01 / (SLC 26 9199 03 - SLC 72 2899 09)
Net Financial Assets or Net Debt as % of Own Source Revenues	SLC 70 9945 01 / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01 - SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)
Total Reserves and Reserve Funds as a % of Municipal Expenses	(SLC 60 2099 02+SLC 60 2099 03)/(SLC 40 9910 11-SLC 12 9910 03-SLC 12 9910 07)
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	SLC 70 0299 01 / (SLC 70 2099 01 + SLC 70 2299 01)
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	(SLC 74 3099 01 + SLC 74 3099 02) / (SLC 10 9910 01 - SLC 10 1831 01)
Closing Amortization Balance as a % or Total Cost of Capital Assets (Asset Consumption Ratio)	SLC 51 9910 10 / SLC 51 9910 06
Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues	(SLC 10 2099 01 - SLC 10 1831 01) / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01 - SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)

Executive Summary—Region of Niagara

Socio-Economic Factors

Socio-economic indicators describe and quantify a municipality's wealth and economic conditions and provide insight into a municipality's collective ability to generate revenue relative to the municipality's demand for public services. An evaluation of socio-economic factors contributes to the development of sound financial policies. An examination of local economic and demographic characteristics can identify the following situations:

- Changes in the tax base as measured by population, property value, employment, or business activity
- A need to shift public service priorities because of demographic changes in the municipality
- A need to shift public policies because of changes in economic conditions

Socio Economic Factors	2020 Pop Density per sq. km.	2011 2016 Pop Increase %	2019 Building Construction \$ per Capita	2020 Estimated Avg Household Income	2020 Weighted Median Value of Dwelling	2020 Unweighted Assessment per Capita	2020 Weighted Assessment per Capita
Fort Erie	197	2.5%	\$ 3,288	\$ 85,036	\$ 247,126	\$ 120,323	\$ 128,782
Grimsby	437	7.9%	N/A	\$ 123,318	\$ 407,339	\$ 163,870	\$ 174,784
Lincoln	153	5.8%	N/A	\$ 120,162	\$ 374,422	\$ 164,908	\$ 164,176
Niagara Falls	459	6.1%	N/A	\$ 83,246	\$ 266,813	\$ 129,830	\$ 157,231
Niagara-on-the-Lake	146	13.7%	\$ 6,192	\$ 124,505	\$ 522,048	\$ 291,664	\$ 307,001
Pelham	144	3.1%	\$ 2,373	\$ 134,479	\$ 385,693	\$ 156,751	\$ 155,434
Port Colborne	156	-0.6%	N/A	\$ 81,223	\$ 212,286	\$ 103,117	\$ 115,444
St. Catharines	1,463	1.3%	\$ 1,255	\$ 84,015	\$ 255,391	\$ 110,317	\$ 127,388
Thorold	262	4.9%	\$ 84	\$ 88,067	\$ 252,878	\$ 114,190	\$ 126,096
Wainfleet	31	0.3%	N/A	\$ 108,155	\$ 338,828	\$ 173,350	\$ 154,260
Welland	691	3.3%	\$ 2,342	\$ 77,897	\$ 218,427	\$ 89,129	\$ 100,959
West Lincoln	41	4.8%	N/A	\$ 113,094	\$ 365,634	\$ 150,606	\$ 137,530
Total Survey Avg	549	4.8%	\$ 3,415	\$ 107,715	\$ 371,559	\$ 174,539	\$ 175,380
Niagara Region	348	3.8%	\$ 2,589	\$ 101,933	\$ 320,574	\$ 147,338	\$ 154,090

Financial Indicators

The Municipal Financial Indicators section of the report includes a number of measures such as the financial position, operating surplus, asset consumption ratio, reserves, debt and taxes receivables.

Key financial indicators have been included to help evaluate each municipality's existing financial condition and to identify future challenges and opportunities. A number of Industry recognized indicators that are used by credit rating agencies and/or recommended by Government Finance Officers' Association (GFOA) and the Ministry of Municipal Affairs and Housing have been included. Indicators related to **Sustainability**, **Flexibility** and **Vulnerability** have been included. It should be noted that Water and Wastewater indicators have also been included in the Water/Wastewater section of the report.

Sustainability

The ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

2019 Sustainability Indicators	Financial Position per Capita	Tax Asset Consumption Ratio	Net Financial Liabilities Ratio
Fort Erie	\$ 1,317	48.7%	(0.8)
Niagara-on-the-Lake	\$ 1,382	35.7%	(0.8)
Pelham	\$ (1,823)	38.1%	1.5
Port Colborne	\$ (1,322)	39.2%	0.8
St. Catharines	\$ 56	45.3%	(0.0)
Thorold	\$ 1,420	47.8%	(1.0)
Welland	\$ 728	44.0%	(0.5)
Total Survey Average	\$ 687	44.2%	(0.5)

Vulnerability

Addresses a municipality's vulnerability to external sources of funding that it cannot control and its exposure to risks.

2019 Vulnerability Indicators	Tax Reserves as % of Taxation	Tax Reserves as % of Own Source Revenues	Tax Reserves / Capita	Tax Debt Charges as % of OSR	Total Debt Out. / Capita	Tax Debt Out. / Capita	Debt Out. per Own Source Revenue	Debt to Reserve Ratio
Fort Erie	91.3%	75.9%	\$ 790	2.6%	\$ 193	\$ 101	11.9%	0.2
Niagara-on-the-Lake	41.7%	24.5%	\$ 279	1.1%	\$ 194	\$ 157	11.3%	0.3
Pelham	21.9%	18.0%	\$ 171	6.8%	\$ 1,766	\$ 1,723	148.0%	6.3
Port Colborne	89.4%	69.2%	\$ 867	10.3%	\$ 1,440	\$ 1,286	81.8%	1.5
St. Catharines	43.8%	31.3%	\$ 343	11.6%	\$ 933	\$ 881	63.8%	2.2
Thorold	186.3%	152.2%	\$ 1,524	0.7%	\$ 44	\$ 44	3.1%	0.0
Welland	130.5%	101.1%	\$ 1,050	13.4%	\$ 882	\$ 723	58.0%	0.8
Total Survey Average	79.7%	59.5%	\$ 831	4.3%	\$ 732	\$ 514	38.5%	0.8

Flexibility

The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.

2019 Flexibility Indicators	Taxes Receivable as % of Taxes Levied	Rates Coverage Ratio
Fort Erie	5.7%	109.0%
Niagara-on-the-Lake	3.8%	96.6%
Pelham	4.9%	90.1%
Port Colborne	9.4%	85.4%
St. Catharines	3.6%	94.8%
Thorold	9.1%	111.3%
Welland	8.8%	93.4%
Total Survey Average	5.6%	91.6%

Analysis of Net Municipal Levy Per Capita and Per Assessment

In order to better understand the relative tax position for a municipality, another measure that has been included in the study is a comparison of net municipal levies on a per capita and per \$100,000 basis. This measure indicates the total net municipal levy needed to provide services to the municipality. This analysis does not indicate value for money or the effectiveness in meeting community objectives. Net municipal expenditures per capita may vary as a result of:

- Different service levels
- Variations in the types of services
- Different methods of providing services
- Varying demand for services
- What is being collected from rates vs. property taxes
- Locational factors
- Demographic differences
- Socio-economic differences
- Urban/rural composition differences
- User fee policies

As such, this analysis is not an “apples to apples” comparison of services, but rather has been included to provide insight into the net cost of providing municipal services within each municipality. Further analysis would be required to determine the cause of the differences across each spending envelope and within each municipality. This analysis was completed using the most current information available - net municipal levies as per the 2020 municipal levy by-laws and the 2020 estimated populations.

	Net Municipal	
2020	Levy per Capita	Levy per \$100,000
		Unweighted CVA
Fort Erie	\$ 1,699	\$ 1,412
Grimsby	\$ 1,746	\$ 1,065
Lincoln	\$ 1,731	\$ 1,050
Niagara Falls	\$ 1,584	\$ 1,220
Niagara-on-the-Lake	\$ 2,531	\$ 868
Pelham	\$ 1,789	\$ 1,141
Port Colborne	\$ 1,766	\$ 1,712
St. Catharines	\$ 1,585	\$ 1,437
Thorold	\$ 1,555	\$ 1,361
Wainfleet	\$ 1,959	\$ 1,130
Welland	\$ 1,453	\$ 1,630
West Lincoln	\$ 1,336	\$ 887
Total Survey Average	\$ 1,661	\$ 1,082
Niagara Region	\$ 1,728	\$ 1,243

User Fees

A number of user fees have been included in the Study including the following:

2020 Fees	Development Charges - Single Detached	Residential Building Permit Fee
Fort Erie	\$ 37,146	\$ 2,373
Grimsby	\$ 37,537	\$ 2,319
Lincoln	\$ 43,614	\$ 2,338
Niagara Falls	\$ 33,060	\$ 2,019
Niagara-on-the-Lake	\$ 31,247	\$ 2,535
Pelham	\$ 38,798	\$ 2,642
Port Colborne	\$ 24,398	\$ 2,301
St. Catharines	\$ 19,835	\$ 2,606
Thorold	\$ 37,595	\$ 2,535
Wainfleet	\$ 26,732	\$ 2,428
Welland	\$ 27,697	\$ 2,606
West Lincoln	\$ 35,179	\$ 1,991
Total Survey Average	\$ 37,789	\$ 2,348
Niagara Region	\$ 32,737	\$ 2,391

Comparison of Tax Ratios

Tax ratios reflect how a property class tax rate compares to the residential rate. Changes in tax ratios affect the relative tax burden between classes of properties. Tax ratios can be used to prevent large shifts of the tax burden caused by relative changes in assessment among property classes as well as to lower the tax rates on a particular class or classes.

2020 Tax Ratios	Niagara Region	Total Survey Average
Multi-Residential	1.9700	1.7603
Commercial (Residual)	1.7349	1.6747
Industrial (Residual)	2.6300	2.1610

Taxes and Comparison of Relative Taxes

The purpose of this section of the report is to undertake “like” property comparisons across each municipality and across various property types. In total there are 12 property types in the residential, multi-residential, commercial and industrial classes. There are many reasons for differences in relative tax burdens across municipalities and across property classes including, but not limited to:

- Differences in values of like properties
- Differences in the tax ratios and the use of optional classes
- Non-uniform education tax rates in the non-residential classes
- Level of service provided and the associated costs
- Extent to which a municipality employs user fees
- Access to other sources of revenues such as dividends from hydro utilities and casino revenues

2020 Property Taxes	Detached Bungalow	2 Storey Home	Senior Executive Home	Walk Up Apartment (per Unit)	Mid/High Rise (per Unit)	Neigh. Shopping (per sq. ft.)
Fort Erie	\$ 3,381	\$ 4,832	N/A	\$ 1,427	\$ 1,588	\$ 4.11
Grimsby	\$ 4,329	\$ 5,604	\$ 6,678	\$ 1,559	\$ 1,559	\$ 4.69
Lincoln	\$ 4,190	\$ 5,105	\$ 7,023	\$ 1,667	\$ 1,559	\$ 3.65
Niagara Falls	\$ 3,512	\$ 4,935	\$ 6,425	\$ 1,960	\$ 1,885	\$ 4.31
Niagara-on-the-Lake	\$ 3,903	\$ 3,695	\$ 6,977	N/A	N/A	\$ 3.63
Pelham	\$ 3,557	\$ 4,949	\$ 6,695	\$ 1,427	\$ 1,291	\$ 3.64
Port Colborne	\$ 3,512	\$ 5,544	\$ 6,630	\$ 1,612	\$ 1,784	\$ 4.81
St. Catharines	\$ 4,068	\$ 5,155	\$ 7,182	\$ 2,060	\$ 2,443	\$ 5.28
Thorold	\$ 3,330	\$ 4,914	\$ 6,476	\$ 1,807	\$ 1,818	\$ 3.90
Wainfleet	\$ 3,812	N/A	N/A	\$ 1,520	N/A	N/A
Welland	\$ 3,840	\$ 5,411	\$ 6,393	\$ 1,633	\$ 2,243	\$ 4.64
West Lincoln	\$ 3,586	\$ 4,647	N/A	\$ 1,357	N/A	\$ 3.13
Total Survey Average	\$ 3,549	\$ 4,714	\$ 6,560	\$ 1,430	\$ 1,802	\$ 3.88
Niagara Region	\$ 3,752	\$ 4,981	\$ 6,720	\$ 1,639	\$ 1,797	\$ 4.16

2020 Property Taxes	Office Building (per sq. ft.)	Hotels (per Suite)	Motels (per Suite)	Industrial Std (per sq. ft.)	Industrial Large (per sq. ft.)	Industrial Vacant Land (per Acre)
Fort Erie	\$ 2.48	\$ 985	\$ 731	\$ 1.26	\$ 0.50	\$ 1,620
Grimsby	\$ 4.62	\$ 1,313	\$ 1,130	\$ 2.92	\$ 2.12	\$ 10,316
Lincoln	\$ 1.96	\$ 1,591	N/A	\$ 1.93	N/A	\$ 4,962
Niagara Falls	\$ 2.56	\$ 3,086	\$ 1,320	\$ 1.82	\$ 1.04	\$ 4,573
Niagara-on-the-Lake	\$ 3.22	\$ 4,063	\$ 1,746	\$ 2.40	N/A	\$ 5,964
Pelham	N/A	N/A	\$ 869	\$ 1.62	N/A	\$ 605
Port Colborne	\$ 3.34	N/A	\$ 1,060	\$ 2.02	\$ 1.40	\$ 994
St. Catharines	\$ 3.01	\$ 1,372	\$ 1,797	\$ 2.12	\$ 1.22	\$ 7,621
Thorold	\$ 2.67	\$ 1,755	\$ 792	\$ 1.96	\$ 0.87	\$ 7,030
Wainfleet	N/A	N/A	\$ 971	\$ 2.07	N/A	\$ 567
Welland	\$ 2.63	\$ 1,370	\$ 1,097	\$ 1.40	\$ 0.33	\$ 1,514
West Lincoln	N/A	N/A	N/A	\$ 2.07	\$ 0.33	\$ 1,721
Total Survey Average	\$ 3.20	\$ 1,644	\$ 1,273	\$ 1.72	\$ 1.19	\$ 4,681
Niagara Region	\$ 2.94	\$ 1,942	\$ 1,151	\$ 1.97	\$ 0.98	\$ 3,957

Comparison of Water and Sewer User Costs

A comparison was made of water/sewer costs in each municipality. The following table summarizes the costs in the municipality for water and sewer on typical annual consumption against the overall survey average.

2020 Water/Sewer Cost of Service	Residential - 200 m³	Commercial - 10,000 m³	Industrial - 30,000 m³	Industrial - 100,000 m³	Industrial - 500,000 m³
Fort Erie	\$ 1,496	\$ 37,072	\$ 113,060	\$ 358,712	\$ 1,754,318
Grimsby	N/A	N/A	N/A	N/A	N/A
Lincoln	\$ 1,056	\$ 46,577	\$ 138,716	\$ 460,455	\$ 2,298,098
Niagara Falls	\$ 954	\$ 26,392	\$ 76,152	\$ 244,414	\$ 1,187,453
Niagara-on-the-Lake	\$ 1,172	\$ 29,415	\$ 89,711	\$ 284,993	\$ 1,394,610
Pelham	\$ 878	\$ 27,617	\$ 82,143	\$ 267,907	\$ 1,321,810
Port Colborne	\$ 1,480	\$ 30,169	\$ 92,647	\$ 287,730	\$ 1,393,044
St. Catharines	\$ 974	\$ 34,449	\$ 104,043	\$ 339,942	\$ 1,684,863
Thorold	\$ 1,113	\$ 32,532	\$ 96,652	\$ 321,072	\$ 1,603,472
Wainfleet	N/A	N/A	N/A	N/A	N/A
Welland	\$ 1,353	\$ 51,681	\$ 155,821	\$ 511,730	\$ 2,542,059
West Lincoln	\$ 1,168	\$ 36,476	\$ 105,251	\$ 336,049	\$ 1,641,097
Total Survey Average	\$ 1,151	\$ 37,812	\$ 109,553	\$ 355,584	\$ 1,751,816
Niagara Region	\$ 1,164	\$ 35,238	\$ 105,420	\$ 341,300	\$ 1,682,082

2020 Property Taxes and Water/Wastewater Costs as a % of Income

This section of the report provides a comparison of the availability of gross household income to fund municipal services on a typical household. This provides a measure of affordability within each community.

Economic Development Programs

A summary was completed of programs that municipalities have implemented to promote economic development in the areas of retention and expansion, downtown development, and brownfield redevelopment.

2020 Affordability Indicators	Property Taxes as a % of Household Income	Water/Sewer + Taxes as a % of Household Income
Fort Erie	4.3%	6.1%
Grimsby	3.9%	4.4%
Lincoln	3.8%	4.7%
Niagara Falls	4.1%	5.3%
Niagara-on-the-Lake	4.0%	4.9%
Pelham	3.7%	4.4%
Port Colborne	4.4%	6.3%
St. Catharines	4.4%	5.5%
Thorold	4.0%	5.3%
Wainfleet	4.5%	4.5%
Welland	4.5%	6.2%
West Lincoln	3.7%	4.7%
Total Survey Average	3.8%	4.8%
Niagara Region	4.1%	5.2%

Research Update:

Regional Municipality of Niagara Ratings Affirmed At 'AA'; Outlook Remains Stable

October 13, 2020

Overview

- The COVID-19 pandemic has dampened the Regional Municipality of Niagara's economy, and a larger capital plan will weaken the region's budgetary results. Nevertheless, the region benefits from manageable debt levels and very ample liquidity.
- We are affirming our 'AA' long-term issuer credit and senior unsecured debt ratings and maintaining our stable outlook on the region.

PRIMARY CREDIT ANALYST

Hector Cedano, CFA
Toronto
+ 1 (416) 507 2536
hector.cedano
@spglobal.com

SECONDARY CONTACT

Hamzah Saeed
Toronto
hamzah.saeed
@spglobal.com

Rating Action

On Oct. 13, 2020, S&P Global Ratings affirmed its 'AA' long-term issuer credit and senior unsecured debt ratings on the Regional Municipality of Niagara, in the Province of Ontario. The outlook is stable.

Outlook

The stable outlook reflects our expectation that, in the next two years, Niagara's larger capital plan will cause its budgetary results to weaken, leading to after-capital deficits of less than 5% of total revenues, on average. The additional capital spending will require Niagara to rely more on external financing, pushing its debt burden up to about 94% of operating revenues by 2022. In addition, we believe its economic recovery will be slower than in other regions. Nevertheless, we estimate that its liquidity position will remain very ample, with debt service coverage ratios exceeding 100% in the next two years.

Downside scenario

We could take a negative rating action if a larger capital plan resulted in sustained after-capital deficits of more than 5% of total revenues and additional borrowing resulted in tax-supported debt, excluding on-lending, increasing to more than 60% of operating revenues in the next two years.

Upside scenario

While unlikely in the next two years, we could take a positive rating action if the region demonstrated significant and sustained economic and demographic improvement through healthier growth in population and household incomes, more in line with that of Canada, and its after-capital deficits improved to a balanced position.

Rationale

We have updated our base-case scenario for Niagara and extended our forecast horizon through 2022. We expect the pandemic will have a small impact on the region's budgetary results, as management has implemented adequate actions to offset the increase in expenditures and the region will receive at least C\$12.8 million in emergency operating funds through the federal Safe Restart Agreement. For 2020-2022, we estimate operating balances will remain relatively stable but that Niagara's larger capital plan will result in after-capital deficits of less than 5% of total revenues, on average. The additional capital expenditures are likely to increase the region's debt burden but we expect it will remain manageable, with debt service coverage ratios of more than 100% in our forecast horizon. Although we expect that the region will continue to benefit from a supportive institutional framework and from sound financial management, we believe that Niagara's less favorable socioeconomic profile partially mitigates these strengths. In addition, we believe Niagara's economic recovery will be slower than in other regions because of the region's relatively higher reliance on the tourism and hospitality sectors, which have been severely affected by the pandemic.

Financial management is strong and institutions remain broadly supportive but a less favorable socioeconomic profile constrains the ratings.

Niagara, in southern Ontario, is home to one of the most active Canada-U.S. border crossings and enjoys a favorable climate that makes it an agricultural center and popular tourist destination under normal circumstances. On top of lockdown measures implemented as a response to COVID-19, the region's economy has been additionally hampered by travel restrictions and the closure of the Canada-U.S. border to non-commercial traffic. We believe Niagara's economy will contract in 2020 and will begin to recover over the next two years as social distancing measures ease. Nevertheless, we believe Niagara's recovery will be slower than in other regions because of its relatively higher reliance on the tourism and hospitality sectors, which have been severely affected by the pandemic. While GDP per capita is not available at the local level, we believe that it would be below the national level of about US\$42,000 in 2019, based on Niagara's lower income levels. In our opinion, slow population growth and weak demographic trends result in a less favorable socioeconomic profile that could negatively affect the labor pool and hinder investment in the region. However, in the medium term, the expansion of GO commuter train service in the region could increase the influx of younger people and start reversing these trends.

We consider that the management team has adequate expertise in implementing policy changes. With Ontario's regional government review resulting in no changes to the region's structure, we expect senior positions that were acting roles will become permanent positions. We believe this will reduce turnover in senior management and will lend greater stability to management practices. Niagara maintains increased focus on long-term strategic and financial planning, which its financial policies support. The region approves operating and capital budgets annually, and presents a three-year operating budget and a nine-year capital forecast with the corresponding

funding sources. Long-term plans present a good level of detail and are based on well-documented and realistic assumptions, in our opinion. Disclosure and transparency of financial reports are what we view as good. We believe that debt and liquidity management practices are prudent.

We believe Canadian municipalities benefit from a very predictable and well-balanced institutional framework that has demonstrated a high degree of institutional stability. Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Any operating surpluses typically fund capital expenditures and future liabilities (such as postemployment obligations and landfill closure costs) through reserve contributions.

Larger capital plan will weaken budgetary performance but debt levels will remain manageable.

In our base-case scenario for 2018-2022, we expect operating balances to remain high at 12% of operating revenues on average. We expect the operating balance to remain stable in 2020 and to decline in 2021 as a result of the pandemic before starting to recover thereafter. We believe the impact will be small, as management's actions to reduce operating expenditures and the receipt of at least C\$12.8 million in emergency operating funds (including for transit) through the Safe Restart Agreement will largely offset the increase in pandemic-related expenditures in 2020, most of which are associated with the region's long-term care homes. Nevertheless, maintenance capital projects and work related to the region's long-term care homes and the expansion of GO commuter train service will increase capital spending, resulting in an after-capital deficit of 1% of total revenues, on average, in 2018-2022. Of note, a special-purpose levy of 1% of the prior year's tax levy helps to offset capital infrastructure expenditures.

In 2020-2022, Niagara plans to issue C\$337 million in debt on behalf of its lower-tier municipalities as well as to fund part of its capital projects. As a result, we expect tax-supported debt, which includes both the region's debt as well as the on-lent debt to Niagara's lower-tier municipalities, will increase to 94% of operating revenues at year-end 2022, up from 82% at year-end 2019. We expect that, excluding on-lending, the region's debt burden will increase to 56% of operating revenues. We believe that Niagara's lower-tier municipalities are able to support their obligations and will reimburse the region for all principal and interest payments as they come due. We recognize that there is a lower credit risk associated with this debt, which, in our opinion, mitigates the region's overall debt burden. Interest costs accounted for 3% of operating revenues in 2019 and we expect they will remain stable during our two-year outlook horizon.

In our view, Niagara's liquidity is a key credit strength. We estimate total free cash in the next 12 months will be enough to cover almost 7x the estimated debt service for the period. We expect this ratio will remain well above 100% during the outlook horizon. Similar to that of its domestic peers, the region's access to external liquidity is satisfactory.

Key Statistics

Table 1

Regional Municipality of Niagara -- Selected Indicators

(Mil. C\$)	--Year ended Dec. 31--				
	2018	2019	2020bc	2021bc	2022bc
Operating revenues	825	852	908	889	899
Operating expenditures	713	752	799	801	797
Operating balance	111	100	109	88	102
Operating balance (% of operating revenues)	13.5	11.7	12.0	9.9	11.3
Capital revenues	39	44	50	60	60
Capital expenditures	104	158	168	200	200
Balance after capital accounts	46	(14)	(9)	(52)	(38)
Balance after capital accounts (% of total revenues)	5.4	(1.5)	(0.9)	(5.4)	(4.0)
Debt repaid	56	65	62	62	64
Gross borrowings	87	98	124	97	117
Balance after borrowings	78	20	53	(16)	15
Tax-supported debt (outstanding at year-end)	663	700	760	793	844
Tax-supported debt (% of consolidated operating revenues)	80.4	82.2	83.7	89.2	93.8
Interest (% of operating revenues)	2.8	2.8	2.7	2.5	2.3
National GDP per capita (single units)	60,011	61,291	57,181	60,677	63,026

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario.

Ratings Score Snapshot

Table 2

Regional Municipality of Niagara -- Ratings Score Snapshot

Key rating factors	Scores
Institutional framework	2
Economy	3
Financial management	2
Budgetary performance	2
Liquidity	1
Debt burden	2
Stand-alone credit profile	aa

Table 2

Regional Municipality of Niagara -- Ratings Score Snapshot (cont.)

Key rating factors	Scores
Issuer credit rating	AA

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- Sovereign Risk Indicators, Oct. 12, 2020. Interactive version can be found www.spratings.com/SRI

Related Criteria

- Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019

Related Research

- S&P Global Ratings Definitions, Aug. 7, 2020
- Public Finance System: Canadian Municipalities, May 12, 2020
- Guidance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- Institutional Framework Assessments For International Local And Regional Governments, July 4, 2019

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above

rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Ratings Affirmed

Niagara (Regional Municipality of)	
Issuer Credit Rating	AA/Stable/--
Senior Unsecured	AA

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

Key Findings

E. Financial Sustainability, Flexibility and Vulnerability

In Canada, the development and maintenance of principles for financial reporting fall under the responsibility of the Accounting Standards Oversight Council ('AcSOC'), a volunteer body established by the Canadian Institute of Chartered Accountants in 2000. In this role, AcSOC provides input to and monitors and evaluates the performance of the two boards that are tasked with established accounting standards for the private and public sector:

- The Public Sector Accounting Board ('PSAB') establishes accounting standards for the public sector, which includes municipal governments; and
- The Accounting Standards Board ('AcSB'), which is responsible for the establishment of accounting standards for Canadian entities outside of the public sector.

In May 2009, PSAB released a Statement of Recommended Practice that provided guidance on how public sector bodies should report on indicators of financial condition. As defined in the statement, financial condition is '*a government's financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others*'. In reporting on financial condition, PSAB also recommended that three factors, at a minimum, need to be considered:

- **Sustainability.** Sustainability is the degree to which the Region can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the Region's assessment base, there is an increased risk that the Region's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility.** Flexibility reflects the Region's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.
- **Vulnerability.** Vulnerability represents the extent to which the Region is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants such as OMPF; (ii) conditional operating grants such as Provincial Gas Tax for transit operations; and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government, as the Municipal Act does not allow municipalities to issue long-term debt for operating purposes (Section 408(2.1)).

Key Findings

As a means of reporting the Region's financial condition, we have considered the following financial indicators (*denotes PSAB recommended financial indicator).

Financial Condition Category	Financial Indicators
Sustainability	<ol style="list-style-type: none"> 1. Financial assets to financial liabilities* 2. Total reserves and reserve funds per household 3. Capital additions as a percentage of amortization expense
Flexibility	<ol style="list-style-type: none"> 4. Residential taxes per household 5. Total long-term debt per household 6. Residential taxation as a percentage of average household income 7. Debt servicing costs (interest and principal) as a percentage of total revenues* 8. Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets*
Vulnerability	<ol style="list-style-type: none"> 9. Operating grants as a percentage of total revenues* 10. Capital grants as a percentage of total capital expenditures*

An overview of these financial indicators, including a comparison of the Region's performance and position against selected upper-tier municipalities (Durham, Halton and Waterloo), is included as Appendix C.

As noted on the following pages, the Region's financial indicators compare favourably with the selected peer municipalities. From an overall perspective, we note that:

- The Region has a lower rate of capital investment than the comparator municipalities, which likely translates into a higher infrastructure deficit;
- The Region's level of reserves is towards the lower end of the range, indicating a lower level of financial flexibility;
- The Region's long-term debt and associated debt servicing costs, are towards the upper range of the comparator municipalities; and
- The Region's taxation levels (upper tier only) are the lowest in terms of residential taxation per household and taxation as a percentage of total assessment. From an affordability perspective, residential taxes as a percentage of household income are the second lowest of the four upper tier municipalities included in the analysis.

We suggest that these factors, both individually and collectively, may increase the Region's potential risk with respect to long-term sustainability and flexibility.





Region of Niagara Service Sustainability Review

Appendix C Sustainability, Flexibility and Vulnerability Indicators



Financial Indicators

FINANCIAL ASSETS TO FINANCIAL LIABILITIES

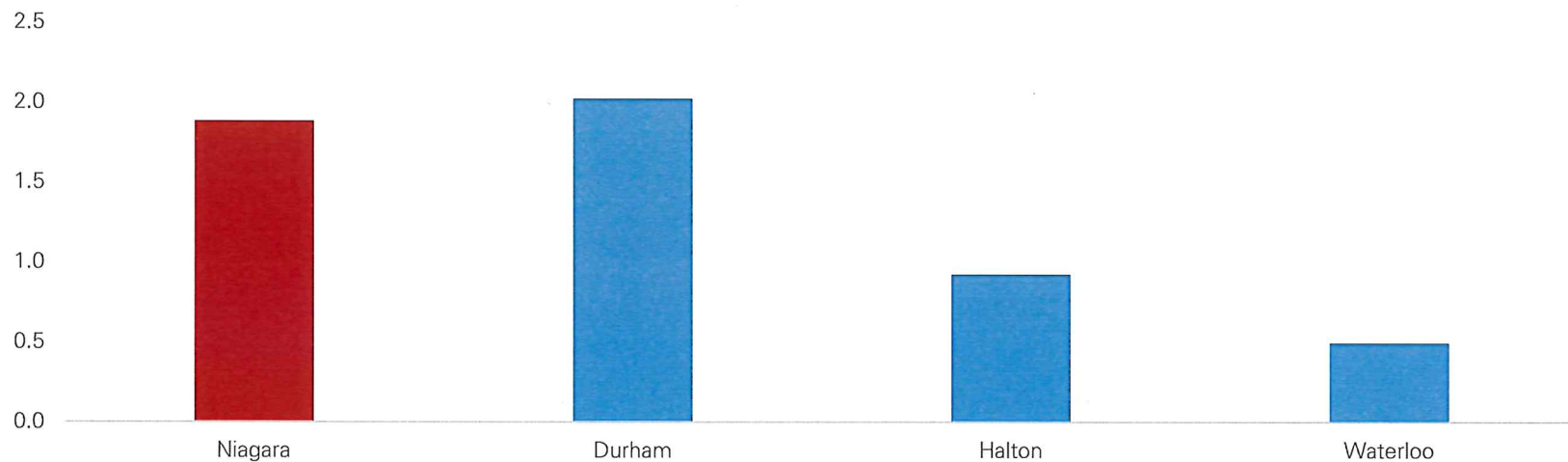
This financial indicator provides an assessment of the Region's solvency by comparing financial assets (including cash, investments and accounts receivable) to financial liabilities (accounts payable, deferred revenue and long-term debt). Lower levels of financial assets to financial liabilities (i.e. less than 1.0) are indicative of limited financial resources available to meet cost increases or revenue losses, which higher levels (i.e. more than 1.5) suggest that the municipality has a higher level of available financial resources to offset cost increases, funding losses or future capital reinvestment.

TYPE OF INDICATOR

Sustainability ✓
Flexibility
Vulnerability

POTENTIAL LIMITATIONS

- Financial assets may include investments in government business enterprises, which may not necessarily be converted to cash or yield cash dividends
- Financial liabilities may include liabilities for employee future benefits and future landfill closure and post-closure costs, which may (i) not be realized for a number of years; and/or (ii) may not be realized at once but rather over a number of years



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

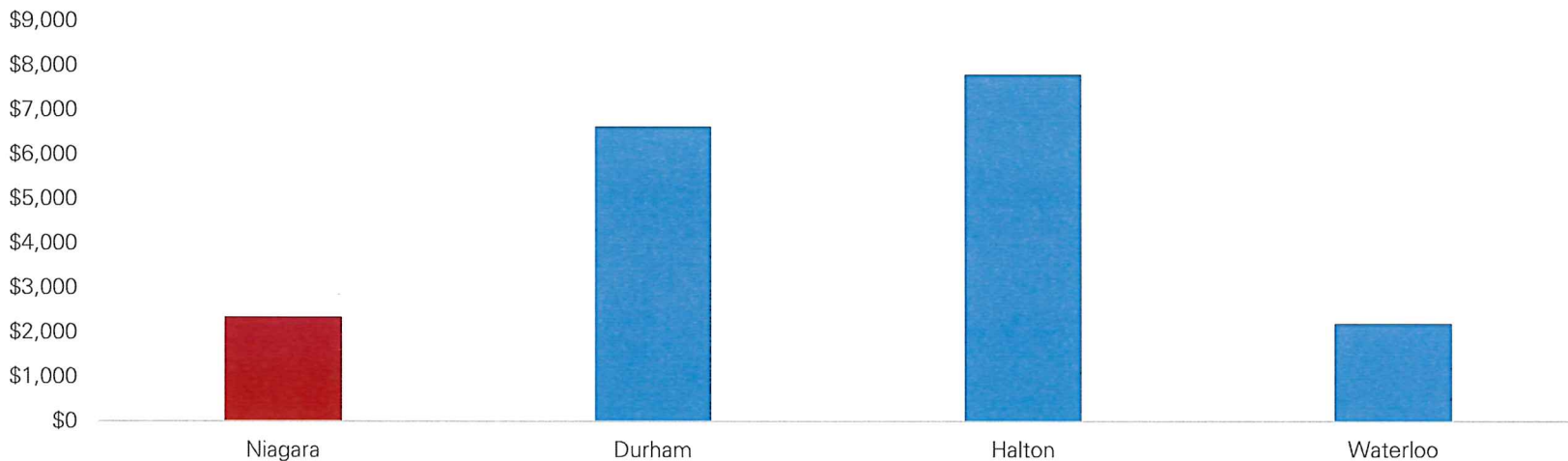
This financial indicator provides an assessment of the Region's ability to absorb incremental expenses or revenue losses through the use of reserves and reserve funds as opposed to taxes, user fees or debt. Low reserve levels are indicative of limited capacity to deal with cost increases or revenue losses, requiring the Region to revert to taxation or user fee increases or the issuance of debt. While there is no defined standard for the "right" level of reserve and reserve funds per household, upper tier municipalities in Ontario reported an average of \$3,800 in reserve and reserve funds per household, which is higher than the Region's reserve and reserve fund balances per household.

TYPE OF INDICATOR

Sustainability ✓
Flexibility
Vulnerability

POTENTIAL LIMITATIONS

- Reserves and reserve funds are often committed to specific projects or purposes and as such, may not necessarily be available to fund incremental costs or revenue losses
- As reserves are not funded, the Region may not actually have access to financial assets to finance additional expenses or revenue losses



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

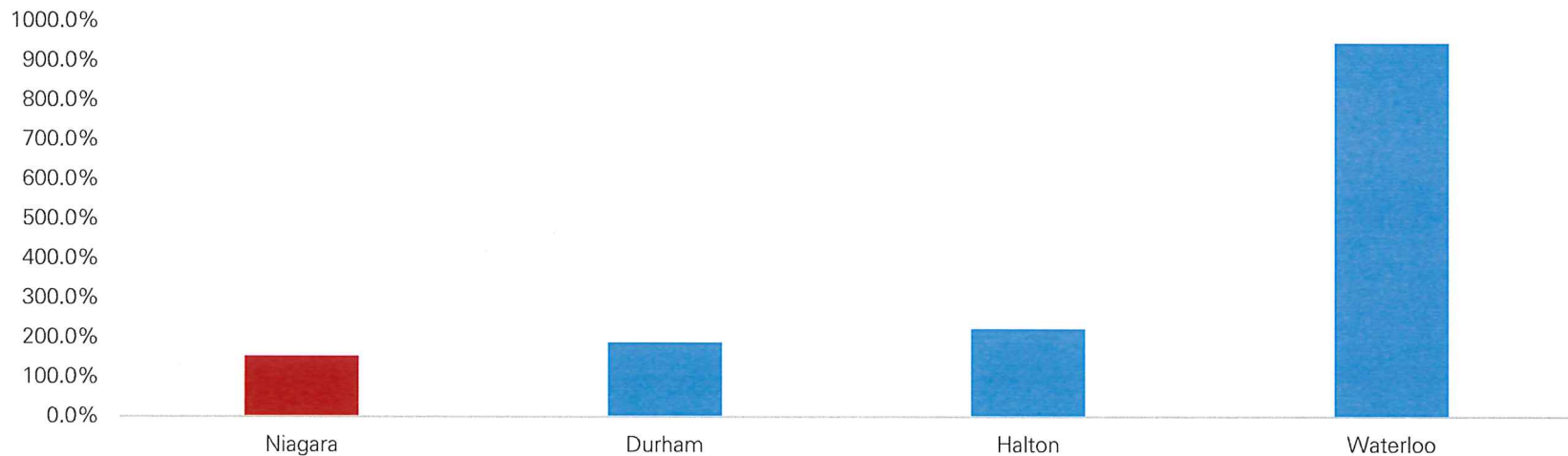
This financial indicator provides an assessment of the Region's solvency by assessing the extent to which it is sustaining its tangible capital assets. In the absence of meaningful reinvestment in tangible capital assets, the Region's ability to continue to deliver services at the current levels may be compromised. Over the long-term, investment levels of less than 100% to 150% can contribute to an increase in a municipality's infrastructure deficit and an associated reduction in service levels, with higher levels of capital investment likely indicative of the sustainment of capital infrastructure.

TYPE OF INDICATOR

Sustainability ✓
Flexibility
Vulnerability

POTENTIAL LIMITATIONS

- This indicator considers amortization expense, which is based on historical as opposed to replacement cost. As a result, the Region's capital reinvestment requirement will be higher than its reported amortization expense due to the effects of inflation.
- This indicator does not consider the differential between reinvestment of existing infrastructure vs. the construction of new infrastructure as a result of growth, regulatory changes or other factors.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

RESIDENTIAL TAXES PER HOUSEHOLD

This financial indicator provides an assessment of the Region's ability to increase taxes as a means of funding incremental operating and capital expenditures. Determining an appropriate level of taxation per household involves a range of considerations, including services, service levels and the balance between municipal taxation and user fees and as such, there can be considerable variability between municipalities.

TYPE OF INDICATOR

Sustainability

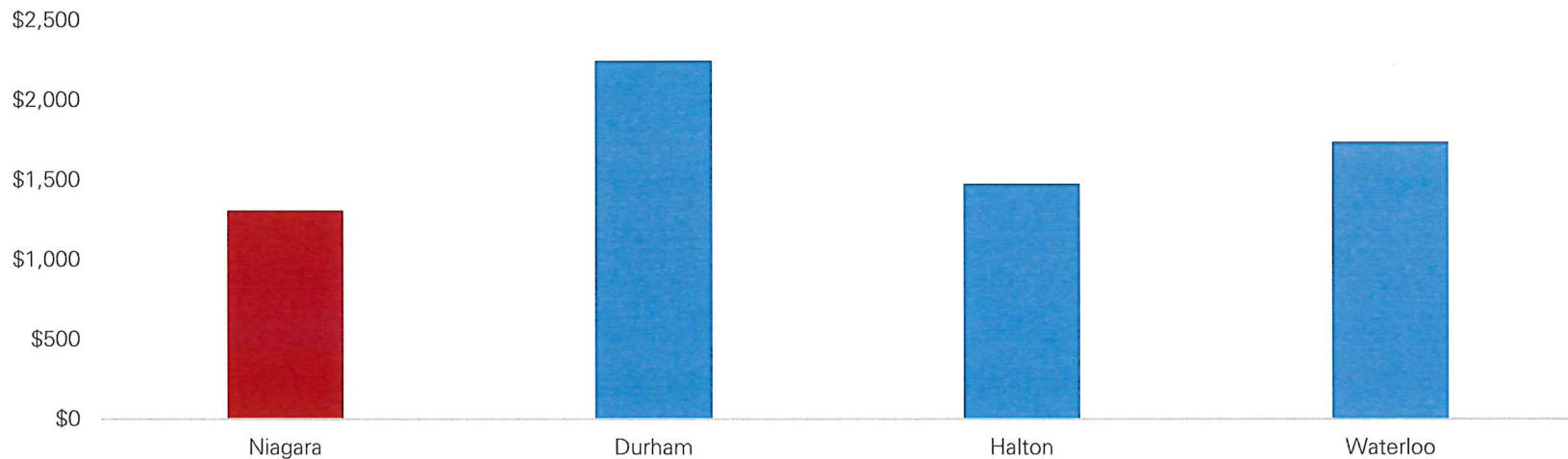
Flexibility

✓

Vulnerability

POTENTIAL LIMITATIONS

- This indicator does not incorporate income levels for residents and as such, does not fully address affordability concerns.
- In addition to upper tier taxes, taxpayers are also subject to taxation at the lower-tier and education level and as such, this indicator does not reflect the total tax cost to ratepayers.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

TOTAL LONG-TERM DEBT PER HOUSEHOLD

This financial indicator provides an assessment of the Region's ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt or result in a high level of debt servicing costs, while lower levels of debt may be indicative of funded capital requirements. While there is no recommended level of debt for Ontario municipalities (other than the limitation of debt servicing costs), upper tier municipalities in Ontario reported an average of \$3,200 in debt per household, which includes debt issued on behalf of lower tier municipalities.

TYPE OF INDICATOR

Sustainability

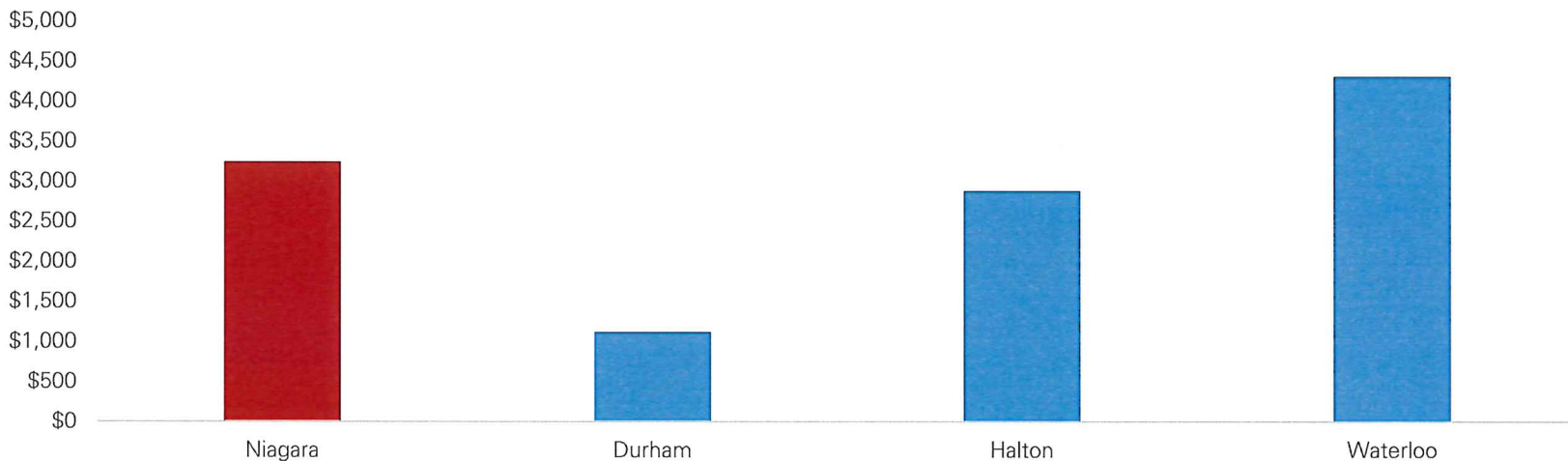
Flexibility

✓

Vulnerability

POTENTIAL LIMITATIONS

- This indicator does not consider the Provincial limitations on debt servicing cost, which cannot exceed 25% of own-source revenues unless approved by the Ontario Municipal Board



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

RESIDENTIAL TAXATION AS A PERCENTAGE OF HOUSEHOLD INCOME

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes. Determining an appropriate level of taxation per household involves a range of considerations, including services, service levels and the balance between municipal taxation and user fees and as such, there can be considerable variability between municipalities.

TYPE OF INDICATOR

Sustainability

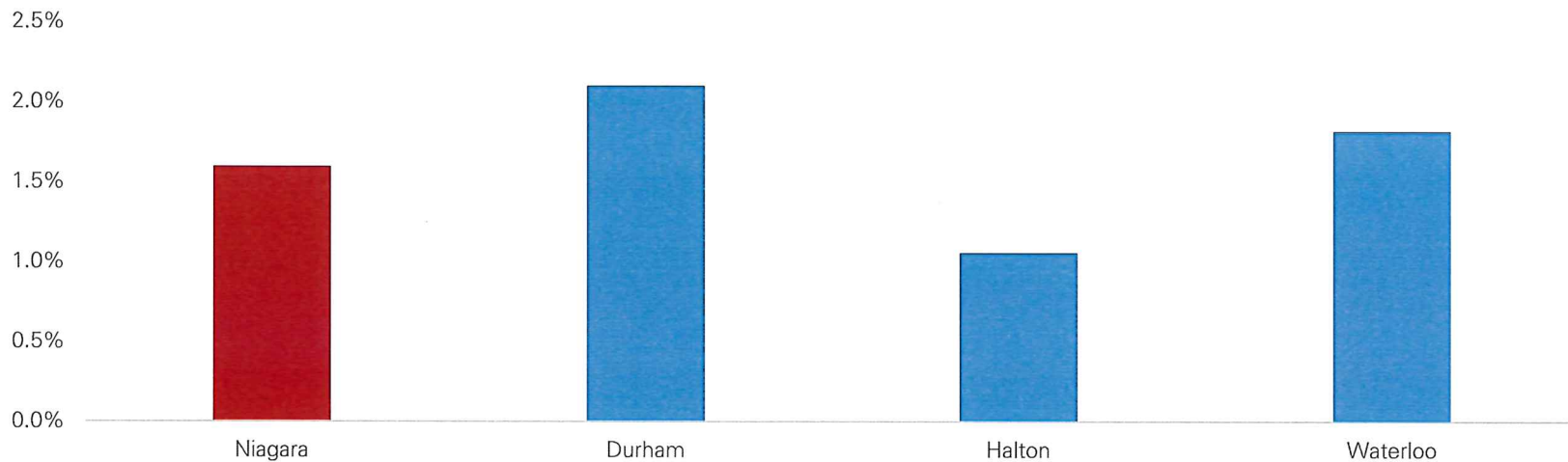
Flexibility

✓

Vulnerability

POTENTIAL LIMITATIONS

- This indicator considers residential affordability only and does not address commercial or industrial affordability concerns.
- This indicator is calculated on an average household basis and does not provide an indication of affordability concerns for low income or fixed income households.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

DEBT SERVICING COSTS (INTEREST AND PRINCIPAL) AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Region's overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. High debt levels per household may preclude the issuance of additional debt or result in a high level of debt servicing costs, while lower levels of debt may be indicative of funded capital requirements. While there is no recommended level of debt for Ontario municipalities (other than the limitation of debt servicing costs), upper tier municipalities in Ontario, on average, incurred debt servicing costs (interest and principal) accounting to approximately 4% of total revenues.

TYPE OF INDICATOR

Sustainability

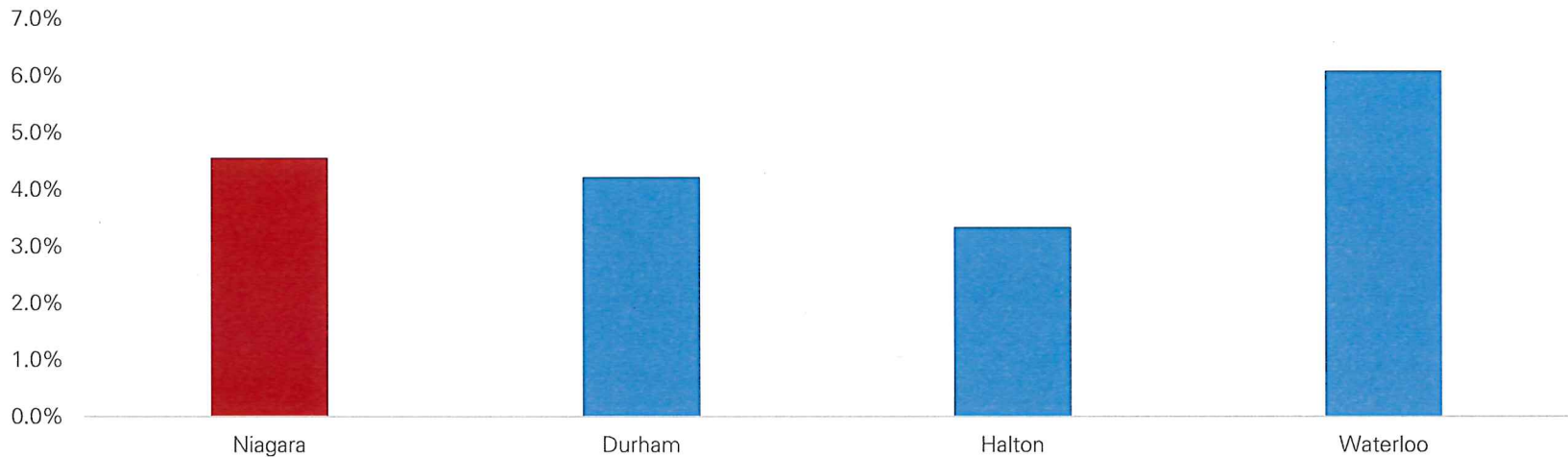
Flexibility

Vulnerability

✓

POTENTIAL LIMITATIONS

- No significant limitations have been identified in connection with this indicator



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS AS A PERCENTAGE OF HISTORICAL COST OF TANGIBLE CAPITAL ASSETS

This financial indicator provides an indication as to the extent to which the Region is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the Region is, on average, investing in capital assets as they reach the end of useful life, with indicators of less than 50% indicating that the Region's reinvestment is not keeping pace with the aging of its assets.

TYPE OF INDICATOR

Sustainability

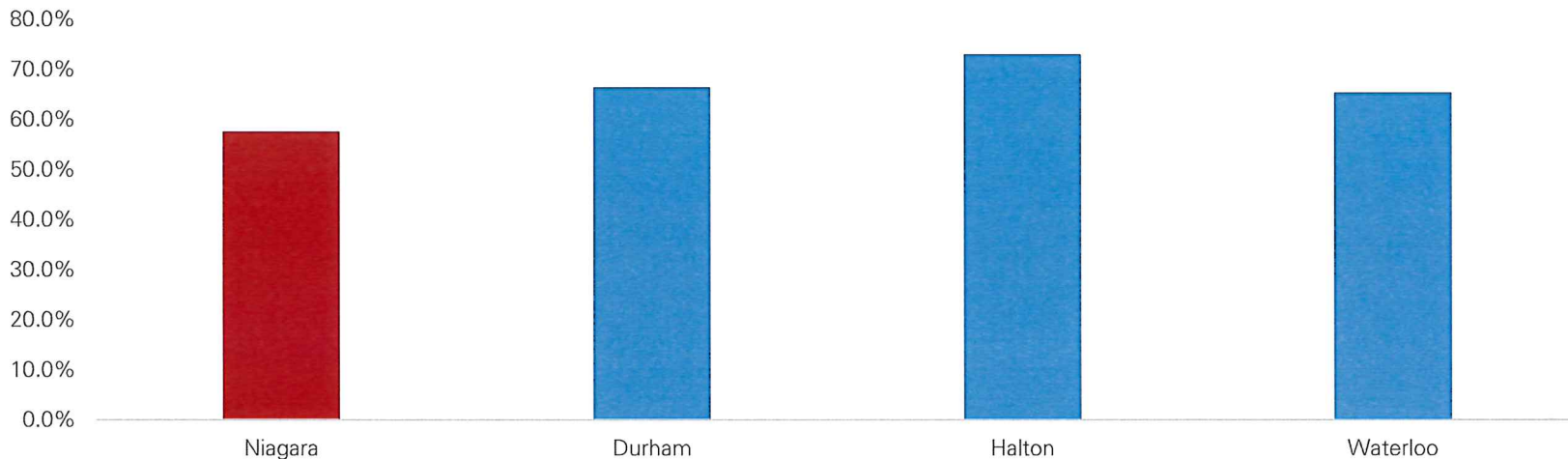
Flexibility



Vulnerability

POTENTIAL LIMITATIONS

- This indicator is based on the historical cost of the Region's tangible capital assets, as opposed to replacement cost. As a result, the Region's pace of reinvestment is likely lower than calculated by this indicator as replacement cost will exceed historical cost.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Region's degree of reliance on senior government grants for the purposes of funding operating expenses. The level of operating grants as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating grants. Notwithstanding the increase in a municipality's vulnerability, higher levels of operating grants are sought in order to decrease the share of municipal operating costs funded by taxpayers, decreasing concerns over affordability.

TYPE OF INDICATOR

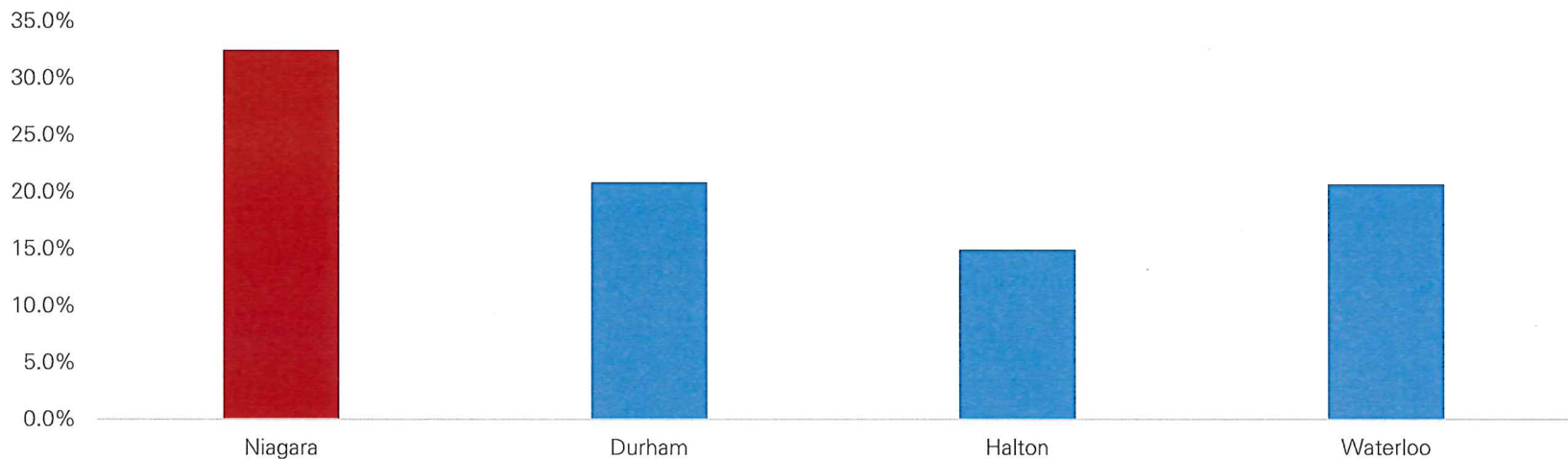
Sustainability

Flexibility

Vulnerability ✓

POTENTIAL LIMITATIONS

- To the extent possible, the Region should maximize its operating grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Financial Indicators

CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

This financial indicator provides an indication as to the Region's degree of reliance on senior government grants for the purposes of funding capital expenditures. The level of capital grants as a percentage of total capital expenditures is directly proportionate with the severity of the impact of a decrease in capital grants. Notwithstanding the increase in a municipality's vulnerability, higher levels of capital grants are sought in order to decrease the share of municipal capital costs funded by taxpayers or debt, decreasing concerns over affordability or borrowing levels.

TYPE OF INDICATOR

Sustainability

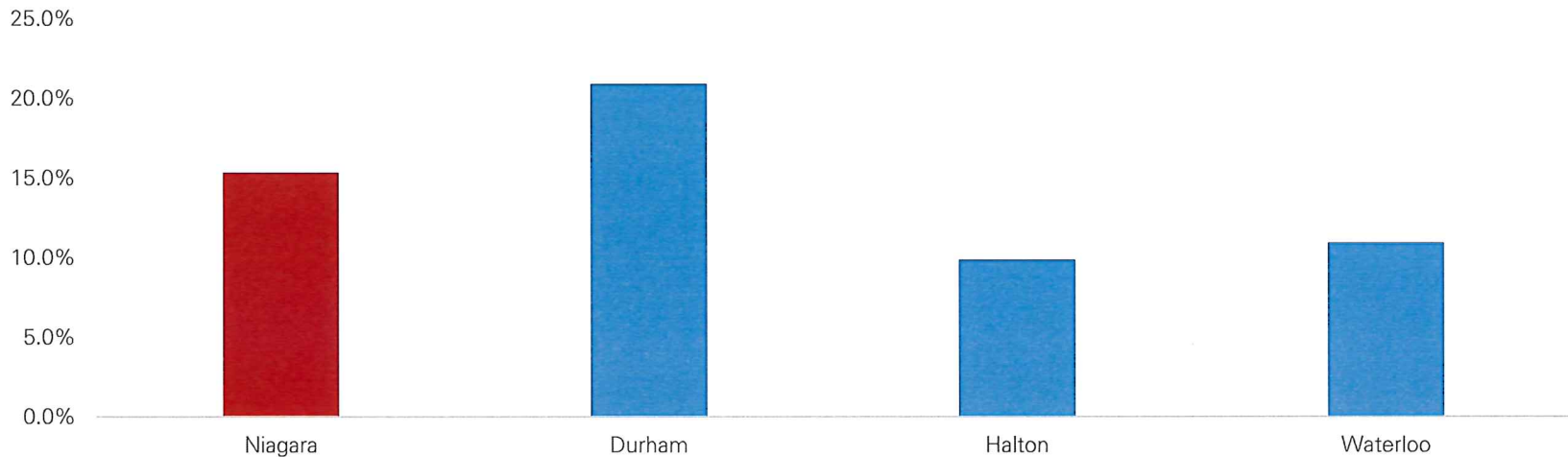
Flexibility

Vulnerability



POTENTIAL LIMITATIONS

- To the extent possible, the Region should maximize its capital grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

MEMORANDUM

CSC-C 8-2021

Subject: Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2020

Date: Wednesday, March 10, 2021

To: Corporate Services Committee

From: Todd Harrison, Commissioner, Corporate Services/Treasurer

The purpose of this memo is to comply with legislation as follows:

- Section 283 the Municipal Act provides the authority for Council to pass by-laws to pay remuneration and expenses to council members and appointees to local boards.
- Section 284(1) of the Municipal Act requires that in each year, on or before March 31, the Treasurer provide to the Council of the municipality, a statement on remuneration and expenses paid to members of Council and Council appointees in the previous year.
- Section 284(2) requires the identification of the by-law under which the remuneration or expenses were authorized.

The current approved Council compensation methodology resulting from a citizen advisory committee review, was passed in 2019 through report HR 02-2019 and confirmed by Bill 2019-85.

Council and Council appointees' remuneration and expense are provided for in the operating budget of the Niagara Region, the agency, board or commission of the appointed member.

In the attached schedules, remuneration is summarized in the column(s) to the left and expenses are detailed and/or summarized in the right hand columns. The first schedule summarizes all remuneration and expenses by Council member and the remaining schedules summarize payments to Council appointees.

Respectfully submitted and signed by

Todd Harrison, CPA, CMA
Commissioner/Treasurer Corporate Services

APPENDICES

Appendix 1 – Statement of Remuneration and Expenses for Members of Regional Council

Appendix 2 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members – NRH and NRPS

Appendix 3 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members - NPCA

For the Twelve Month Period January 1, 2020 to December 31, 2020

	Remuneration								Expenses										Total Remuneration & Expenses
Council Members	Regional Council	NRPS	NRH	NPCA	NPC	NEC	Total Remuneration	Total Benefits ⑤	Mileage ⑥	Conference Related Expenses	Other ⑦	Total Regional Expenses	NRPS	NRH	NPCA	NPC	NEC	Total Expenses	
Bellows, Sandie ② ⑧	38,390.81	-	-	-	-	-	38,390.81	7,229.54	(247.50)	-	347.55	100.05	-	-	-	-	-	100.05	45,720.40
Bradley, James (Regional Chair) ② ③	153,917.66	-	-	-	-	-	153,917.66	4,597.81	20,421.85	654.94	720.97	21,797.76	-	-	-	-	-	21,797.76	180,313.23
Butters, Barbara	38,390.81	-	1,813.82	-	-	-	40,204.63	8,969.32	-	-	-	-	-	-	-	-	-	-	49,173.95
Bylsma, David (Mayor)	38,390.81	-	-	837.10	-	-	39,227.91	8,991.72	-	-	-	-	-	-	15.00	-	-	15.00	48,234.63
Campion, Frank (Mayor) ②	38,390.81	-	-	-	-	-	38,390.81	8,933.95	169.20	1,527.33	-	1,696.53	-	-	-	-	-	1,696.53	49,021.29
Chiocchio, Pasquale M ①	40,344.64	-	-	-	-	-	40,344.64	1,851.85	-	-	-	-	-	-	-	-	-	-	42,196.49
Darte, George O ②	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	610.56	-	610.56	-	-	-	-	-	610.56	47,935.32
Diodati, Jim (Mayor)	38,390.81	-	-	-	1,282.50	-	39,673.31	8,933.95	106.34	-	-	106.34	-	-	-	15.96	-	122.30	48,729.56
Disero, Betty (Mayor)	38,390.81	-	-	-	-	-	38,390.81	8,933.95	45.96	-	-	45.96	-	-	-	-	-	45.96	47,370.72
Easton, Sandra (Mayor)	38,390.81	-	-	-	-	-	38,390.81	4,334.90	182.77	-	-	182.77	-	-	-	-	-	182.77	42,908.48
Edgar, Kelly	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	-	-	-	-	-	-	-	-	-	47,324.76
Fertich, Wayne F ②	38,390.81	-	-	-	-	-	38,390.81	4,334.90	207.86	225.12	701.17	1,134.15	-	-	-	-	-	1,134.15	43,859.86
Foster, Robert ① ② ④	40,344.64	-	-	1,369.80	-	-	41,714.44	7,181.37	790.58	1,188.69	252.16	2,231.43	-	-	50.00	-	-	2,281.43	51,177.24
Gale, Bob	38,390.81	6,613.14	-	-	-	-	45,003.95	9,413.94	-	-	-	-	87.00	-	-	-	-	87.00	54,504.89
Gibson, Kevin L (Mayor) ②	38,390.81	6,613.14	-	-	-	-	45,003.95	9,413.94	263.27	610.56	240.00	1,113.83	385.70	-	-	-	-	1,499.53	55,917.42
Greenwood, Barbara ①	40,344.64	-	-	-	-	-	40,344.64	4,373.00	626.24	-	1,103.67	1,729.91	-	-	-	-	-	1,729.91	46,447.55
Heit, Brian	38,390.81	-	-	-	-	-	38,390.81	7,362.02	159.68	-	498.89	658.57	-	-	-	-	-	658.57	46,411.40
Huson, Diana ① ②	40,344.64	-	-	608.80	-	-	40,953.44	9,299.70	-	610.56	4.98	615.54	-	-	30.00	-	-	645.54	50,898.68
Insinna, Thomas S ②	38,390.81	-	1,813.82	-	-	-	40,204.63	8,969.32	-	-	-	-	-	-	-	-	-	-	49,173.95
Ip, Laura ②	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	610.56	-	610.56	-	-	-	-	-	610.56	47,935.32
Jordan, Jeffery A (Mayor) ②	38,390.81	-	-	-	-	-	38,390.81	8,933.95	598.36	610.56	216.12	1,425.04	-	-	-	-	-	1,425.04	48,749.80
Junkin, Marvin (Mayor)	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	-	-	-	-	-	-	-	-	-	47,324.76
Nicholson, Peter D	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	-	-	-	-	-	-	-	-	-	47,324.76
Redekop, Wayne (Mayor)	38,390.81	-	-	-	-	-	38,390.81	8,830.39	-	-	-	-	-	-	-	-	-	-	47,221.20
Rigby, Tim ①	40,344.64	-	-	400.00	-	-	40,744.64	4,357.91	-	-	273.53	273.53	-	-	-	-	-	273.53	45,376.08
Sendzik, Walter (Mayor)	38,390.81	-	2,418.52	-	-	-	40,809.33	8,981.11	-	-	-	-	-	47.03	-	-	-	47.03	49,837.47
Steele, William (Mayor)	38,390.81	7,538.64	-	684.90	-	-	46,614.35	9,528.12	310.32	-	-	310.32	725.00	-	78.00	-	-	1,113.32	57,255.79
Ugolini, Terry P (Mayor)	38,390.81	-	-	-	-	-	38,390.81	8,933.95	-	-	-	-	-	-	-	-	-	-	47,324.76
Villella, Leanna	38,390.81	-	1,813.82	-	-	-	40,204.63	7,264.91	-	-	-	-	-	-	-	-	-	-	47,469.54
Whalen, Timothy J	38,390.81	-	-	-	-	-	38,390.81	7,536.49	-	-	-	-	-	-	-	-	-	-	45,927.30
Witteveen, Albert W ②	38,390.81	-	-	-	-	4,956.00	43,346.81	8,933.95	698.15	1,094.14	904.97	2,697.26	-	-	-	-	-	2,697.26	54,978.02
Zalepa, Gary J ②	38,390.81	-	2,418.52	-	-	-	40,809.33	8,981.11	-	610.56	-	610.56	-	-	-	-	-	610.56	50,401.00
Sub Total	1,353,801.92	20,764.92	10,278.50	3,900.60	1,282.50	4,956.00	1,394,984.44	250,076.82	24,333.08	8,353.58	5,264.01	37,950.67	1,197.70	47.03	173.00	15.96	-	39,384.36	1,684,445.62

Notes:

① Regional Council remuneration includes \$2,000 for Committee Chairs

② Conferences include 2020 Association of Municipalities of Ontario (AMO) which was held virtually due to the COVID-19 pandemic

③ Mileage includes car allowance (Chair Bradley \$20,421.85)

④ Member of AMO board. No related remuneration. Associated expenses processed through Niagara Region

⑤ Benefits (CPP, provincial health tax, OMERS, life & AD&D insurance, health, dental & travel coverage) vary according to circumstances of each council member (age, dependents, spousal plans) that may change throughout the year.

⑥ Mileage was based upon a two-tier reimbursable mileage rate of \$0.58 per kilometer for the first 5,000 kilometers driven and \$0.52 per kilometer for any kilometers in excess of 5,000 (Regional Councillor Expense Policy C-RC-001)

⑦ Other includes non-conference related meals, event & functions, telephone, internet, legal fees, advertising, books & publications and miscellaneous expenses

⑧ Councillor reimbursed 2019 Mileage Expenses of \$247.50

2020 Federation of Canadian Municipalities (FCM) conference due not occur due to the COVID-19 pandemic

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Niagara Regional Police Service Board and Niagara Regional Housing Board Members
For the Twelve Month Period January 1, 2020 to December 31, 2020

Police Services Board	Remuneration*	Benefits	Mileage	Expenses	Total
Ken Gansel	6,404.25	246.87	918.14	3.50	7,572.76
Bill Steele	7,538.64	546.92	725.00	-	8,810.56
Henry D'Angela	6,613.14	479.99	247.08	-	7,340.21
David Eke	6,807.02	312.30	274.34	21.98	7,415.64
Bob Gale	6,613.14	479.99	87.00	-	7,180.13
Kevin Gibson	6,613.14	479.99	385.70	-	7,478.83
Jen Lawson	779.42	56.82	-	-	836.24
Tara McKendrick	6,797.85	304.65	214.02	-	7,316.52
Total	48,166.60	2,907.53	2,851.28	25.48	53,950.89

Conferences/Seminars/Events - Outside the Niagara Region

Board Members did not attend any events outside of Niagara Region

Notes:

*Remuneration amount also includes per diems paid in the year

Totals reflected are inclusive of taxes

Niagara Regional Housing	Remuneration	Benefits	Mileage	Expenses	Total
Baker, Betty Ann	1,813.82	35.37	-	-	1,849.19
Blackley, Karen	2,418.52	47.16	-	-	2,465.68
Butters, Barbara	1,813.82	35.37	-	-	1,849.19
Hyatt, James	2,418.52	47.16	132.67	-	2,598.35
Insinna, Thomas	1,813.82	35.37	-	-	1,849.19
Sendzik, Walter	2,418.52	47.16	47.03	-	2,512.71
Souter, Betty-Lou	1,813.82	35.37	-	-	1,849.19
Villella, Leanna	1,813.82	35.37	-	-	1,849.19
Zalepa, Gary	2,418.52	47.16	-	-	2,465.68
Total	18,743.18	365.49	179.70	-	19,288.37

Notes:

At December 31, 2020 remuneration paid to Niagara Regional Housing. Board of Directors was calculated at one of two monthly rates as follows:

Officers \$200.00, Other members \$150.00

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Niagara Peninsula Conservation Authority Board Members
For the Twelve Month Period January 1, 2020 to December 31, 2020

Niagara Peninsula Conservation Authority*	Remuneration	Benefits	Mileage	Total
Beattie, Stewart ①	1,065.40	20.78	209.38	1,295.56
Bator, Robert	600.00	41.40	-	641.40
Bodimeade, Carl	600.00	41.40	-	641.40
Brady, Rick	1,065.40	73.50	107.50	1,246.40
Bylsma, Dave	837.10	57.77	15.00	909.87
Clark, Brad	761.00	52.51	70.00	883.51
Coon-Peterson, Deborah	608.80	42.00	30.00	680.80
Cridland, Donna	761.00	52.50	74.00	887.50
Dalimonte, Anthony	600.00	41.40	-	641.40
Feor, Leah	684.90	47.25	120.00	852.15
Foster, Rob	1,369.80	94.51	50.00	1,514.31
Fry, Darren	400.00	37.50	-	437.50
Hellinga, Jack	1,065.40	28.31	78.00	1,171.71
Huson, Diana	608.80	42.00	30.00	680.80
Ingrao, John	989.30	19.29	73.50	1,082.09
Johnson, Brenda ②	6,763.04	466.64	460.00	7,689.68
Kawall, Ken	1,674.20	115.51	15.00	1,804.71
Mackenzie, Bruce ③	3,297.76	227.54	438.00	3,963.30
Metcalfe, John	837.10	57.75	192.00	1,086.85
Michaud, Annie	600.00	41.40	-	641.40
Rapley, Bill	913.20	17.81	58.00	989.01
Rigby, Tim	400.00	7.80	-	407.80
Semple, Drew	600.00	11.70	-	611.70
Shirton, Rob	532.70	36.75	-	569.45
Smith, Ed	1,065.40	73.50	-	1,138.90
Steele, Bill	684.90	47.25	78.00	810.15
Willems, Adrin	600.00	41.40	-	641.40
Woodhouse, Malcolm	1,598.10	28.19	274.00	1,900.29
Wright, Brian	1,141.50	78.77	60.00	1,280.27
Total	32,724.80	1,944.13	2,432.38	37,101.31

Notes:

Remuneration is based on per diem of \$76.10/regular meeting and \$200.00/Source Protection Committee meetings

① Mileage includes other expenses of \$125.38

② Includes Chairman's honorarium of \$6763.04

③ Includes Chairman/Vice Chairman's honorarium of \$1319.16

*Please refer to the Niagara Peninsula Conservation Authority website for additional information