



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

BRCOTW 5-2019

Thursday, February 28, 2019

4:00 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

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	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
4. <u>DELEGATIONS</u>	
4.1 <u>2019 Levy Operating Budget (Agenda Item 5.1)</u> Sal Sorrento, Resident, City of St. Catharines, respecting Long-Term Care Home Budget Considerations.	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>CSD 22-2019</u> 2019 Levy Operating Budget - <b>REVISED</b>	3 - 30
A presentation will precede the discussion of this item.	
6. <u>CONSENT ITEMS FOR INFORMATION</u>	
6.1 <u>BRC-C 7-2019</u> A letter from D. Reid, Executive Director, Niagara Regional Police Services Board, dated February 21, 2019, respecting Special Consideration of RMON Request - 2019 Niagara Regional Police Service and Police Services Board Approved Operating Budget.	31 - 37

- 6.2 CSC-C 7-2019 38 - 41  
City of Welland Motion re: Forks Road Bridge
- 6.3 BRC-C 8-2019 42 - 57  
A letter from G. Furtney, Interim Senior Director, Corporate Resources,  
Niagara Peninsula Conservation Authority (NPCA), dated February 28,  
2019, respecting NPCA Response to Request for Information (CSD 22-  
2019)
7. OTHER BUSINESS
8. CLOSED SESSION
9. NEXT MEETING  
The next meeting will be held at the call of the Committee Chair.
10. ADJOURNMENT

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

# 2019

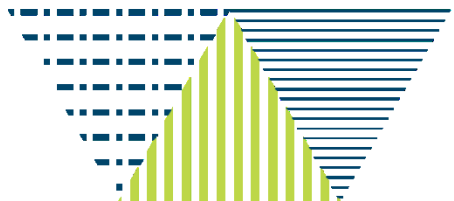
## OPERATING LEVY BUDGET

Budget Review Committee of the Whole  
February 28, 2019

# 2019 Consolidated Levy Budget

What we're going to cover tonight:

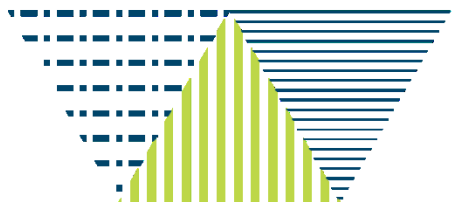
- Changes since February 14
- Updated consolidated and household impact
- Next steps



# Revised 2019 Levy Operating Budget

## Key Themes

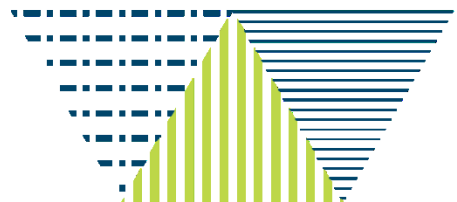
1. Regional departments increase below guidance inclusive of additional reductions (post CSD 22-2019 REVISED)
2. Maintains additional budget for DC exemptions funded with assessment growth and one-time items funded with NPCA refund
3. Includes Niagara Regional Transit enhancements and Niagara Investment in Culture sustainability
4. Modifies NRPS and NPCA budget in response to BRC motions
5. Decrease from 5.8% to 4.8% to 4.6% or \$68 on avg. household



# Revised 2019 Levy Operating Budget

Revisions from February 14

(in millions)	2018 Budget	2019 Budget	\$ Change	Assessment Growth	% Change
<b>Budget request per original CSD 22-2019</b>	<b>\$346.7</b>	<b>\$372.5</b>	<b>\$25.7</b>	<b>(\$5.7)</b>	<b>5.8%</b>
Councillor Remuneration		(0.2)	(0.2)		-0.1%
Waterfront Improvement Program		(0.9)	(0.9)		-0.3%
NPCA special levy		(1.6)	(1.6)		-0.5%
NRPS April 1 program changes		(0.7)	(0.7)		-0.2%
<b>Budget request per CSD 22-2019 Revised</b>	<b>346.7</b>	<b>369.0</b>	<b>22.3</b>	<b>(5.7)</b>	<b>4.8%</b>
Cannabis Revenue		(0.5)	(0.5)		-0.2%
<b>Revised budget per BRC Feb 28, 2019</b>	<b>\$346.7</b>	<b>\$368.5</b>	<b>\$21.8</b>	<b>(\$5.7)</b>	<b>4.6%</b>



# Departmental Budget at 1.6%

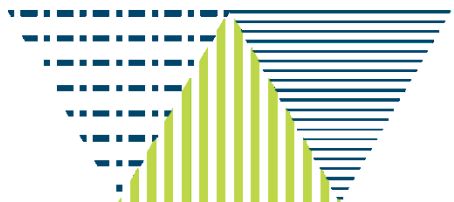
1.2% Base and 0.4% Discretionary

Base budget still includes:

- \$1.34M in capital financing
- \$0.78M in reserve draw reductions
- \$0.39M for Canada Summer Games legacy project financing
- (\$1.30M) in EMS provincial funding
- (\$1.09M) in investment income increases
- (\$0.51M) in cannabis revenue (new)

Discretionary guidance still includes:

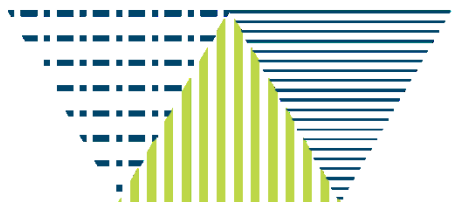
- \$0.41M for net Asset Management Governance costs



# Total Budget Increase of 4.6%

In addition to the departmental base budget

- \$7.9 million/2.3% for NRT service enhancements and \$0.25 million/0.1% for Niagara Investment in Culture grants
- \$3.5 million for DC discretionary grants and \$1.2 million for one-time initiatives from assessment growth and NPCA refund, 0% impact
- NRPS reduced budget from 6.5% to 6.0%, \$0.7 million reduction from adding FTEs effective April 1<sup>st</sup>
- NPCA reduced special levy by \$1.6 million: \$1.1 million from debt charge MOU and \$0.5 million land reserve transfer

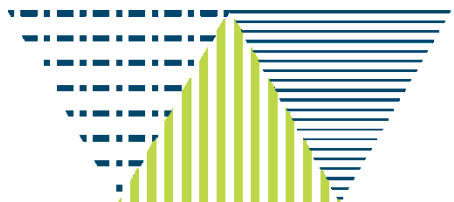




# 2019 Levy Operating Budget

(in millions)	2018 Budget	2019 Budget	\$ Change	Assessment Growth	% Change
Regional Departments	\$174.6	\$177.4	\$2.8		1.6%
DC Grants (net of assessment growth)		3.5	3.5	(3.5)	0.0%
One-time initiatives (net of NPCA refund)		1.3 (1.3)	1.3 (1.3)		0.0%
<i>ABCs at guidance* (net of assessment growth)</i>	<i>172.2</i>	<i>177.7</i>	<i>5.5</i>	<i>(2.2)</i>	<i>2.0%</i>
<b>Base Budget</b>	<b>346.7</b>	<b>358.6</b>	<b>11.9</b>	<b>(5.7)</b>	<b>1.8%</b>
Niagara Regional Transit		7.9	7.9		2.3%
Culture program		0.3	0.3		0.1%
NPCA special levy reduction		(1.6)	(1.6)		-0.5%
NRPS in excess of guidance (net of other ABCs under guidance*)		3.5 (0.3)	3.5 (0.3)		0.9%
<b>Levy Impact (net of assessment growth)</b>	<b>\$346.7</b>	<b>\$368.5</b>	<b>\$21.8</b>	<b>(\$5.7)</b>	<b>4.6%</b>

\*Courts, NRH and NPCA budget increases are less than guidance which is offsetting NRPS increase in excess

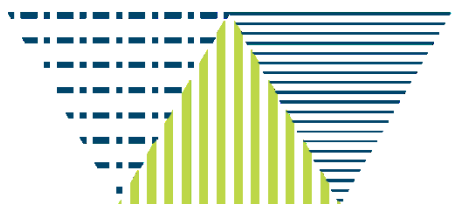


# Household Impacts

Household assessed at \$267,711

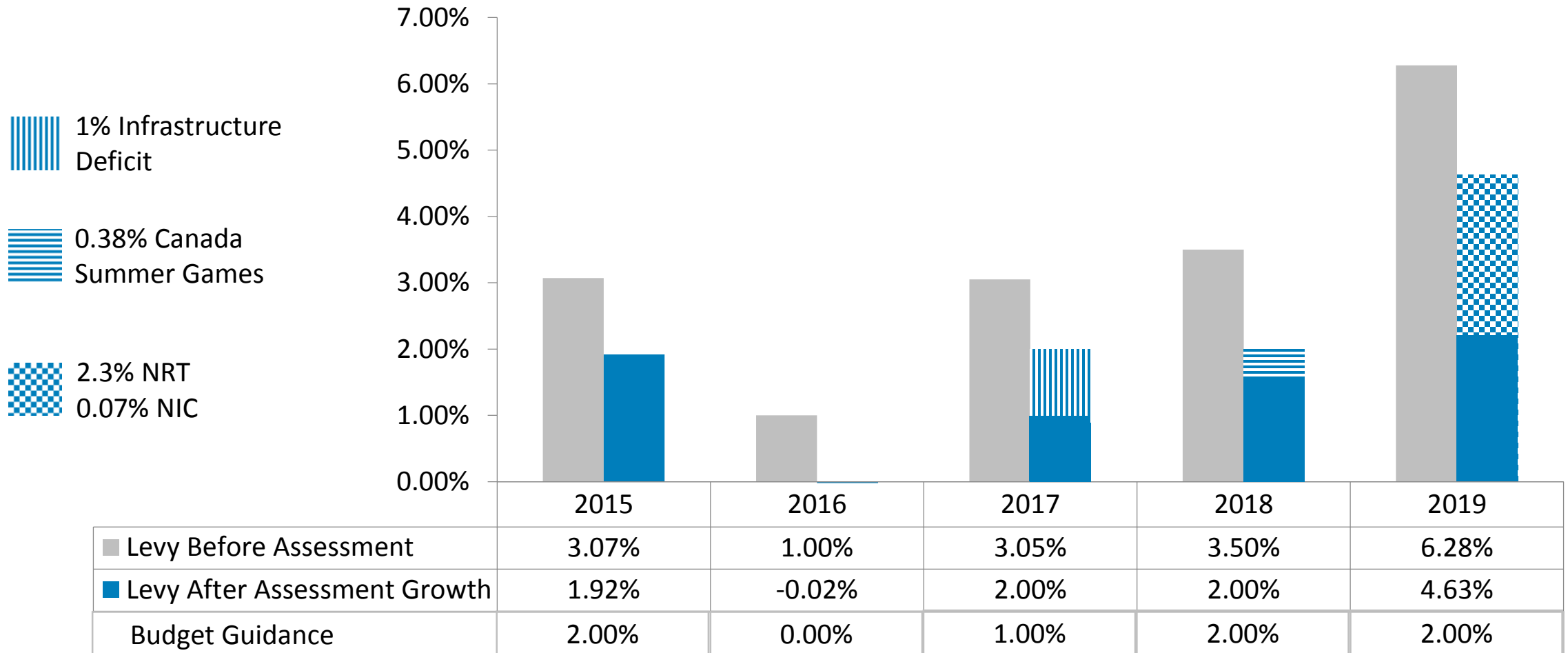
	Household Impact	Subtotal	Total Household Impact
2018 Regional Property Tax Rate			\$1,461
Base Budget increase	35		
DC Exemption Grants	15		
Assessment Growth	(24)	26	
Niagara Regional Transit	34		
NPCA special levy amount	(7)		
Niagara Investment in Culture	1		
NRPS in excess of Guidance	14	42	68
<b>4.6% Increase</b>			<b>1,529</b>

Changes identified in green



# Historical Tax Levy Increases

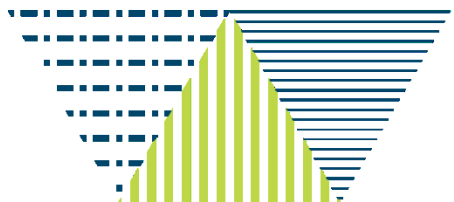
5 Year Average of 2.11%



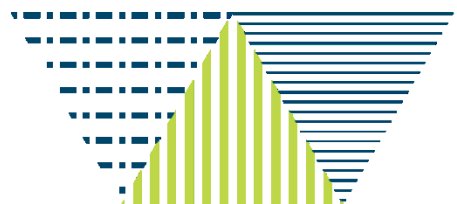
# Next Steps

## Approvals and Tax Policy

- Council approval of budget (incl. By-laws) – tonight
- Communication with LAMs
- General tax rate set based on 2019 Assessment and Tax Policy decisions (estimated April. 2019)



Questions?



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**Subject:** 2019 Levy Operating Budget **REVISED**

**Report to:** Budget Review Committee of the Whole

**Report date:** ~~Thursday February 14, 2019~~ **Thursday February 28, 2019**

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## Recommendations

1. That the 2019 net levy budget relating to the Niagara Regional Departments with a total of ~~\$178,401,908~~ **\$177,903,908** as consolidated in Appendix 1 **BE APPROVED** including the following:
  - a. That an increase of \$2,647,125 or 1.5% over the 2018 departmental operating budget **BE APPROVED** in accordance with Council approved guidance;
  - b. That an increase of an additional ~~\$885,757 or 0.5%~~ **\$687,757 or 0.4%** over the 2018 departmental operating budget, as detailed in Appendix 2, **BE APPROVED** in accordance with Council approved additional guidance;
2. That the Niagara Peninsula Conservation Authority differential reserve refund of \$1,284,237 **BE APPROVED** to fund one time initiatives as detailed in Appendix 2;
3. That an additional increase of \$7,975,215 or 2.3% over the 2018 consolidated levy **BE APPROVED** to fund service enhancements to the Niagara Regional Transit (NRT) program;
4. That an additional increase of \$900,000 or 0.3% over the 2018 consolidated levy **BE APPROVED BE DEFERRED to 2020** to provide sustainable funding for the continuation of the Waterfront Investment Program (WIP);
5. That an additional increase of \$250,000 or 0.1% over the 2018 consolidated levy **BE APPROVED** to provide sustainable funding for the continuation of the Niagara Investment in Culture (NIC) grant program;
6. That an additional 1.65% or \$5,705,155 of assessment growth **BE APPROVED** to fund an increase in Niagara Region Development Charge grants of \$3,525,308 and the Niagara Regional Police Services operating budget of \$2,179,847;
7. That the 2019 net departmental tax levy of ~~\$190,752,431~~ **\$189,654,431** in addition to the ABCs of ~~\$181,705,896~~ **\$179,382,735** for a total tax levy of ~~\$372,458,327~~ **\$369,037,166 BE APPROVED**; and
8. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for consideration

## Key Facts

- The purpose of this report is to seek approval for the consolidated ~~\$372,458,327~~ **\$369,037,166** 2019 levy operating budget, including a departmental request of ~~\$190,752,431~~ **\$189,654,431** and the ABC requests totalling ~~\$181,705,896~~ **\$179,382,735** as presented to BRCOTW on January 31 **and amended based on an approved motion on February 14, 2019.**
- Departmental budgets have met guidance of 1.5% plus ~~0.5%~~ **0.4%** discretionary, total 2% core CPI inflation target in accordance with policy C-F-002 Affordability Guidance and Council's guidance as approved by BRCOTW on June 14, 2018.
- The shortfall in development charge grant funding of \$5.8 million is recommended to be funded with the Departments' share of the 1.65% assessment growth for a net levy impact of zero.
- Council directed that the NPCA refund of \$1,284,237 be applied to the net levy impact after achieving guidance of 2.0%, however staff are recommending that the funding be utilized for a number of important one-time initiatives that cannot be accommodated within guidance for a net levy impact of zero.
- NRT service enhancements, WIP and NIC grants previously funded with unsustainable reserve contributions could not be accommodated within guidance, without impacting other service funding. Therefore support for the programs requires additional base budget increases of 2.3%, 0.3% and 0.1% respectively.
- If the NRPS had met guidance of 2% in addition to the departments meeting guidance the overall budget request inclusive of WIP, NIC and NRT, would be an increase of 4.7% (1.5% + 0.5% + 0.3% + 0.1% + 2.3%). The NRPS increase in excess of guidance is an additional ~~4.1%~~ **0.9%** on the overall levy ~~for a total increase of 5.8%.~~
- **This report was revised to reduce the budget by \$198,000 for the Councillor remuneration related to legislated tax changes, \$900,000 in Waterfront Investment Program grants, \$1,617,165 for NPCA special levy amount related to excess of debt charges and land acquisition reserve, and \$705,996 for NRPS April 1 implementation of program changes involving personnel hiring for a total levy increase of 4.8%**

## Financial Considerations

Staff worked together to reach Council's guidance of 1.5% for Regional departments; the additional guidance of 0.5% was applied to priority programs required to continue operations as itemized in appendix 2. The 2019 budget was prepared based on corporate needs related to staffing and inflationary increases. Factors that are forecasted to contribute to the 2018 operating surplus/deficit as identified in the Q3 Financial Update were built into the 2019 budget. The detailed explanation of pressures and mitigation strategies is detailed in the Analysis section below.

Table 1 – Regional Departmental Budget

	2018 (in millions)	2019 (in millions)	\$ Change (in millions)	% Change
Gross Expenditure	554.0	<del>569.8</del> <b>569.6</b>	<del>15.8</del> <b>15.6</b>	<del>2.86%</del> <b>2.82%</b>
Business Support allocation	(17.0)	(18.9)	(1.9)	-11.18%
Gross Budget Total	537.0	<del>550.9</del> <b>550.7</b>	<del>13.9</del> <b>13.7</b>	<del>2.59%</del> <b>2.56%</b>
Revenues	(362.4)	(372.8)	(10.4)	-2.87%
Net Regional Department Budget	174.6	<del>178.1</del> <b>177.9</b>	<del>3.5</del> <b>3.3</b>	<del>2.00%</del> <b>1.91%</b>

The increase to the departmental budgets in addition to the ABCs, recommended use of the NPCA refund and growth dollars is ~~3.13%~~ **2.41%**, with breakdown as follows.

Table 2 – Total Levy Budget Summary excluding Separate Levy Increases

	2018 (in millions)	2019 (in millions)	\$ Change (in millions)	% Change
Departmental Budget Guidance	\$174.6	\$177.2	\$2.6	1.50%
Additional Budget Guidance (Appendix 2)		<del>0.9</del> <b>0.7</b>	<del>0.9</del> <b>0.7</b>	<del>0.50%</del> <b>0.41%</b>
Net Regional Department Budget	174.6	<del>178.1</del> <b>177.9</b>	<del>3.5</del> <b>3.3</b>	<del>2.00%</del> <b>1.91%</b>
NRPS	138.4	<del>147.4</del> <b>146.7</b>	<del>9.1</del> <b>8.3</b>	<del>6.54%</del> <b>6.03%</b>
Courts Services (after indirect allocations)	(0.5)	(0.6)	(0.1)	-11.08%
NRH	27.4	27.8	0.4	1.50%
NPCA	7.0	<del>7.1</del> <b>5.5</b>	<del>0.1</del> <b>(1.5)</b>	<del>1.78%</del> <b>-21.40%</b>
Net Base Budget	346.7	<del>359.8</del> <b>357.3</b>	<del>13.1</del> <b>10.5</b>	<del>3.77%</del> <b>3.04%</b>
NPCA Refund		(1.3)	(1.3)	-0.37%
One-time Initiatives (Appendix 2)		1.3	1.3	0.37%
DC Grants Funded by Growth		3.5	3.5	1.02%
Net levy budget	346.7	<del>363.3</del> <b>360.8</b>	<del>16.6</del> <b>14.1</b>	<del>4.78%</del> <b>4.06%</b>
Assessment Growth				-1.65%
Net Taxpayer Impact				<del>3.13%</del> <b>2.41%</b>

Other initiatives could not be accommodated within guidance. If Council wishes to continue with ~~WIP~~ and NIC (previously funded with reserves) and enhance services for



transit, the impact of these is displayed below in table 3, and increase the budget request from ~~3.13% to 5.76%~~ **2.41% to 4.78%**.

Table 3 – Total Levy Budget Summary

	2018 (in millions)	2019 (in millions)	\$ Change (in millions)	% Levy Increase
Net Taxpayer Impact (per Table 2)	346.7	<del>363.3</del> <b>360.8</b>	<del>16.6</del> <b>14.1</b>	<del>3.13%</del> <b>2.41%</b>
Niagara Regional Transit		8.0	8.0	2.30%
<del>Waterfront Investment Program</del>		<del>0.9</del>	<del>0.9</del>	<del>0.26%</del>
Niagara Investment in Culture		0.3	0.3	0.07%
Net Budget After Growth	346.7	<del>372.5</del> <b>369.0</b>	<del>25.7</del> <b>22.3</b>	<del>5.76%</del> <b>4.78%</b>

## Analysis

The 2019 budget was built by departments to fund their program requirements; this initial request was in excess of Council's budget guidance. The Corporate Leadership Team prioritized areas in excess of guidance and considered the best use for the additional guidance as would best serve the corporation. The 2019 operating budget for Regional Departments includes \$2.6 million for base service increases and ~~\$0.89 million~~ **\$0.69 million** for program enhancements within guidance. This is following a process of prioritization and mitigation.

Initial budget request was \$5.3 million increase which equates to 3.0% and included the following expense increases:

- \$3.15 million in compensation and benefits increases excluding subsidized programs
- \$1.34 million to finance capital
- \$0.39 million to fund 2021 Canada Summer Games legacy project
- \$0.96 million in ongoing WSIB cost pressures resulting from 2016 presumptive legislation relating to chronic mental stress for first responders
- \$0.78 million in fuel and utility price inflation
- \$0.48 million to replace reserve financing with sustainable funding
- \$0.30 million to eliminate 2018 draw on Police LTA reserve
- \$1.15 million for cost escalation on items including MPAC, software support and janitorial services
- \$0.89 million to align budget to historical cost trending on items including third party insurance payouts and winter control
- \$0.41 million in reduction of recovery of indirect allocations from rate programs
- Other cost increases including contractual and inflationary pressures

- Continued funding for Growth and District Plans of \$0.10 million (approved in 2016 for a three year pilot), and Team Niagara and the Niagara Foreign Trade Zone of \$0.50 million (approved in 2015 for a four year pilot).

The above expense increases were also offset by:

- \$0.32 million in savings from a reduction in the vacancy rebate program
- \$1.30 million in Provincial funding for Public Health and Emergency Services
- \$1.09 million increase in investment income from interest rate increases and prudent cash flow management
- \$0.56 million in net other taxation increases, including supplemental taxes, payments-in-lieu of taxes, net of tax write-off increases
- \$0.83 million in tax increment grants deferred due to timing of development
- \$0.21 million in transit fare revenue
- \$0.45 in other revenues, including secondment, rental, and planning fees revenues

The net pressures of \$5.3 million required consideration of mitigation of \$2.6 million for a net increase of \$2.7 million or 1.5% in accordance with guidance. The mitigation measures include more aggressive revenue assumptions regarding provincial grant funding for EMS WSIB costs, budget increases more in line with historical trends were scaled back, and other consulting, Smarter Niagara Incentive Program and student funding were removed which may impact service levels. All of these assumptions come with risks that could impact the actual operating results for 2019.

The 0.5% discretionary guidance was prioritized for the following strategic priorities and service enhancements totalling ~~\$0.9 million~~ **\$0.7 million**:

- \$0.41 million in Asset Management Governance costs net of allocation to Water, Wastewater and Waste Management
- ~~\$0.20 million increase to Councillor remuneration due to CRA changes (subject to 2019 report to Council)~~
- \$0.17 million for the net cost of new FTEs primarily in Transportation
- \$0.09 million for an Emergency Management internal notification system

### Assessment Growth

Assessment growth is the result of physical changes to the Region's tax base during a year, providing 1.65% or \$5,721,350 in general levy from new taxpayers. Our Budget Guidance Policy recommends sharing these dollars between the Niagara Regional Police Service and Regional Departments. Increases to Tax Increment Grants (TIGs) are funded first, before apportionment, however there are no increases to TIGs anticipated this year due to timing of construction. The detailed calculation can be found in Appendix 3.

Exemptions approved within By-Law 2017-98 Development Charges are estimated to be \$11.0 million in 2019 (forecasted \$11.8 million for 2018) with approved base funding of only \$1.7 million. By using the whole departmental share of growth for Development Charge Exemptions grants the program will have funding of \$5.3 million. Further strategies to mitigate DC exemptions were approved in report CSD 05-2019 Development Charges Grant Exemptions Funding and will be funded as they occur.

### Separate Levy Increases

The 2019 budget incorporates recommendations 3 through 5 as decision points for Council. All three programs cannot be funded through the base guidance and are as follows:

#### *Niagara Regional Transit – 2.30%*

Table 4 – Niagara Regional Transit Budget Strategy

	2018	2019	2020
Net operating costs	\$3.6	\$10.1	\$12.7
Debt financing		1.4	1.4
Total operating costs	3.6	11.5	14.1
Incremental cost (including debt)		7.9	2.6
Separate levy increase		2.3%	0.7%

The details of the program change are included in business case NRT-01 of the budget detail.

#### *Waterfront Improvement Program – 0.26%*

The Waterfront Improvement Program has been included in the operating budget since 2015 but has been funded by \$900 thousand annually from the Capital Levy reserve, which is an unsustainable source and limits funding available for Regional infrastructure renewal. In order to continue the program as per business case GEN-04 base budget dollars should be provided.

#### *Niagara Investment in Culture – 0.07%*

The Niagara Investment in Culture Program was included in the 2015 budget to be piloted for four years, ending 2018. To meet budgetary restrictions in 2018 sustainable funding was not available and replaced by \$250 thousand from the Taxpayer Relief reserve for a period of one year. In order to continue the program as per business case GEN-05 base budget dollars should be provided.

As additional background, a separate 1% levy increase (\$3,251,082) for infrastructure was approved in 2017 into perpetuity that was within the total increase of 2%. In 2018 Council approved a 0.38% levy increase (\$1,285,120) to fund the 2021 Canada Summer Games. This will be reduced to \$285,120 in 2022 as the operating grants expire and to zero when the debt is fully repaid ten years from issuance.

### Staff Complement

The proposed 2019 Regional Department Operating Budget includes a full-time equivalent (FTE) staff complement, inclusive of program changes, of 2,359.2 permanent FTEs and 35.3 temporary FTEs. There is a net increase of 32.1 permanent FTEs, net cost of \$580,000, and 5 temporary FTEs requiring budget approval and as detailed 2019 FTE summary is in Appendix 4.

### Multi-year Considerations

Only the current year budget is approved by Council annually, however a multi-year budget is included to forecast future pressures or initiatives.

- Niagara Regional Transit – To continue the Dillon Report service enhancements to the NRT an additional 0.7% will be required in the 2020 budget
- Long-term Care long-term accommodations – Debt servicing costs for \$86.6 million in long-term care home redevelopment will require 1% increase in the levy
- Emergency Medical Services long-term accommodations – Debt servicing costs for 2021 forecasted debt is included for an EMS hub (\$47.1M) which will attract 50% subsidy for interest charges
- Brock LINC (Learn, Innovate, Network, and Commercialize)- a \$1.5 million request has been received from Brock University for partnership with the University. The LINC is part of the newly built Rankin Family Pavilion, a innovation complex that will provide much-needed space to nurture Niagara's growing culture of innovation. It will provide students with the space to experiment with entrepreneurship and will add a strategic asset within Niagara's innovation ecosystem that supports a greater number of research and development partnerships between Brock and Niagara's businesses and social organizations.
- Canada Summers Games – funding provided in 2018 and 2019 are for the capital and legacy projects as described in the bid document up to \$9.7 million. Should CSG be successful in attracting additional upper level government funding, the Region and partnering local area municipalities could potentially be requested additional funding.
- Airports – to date no funding has been incorporated into the budget forecast for consideration of any changes in governance.

### Household Impact

Based on the 2019 cost for levy programs for the average household assessed at \$267,711 is estimated to increase from \$1,461 to ~~\$1,545~~ **\$1,531** in 2019.

Table 5 – Household Tax Impact

Budget Item	2019 Impact	Household Cost
<b>2018 cost per typical household</b>		<b>1,461</b>
2019 base budget increase (2.0%)	37	
NRT separate levy increase	34	
WIP separate levy increase	4	
NIC separate levy increase	1	
NRPS Increase in excess of guidance	17	
Development charge exemptions	15	
Assessment growth	(24)	84
<b>NRPS April 1 program changes</b>	<b>(3)</b>	
<b>NPCA special levy amount</b>	<b>(7)</b>	
<b>Waterfront Investment Program deferral</b>	<b>(4)</b>	<b>(14)</b>
2019 cost per typical household		<del>1,545</del> <b>1,531</b>

The actual cost per household may change depending on tax policy decisions that are made in 2019. The impact on individual property owners will depend on the increase in assessment that they experience; those with an increase greater than the average property would experience a larger tax impact, while those with an increase less than the average property would experience a smaller tax impact.

### Risks and Opportunities

Niagara Region budget is prepared based on information available at a point in time. Services and/or the actual operational costs can be impacted by the following:

- Inflation and economic conditions, such as utility, fuel costs and interest rates
- Potential policy changes in provincially funded programs
- Leveraging asset management to reduce repairs and maintenance
- A sustainability program review is underway that will identify programs and/or services that could be reprioritized
- Mitigation measures are based on aggressive assumptions and may result in in-year variances

### Sinking Fund

As per the Municipal Act, Section 289, Niagara Region is required to prepare and adopt a budget including amounts to be raised for sinking funds. Additionally, as per Section 424, the Treasurer must prepare for Council, an annual statement of the amount to be raised for a sinking fund. This report will also serve to carry out Niagara Region's responsibilities as prescribed in the Municipal Act.

Niagara Region's sinking fund is a separate fund maintained for the purpose of providing the repayment of all sinking fund debt when it becomes due and payable. Proportionally, 88.05% of the fund relates to Niagara Region and the remaining 11.95% relates to the City of St. Catharines. The debt issued on June 30, 2010 subject to repayment through the sinking fund is \$78,079,000. This amount is repayable in full on June 30, 2040. The annual budget for Niagara Region's portion of the debt charges associated with the sinking fund is \$4,906,470 (\$1,331,695 principal, \$3,574,775 interest). This amount has been included in the 2019 budget, and subject to Niagara Region achieving the annual required rate of return of 3.50%, will remain in effect until the sinking fund matures on June 30, 2040. To date the Niagara Region has been able to invest in bonds yielding greater than the required rate of return.

### **Alternatives Reviewed**

Given the constraints in the development of the 2019 budget mitigation efforts were required and items have not been included or have been deferred. Programs include mass external notification system, Transportation resources such as Integrated Services manager and system analyst, noxious weed spraying, street light uploading, etc. These items would have increased the recommended budget in excess of guidance.

### **Relationship to Council Strategic Priorities**

The 2019 levy budget supports all facets of the organization in their support of Council's priorities.

## Other Pertinent Reports

CSD 35-2018      2019 Budget Planning  
CSD 01-2019      2019 Capital Budget

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### Prepared by:

Helen Chamberlain, CPA, CA  
Director Financial Management and  
Planning, Deputy Treasurer  
Enterprise Resource Management  
Services

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### Recommended by:

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Enterprise Resource Management  
Services

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### Submitted by:

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

*This report was prepared in consultation with Tyler Potts, Senior Budget Analyst, and reviewed by Margaret Murphy, Associate Director Budget Planning and Strategy.*

## Appendices

Appendix 1 **REVISED**      Niagara Region Departments Budget  
Appendix 2 **REVISED**      Proposed Program Change Enhancements  
Appendix 3      Guidance Apportionment  
Appendix 4      Full-time Equivalents Summaries

### Niagara Region Departments Budget

Object of Expenditure	2018 Budget	2019 Budget	\$ Variance	% Variance	Note
Compensation	225,716,835	234,471,496	8,754,661	3.88%	(1)
		<b>234,273,496</b>	<b>8,556,661</b>	<b>3.79%</b>	
Administrative	21,875,000	21,355,874	(519,126)	-2.37%	
Operational & Supply	28,315,049	29,932,569	1,617,520	5.71%	
Occupancy & Infrastructure	12,318,818	12,512,911	194,093	1.58%	
Equipment, Vehicles, Technology	7,341,310	8,390,952	1,049,642	14.30%	
Community Assistance	167,884,936	168,844,231	959,295	0.57%	
Partnership, Rebate, Exemption	13,239,796	7,527,014	(5,712,782)	-43.15%	(2)
Financial Expenditures	56,086,461	64,885,600	8,799,139	15.69%	(3)
Transfers To Funds	21,990,640	22,755,030	764,390	3.48%	
Expense Allocations To Capital	(130,000)	(140,000)	(10,000)	7.69%	
Allocation Between Departments	(632,187)	(703,983)	(71,796)	11.36%	
Total Expenditure before Indirect Allocations	554,006,658	569,831,694	15,825,036	2.86%	
		<b>569,633,694</b>	<b>15,627,036</b>	<b>2.82%</b>	
Indirect Allocation to Rate and Courts	(5,985,882)	(6,555,391)	(569,509)	9.51%	(4)
Capital Financing Allocation to Rate and Courts	(11,045,346)	(12,379,731)	(1,334,385)	12.08%	(5)
Total Expenditure	536,975,430	550,896,572	13,921,142	2.59%	
		<b>550,698,572</b>	<b>13,723,142</b>	<b>2.56%</b>	
Taxation	(13,057,173)	(15,267,076)	(2,209,903)	16.92%	
Federal & Provincial Grants	(291,104,611)	(297,616,093)	(6,511,482)	2.24%	
By-Law Charges & Sales	(8,796,617)	(10,311,335)	(1,514,718)	17.22%	
Other Revenue	(39,533,657)	(40,281,825)	(748,168)	1.89%	
Transfers From Funds	(9,914,348)	(9,318,335)	596,013	-6.01%	
Total Revenue	(362,406,406)	(372,794,664)	(10,388,258)	2.87%	
Net Levy Budget	174,569,024	178,101,907	3,532,883	2.00%	(6)
		<b>177,903,907</b>	<b>3,334,883</b>	<b>1.91%</b>	



Notes:

1. Compensation includes staff wages and benefits and reflect changes to staff complement as per appendix 4
2. Reduction in one-time DC grant funding, tax increment grant delays, phasing out of vacancy rebates, and WIP and NIC funding
3. Financial expenditures increase due to debt servicing costs and debt balloon payment being refinanced in year
4. Program support costs recovered from Courts Services and Rate programs
5. Debt charges recovered from Courts Services and Rate programs
6. The net levy budget presented does not take into account separate levy increases in recommendations 3 through 5

## Proposed Program Enhancements

Funded through base budget guidance

Department	Business Case Name	Gross	Net	Other Funding Sources
Governance	Council Remuneration	198,000	198,000	
Corporate Services	Business Licensing (+5 perm FTEs)	623,700	-	Licensing fees
Corporate Services	eLearning	25,000	22,348	Allocation to Rate programs
Enterprise Resource Management Services	Asset Management Governance (+7 perm FTEs)	853,653	408,988	Allocation to Rate programs
Community Services	Additional Seniors Front-line staff (+14.1 perm FTEs)	1,011,027	-	Provincial subsidy
Public Health and Emergency Services	Fleet Equipment Custodian (+1 perm FTE)	-	-	
Public Health and Emergency Services	Internal Notification System	85,000	85,000	
Transportation Services	Surveys and Mapping Analyst (+1 perm FTE, -1 temp FTE)	-	-	
Transportation Services	Contract Administrators & Inspector (+3 perm FTEs)	268,041	80,412	Allocation to Capital program
Transportation Services	Engineering Technician (+1 perm FTE, -1 temp FTE)	1,459	1,459	
Transportation Services	Permits Technologist (+1 perm FTE)	89,550	89,550	
Total		3,155,430	885,757	
		<b>2,957,430</b>	<b>687,757</b>	

Funded through NPCA differential refund

Department	Business Case Name	Gross	Net	Other Funding Sources
General Government	Council Priority Funding	228,237	228,237	
Corporate Services	Business Licensing	225,000	225,000	
Public Health and Emergency Services	Psychological Resources	256,000	256,000	
Planning and Development	Stormwater Management and Hydrology	175,000	175,000	
Transportation Services	Complete Streets Consulting	400,000	400,000	
<b>Total</b>		<b>1,284,237</b>	<b>1,284,237</b>	

Funded through assessment growth

Department	Business Case Name	Gross	Net	Other Funding Sources
General Government	Development Charge Exemption Grants	3,525,308	3,525,308	

### Guidance Apportionment

Description	Levy Amount	Levy Increase	Percentage
2018 Tax Levy	346,748,489		
2018 Net revenue budget	15,495,359		
2018 Net levy - before net revenue	362,243,848		
<b>1.5% Budget Guidance</b>		<b>5,201,227</b>	<b>1.50%</b>
Departments and other ABCs	223,875,676	3,214,487	1.44%
Niagara Regional Police Services	138,368,172	1,986,740	1.44%
<b>0.5% Additional Guidance</b>		<b>1,733,742</b>	<b>0.50%</b>
Departments and other ABCs	223,875,676	1,071,496	0.48%
Niagara Regional Police Services	138,368,172	662,246	0.48%
<b>Assessment Growth</b>		<b>5,705,155</b>	<b>1.65%</b>
Departments and other ABCs	223,875,676	3,525,927	1.58%
Niagara Regional Police Services	138,368,172	2,179,228	1.58%
<b>Total Guidance</b>		<b>12,640,124</b>	<b>3.65%</b>
Departments and other ABCs	223,875,676	7,811,910	3.49%
Niagara Regional Police Services	138,368,172	4,828,214	3.49%

## Full-time Equivalent Summaries

### Permanent FTEs

Item	FTE	Comments
<b>2018 Adjusted FTEs</b>	<b>2,327.0</b>	
<b>2019 Base Budget Changes</b>		
Corporate Services	(1.0)	Reduction of vacant Human Resources position
Corporate Services	5.0	Business Licensing
Enterprise Resource Management Services	7.0	Asset Management Office
Community Services	14.1	Seniors Services front-line staff
Public Health and Emergency Services	1.0	Fleet Equipment Custodians*
Transportation Services	2.0	Contract Administrators
Transportation Services	1.0	Contract Inspector
Transportation Services	1.0	Engineering Technician*
Transportation Services	1.0	Surveys and Mapping Analyst*
Transportation Services	1.0	Permits Technologist
<b>Subtotal of Changes</b>	<b>32.1</b>	
<b>2019 Proposed FTEs</b>	<b>2,359.2</b>	

\*offset with a reduction in temporary FTEs in following table

Net cost of FTEs is \$580,000

Temporary FTEs

Item	FTE	Comments
<b>2018 Council Approved FTEs</b>	<b>30.3</b>	
<b>2019 Base Budget Changes</b>		
Corporate Administration	(0.3)	Foreign Trade Zone Coordinator
Corporate Services	0.8	Customer Services Project Manager from part year in 2018 to full year in 2019
Public Health and Emergency Services	1.5	System Support Controller Trainees
Public Health and Emergency Services	1.0	Two part-time Fleet Equipment Custodians
Public Health and Emergency Services	1.0	Health, Wellness and Culture Coordinator
Public Health and Emergency Services	1.0	Health, Wellness and Culture Advisor
Public Health and Emergency Services	(1.0)	Fleet Equipment Custodians*
Planning and Development	1.0	Wet Weather Specialist to support the Rate program~
Transportation Services	(1.0)	Engineering Technician*
Transportation Services	(1.0)	Surveys and Mapping Analyst*
<b>Subtotal of Base Budget Changes</b>	<b>3.0</b>	
<b>Separate Levy Increase Changes</b>		
Transportation Services	1.0	Transit Operations Supervisor
Transportation Services	1.0	Transit Operations Administrative Support
<b>Subtotal Separate Levy Increase Changes</b>	<b>2.0</b>	
<b>2019 Proposed FTEs</b>	<b>35.3</b>	

\*offsets an increase in permanent FTEs in preceding table

~FTE transferred from Rate



REGIONAL MUNICIPALITY OF NIAGARA  
**POLICE SERVICES BOARD**

5700 VALLEY WAY, NIAGARA FALLS, ONTARIO L2E 1X8

Tel: (905) 688-4111 • Toll Free: 1-888-668-3911 • Fax: (289) 248-1011  
psb@niagarapolice.ca • www.niagarapolice.ca

February 21, 2019

Ms. Ann-Marie Norio, Regional Clerk  
Regional Municipality of Niagara  
1815 Sir Isaac Brock Way  
P.O. Box 1042  
Thorold, ON  
L2V 4T7

**Re: Special Consideration of RMON Request - 2019 Niagara Regional Police Service and Police Services Board Approved Operating Budget**

Dear Ms. Norio:

At its Special Public Meeting held February 21, 2019, the Niagara Police Services Board considered the recommendation made by the Niagara Region's Budget Review Committee of the Whole (BRCOTW) on February 14, 2019 requesting the Board review their 2019 budget to find further cost savings related to program changes of \$3.1 million.

In response to the BRCOTW request, the Board considered Service Report 54/2019 dated February 19, 2019 providing the Board with a recommendation to consider reducing the approved 2019 operating budget. The following motion was unanimously passed:

- 1. That the Police Services Board reduce the 2019 operating budget for the Police Service and Board to a total net expenditure budget before indirect allocations of \$146,714,214, an increase of 6.0% from the 2018 approved budget by deferring the initiation of the program changes to April 1, 2019;**
- 2. That the Police Services Board notify the Region that this deferral will increase the 2020 base operating budget before indirect allocations by \$706,196 or 0.5% of the 2019 base budget resulting from the annualizing of these programs.**

**Carried.**

Further to Board direction, I would ask that you take the necessary action to place this information before Regional Council.

A copy of the report is enclosed.

Yours truly,

Deb Reid  
Executive Director

Encl.

c: Mr. T. Harrison, Commissioner/Treasurer, Enterprise Resource Management, RMON



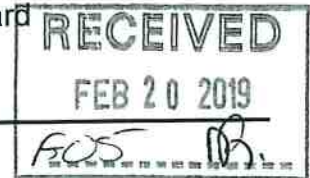
# **NIAGARA REGIONAL POLICE SERVICE** **Police Services Board Report**

**Report Number 54**  
**PUBLIC AGENDA**

**Subject:** Special Consideration to the 2019 Niagara Regional Police Service and Board Approved Operating Budget

**Report To:** Chair and Members, Niagara Police Services Board

**Report Date:** 2019-02-19



## **Recommendation(s)**

- 1) That the Police Services Board consider reducing the Board Approved 2019 Operating Budget for the Police Service and Board to a Total Net Expenditure Budget before Indirect Allocations of \$146,714,214, an increase of 6.0% from the 2018 Approved Budget by deferring the initiation of the Program Changes to April 1, 2019.
- 2) That the Police Services Board notifies the Region that this deferral will increase the 2020 Base Operating Budget before indirect allocations by \$706,196 or 0.5% of the 2019 Base Budget resulting from the annualizing of these Programs.

## **Key Facts**

- The purpose of this report is to provide the impact to the Approved 2019 Operating Budget and the base 2020 Operating Budget that results from deferring the initiation of the Program Changes to April 1, 2019.
- On January 24, 2019, the Police Service Board approved a Total Net expenditure budget for the Niagara Regional Police Service and Board at \$147,420,210 which is a 6.5% increase over 2018 that included \$3.1M in Program Changes.
- On January 31, 2019, the Service presented the NRPS and Board 2019 Operating Budget to the Budget Review Committee of the Whole (BRCOTW) which was received and approved.
- On February 14, 2019, the BRCOTW passed a recommendation that the Niagara Regional Police Service and Board review their 2019 budget to find further cost savings related to program changes of \$3.1 million (CSD 22-2019).

## **Financial Considerations**

The impact to the Approved Net Expenditure Budget for the Niagara Regional Police Service and the Board by deferring the initiation of the Program Changes to April 1, 2019 results in a reduction of \$706,196 to the Board Approved Operating Budget or a 6.0% increase from the 2018 Approved Budget.



Police Service	\$145,954,359
Board	\$759,855
Niagara Regional Police Service and Board	\$146,714,214

Further consideration to this option is the impact to the 2020 base budget by \$706,106 or 0.5% increase from the 2019 Budget resulting from annualizing the 2019 Program Changes.

## Analysis

The table below summarizes the factors impacting the 2019 Operating Budget including the recommendation by the BRCOTW to consider further cost savings related to the 2019 Program Changes.

	\$	% Increase
2018 Restated Budget	\$138.4M	
Normal Inflationary and Contractual Increases	\$4.8M	3.5%
<b>Approved Budget before Capital Levy Restoration and Program Changes</b>	<b>\$143.2M</b>	
Capital Levy Transfer Restoration	\$1.1M	0.8%
<b>Approved Budget before Program Changes</b>	<b>\$144.3M</b>	
Program Changes –annualized	\$3.1M	2.2%
<b>2019 Board Approved Budget bef Indirect Alloc.</b>	<b>\$147.4M</b>	
Impact resulting from the deferral of the Program Changes to April 1, 2019	(0.7M)	(0.5)%
<b>2019 Revised Operating Budget bef Indirect Alloc.</b>	<b>\$146.7M</b>	<b>6.0%</b>

In close alignment with budget guidance, the Service would be able to achieve a proposed 3.5% increase, if not for the capital levy restoration and increased operational needs, reflected in the program changes.

## Program Changes:

In consideration of the BRCOTW recommendation to identify further cost savings within the Program Changes, the Service has calculated the impact to deferring the initiation of these Program Changes by three months from January 1 to April 1 2019. The net program change increase of 1.7% (\$2.4 million) is detailed in Appendix 1:

## **Alternatives Reviewed**

Do not approve.

## **Relationship to Police Service/Board Strategic Priorities**

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.

## **Relevant Policy Considerations**

In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

## **Other Pertinent Reports**

187.2018 Niagara Region Budget Guidance Communication, received by the Finance Committee July 12, 2018 providing a 2019 budget guidance increase of 3.4%.

10.2019 Special Budget Meeting January 16 2019 - Amended 2019 Niagara Regional Police Service and Board Proposed Operating Budget

21.2019 Amended 2019 Niagara Regional Police Service and Board Proposed Operating Budget

CSD 22-2018 2019 Levy Operating Budget sent by Regional Clerk Office

*This report was prepared by Laura Rullo, Finance Manager in consultation with Lisa DiDonato DeChellis, Director, Business 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 – 2019 Program Changes

## Appendix 1 – 2019 Program Changes

Annual \$	% Increase to 2018 Budget	Revised \$ (Effective Apr. 1/19)	% Increase to 2018 Budget	
\$300,240	0.2%	\$225,180	0.2%	<b>Human Trafficking Unit</b> – Increase of 2 Detective Constables to address increasing human trafficking investigation obligations.
\$300,240	0.2%	\$225,180	0.2%	<b>Sexual Assault Unit</b> – Increase of 2 Detective Constables to address increasing sexual assault investigation obligations.
\$152,903	0.1%	\$114,677	0.1%	<b>Corporate Clinical Psychologist</b> – Creation of a Corporate Clinical Psychologist position to oversee the Service's psychological wellness programs.
\$78,108	0.1%	\$58,581	0.0%	<b>Recruiting and Career Development Unit</b> - Increase of 1 civilian position to manage increased workload demands within the unit.
\$0	0.0%	\$0	0.0%	<b>Business Licensing</b> - The transition of the enforcement of business licensing to the Niagara Region in alignment with industry practice.
\$13,025	0.0%	\$ 9,769	0.0%	<b>Records and Information Management Unit Staffing</b> - The implementation of identified efficiency and process improvements within the unit through staffing realignment.
\$155,235	0.1%	\$116,426	0.1%	<b>Network Infrastructure IT Manager</b> – The creation of a new IT Manager position to provide for the optimal realignment of resources.

Annual \$	% Increase to 2018 Budget	Revised \$ (Effective Apr.1/19)	% Increase to 2018 Budget	
\$459,832	0.3%	\$344,874	0.2%	<b>Workload Communication Study Realignment</b> – The creation of additional supervisor positions to provide adequate supervision in accordance with the findings and recommendations of the recent workload study recommendations.
\$834,017	0.6%	\$625,513	0.5%	<b>Real Time Operations Centre (RTOC)</b> - Implementation of a full time RTOC staffing model to realize the benefits identified in one year pilot project. The RTOC will leverage technology to ensure real time situational awareness at all levels of the organization, provide actionable intelligence to first responders and support police leaders with data driven and strategic decision making.
\$250,000	0.2%	\$250,000	0.2%	<b>Emerging Issues Contingency</b> - Although the Service foresees additional costs related to upcoming legislated Cannabis changes, at this time, the precise costs and/or offsetting funding are not available. To mitigate the risks associated with this and other potential legislative changes, the Service is recommending a transfer to the contingency reserve. As a result of prior year mitigation exercises, the current balance in the contingency reserve is 0 which is

Annual \$	% Increase to 2018 Budget	Revised \$ (Effective Apr. 1/19)	% Increase to 2018 Budget	
				well below the minimum funding target.
\$270,194	0.2%	\$202,646	0.1%	<b>1 District Downtown Foot Patrol</b> – Increase of 2 Constables to provide for a foot/bicycle patrol unit in downtown St. Catharines.
\$260,944	0.2%	\$195,746	0.1%	<b>School Resource Officer Program</b> – Increase of 2 Constables to restore compliment and expand program to include senior elementary student population.
\$3,074,789	2.2%	\$2,368,592	1.7%	<b>Total</b>

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## **MEMORANDUM**

**CSC-C 7-2019**

**Subject: City of Welland Motion re: Forks Road Bridge**

**Date: February 20, 2019**

**To: Corporate Services Committee**

**From: Todd Harrison, Commissioner/Treasurer**

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At the January 31, 2019 Budget Review Committee of the Whole (BRCOTW) meeting, a motion regarding the Forks Road Bridge in Welland was referred to staff to provide a report to the BRCOTW meeting to be held on February 14, 2019. Specifically, the motion from the City of Welland requested that the Region of Niagara assume the Forks Road bridge and budget \$4 million in the 2019 capital budget for demolition, pier testing and detailed design subject to staff advising the impact of the approval on the 2019 budget.

This motion is a very significant request of the Region, consequently, staff were unable to have a report and recommendation for the February 14<sup>th</sup> BRCOTW meeting. As a result, staff agreed to bring back a memo to this Corporate Services Committee meeting outlining the key facts. While this memo has been drafted due to the immediacy of the matter facing the City of Welland, staff strongly recommend Council's consideration to bring back a more fulsome report at a later date if Council wishes to move forward with the motion as presented by Councillor Campion.

This request is unique in a number of ways. This memo will cover the original asset transfer to the Region, the subsequent transfer to the City from the Region, an example of similar asset transfer, and some key financial factors of this request.

### **Original Asset Transfer to the Region**

The Forks Road Bridge was transferred by the St. Lawrence Seaway to the combined parties of (Region of Niagara, City of Welland, City of Thorold, Federal & Provincial Governments) in an agreement dated February 21, 1994.

The finalized asset transfer by the St. Lawrence Seaway to the Region was completed in March 1994 for \$1.

Approximately \$850K worth of rehabilitation works were completed on the Forks Bridge at the time of transfer to the Region. The costs were shared between Region (50%) and Feds/Province (50%), without contributions from the lower tier municipalities.

Additional rehabilitation was performed by the Region leading up to and prior to the asset transfer to the City of Welland. In 1997, the Region issued a Rehabilitation of Forks Road Bridge Tender RN97-06. Works included: tower removals, new sidewalk, expansion joint rehabilitations, abutment repairs, pier resurfacing, new curbing, asphalt replacement, and steel strengthening for approximate costs totaling \$700K, funded exclusively by the Region.

### Asset Transfer from the Region to the City of Welland

Regional Council approved the transfer of this section of roadway, including the structure to the City of Welland on April 20, 2000. The transfer of Forks Road, the surrounding road system as well as the bridge to the City was determined by the Road Classification Criteria (1996). Similar roads and structures were transferred across all of Niagara, based on these criteria. The asset was considered to be in good condition at the time of transfer. Attached is a map of the road system discussed in this report.

This transfer was 19 years ago. A normal lifespan of the bridge would indicate it would have been due for a reconstruction by 2020. Ellis Engineering performed a Bridge Inspection Report for the Region on this bridge in 1999. It indicated steel work repairs and coating were needed at an estimated \$1.3M within 1-5 years in excess of the rehabilitation that was previously performed in 1997.

Ellis Engineering commenced performing bridge inspections for the City of Welland in 2002 and have continued to the present time. Forks Rd Bridge is included in those inspections. Regional staff understand that the City was made aware in 2010 by Ellis Engineering based on a Rehab vs Replacement Analysis Report, that a replacement was needed by 2020. Cost of replacement was estimated at \$8.7M in 2010 dollars. Regional staff understand that the capital infrastructure pressures facing the City of Welland and all other local area municipalities are significant. However, the time horizon of this information being known was sufficient to develop a funding strategy.

### Other Asset Transfers to the Region

Several Reports dated between 1999 and 2000 were brought forward to PWC and Council regarding the downloading of several roadways and some bridge structures throughout the Region to other Municipalities, based on similar Road Classification Criteria. A notable example of a bridge transfer, the Merritt Bridge transferred in 2000 to the City of St. Catharines which was later replaced at an approximate cost of \$7M to the City.

## Other Financial Considerations Related to the Motion

*As per Ontario Regulation 588/17 section 5.(1) Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2021, and in respect of all of its other municipal infrastructure assets by July 1, 2023.*

The Region of Niagara has recently approved its own Asset Management Plan (AMP) where a funding shortfall of over \$500M has been identified. Specifically for this term of Council, there is a funding gap on the levy based assets of \$214.5M. The Region has proposed a 2019 Capital Budget of \$274.2M which does not include replacing non-Regional assets. While the Region regularly coordinates infrastructure projects with local area municipalities, it does not fund their infrastructure needs.

In addition, if Regional Council decides to provide funding for the initiative by including the \$4M in its capital budget, the Region would be required to eliminate a similar sized project from its own assets which would be a contradiction to its AMP. Alternatively, if the Region decided to provide a grant to Welland for the \$4M cost, this would increase the Regional levy request by 1.19% to a cumulative total of 6.9% for 2019. Neither option is recommended by staff. Lastly, moving forward with this request would establish a precedent that may cause other LAM's to make similar requests thereby compounding the Region's ability to fund its infrastructure.

Lastly, it should be noted that the average capital expenditure for the remainder of this council's term for transportation assets is approximately \$100M annually without consideration of local area municipal projects.

## Staff's Recommendation to the Motion

Staff does not recommend assuming the Forks Road Bridge back from the City of Welland, nor does it support budgeting \$4 million in the 2019 capital budget for demolition, pier testing and detailed design of the Forks Road Bridge.

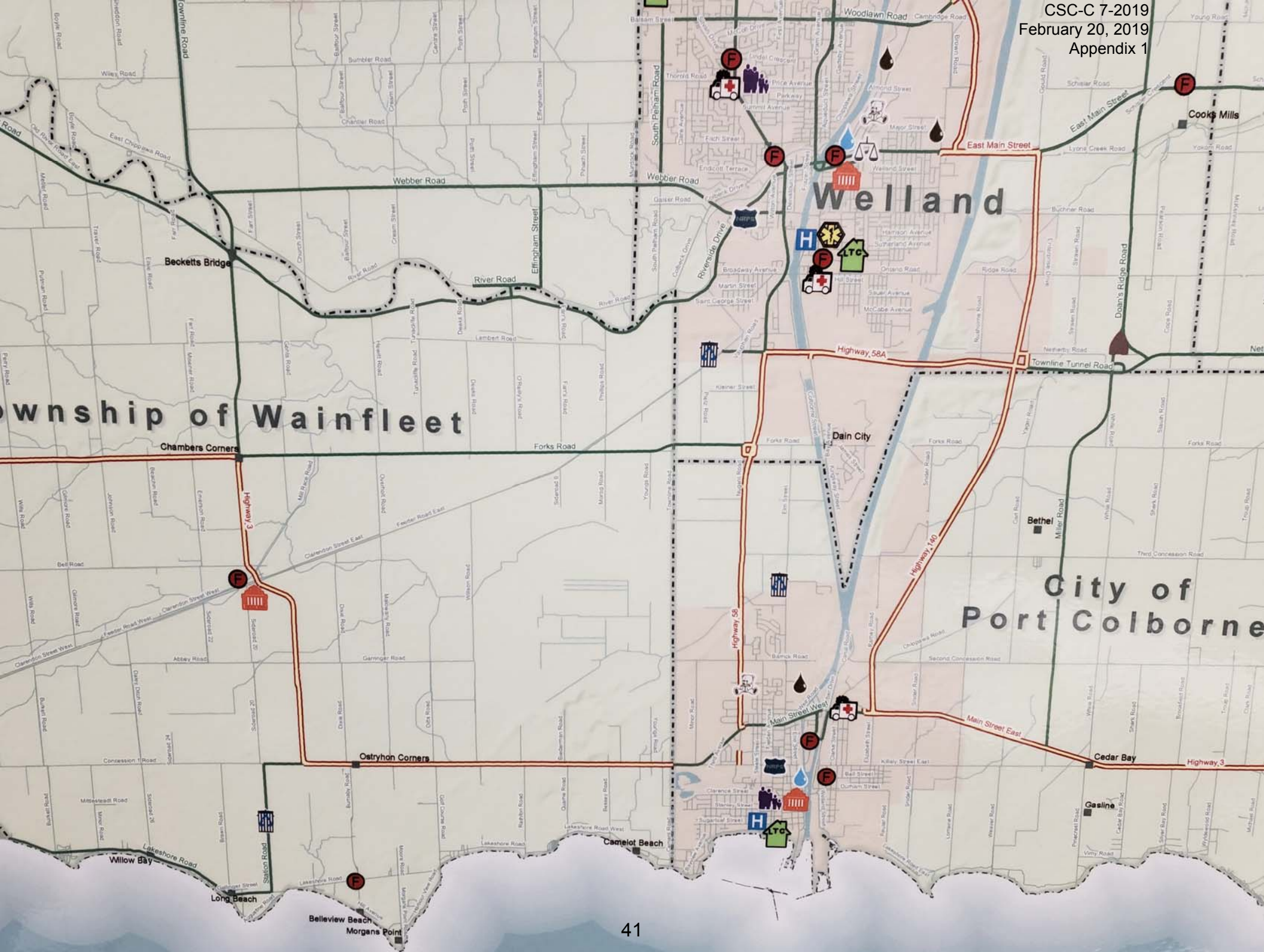
Respectfully submitted and signed by

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Todd Harrison, CPA, CMA  
Commissioner/Treasurer

Appendix 1 – Map of the Road System







250 Thorold Road West, 3rd Floor, Welland, Ontario L3C 3W2  
Telephone 905.788.3135 | Facsimile 905.788.1121 | [www.npca.ca](http://www.npca.ca)

Thursday February 28<sup>th</sup>, 2019

Ms. Ann-Marie Norio, Regional Clerk  
Mr. Todd Harrison, Commissioner, Enterprise Resource Management Services/ Treasurer  
Ms. Helen Chamberlain, Director, Financial Management & Planning/ Deputy Treasurer  
Niagara Region  
1815 Sir Issac Brock Way, P.O. Box 1042  
Thorold, ON, L2V 4T7

RE: NPCA Response to Request for Information (CSD 22-2019)

Ms. Norio, Mr. Harrison, and Ms. Chamberlain:

On behalf of Mayor Bylsma, Chair of the Niagara Peninsula Conservation Authority (NPCA), the NPCA would like to respectfully submit our responses to your request, dated February 15<sup>th</sup>, 2019, for more information on the NPCA 2019 Levy Operating Budget, item #2. (CSD 22-2019).

Please see the attached PowerPoint presentation that itemizes each bullet point.

Thank you for this opportunity.

Most Sincerely,

A handwritten signature in black ink, appearing to read "Gregg Furtney".

Gregg Furtney  
Interim Senior Director, Corporate Resources  
Niagara Peninsula Conservation Authority



# **NPCA Response**

## **2019 Levy Operating Budget (CSD 22-2019)**

### **February 14, 2019**

**Niagara Region Budget Review Committee of the Whole**  
**February 28, 2019**



***2.) That staff BE DIRECTED to request the Niagara Peninsula Conservation Authority Board provide the following information (as requested during the NPCA Presentation provided on January 31, 2019):***

- Details respecting the 2018 and 2019 budget including operating expenditures
- Information respecting legal expenses from the last two years
- Status of the boat purchased for Binbrook Conservation Area
- The amount of severances paid in 2018 and anticipated amount for 2019
- Information regarding debt charges
- The 2018 audited financial statements including capital project details
- Information respecting the special levy to Niagara Region for contribution to Land Acquisition Reserve including how long the contribution has been made by the NPCA, what is the balance in the Reserve and how the money is being utilized



## Bullet #1

Details respecting the 2018 and 2019 budget including operating expenditures: - Overall Picture

2018 Budget		2019 Budget	
<b>Sources of funds</b>		<b>Sources of funds</b>	
Regular Levy	6,246,118	Regular Levy	6,416,084
Special Levy	2,252,166	Special Levy	635,001
Federal Grant	155,000	Federal Grant	100,000
Provincial Grant	473,996	Provincial Grant	476,996
Park Operations/Strat Init.	1,660,350	Park Operations/Strat Init.	1,916,600
Admin Fees	367,500	Admin Fees	314,850
Fees for Service(Municipal)	185,000	Fees for Service(Municipal)	170,000
Other	136,000	Other	101,200
Opg Funds	275,000	Opg Funds	
Approved from Reserves	204,000	Approved from Reserves	1,151,120
<b>Total Sources of funds</b>	<b>11,955,130</b>	Operating Budget Funding Total	<b>11,281,851</b>
<b>Uses of Funds</b>		<b>Uses of Funds</b>	
Board/Administration	1,775,035	Board/Administration	1,816,912
Watershed	2,578,492	Watershed	2,412,194
Corporate Resources	4,517,065	Corporate Resources	4,728,645
<b>Operating Expenditure Total</b>	<b>8,870,592</b>	<b>Operating Expenditure Total</b>	<b>8,957,751</b>
Loan Principal	760,429	Loan Principal	483,705
Capital Expenditure	1,283,731	Capital Expenditure	1,600,306
Directly to Reserve	1,040,378	Directly to Reserve	240,089
<b>Total Uses of Funds</b>	<b>11,955,130</b>	<b>Total Uses of Funds</b>	<b>11,281,851</b>





## Bullet #1 Continued – Funding Allocation

2018 Funding Allocation		2019 Funding Allocation	
<b>Allocated to Operating Budget</b>		<b>Allocated to Operating Budget</b>	
Regular Levy	5,805,740	Regular Levy	5,826,809
Special Levy	87,006	Special Levy	51,296 (27,984+23,315)
Federal Grant	155,000	Federal Grant	100,000
Provincial Grant	473,996	Provincial Grant	476,996
Park Operations/Strat Init.	1,660,350	Park Operations/Strat Init.	1,916,600
Admin Fees	367,500	Admin Fees	314,850
Fees for Service(Municipal)	185,000	Fees for Service(Municipal)	170,000
Other	136,000	Other	101,200
Opg Funds		Opg Funds	
<b>Operating Budget Funding Total</b>	<b>8,870,592</b>	<b>Operating Budget Funding Total</b>	<b>8,957,751</b>
<b>Expenditure</b>		<b>Expenditure</b>	
Board/Administration	1,775,035	Board/Administration	1,816,912
Watershed	2,578,492	Watershed	2,412,194
Corporate Resources	4,517,065	Corporate Resources	4,728,645
<b>Operating Expenditure Total</b>	<b>8,870,592</b>	<b>Operating Expenditure Total</b>	<b>8,957,751</b>
Surplus/(Deficit)	0	Surplus/(Deficit)	0
<b>Allocated to Loan Principal</b>		<b>Allocated to Loan Principal</b>	
Special Levy (Niagara)	760,429	Special Levy (Niagara)	483,705
<b>Allocated to Capital Budget</b>		<b>Allocated to Capital Budget</b>	
Regular Levy		Regular Levy	449,186
Special Levy	804,731	Special Levy	
Federal Grant		Federal Grant	
Reserves	204,000	Reserves	1,151,120
Opg Funds	275,000	Opg Funds	
<b>Capital Budget Total</b>	<b>1,283,731</b>	<b>Capital Budget Total</b>	<b>1,600,306</b>
<b>Allocated Directly to Reserves</b>		<b>Allocated Directly to Reserves</b>	
Regular Levy (Niagara Differential)	440,378	Regular Levy (Operating/Capital)	140,089
Special Levy (Land Acquisition)	600,000	Special Levy (Land Acquisition)	100,000
<b>Reserve Total</b>	<b>1,040,378</b>	<b>Reserve Total</b>	<b>240,089</b>
<b>Grand Total</b>	<b>11,955,130</b>	<b>Grand Total</b>	<b>11,281,851</b>



## Bullet #1 Continued – Projected Levies

2018		2019 (Using 2019 Apportionment)		Inc/(Dec)	Inc/(Dec) %		
<b>Region of Niagara</b>		<b>Region of Niagara</b>					
Regular Levy	4,848,695	Regular Levy	4,972,722	124,027	2.6%		
Special Levy	2,128,851	Special Levy	511,686	-1,617,165	-76.0%	511,686	Debt only
Total Region of Niagara	6,977,546	Total Region of Niagara	5,484,408	-1,493,138	-21.4%		
<b>City of Hamilton</b>		<b>City of Hamilton</b>					
Regular Levy	1,282,780	Regular Levy	1,324,928	42,148	3.3%		
Special Levy	123,315	Special Levy	123,315	0	0.0%	100,000 + 23,315	
Total City of Hamilton	1,406,095	Total City of Hamilton	1,448,243	42,148	3.0%		
<b>Haldimand County</b>		<b>Haldimand County</b>					
Regular Levy	114,643	Regular Levy	118,434	3,791	3.3%		
<b>Total Municipalities</b>		<b>Total Municipalities</b>					
<b>Regular Levy</b>	6,246,118	<b>Regular Levy</b>	6,416,084	169,966	2.7%		
<b>Special Levy</b>	2,252,166	<b>Special Levy</b>	635,001	-1,617,165	-71.8%		
<b>Total Municipal Levy</b>	<u>8,498,284</u>	<b>Total Municipal Levy</b>	<u>7,051,085</u>	<u>-1,447,199</u>	<u>-17.0%</u>		
2% - \$169,966		2019 Total Levy \$7,051,085					
		Regular \$6,416,084					
		Special \$635,001					



## Bullet #1 Continued — “Hole”

	2018 Budgeted Expenditure		2019 Budgeted Expenditure			
	Expenditure	%	Expenditure	%		
Total Operating	8,870,592	100.0	8,957,751	100.0		
Category						
Full Time Salary/Benefits	5,059,006	57.0%	5,327,271	59.5%		
Student Wages	435,498	4.9%	411,319	4.6%		
Debt Servicing	63,691	0.7%	27,980	0.3%		
Occupancy	507,000	5.7%	540,000	6.0%		
HR/Othr Staff Expenses	283,245	3.2%	247,150	2.8%		
Total	6,348,440	71.6%	6,553,720	73.2%		
Remaining "Hole"	2,522,152	28.4%	2,404,031	26.8%		
Human Resource Related Not included above	30,000	0.3%	30,000	0.3%		
Board & Volunteer	93,250	1.1%	89,900	1.0%		
Professional Fees	794,565	9.0%	746,920	8.3%		
Vehicle & Equipment Maint.	224,500	2.5%	195,200	2.2%		
Park Maintenance	385,600	4.3%	395,500	4.4%		
Contractor Services	321,900	3.6%	298,500	3.3%		
Materials & Supplies	150,745	1.7%	112,930	1.3%		
Marketing & Promotion	130,000	1.5%	113,000	1.3%		
Other Expenses	391,592	4.4%	422,081	4.7%		
*Other Expenses include items such as Information Technology Software License Fees, Conservation Ontario Membership, Bank Service Charges (Moneris), etc.						





## Bullet #2

### **Information respecting legal expenses from the last two years:**

The following is a summation of all legal expenses across all internal control accounts for:

2017 - \$ 481,804.45

2018 - \$ 211,505.89 (pending final year end audit)



## Bullet #3

### **Status of the boat purchased for Binbrook Conservation Area:**

The boat has been winterized for the season and remains in the Central Workshop's Works Compound. It will remain there until May when it is then moored in Lake Niapenco (Binbrook Conservation Area) for seasonal use by licensed and trained NPCA and Emergency Services staff.

This item is included in the NPCA Asset Ledger and the Auditor General of Ontario verified its existence.



## Bullet #4

**The amount of severances paid in 2018 and the anticipated amount for 2019:**

Total Paid Out in 2018 as a result of termination (including severance, salary continuance, damages): \$ 199,976.70

2019: Unknown at present



## Bullet #5

### Information respecting debt charges:

	NPCA Budget	Actual Debt Charges	Difference			
2020	221,355	221,355	0	*2020 Budget not yet produced		
2019	511,686	511,686	0			
2018	1,628,852	824,120	804,732	*See 2018 tab		
2017	1,563,133	1,092,262	470,871	*See 2017 tab		
2016	1,563,133	1,342,388	220,745			
2015	1,563,133	1,507,824	55,309			
2014	1,563,133	1,563,133	0			
2013	1,628,852	1,629,744	-892			
2012	1,628,852	1,628,852	0			
Total	11,872,129	10,321,364	1,550,765			

Original Budget for 2019 was \$1,628,852 , Difference between actual Debt Charge was \$1,117,166 which represents Capital Works Budget for Niagara (see tab 2019 for detail). These expenditures will be funded through the use of Reserve Funds as per NPCA Board.

The "surplus" from 2018 and 2017 was used to fund Capital Works Projects as detailed on 2018 and 2017 tab



## Bullet # 5 Continued — 2017 Capital Projects

2017 Capital Works Projects (Niagara)	
<b>Balls Falls</b>	
Ball Home Porch Replacement , Outbuilding Refurbishment	\$50,000
Septic System Replacement - (Lower Comfort Station)	\$70,000
	\$120,000
<b>Central Workshop</b>	
Jordan Harbour - Pedestrian Bridge	\$15,000
Jordan Harbour - Eavestrough Replacement Main Building	\$15,000
	\$30,000
<b>Long Beach</b>	
Electrical Upgrades	\$100,000
Water Treatment Upgrades	\$75,000
Replace Gate System	\$70,000
	\$245,000
<b>Watershed Management</b>	
Monitoring & Conductivity Loggers	\$26,000
Water Quality Stereo Microscope	\$10,000
Flood Forecasting Telemetry & Water Sensor Upgrades	\$10,000
	\$46,000
<b>Corporate Resources/Information Technology</b>	
Data Centre Maintenance	\$30,000
	\$30,000
Total Funded by Niagara Special Levy	\$471,000



## Bullet #5 Continued — 2018 Capital Projects

<b>2018 Capital Works Projects (Niagara)</b>	
<b>Balls Falls</b>	
Refurbishment Big Barn & Field Centre	\$25,000
St. Georges Church Upgrades	\$45,000
Centre for Conservation Upgrade	\$50,201
Furry Cabin Repair	\$40,000
Monitoring Well - CFC Septic System	\$8,000
	<b>\$168,201</b>
<b>Central Workshop</b>	
Jordan Harbour Building Upgrades	\$50,000
Gord Harry Trail Gate Refurbishment	\$30,000
Wainfleet Wetlands Parking Lot	\$15,000
	<b>\$95,000</b>
<b>Chippawa Creek</b>	
Main Washroom (Comfort Station #1) Interior Renovation	\$75,000
	<b>\$75,000</b>
<b>Long Beach</b>	
Lagoon Empty/New Gate Valve/Integrity Evaluation	\$150,000
Electrical Upgrade North Side	\$100,000
Playground South Side	\$80,000
	<b>\$330,000</b>
<b>Watershed Management</b>	
Cityview Upgrade	\$20,000
Telemetry Sensors	\$10,000
Groundwater Instrumentation	\$10,000
	<b>\$40,000</b>
<b>Corporate Resources/Information Technology</b>	
Eye Wash Stations	\$6,500
Annual Computer Replacements	\$30,000
Records Management Solution	\$50,000
External Data Centre Maintenance	\$10,000
	<b>\$96,500</b>
Total Funded by Niagara Special Levy	<b>\$804,701</b>



## Bullet #6

### **The 2018 Audited Financial Statements including capital project details:**

KPMG will commence their audit of NPCA 2018 Financial Statements in March of 2019 with a final report going to the NPCA Board of Directors in April 2019.

A copy of the Audited Financial Statements will be circulated to each participating Municipality as per the Conservation Authorities Act.



## Bullet #7

**Information respecting the special levy to Niagara Region for contribution to Land Acquisition Reserve including how long the contribution has been made by the NPCA, what is the balance in the Reserve and how the money is being utilized:**

Total Land Additions 2008 - 2017						5,008,724.28
Less Donated Properties						-1,350,000.00
						-67,000.00
						-225,000.00
Total Out of Pocket Acquisition						3,366,724.28
Cost to Subsidize St. Johns Operation 2012 - 2014						375,807.00
Total Acquisition Costs (out of pocket)						3,742,531.28
Niagara Land Reserve Special Levy Collected						5,000,000.00
Balance in Reserve per 2017 Audited Financial Statements						1,298,174.00
Niagara Land Special Levy used						3,701,826.00
Difference (from other funding sources)						40,705.28
\$40,705.28 came from a funding source other than the Niagara Special Levy for Land Acquisition since the out of pocket acquisition costs exceeds the uses of these funds by \$40,705.28						



