



THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
FINAL AGENDA

CSC 3-2019

Wednesday, March 20, 2019

9:30 a.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>CSD 21-2019</u> 2018 Year End Results and Transfer Report A presentation will precede the discussion of this item.	3 - 121
5.2 <u>CSD 14-2019</u> Niagara Region Broadband Network (NRBN) Contract Update	122 - 126
5.3 <u>CSC-C 10-2019</u> Recommendations for Consideration from the Procurement Advisory Committee meeting held March 11, 2019	127 - 157

6. CONSENT ITEMS FOR INFORMATION

- 6.1 CSC-C 05-2019 158 - 172
Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2018

A presentation will precede the discussion of this item.
- 6.2 CSC-C 08-2019 173 - 177
A Letter from W. Sendzik, Chair, Niagara Regional Housing Board of Directors, to A.-M. Norio, Regional Clerk, dated February 15, 2019, respecting 2018 Year-End Transfer Report
- 6.3 CSC-C 09-2019 178 - 234
Delegated Decisions of the CAO, Carmen D'Angelo

7. OTHER BUSINESS

8. CLOSED SESSION

- 8.1 Confidential Appendix 8 - CSC-C 09-2019 - A Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-Client Privilege under s.239(2) of the Municipal Act, 2001 - CSD 56-2018 - Niagara-on-the-lake Wastewater Treatment Plant
- 8.2 CSD 19-2019 - A Matter of Advice that is Subject to Solicitor Client Privilege and Respecting Litigation - Summary of Civil Lawsuits Commenced Against the Regional Municipality of Niagara, Niagara Regional Police Service and Niagara Regional Housing
- 8.3 Confidential CSD 26-2019 - A Matter Respecting Litigation and a Matter of Advice that is Subject to Solicitor-Client Privilege under s.239 (2) of the Municipal Act, 2001 - 2017 Niagara Regional Police Service Property Damage Claim

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

10. NEXT MEETING

The next meeting will be held on Wednesday, April 17, 2019 at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. 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 (email).

2018 Year-End Financial Results

March 20, 2019

Agenda

- Background; By-Law/Policies
- Year End Deliverables
- 2018 Results Summary – Operating
 - Levy and Rate and Recommendations
- 2018 Results Summary – Capital
- Encumbrances
- Next Steps

Background

- Policies & By-Laws that guide our financial reporting requirements:
 - Budget Control By-Law
 - Reserve and Reserve Funds Policy
 - Surplus/Deficit Policy
 - Financial Reporting and Forecasting Policy

Deliverables

- Today:
 - CSD 21-2019 - Year-End Results and Transfer Report
 - 2018 Q4 Financial Update (Appendix 4 of Report)
- May:
 - 2018 Audited Consolidated Financial Statements to Audit Committee

Deliverables

- 2018 Q4 Financial Update
 - Located on external website

[Quarterly Financial Reports - Niagara Region, Ontario](#)

- What you will find in this report -
 - Departmental financial results; budget vs actuals
 - Capital Project reports; budget remaining, forecasts etc.
 - Operating/Capital Budget Adjustments made in year
 - Reserves, Deferred Revenue Balances and Activity
 - Encumbrance Details
 - Investment Reporting
 - Debt Reporting
 - Consolidated Statement of Financial Position

2018 Results Summary - Operating

	Surplus / (Deficit)* (In millions)	% of Gross Budget Expenditures
LEVY SUPPORTED		
Departments and General Government	\$ (1.7)	-0.31%
NRPS	\$ 0.5	0.34%
Court Services	\$ 0.4	8.09%
NRH	\$ 2.6	4.65%
NPCA	\$ (0.0)	0%
Total Levy Supported	\$ 1.8	0.24%
RATE SUPPORTED DEPARTMENTS		
Water & Wastewater	\$ 2.1	2.72%
Waste Management	\$ 1.6	3.24%
Total Rate Supported	\$ 3.6	
TOTAL	\$ 5.4	

* - After indirect allocations

2018 Results Summary - Operating

Levy Supported Programs

- Surplus of \$1.8M:
 - Regional Departments & General Government
 - deficit of \$1.7M or 0.35% of budgeted expenses
 - Boards and Agencies
 - surplus after indirect allocations of \$3.5M or 1.59% of budgeted expenses

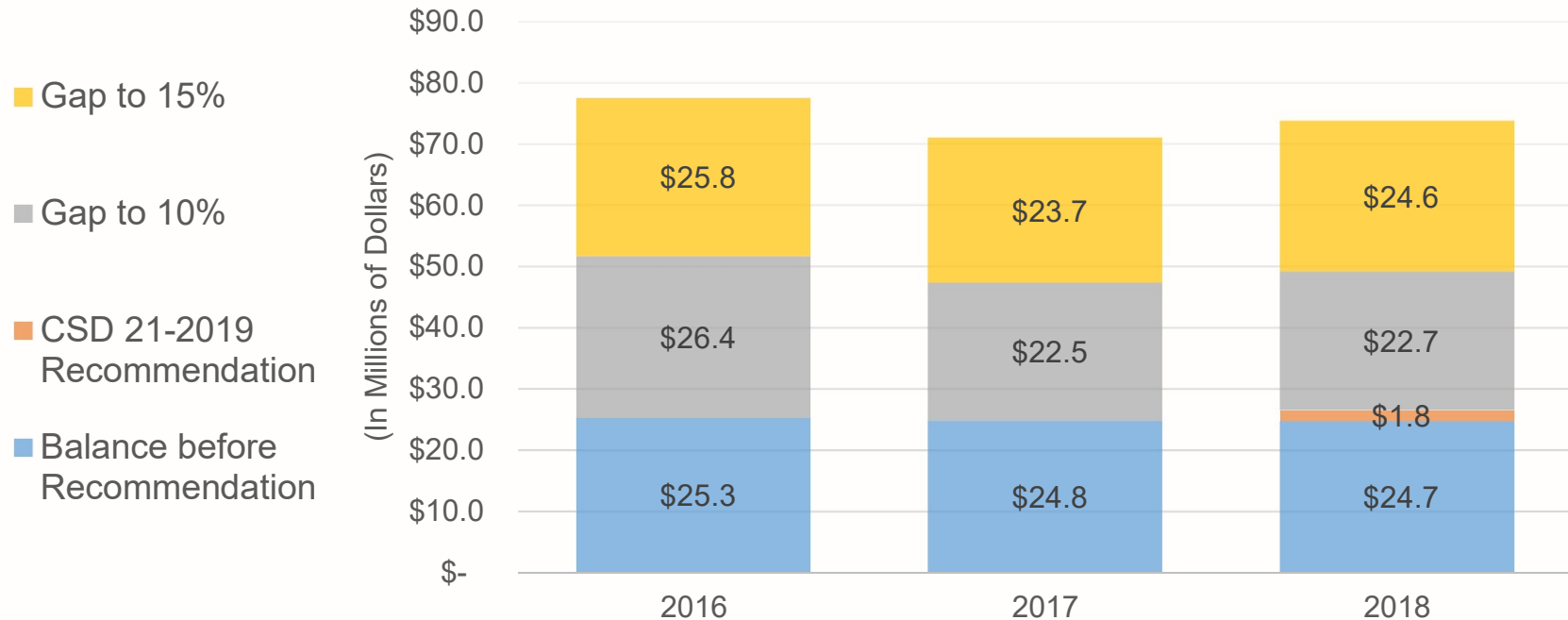
2018 Results Summary - Operating

Levy Supported Program

- Recommendations CSD 21-2019:
 - \$1.8 million **BE TRANSFERRED TO** Taxpayer Relief Reserve

Taxpayer Relief Reserve

Recommend \$1.8 M **TO** the Taxpayer Relief Reserve



Taxpayer Relief Reserve will be \$26.5M or 5.02% of gross budgeted expenditures falling short of the 10%-15% target with this recommended transfer.

2018 Results Summary - Operating

Rate Supported Programs

- Surplus of \$3.6 million in rate supported programs
 - Water and Wastewater realized a combined funding surplus of \$2.1 million or 2.54% of total budget
 - Waste Management realized a funding surplus of \$1.5 million or 3.13% of total budget

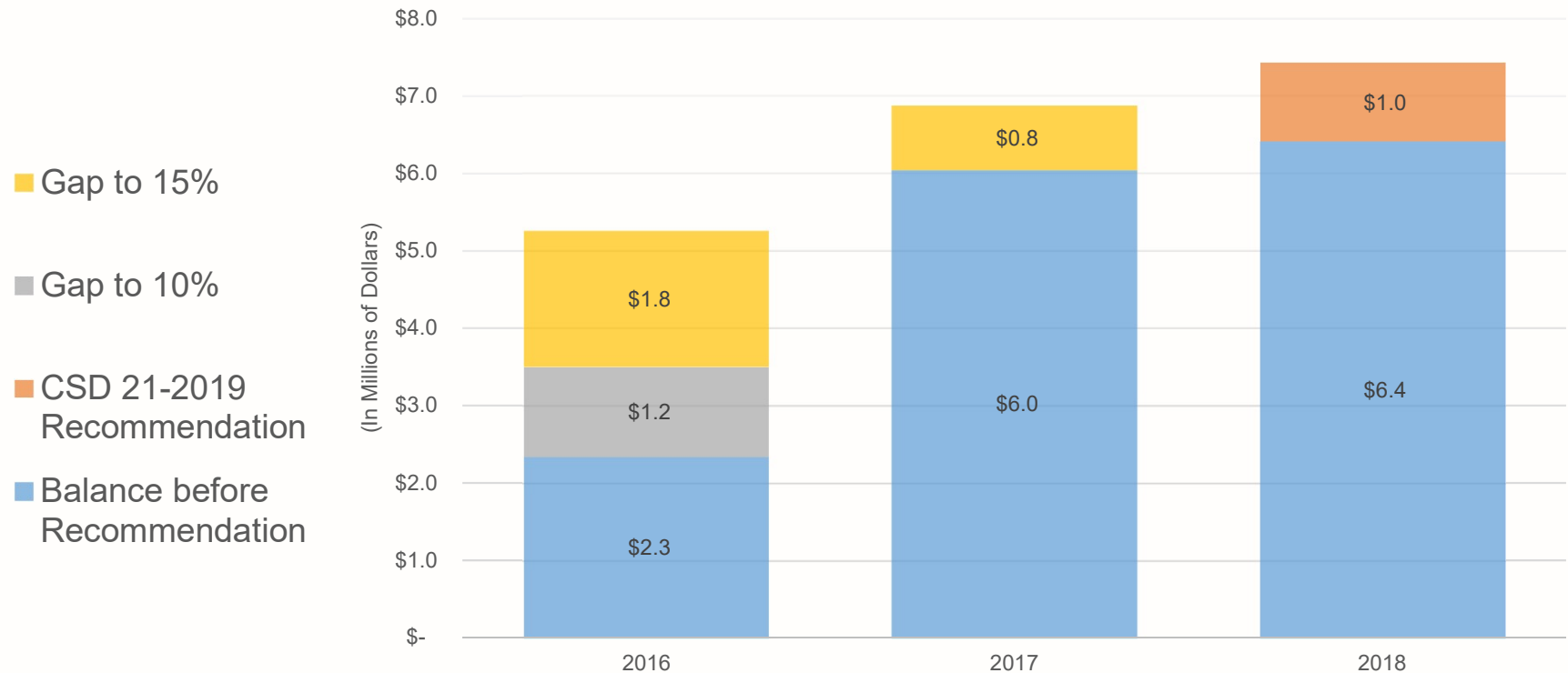
2018 Results Summary - Operating

Rate Supported Programs

- Recommendations CSD 21-2019:
 - Waste Management Surplus of \$1.5 million
 - \$1.0 M **BE TRANSFERRED TO** the Waste Management Stabilization Reserve
 - \$0.5 M **BE TRANSFERRED TO** the Waste Management Landfill Liability Reserve
 - Wastewater deficit of \$0.4 million
 - \$0.4 M **BE TRANSFERRED FROM** Wastewater Stabilization Reserve
 - Water Surplus of \$2.5 million
 - \$0.1 M **BE TRANSFERRED TO** Water Stabilization Reserve
 - \$2.4 million **BE TRANSFERRED TO** Water Capital Reserve

Waste Management Stabilization Reserve

Recommend \$1.0 M **TO** Waste Mgmt. Stabilization Reserve



Waste Management Stabilization Reserve balance will reach the 15% of gross budgeted expenditures target with this recommended transfer.

Water Stabilization Reserve

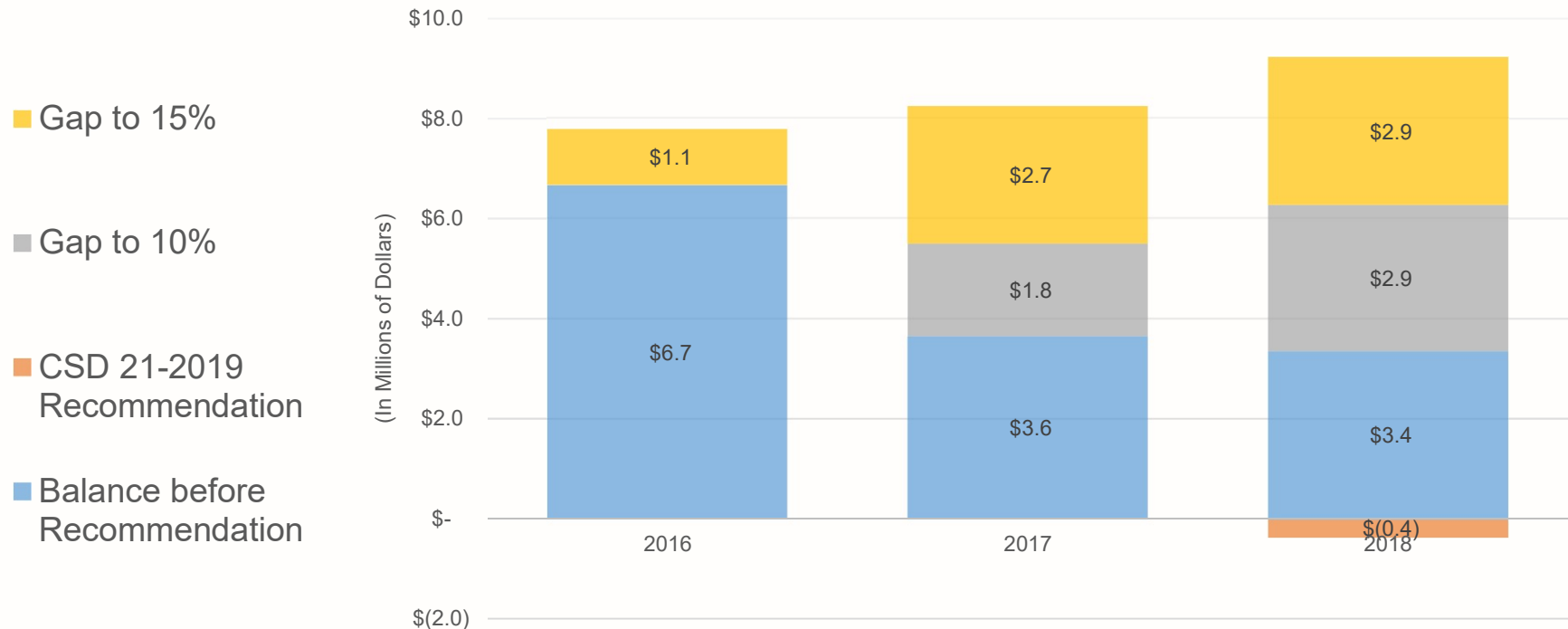
Recommend \$0.1 M **TO** Water Stabilization Reserve



Water Stabilization Reserve balance will reach the 15% of gross budgeted expenditures target with this recommended transfer.

Wastewater Stabilization Reserve

Recommend \$0.4 M **FROM** Wastewater Stabilization Reserve



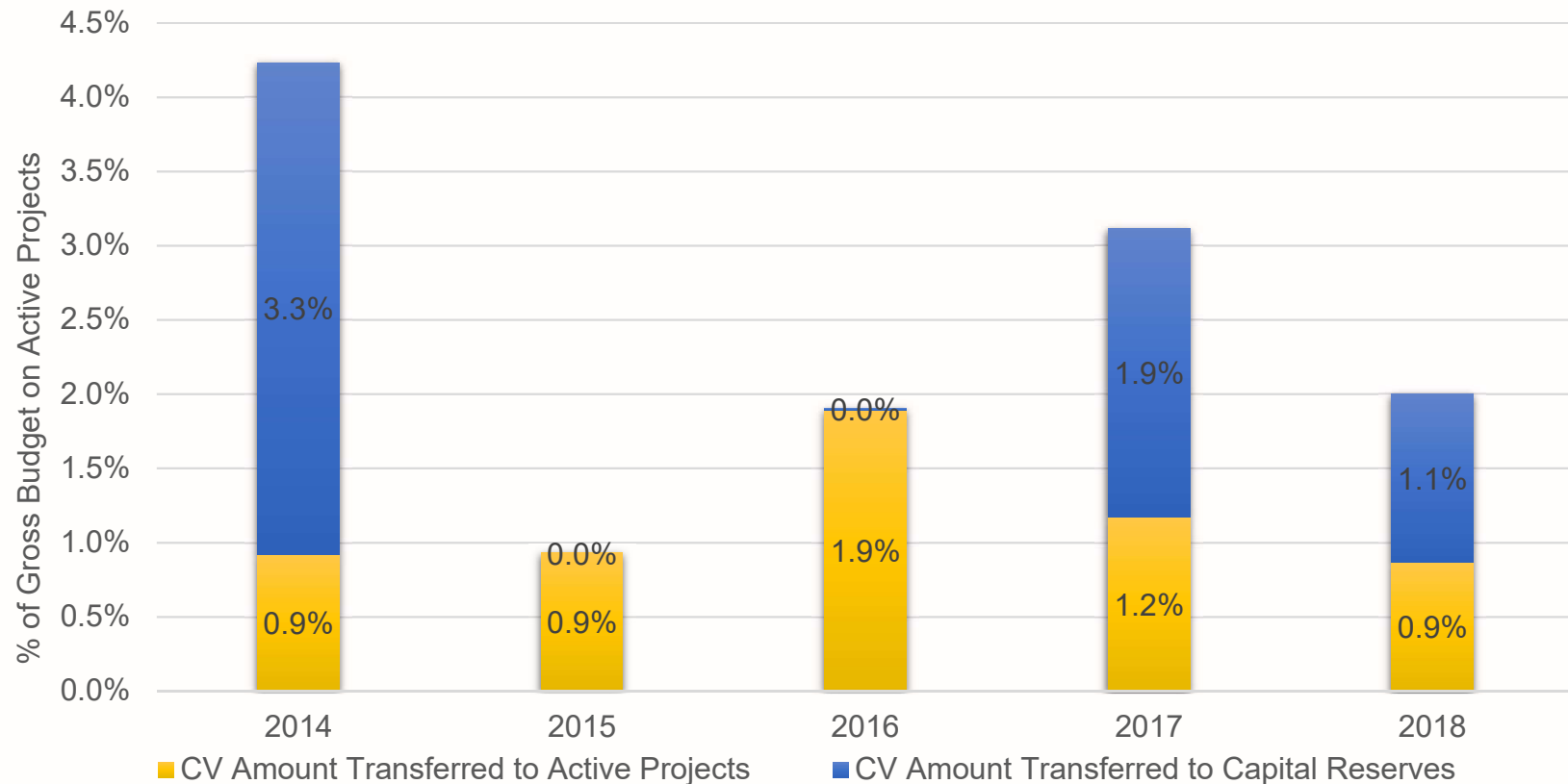
Wastewater Stabilization Reserve balance will be \$3.0M or 5.06% of gross budgeted expenditures falling short of the 10%-15% target.

The balance in the Reserve will drop from \$3.4M to \$3.0M

2018 Results Summary - Capital

- Capital Variance Project (CVP) is the accumulation of funds budgeted for Capital Projects and not used, therefore subsequently transferred to a CVP as a means of funding unforeseen costs in other Capital Projects.
- Use of CVP is outlined in the Budget Control By-Law
- A CVP exists for each of
 - Water
 - Wastewater
 - Waste Management
 - Levy
- Approval for use of CVP funding is required by Council if amount being requested is more than \$250,000 (based on cumulative/project life to date request)

Capital Variance Projects (CVP)

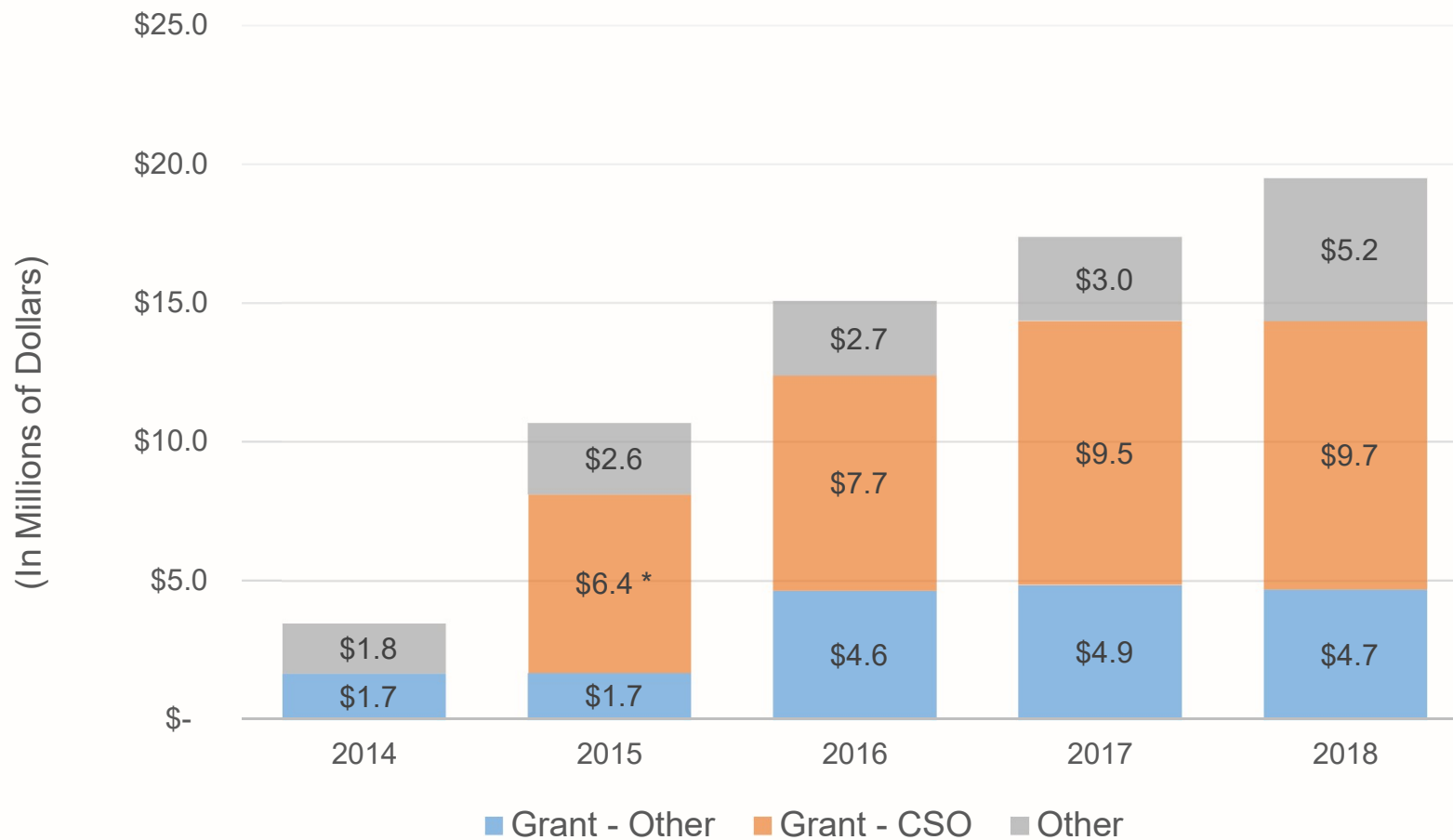


More funding has been returned to capital reserves over the past five years than to funding of active capital project variances.

Encumbrances

- What is an Encumbrance?
 - Mechanism to facilitate funding of goods and services where obligation to purchase has occurred but goods or services not received by year-end
 - An obligation to purchase can be in the form of a purchase order, contract or other legally binding commitment
 - Funds are set aside in the encumbrance reserve for use in the following year
- Requires Council approval as per Reserve Fund Policy

Encumbrances – 5 Year Summary



* CSO grants including in operating costs (vs. Capital) and encumbered for the first time as part of year end process

Next Steps

- 2018 Consolidated Audited Financial Statements will be presented for approval to Audit Committee on May 9, 2019
- 2018 Audited Financial Statements/Schedules related to specific programs will be presented for information to Audit Committee on June 27, 2019 and September 12, 2019

Questions?

Subject: 2018 Year End Results and Transfer Report

Report to: Corporate Services Committee

Report date: Wednesday, March 20, 2019

Recommendations

1. That the unaudited summarized results of the Niagara Region as detailed in Appendix 2 of Report CSD 21-2019, **BE RECEIVED** as follows:

Levy Programs	(\$1.7) Million
Niagara Regional Police (NRPS)	\$0.5 Million
Niagara Regional Housing (NRH)	\$2.6 Million
Court Services	<u>\$0.4 Million</u>
Levy Supported Surplus	<u>\$1.8 Million</u>

2. That the 2018 year end operating surplus for levy supported programs of \$1.8 million **BE TRANSFERRED** to Taxpayer Relief Reserve;
3. That the 2018 year end operating surplus for rate supported programs of \$3.6 million **BE TRANSFERRED** to reserves as follows:
 - \$1.0 million surplus related to Waste Management **BE TRANSFERRED** to the Waste Management Stabilization Reserve
 - \$0.5 million surplus related to Waste Management **BE TRANSFERRED** to the Waste Management Landfill Liability Reserve
 - \$0.4 million **BE TRANSFERRED** from the Wastewater Stabilization Reserve to offset the deficit incurred relating to Wastewater services
 - \$0.1 million surplus related to the water service **BE TRANSFERRED** to the Water Stabilization Reserve
 - \$2.4 million surplus related to the water service **BE TRANSFERRED** to the Water Capital Reserve; and
4. That encumbrances of \$19.5 million, Appendix 1 of Report CSD 21-2019, **BE APPROVED** and that the deferral of these expenditures be included in the 2019 operating budget.

Key Facts

- Overall, the unaudited results of Niagara Region's 2018 budget are \$1.8 million surplus in the levy supported programs and \$3.6 million surplus in rate supported programs.

- Levy supported Regional Departments & General Government realized a funding deficit of \$1.7 million or 0.35% of budgeted expenses.
 - Boards and Agencies realized a funding surplus after indirect allocations of \$3.5 million or 1.59% of their budgeted expenses.
 - Water and Wastewater realized a combined funding surplus of \$2.1 million or 2.54% of total budget.
 - Waste Management realized a funding surplus of \$1.5 million or 3.13% of total budget.
- The recommendations included in this report have been guided by the revised Operating Surplus/Deficit Policy approved by Council in July 2018 which states that “yearend 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”. Niagara Region staff did not evaluate risks of the underfunding of future liabilities related to NRH, the Courts and NRPS, these are determined by each governing body.
- Funding of \$19.5 million has been set aside in the encumbrance reserve. The majority of the encumbrance amount of \$14.3 million (73%) is related to various incentive and grant programs such as Combined Sewer Overflow Program, Smarter Niagara Incentive Program, and Waterfront Investment Program. Since the spending obligation, in the form of a purchase order, contract or other legally binding commitment, has been made against the 2018 operating budget, however, the product or service has not been received in the year. The budget funds will be transferred back to 2019 operating budget when the product or service is received and the related budget expenses 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. Balances greater than \$1 million are transferred back to capital reserves at year end. Transfers back to the General Capital Levy of \$11 million, Wastewater capital of \$46 thousand and Water capital of \$0.8 million were completed at year end and utilized in the funding strategy for 2019 capital budget.

Financial Considerations

The recommendations in this report will fully allocate the 2018 year end surplus to reserves. Full explanations for the surplus/deficit can be found in Appendix 4 and are summarized on the “Consolidated Year End Funding Surplus/(Deficit) Review” in Appendix 2.

	Surplus/(Deficit) after indirect allocations (in millions)	Percentage of Budget (%)
Regional Depts & General Government	\$(1.7)	(0.35)
NRPS	\$0.5	0.34
Court Services	\$0.4	8.10
NRH	\$2.6	4.65
Levy Supported Surplus	\$1.8	0.26

Water, Wastewater and Waste Management year end positions are as follows and will be transferred to the applicable rate department reserves

	Surplus/(Deficit) after indirect allocations (in millions)	Percentage of Budget (%)
Water and Wastewater	\$2.1	2.54
Waste Management	\$1.5	3.13

Analysis

Full analysis and explanation of the rate and levy supporting programs can be found in the Annual Financial Update in Appendix 4 and on the Region’s website (<https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx>) which is Accessibility for Ontarians with Disabilities Act compliant. Hard copies of the report can be made available upon request.

Unspent Budgeted Reserve Transfers

The operating surplus for the 2018 Levy Supported Program of \$1.8 million, and operating surpluses relating to Water Wastewater and Waste Management of \$2.1 million and \$1.5 million respectively are after unspent budgeted “Transfers from Reserves” which are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy. Unspent budgeted reserve transfers totaling \$522 thousand are related to:

- \$26 thousand transferred back to the Ambulance Communication Reserve resulting from unused funds for a software contract.
- \$92 thousand transferred back to the General Capital Levy Reserve as a result of lower than budgeted expenditures for drainage assessment grants.
- \$154 thousand transferred back to the General Capital Levy Reserve as a result of lower than budgeted expenditures for bike lane program funding for Local Area Municipalities.
- \$250 thousand transferred back to the Capital Levy Reserve as a result of lower than budgeted awards for the Waterfront Investment Program.

Encumbrances

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 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 commitment. Funds are requested to be set aside in the encumbrance reserve for use in the following year and are subject to Council approval.

Incorporated in the year end operating funding surpluses are encumbrances totaling \$19.3 million (see Appendix 1). 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, 2018 and transferred back to their respective operating departments in 2019. Encumbrance balances that have been carried forward from 2017 have also been identified in Appendix 1.

The majority of encumbrance requests in 2018 relate to various incentive and grant programs which are in partnership with the Local Municipalities and span multiple years. The largest amounts are related to the Combined Sewer Overflow Program for \$9.7 million, Smarter Niagara Incentive Program of \$1.9 million, Tax Increment Grants of \$885 thousand, and Waterfront Investment Program for \$1.3 million and \$892 thousand encumbered for an Emergency Medical Services (EMS) Redesign.

A summary of encumbrances is provided in Appendix 1 and the surplus/deficit by department inclusive of encumbrances is provided in Appendix 2.

Reserve Impacts Based on Report Recommendations

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

The recommendation to transfer the levy supported surplus of \$1.8 million to the Taxpayer Relief Reserve is being made as this Reserve is currently underfunded per the Reserve and Reserve Fund Policy. The current balance of this Reserve is below the balance target of 10-15% of gross operating expenditures. After the recommended net transfer of \$1.8 million, the Taxpayer Relief Reserve balance will be \$26.5 million, or 5.02% of gross operating expenditures which remains below the minimum balance target of \$49.2 million to \$73.8 million respectfully.

Council has requested a report related to reserves and reserve policy which will be forthcoming later in the year.

Waste Management Reserves

It is recommended that the Waste Management surplus of \$1.5 million be transferred to Waste Management Reserves. In accordance with the recommendations outlined in the Waste Management Reserve Strategy (CSD 70-2017), it is recommended that \$1.0 million of the surplus be transferred to the Waste Management Stabilization Reserve. After the transfer, the Waste Management Stabilization balance will be \$7.4 million, with a funding target of \$4.9 million to \$7.4 million. The remaining \$0.5 million of the surplus will be transferred to the Waste Management Landfill Liability Reserve which will then have a balance of \$8.3 million, with a funding target of \$24.6 million by the end of 2027 as outlined in the reserve strategy.

Water and Wastewater Reserves

It is recommended that the Wastewater deficit of \$0.4 million be transferred from the Wastewater Stabilization Reserve. After the transfer, the Wastewater Stabilization Reserve balance will be \$3.0 million, with a minimum balance target of \$5.9 million to \$8.8 million.

It is recommended that \$0.1 million of the Water surplus (\$2.5 million) be transferred to the Water Stabilization Reserve. After the transfer, the Water Stabilization Reserve will be \$3.4 million, with a minimum balance target of \$2.3 million to \$3.4 million. It is recommended that the remaining surplus of \$2.4 million be transferred to the Water Capital Reserve as the Water Stabilization Reserve balance is at the target balance as per the Policy.

ABC program specific funding requirements

As the Surplus/Deficit Policy applies to all departments, agencies, boards and commissions the recommendation to transfer the levy supported surplus of \$1.8 million to the Taxpayer Relief Reserve is preferred in consideration of the Niagara Regions' sustainability and credit rating.

In February 2019, the NRPS Board received the year end report with a year end surplus before indirect allocations of \$0.3 million, which the NRPS Staff recommend to the Board be used to mitigate the overall levy deficit which is consistent with Regional staff recommendations in this report.

In February 2019, the NRH Board received the year end report with a year end surplus before indirection allocations of \$2.7 million, which the NRH staff recommended to the Board be allocated to NRH specific reserves (\$2.6 million transferred to NRH Reserve to fund future housing provider capital costs, \$0.1 million transferred to NRH Owned Units Reserve to fund annual capital requirements and \$6 thousand transferred to NRH Rent Supplement Reserve to funding continuing in-situ rent supplements). Given the deficit in the levy supported Regional Departments and General Departments, Regional staff is recommending the levy surplus be used to fund the levy supported deficit.

The Court Services net surplus of has been equally distributed between the Region and local area municipalities as per the Niagara Region Courts Inter-municipal Agreement and is reflected in the attached financial update. Staff recommends that the Region's portion of the revenue surplus in the Court Services program, before indirect allocations, in 2018 be used to offset the deficit in the levy supported Regional Departments and General Government.

Transfers back to Capital Levy 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 2018, a total of 197 projects were closed compared to 126 projects in 2017. As a result of the project closures, a total of \$16.8 million and \$7.6 million were returned to the CV in 2018 and 2017 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). Due to a number of capital projects being identified as in need of funding in Q1 of 2019, higher CVP balances will be retained at year end to facilitate the project funding as noted in the table below. Subsequently, the CVP balances may fall below \$1 million limiting flexibility in funding

capital levy project deficits. Project variances will need to be reviewed on a project-by-project basis to determine if there is sufficient room in the CVP to fund the variance.

The following is a summary of the amounts being transferred back to reserve from each CVP and the balances as of December 31, 2018:

	CVP Balance Before Transfer to Reserve (in thousands)	Transfer to Reserve (in thousands)	CVP Balance After Transfer to Reserve (in thousands)	Note
Levy Programs	\$15,422	\$10,987	\$4,435	1
Waste Management	\$1,421	\$0	\$1,421	2
Wastewater	\$2,124	\$46	\$2,078	3
Water	\$1,837	\$837	\$1,000	
Total	\$20,804	\$11,870	\$8,934	

Note 1 - \$4.2 million of this balance has been committed for Council priority projects

Note 2 - \$570 thousand of this balance has been committed for Council priority projects

Note 3 - \$1.0 million of this balance has been committed for Council priority projects

Alternatives Reviewed

Council may direct staff to consider alternative options for the net surplus position of \$1.8 million. Some of the potential alternatives may include:

Alternative 1 – Support the recommendation of the NRH Board.

	Year end Surplus / (Deficit) (in millions)
Net Surplus	\$1.8
Less: NRH Year end Surplus*	(2.7)
Net deficit to be funded from Development Charges	(\$0.9)

* - before indirect allocations

Incorporated into the year end operating results is \$13.0 million in mandatory and discretionary DC grants/exemption expense for 2018 which contributes \$8.8 million to the corporate deficit. The grants include; \$324 thousand in brownfield grants; \$3.7 million in phase-in costs; \$275 thousand in hotel grants; \$5.4 million in agriculture grants, \$1.1 million grants related to affordable housing and approximately \$2.2 million in other mandatory and discretionary exemptions. As per the Development Charges Act, 1997 (as amended), development charge by-law exemptions or reductions for a specific type of development, phase in of development charges, or for a type of development to have a lower development charge than is allowed, are required to be

funded from another funding source and cannot be made up through higher development charges.

As per CSD 5-2019 approved by Corporate Service Committee on January 9, 2019, the shortfall in DC grant/exemption is recommended to be funded by a transfer from the DC Reserve as part of this report after the actual year end operating surplus/deficit is taken into consideration. Therefore this alternative would result in a transfer from the DC Reserve fund of \$0.9 million leaving a balance in the reserve of \$84 million as well as transfers to the NRH reserve totalling \$2.7 million in accordance with the Board approved motion.

Alternative 2 – Provide NRH / NRPS reserves with a portion of their total surplus after funding of corporate deficit.

As an alternative, Council may direct staff to share the corporate year end surplus with NRH and NRPS, apportioned using their respective year end surplus as detailed below.

	Year end surplus before indirect allocations (in millions)	Amount as % of total surplus	Apportionment of total surplus (in millions)
NRPS	\$0.3	10.7%	\$0.2
NRH	\$2.7	89.30%	\$1.6
Total	\$3.0	100.0%	\$1.8

If alternative 2 is recommended by Council, then the NRPS reserves would be allocated \$0.2 million and NRH reserves would be allocated \$1.6 million with no transfer to the Taxpayer Relief Reserve.

Relationship to Council Strategic Priorities

The 2018 budget was applied to advance Council's Strategic Priorities Moving People and Goods; Fostering Growth; Building a Labour-Ready Workforce; Positioning Niagara Globally; Doing Business Differently; and Advancing Organizational Excellence.

Other Pertinent Reports

- September 2018 Quarterly Financial Update
<https://www.niagararegion.ca/business/finance/quarterly-reports/pdf/sep-2018-quarterly-finance-report.pdf>
- June 2018 Quarterly Financial Update
<https://www.niagararegion.ca/business/finance/quarterly-reports/pdf/jun-2018-quarterly-finance-report.pdf>

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Commissioner/Treasurer
Enterprise Resource Management
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Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

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

Appendices

Appendix 1	Detailed Summary of Encumbrances by Department	Page 10
Appendix 2	Consolidated Year end Funding Surplus / (Deficit)	Page 12
Appendix 3	5 Year Funding Surplus / (Deficit) Analysis	Page 13
Appendix 4	December 2018 Annual Financial Update	Page 14

ENCUMBRANCE - 2018 DETAIL

(in thousands of dollars)

Description	Amount	
General Government		
Public Realm Investment Program		
RR20 (Lundy's Lane) *	\$29	
RR27 (East Main St.), RR68 (King St. RR68), RR527 (Division St.) *	\$12	
Parkette Queenston St *	\$100	
Prince Charles Dr *	\$13	
RR18 (Ontario St.), RR81 (King St.)	\$15	
Civic Square Revitalization	\$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)	\$100	
Smithville Public Square	\$100	\$399
Smarter Niagara Incentive Program - Tax Increment Grant		
Amounts issued in prior year*	\$103	
Amounts issued in the current year	\$782	\$885
Gateway - Tax Increment Grant		\$234
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	\$360	
CIP/MasterPlans/Official Plans Grant Program	\$375	
ESA Phase II (Risk Assessment Plan)	\$25	
Heritage Restoration and Improvement Grant	\$34	
Public Realm Grant Program	\$330	
Residential Grant/Loan Program	\$721	\$1,845
Total Encumbrances for General Government		\$3,363
Corporate Administration		
Communications Master Plan		\$20
Accounts Payable Audit		\$12
Employee Benefits Audit		\$50
Governance Review		\$40
Advertising Partnership with City of St. Catharines		\$13
Total Encumbrance for Corporate Administration		\$135
Corporate Services		
Employee Engagement Survey*		\$150
Staff Education Assistance*		\$14
Council Changeover		\$34
Total Encumbrance for Community Services		\$198
Enterprise Resource Management Services		
Tax Policy*		\$25
Asset Management Plan*		\$118
Consulting for ASD for LTC Redevelopment/Affordable Housing/Recycling Facilities		\$25
Sustainability Review		\$400
Advertising Partnership with City of St. Catharines		\$13
Total Encumbrance for Enterprise Resource Management Services		\$581
Community Services		
Regional Affordable Housing Strategy (SAEO)		\$36
Total Encumbrance for Community Services		\$36
Planning & Development		
District Plans - Glendale Area*		\$118
Region Official Plan		\$279
Amendment to Update the Aggregate Resources Policy *		\$25
Municipal Comprehensive Review *		\$62
Environmental Planning Reviews		\$54
Highly Vulnerable Aquifer Reviews		\$25
Agricultural Grant		\$30

Planning & Development (continued)		
Waterfront Investment Program		
Fort Erie - Bay Beach Master Plan *	\$638	
Niagara Falls - Millennium Rec Trail	\$400	
Town of Lincoln - Museum and Cultural Centre	\$250	
		\$1,288
Total Encumbrance for Planning and Development		\$1,881
Public Health		
EMS System Redesign		\$892
IDS Linkage		\$146
Parent-Talk-Line Furniture and Equipment		\$60
NFP Study - McMaster University		\$37
Flu Prevention Ads		\$11
MOH Recruitment Initiative		\$18
Early Development Instrument		\$58
Healthy Kids Community Challenge		\$36
Review and Analysis of Public Health Job Descriptions		\$35
Review and Analysis of Internal Policies		\$25
Total Encumbrance for Public Health		\$1,318
Economic Development		
South Western Integrated Fiber Technology (SWIFT)*		\$200
Niagara District Airport		\$50
Strategic Plan		\$35
Total Encumbrance for Economic Development		\$285
Niagara Regional Housing		
NRH Board Governance Process*		\$17
Integrated Housing Solution Software *		\$70
Update Boardroom and Waiting Room seating per requirements		\$14
Designated Substance Survey		\$270
Total Encumbrance for Niagara Regional Housing		\$371
Public Works - Transportation		
Niagara Specialized Transit Study		\$150
Mill and Pave Roads		\$32
Emerald Ash Bore*		\$288
Traffic Data Collection		\$87
Annual Pavement Management System		\$13
Transportation Engineering Standard Specifications		\$15
Crack Sealing		\$150
Total Encumbrance for Public Works - Levy		\$735
Public Works - Waste Management		
Long-Term Waste Management Strategic Plan*		\$350
Asset Inventory & Condition Assessment*		\$153
Green Bin Campaign		\$41
Fairness Advisor for MRF Opportunity Review		\$27
MRF Opportunity Review		\$345
Optimize Environmental Monitoring Program		\$16
Total Encumbrance for Public Works - Waste Management		\$932
Public Works - Water/Wastewater		
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*		\$3,270
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*		\$2,448
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*		\$1,941
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*		\$2,000
Total Encumbrance for Public Works - Water/Wastewater		\$9,659
TOTAL 2018 ENCUMBRANCE		\$19,494

* Encumbrance balance carried over from 2017

	Year End Funding Surplus (Deficit) before transfers back to reserves & encumbrances (in 000's)	Year End Funding Surplus Transferred back to Reserve * (in 000's)	Encumbrance ** (in 000's)	Adjusted Year End Funding Surplus (Deficit) (in 000's)	Year End Deficit / (Surplus) Report Recommendations
LEVY SUPPORTED DEPARTMENTS					
Regional Departments					
Corporate Administration	\$492	\$0	-\$135	\$357	\$0
Corporate Services	\$302	\$0	-\$48	\$254	\$0
Enterprise Resource Management Services	\$591	\$0	-\$581	\$10	\$0
Community Services	\$1,778	\$0	-\$36	\$1,742	\$0
Economic Development	\$285	\$0	-\$285	\$0	\$0
Public Works - Transportation	\$1,956	-\$246	-\$735	\$975	\$0
Governance	\$413	\$0	\$0	\$413	\$0
Planning & Development	\$2,689	-\$250	-\$1,881	\$558	\$0
Public Health	\$1,158	-\$26	-\$1,318	-\$186	\$0
Sub-Total - Regional Departments	\$9,664	-\$522	-\$5,019	\$4,123	\$0
General Government					
General Government	-\$2,487	\$0	-\$3,363	-\$5,850	\$1,727
Subtotal - General Government	-\$2,487	\$0	-\$3,363	-\$5,850	\$1,727
Total Levy Supported Departments	\$7,177	-\$522	-\$8,382	-\$1,727	\$1,727
Agencies, Boards & Commissions					
Court Services	\$396	\$0	\$0	\$396	-\$396
Niagara Regional Housing	\$3,006	\$0	-\$371	\$2,635	-\$2,635
Niagara Regional Police	\$528	\$0	\$0	\$528	-\$528
Niagara Peninsula Conservation Authority	-\$4	\$0	\$0	-\$4	\$0
Subtotal Agencies, Boards & Commission	\$3,926	\$0	-\$371	\$3,555	-\$3,559
Total Levy Supported Programs	\$11,103	-\$522	-\$8,753	\$1,828	-\$1,832
RATE SUPPORTED DEPARTMENTS					
Public Works - Water	\$2,449	\$0	\$0	\$2,449	-\$2,449
Public Works - Wastewater	\$9,289	\$0	-\$9,659	-\$370	\$370
Public Works - Waste Management	\$2,483	\$0	-\$932	\$1,551	-\$1,551
Total Rate Supported Departments	\$14,221	\$0	-\$10,591	\$3,630	-\$3,630

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

** Encumbrances are transferred to 2019 operating budget in accordance with the Budget Control By-law

	2018	2017	2016	2015	2014
	Adjusted Year End Funding Surplus (Deficit) (in 000's) *	Adjusted Year End Funding Surplus (Deficit) (in 000's) *	Adjusted Year End Funding Surplus (Deficit) (in 000's) *	Adjusted Year End Funding Surplus (Deficit) (in 000's) *	Adjusted Year End Funding Surplus (Deficit) (in 000's) *
LEVY SUPPORTED DEPARTMENTS					
Regional Departments					
Corporate Administration	\$357	\$365	\$127	\$74	\$19
Corporate Services	\$254	-\$118	\$0	\$0	\$0
Enterprise Resource Management Services	\$10	-\$10	\$0	\$0	\$0
Community Services	\$1,742	\$3,700	-\$951	\$258	\$658
Economic Development	\$0	\$226	\$216	\$51	\$295
Public Works - Transportation	\$975	\$1,913	\$2,332	-\$3,887	\$1,049
Governance	\$413	\$120	-\$190	\$291	-\$216
Planning & Development	\$558	\$518	-\$66	-\$308	\$162
Public Health	-\$186	\$1,825	\$345	\$1,873	\$503
Sub-Total - Regional Departments	\$4,123	\$8,539	\$1,813	-\$1,648	\$2,470
General Government					
General Government	-\$5,850	-\$6,113	\$192	\$3,972	-\$3,649
Subtotal - General Government	-\$5,850	-\$6,113	\$192	\$3,972	-\$3,649
Total Levy Supported Departments	-\$1,727	\$2,426	\$2,005	\$2,324	-\$1,179
Agencies, Boards & Commissions					
Court Services	\$396	-\$344	-\$249	-\$226	-\$407
Niagara Regional Housing	\$2,635	\$1,908	\$624	\$717	\$686
Niagara Regional Police	\$528	-\$7,641	-\$2,781	\$629	\$1,134
Niagara Peninsula Conservation Authority	-\$4	-\$3	\$0	-\$51	\$0
Subtotal Agencies, Boards & Commissions	\$3,555	-\$6,080	-\$2,406	\$1,069	\$1,413
Total Levy Supported	\$1,828	-\$3,654	-\$401	\$3,393	\$234
RATE SUPPORTED DEPARTMENTS					
Public Works - Water	\$2,449	\$1,432	\$1,361	-\$56	-\$154
Public Works - Wastewater	-\$370	-\$1,343	\$588	\$593	\$907
Public Works - Waste Management	\$1,551	\$5,682	\$4,337	\$4,552	\$3,580
Total Rate Supported Departments	\$3,630	\$5,771	\$6,286	\$5,089	\$4,333

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

2018

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Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2018 annual 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 will serve a four-year term to November 14, 2022.

As of December 31, 2018 Niagara Region has a year end funding surplus of \$1.8 million related to the levy programs, \$2.1 million related to Water and Wastewater programs, and a \$1.5 million surplus related to the Waste Management Program.

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

Certain assumptions and estimates are required when forecasting results. The assumptions and estimates made have been done so with information available at the time of writing this financial update. The following is an unaudited report which has been prepared and reviewed by the Financial Management & Planning teams in Enterprise Resource Management Services.

Consolidated Operating Funding Surplus/(Deficit) Review (in thousands of dollars)

Water & Wastewater

Water and Wastewater Services has a net surplus of \$2,079. The water division has a surplus of \$2,449 and the wastewater division has a deficit \$370. The surpluses are mainly due to lower than budgeted utility costs, lower than expected spending in consulting and higher than anticipated water sales. The surpluses are partially offset by higher than budgeted compensation and equipment repair costs as well as operational and supply costs.

It is recommended that \$100 of the water year end surplus be transferred to the Water Stabilization Reserve and \$2,349 be transferred to the Water Capital Reserve. It is recommended that the \$370 deficit for wastewater be transferred from the Wastewater Stabilization Reserve.

Surplus / (Deficit) Including Indirect Allocations

Total Surplus/(Deficit)	\$2,079
% of total budget	2.54%
% of rate revenue	1.87%

Waste Management

Waste Management Services has year end surplus of \$1,551 which is primarily due to credits received from Emterra for liquidated damages and fuel costs and increased funding for the Blue Box Program. As well as unanticipated funding from the Continuous Improvement Fund for the Phase 3 of the Material Recovery Facility (MRF) review.

It is recommended that \$1,013 of the year end surplus for waste management be transferred to the Waste Management Stabilization Reserve and \$538 be transferred to the Waste Management Landfill Liability Reserve per the Waste Management Reserve Strategy outlined in CSD 70-2017.

Surplus/ (Deficit) Including Indirect Allocations

Total Surplus/(Deficit)	\$1,551
% of total budget	3.13%
% of rate revenue	4.48%

Levy

Regional Departments and General Government has a year end deficit of \$1,728 mainly driven by \$8,809 in development charge (DC) exemptions as a result of the adopted Development Charge by-law, as well as, increased WSIB costs in EMS division. This is offset by savings in compensation due to corporate wide vacancies, lower than budgeted consulting costs, a retroactive reconciliation payment from the Province (related to the Social Assistance Management System (SAMS)) and an increase in unbudgeted supplemental taxes collected from new development omitted by MPAC in current and/or prior two years.

A surplus in Agencies & Boards of \$3,556 primarily from NRH due to lower than budgeted subsidy payments to providers, higher than budgeted rental revenues for NRH owned units, and a recognition of unbudgeted provincial funding. Court Services has also seen an increase in collection enforcement activity and larger fine payments received. NRPS mainly driven from seconded assignments and sale of assets.

Surplus/ (Deficit) Including Indirect Allocations

Regional Departments and General Government	\$(1,728)
Niagara Regional Police Service	\$528
Court Services	\$396
Niagara Regional Housing	\$2,635
Niagara Peninsula Conservation Authority	\$(4)
Total Surplus/(Deficit)	\$1,827
% of total budget	0.26%
% of levy revenue	0.51%

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

	Year to Date Adjusted Budget (After Indirect Allocations)	Year to Date Actual (After Indirect Allocations)	Year to Date Adjusted Budget vs. Actual Variance
LEVY SUPPORTED DEPARTMENTS			
Regional Departments			
Corporate Administration	\$5,026	\$4,669	\$357
Corporate Services	\$2,087	\$1,833	\$254
Enterprise Resource Management Services	\$10	\$0	\$10
Community Services	\$43,966	\$42,224	\$1,742
Public Works - Transportation	\$60,403	\$59,427	\$975
Governance	\$2,666	\$2,253	\$413
Planning & Development	\$5,677	\$5,120	\$558
Public Health	\$39,933	\$40,119	-\$186
Sub-Total - Regional Departments	\$159,767	\$155,645	\$4,123
General Government	-\$354,628	-\$348,778	-\$5,850
Subtotal - General Government	-\$354,628	-\$348,778	-\$5,850
Total Levy Supported Departments	-\$194,861	-\$193,133	-\$1,728
Agencies, Boards & Commissions			
Court Services	-\$544	-\$941	\$396
Niagara Regional Housing	\$34,028	\$31,393	\$2,635
Niagara Regional Police	\$154,396	\$153,868	\$528
Niagara Peninsula Conservation Authority	\$6,981	\$6,985	-\$4
Subtotal Agencies, Boards & Commissions	\$194,861	\$191,305	\$3,556
Total Levy Supported Programs	\$0	-\$1,828	\$1,828
RATE SUPPORTED DEPARTMENTS			
Public Works - Water	\$0	-\$2,449	\$2,449
Public Works - Wastewater	\$0	\$370	-\$370
Public Works - Waste Management	\$0	-\$1,551	\$1,551
Total Rate Supported Departments	\$0	-\$3,630	\$3,630
TOTAL	\$0	-\$5,458	\$5,458

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	\$21,843	\$22,215	-\$372	-1.7%
Administrative	\$2,983	\$1,967	\$1,017	34.1%
Operational & Supply	\$12,441	\$12,680	-\$239	-1.9%
Occupancy & Infrastructure	\$17,484	\$16,059	\$1,424	8.1%
Equipment, Vehicles, Technology	\$4,904	\$6,165	-\$1,261	-25.7%
Community Assistance	\$0	\$0	\$0	0.0%
Partnership, Rebate, Exemption	\$16,665	\$2,450	\$14,215	85.3%
Financial Expenditures	\$0	\$9	-\$9	0.0%
Total Expenses	\$76,321	\$61,545	\$14,776	19.4%
Taxation	-\$111,192	-\$112,013	\$821	0.7%
By-Law Charges & Sales	-\$1,089	-\$1,260	\$172	15.8%
Other Revenue	-\$5,583	-\$1,275	-\$4,308	-77.2%
Total Revenues	-\$117,864	-\$114,549	-\$3,315	-2.8%
Intercompany Charges	\$1,812	\$1,754	\$58	-3.2%
Total Intercompany Charges	\$1,812	\$1,754	\$58	-3.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$39,731	-\$51,250	\$11,519	29.0%
Transfers From Funds	-\$11,521	-\$3,863	-\$7,658	-66.5%
Transfers To Funds	\$38,018	\$40,019	-\$2,001	5.3%
Total Transfers	\$26,497	\$36,156	-\$9,659	-36.5%
Net Expenditure (Revenue) Before Indirect Allocations	-\$13,235	-\$15,095	\$1,860	14.1%
Indirect Allocations & Debt	\$13,235	\$13,015	\$219	1.7%
Total Indirect Allocations & Debt	\$13,235	\$13,015	\$219	1.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$2,079	\$2,079	N/A

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services concluded 2018 with a \$2,079 year end favourable variance comprised of a favourable \$2,449 water variance and an unfavourable \$370 wastewater variance. The following factors have contributed to this surplus.

Compensation – The overall \$372 year end unfavourable variance is due to unbudgeted temporary staff positions to assist with managing workloads in both the Water and Wastewater divisions, hiring for certain leadership positions in excess of budget due to challenges in recruiting for those positions, as well as an unfavourable variance of overtime/lieu payouts/standby pay in the amount of \$162.

Administration - The favourable year end variance of \$1,017 is mainly due to lack of staff capacity to manage consulting engagements of \$722, and unspent budgeted funds for energy efficiency work of \$393.

Operational & Supply - The unfavourable year end variance of \$239 is primarily due to higher than budgeted biosolids costs of \$377 due to increased sludge haulage from the Niagara Falls Wastewater Treatment Plant as a result of out of service digesters. Also contributing to the unfavourable variance were higher than anticipated lab fees of \$72 and uniform and protective clothing costs of \$60. These unfavourable variances were partially offset by lower than anticipated chemical costs of \$242.

Occupancy & Infrastructure - The favourable year end variance of \$1,424 is largely due to a lower than anticipated electricity costs of \$1,994, natural gas costs of \$204 and water costs of \$64. This is partially offset by unfavourable variances in R&M grounds of \$406, R&M buildings of \$306 and property taxes of \$193 due to a property reassessment.

Equipment, Vehicles, Technology - The unfavourable year end variance of \$1,261 is primarily due to higher than anticipated equipment repair costs of \$1,069 due to aging infrastructure as well as higher than budgeted computer software license and support costs of \$155.

Partnership, Rebate, Exemption - The favourable year end variance of \$14,215 is due to Combined Sewer Overflow (CSO) funds committed to local area municipalities but not yet paid. A total of \$14,210 will be encumbered into the 2019 budget. This favourable variance is offset through unfavourable variances in unrecognized development charge revenue and reserve transfers further discussed below

Taxation - The favourable year-to-date variance of \$821 is due to increased water sales because of a warmer and drier summer

By-Law Charges & Sales Costs - The favourable year end variance of \$172 is due to increased hauled sewage revenue of \$113 and an increase to sewer surcharge revenue of \$68.

Other Revenue - The unfavourable year end variance of \$4,308 is mainly driven by the timing of development charge revenue to fund the CSO program of \$4,553 and partially offset by a prior period adjustment of previously deferred water tower telecom rental revenue of \$87.

Transfers - The unfavourable year end variance of \$9,659 is due to CSO funds committed to local municipalities but not yet paid which will be encumbered into the 2019 wastewater budget.

Indirect Allocations – The favourable year end variance of \$219 is due to favourable variances in other areas of the organization that budget to recover their costs through allocations to regional business units.

Community Impacts & Achievements

- The Water and Wastewater Operations Divisions treated 58.5 billion liters of water in 2018 through six water treatment plants and 316 km of water mains, as well as 75.5 billion liters of wastewater through eleven plants and one biosolids storage facility,

Water & Wastewater - Continued

- with collection through 123 pump stations and 283 km of force mains and gravity sewers.
- The divisions provided input into water and wastewater approvals and master plans, design and construction, laboratory services, utility locates, source water protection, biosolids management, and environmental monitoring and enforcement.
 - The Water / Wastewater senior leadership team is complete with a full time permanent Director and a full complement of 4 full time permanent Associate Directors.
 - Implementation of a new 3-person pilot schedule in area 1 Wastewater to facilitate cross-training and succession planning.
 - Responsibility for Children’s Water Festival was successfully transferred from NPCA to the Water division. This event was attended by a total of 3,485 students along with approximately 611 teachers and parents over four days in May.
 - A new water wagon has been built to enhance the existing water wagon program.
 - Construction is now under way for the Rosehill Water Treatment Plant Upgrade.
 - The project for the new South Niagara Falls Wastewater Treatment Plant is now underway with the Environmental Assessment soon to commence.
 - A major rain event after the ice storm in April 2018 caused flooding and increased stress on the local sewer network and pump station in Dain City. As a result, issues in the pumping capacity in Dain City were identified and there were increased R&M costs in 2018.
 - A force main break underneath the NOTL lagoon due to aging infrastructure and the delay of new NOTL Wastewater Treatment Plant caused odor issues and increased maintenance costs for overland pipe in the Fall.

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	\$3,575	\$3,288	\$288	8.0%
Administrative	\$1,735	\$721	\$1,014	58.5%
Operational & Supply	\$39,760	\$37,772	\$1,988	5.0%
Occupancy & Infrastructure	\$1,492	\$1,455	\$37	2.5%
Equipment, Vehicles, Technology	\$1,088	\$1,213	-\$126	-11.6%
Partnership, Rebate, Exemption	\$173	\$167	\$6	3.7%
Financial Expenditures	\$0	-\$28	\$28	0.0%
Total Expenses	\$47,823	\$44,587	\$3,237	6.8%
Taxation	-\$34,602	-\$34,602	\$0	0.0%
By-Law Charges & Sales	-\$14,837	-\$13,744	-\$1,094	-7.4%
Other Revenue	-\$4,615	-\$4,924	\$310	6.7%
Total Revenues	-\$54,054	-\$53,270	-\$784	-1.5%
Intercompany Charges	\$136	\$146	-\$10	7.6%
Total Intercompany Charges	\$136	\$146	-\$10	7.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$6,095	-\$8,538	\$2,442	40.1%
Transfers From Funds	-\$522	-\$522	\$0	0.0%
Transfers To Funds	\$4,136	\$5,067	-\$931	-22.5%
Total Transfers	\$3,614	\$4,545	-\$931	-25.8%
Net Expenditure (Revenue) Before Indirect Allocations	-\$2,482	-\$3,993	\$1,511	60.9%
Indirect Allocations & Debt	\$2,482	\$2,442	\$40	1.6%
Total Indirect Allocations & Debt	\$2,482	\$2,442	\$40	1.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$1,551	\$1,551	N/A

Waste Management Services - Continued

Variance Analysis (in thousands of dollars)

Waste Management Services operated at a surplus after indirect allocations of \$1,551. The following factors contributed to this surplus:

Compensation – The favourable variance of \$288 is due to salary gapping and position vacancy management.

Administration – The favourable variance of \$1,014 is primarily due to: timing of \$745 of consulting related to the Long-Term Strategic Plan (LTSP) Study, the Asset Inventory & Condition Assessment (AICA), and the Material Recovery Facility (MRF) Opportunity Review – Phase 4. Advertising and printing costs were also \$198 lower than budgeted as the Region was able to repurpose existing communication pieces and use Region services, as well as reprioritizing planned promotion and education campaigns (e.g. Anti-litter and Green Bin campaigns) to 2019. \$931 for the LTSP Study, AICA, and the MRF Study, as well as promotional materials for the Green Bin campaign, was committed and is included in the 2018 encumbrance reported in Transfers to Funds.

Operational & Supply – The favourable variance of \$1,988 is primarily due to lower than anticipated commodity prices for the purchase of recyclable materials under contracts with Waterloo, Haldimand and commercial businesses (\$1,217) which are offset by related decreases to recycling processing revenues. The other contributors to the surplus are liquidated damages issued to Emterra Environmental to date for breaches of contractual performance standards (\$581) and a credit received from Emterra in 2018 for the pre-payment of fuel costs in 2017 (\$225).

Equipment, Vehicles, Technology – The unfavourable variance of \$126 is due to higher than anticipated equipment repairs required at the various sites.

By-Law Charges & Sales Costs – The unfavourable variance of \$1,094 is primarily due to: lower than anticipated market revenues received from the sale of fibres (i.e. unfavourable variance for boxboard of \$1,484, newsprint of \$397 and cardboard of \$301), offset by increases in revenue from other recyclables (e.g. PET plastic \$392, aluminum \$113 and steel \$130); increased garbage tag sales of \$73; and tipping fee revenues of \$64 from the additional landfill tonnages received at the landfill sites.

Other Revenue – The favourable variance of \$310 are primarily due to: increased Resource Productivity and Recovery Authority (RPRA) funding for Niagara Region's Blue Box program of \$108 for the year, additional funding of \$48 from industry stewardship funding for various programs, and Continuous Improvement Fund (CIF) funding of \$130 for the MRF Opportunity Review – Phase 3.

Transfer to Funds – The unfavourable variance of \$931 relates to the 2018 encumbrance.

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities, including landfill sites, HHW depots and the Recycling Centre (a net revenue generator). 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 processing contract, policy development, capital program delivery and supporting outreach and communications programs.

- Negotiations with Emterra Environmental to ensure performance and adherence to the terms and conditions of Contract 2009-RFP-44, which include but are not limited to removing work from their Contract. The tender for Waste Collection Services for the Lincoln and West Lincoln area was awarded to Canadian Waste Management Inc., with a start date of January 2, 2019.
- Completion of targeted and broad-based consultation and engagement for the proposed service level collection options, which are being considered for implementation in the next collection contract.

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	\$379,591	\$376,078	\$3,513	0.9%
Administrative	\$29,960	\$29,466	\$494	1.6%
Operational & Supply	\$33,201	\$34,764	-\$1,563	-4.7%
Occupancy & Infrastructure	\$26,861	\$26,806	\$55	0.2%
Equipment, Vehicles, Technology	\$14,134	\$15,389	-\$1,255	-8.9%
Community Assistance	\$206,527	\$195,874	\$10,654	5.2%
Partnership, Rebate, Exemption	\$25,989	\$27,788	-\$1,800	-6.9%
Financial Expenditures	\$57,571	\$47,255	\$10,315	17.9%
Total Expenses	\$773,834	\$753,421	\$20,414	2.6%
Taxation	-\$359,806	-\$363,304	\$3,499	1.0%
Federal & Provincial Grants	-\$324,357	-\$318,380	-\$5,978	-1.8%
By-Law Charges & Sales	-\$16,152	-\$16,731	\$579	3.6%
Other Revenue	-\$62,412	-\$69,317	\$6,905	11.1%
Total Revenues	-\$762,727	-\$767,732	\$5,005	0.7%
Intercompany Charges	-\$1,947	-\$1,900	-\$48	-2.5%
Total Intercompany Charges	-\$1,947	-\$1,900	-\$48	-2.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$9,160	-\$16,211	\$25,371	277.0%
Transfers From Funds	-\$22,657	-\$23,363	\$706	3.1%
Transfers To Funds	\$29,344	\$53,308	-\$23,965	-81.7%
Expense Allocations To Capital	-\$130	-\$106	-\$24	-18.8%
Total Transfers	\$6,557	\$29,840	-\$23,283	-355.1%
Net Expenditure (Revenue) Before Indirect Allocations	\$15,716	\$13,629	\$2,087	13.3%
Indirect Allocations & Debt	-\$15,716	-\$15,457	-\$259	-1.6%
Total Indirect Allocations & Debt	-\$15,716	-\$15,457	-\$259	-1.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$1,828	\$1,828	N/A

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy is operating a year end surplus before indirect allocations of \$2,087. This is due to the following factors:

Compensation – The favourable year end variances of \$3,513 is mainly due to vacancies in departments throughout the Region and filling those vacancies at a rate lower than expected in addition to the timing of staff onboarding to the EMS System Redesign project (\$692). This is partially offset by higher than budgeted Workplace Safety Insurance Board (WSIB) costs in the Emergency Medical Services (EMS) division.

Operational & Supply – The unfavourable year end variance of \$1,563 is primarily due to higher than anticipated medical supplies (\$246) and medical care transportation expenditures (\$257) for long-term care in Community Services; increased maintenance costs in the Public Works Transportation division (\$570) primarily due to a one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions, as well as increased services costs for Niagara Specialized Transit (NST) (\$618) and Niagara Regional Transit (NRT) (\$390) due to higher than anticipated ridership as well as an increase in the fourth quarter net revenue distribution payment to the local area municipalities within Court Services (\$396). These unbudgeted increases were partially offset by, unspent budget on hired equipment in the Public Works Transportation division (\$819), and the conclusion of the Health Kids Community Challenge (HKCC) a quarter early which resulted in reduced costs (\$325).

Equipment, Vehicles and Technology – The unfavourable year end variance of \$1,255 is primarily due to unbudgeted repairs and operating costs for equipment and vehicles as was partially reduced by decreased costs for information technology licenses of \$276.

Community Assistance – The favourable year end variance of \$10,654 is a result of the following; the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted fully funded benefit issuances (\$6,405); a decline in the rental vacancy rates in Niagara resulting in reduced Housing Stability Plan benefit issuances (\$235); lower than anticipated Niagara Emergency Energy Fund benefit issuances (\$442), lower than budgeted subsidy payments in NRH to non-profit, co-op and federal providers (\$1,286) and prior year subsidy adjustments (\$729). These favourable variances were partially offset by increased emergency shelter costs (\$462).

Partnership, Rebate, Exemption – The unfavourable year end variance of \$1,800 is driven by unfavourable variances resulting from mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88 (\$8,809). This is partially offset by the following; favourable variances resulting from the timing of unspent grant funds including \$1,318 from the Waterfront Investment Program (WIP); \$4,957 related to Planning grants (Smarter Niagara Incentive Program (SNIP), Tax Increment Grant (TIG) and Public Realm Investment Program (PRIP)) and \$254 related to the Gateway Tax Increment Grants. Unspent WIP grants (\$1,318) and Planning grants (\$3,365) have been included in the 2018 encumbrances and reported as Transfer Between Funds.

Financial Expenditures – the favourable year end variance of \$10,315 is primarily due to \$10,307 in the debt charge placeholder (timing based on actual project spending). This has been transferred to the capital reserves through Transfer To Funds identified below and has been committed to the 2019 Capital Budget.

Taxation - The favourable year end variance of \$3,499 is a result of an increase in unbudgeted supplemental taxes collected from new development omitted by MPAC in current and/or prior two years.

Federal & Provincial Grants – The unfavourable year end variance of \$5,978 is primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO and Childrens Services, as well as the recognition of \$1,372 in SAEO resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry. Offsetting amounts to the unfavourable variances include the following; one-time funding received from the MOHLTC to supporting rising WSIB costs in the EMS division (\$374), timing of Ministry-funded programs and related administration costs in NRH (\$946) and additional funding in

Levy - Continued

Seniors related to the higher than anticipated Operational & Supply expenditures (\$246 and \$257 mentioned above).

Other Revenue – The favourable year end variance of \$6,905 is primarily comprised of the following; investment income in excess of the budgeted amount (\$2,802) netted against allocation of interest rate reserves and deferred revenue (recorded through transfers to reserves of \$1,888), net proceeds of surplus properties and assets (\$2,665), secondment revenues (\$289); union billings for employees’ time spent on union business (\$311); accommodation fees within the Region’s Long-Term Care (LTC) Homes (\$375), increased enforcement in collection activity (\$597), recognition of provincial funding where NRH holds no further obligation (\$388) and higher than budgeted rental revenues for NRH-owned units (\$585).

Transfers To Funds - The unfavourable year end variance of \$23,965 is a result of the following; encumbrances for funds committed to in 2018 (\$8,753), debt charge placeholder (\$10,307) and capital financing (balloon payment) (\$1,228), NPCA differential reserve refund (\$1,284) and net proceeds of surplus properties (\$2,280) (\$441 transferred to Capital Levy Reserve as per the Procurement By-Law 02-2016 as well as \$1,839 transferred to the Burgoyne Bridge capital project per CSD 27-2017).

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	\$1,640	\$1,537	\$103	6.3%
Administrative	\$220	\$153	\$67	30.4%
Operational & Supply	\$0	\$0	\$0	N/A
Equipment, Vehicles, Technology	\$2	\$1	\$2	73.5%
Partnership, Rebate, Exemption	\$2	\$0	\$2	96.0%
Total Expenses	\$1,864	\$1,690	\$174	9.3%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$34	-\$37	\$3	8.3%
Total Revenues	-\$34	-\$37	\$3	8.3%
Intercompany Charges	\$1	\$1	\$0	0.5%
Total Intercompany Charges	\$1	\$1	\$0	0.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$1,831	\$1,654	\$177	9.7%
Transfers From Funds	\$0	\$0	\$0	N/A
Total Transfers	\$0	\$0	\$0	N/A
Net Expenditure (Revenue) Before Indirect Allocations	\$1,831	\$1,654	\$177	9.7%
Indirect Allocations & Debt	\$835	\$599	\$236	28.3%
Total Indirect Allocations & Debt	\$835	\$599	\$236	28.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,666	\$2,253	\$413	15.5%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance operated with a surplus before indirect allocations of \$177. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$103 is due to vacancies within the Chair’s Office and lower than anticipated benefit costs.

Administration - The favourable variance of \$67 is due to lower than anticipated advertising and travel costs and a prior year adjustment to legal fees.

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

- Implementation of Regional Council’s 2015 to 2018 Business Plan to foster an environment for economic prosperity
- Go Transit Station Secondary Plans approved for Beamsville, Grimsby, Niagara Falls and St. Catharines
- Linking Niagara Transit Committee develops finalized work plan towards the consolidation of Niagara’s transit system
- Foreign Trade Zone Storefront opens in Fort Erie
- Niagara Immigration Portal ‘Your Home | Your Future | Niagara, Canada’ was approved and launched.
- Fort Erie and St. Catharines Long-Term Care campus sites and bed ranges approved by Regional Council.
- \$148 Million announced by Provincial and Federal governments to support inter-municipal transit.

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
Compensation	\$0	\$1	-\$1	0.0%
Administrative	\$6,194	\$8,734	-\$2,540	-41.0%
Occupancy & Infrastructure	\$55	\$89	-\$34	-62.5%
Partnership, Rebate, Exemption	\$13,278	\$16,959	-\$3,680	-27.7%
Financial Expenditures	\$55,095	\$44,493	\$10,602	19.2%
Total Expenses	\$74,623	\$70,276	\$4,347	5.8%
Taxation	-\$359,806	-\$363,304	\$3,499	1.0%
Federal & Provincial Grants	\$0	\$1	-\$1	0.0%
By-Law Charges & Sales	-\$55	-\$24	-\$31	-56.1%
Other Revenue	-\$14,044	-\$16,326	\$2,282	16.3%
Total Revenues	-\$373,904	-\$379,653	\$5,749	1.5%
Intercompany Charges	-\$108	-\$118	\$11	9.9%
Total Intercompany Charges	-\$108	-\$118	\$11	9.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$299,389	-\$309,496	\$10,107	-3.4%
Transfers From Funds	-\$12,935	-\$14,163	\$1,228	-9.5%
Transfers To Funds	\$20,079	\$37,264	-\$17,185	-85.6%
Total Transfers	\$7,144	\$23,101	-\$15,957	-223.4%
Net Expenditure (Revenue) Before Indirect Allocations	-\$292,245	-\$286,395	-\$5,850	-2.0%
Indirect Allocations & Debt	-\$62,383	-\$62,383	\$0	0.0%
Total Indirect Allocations & Debt	-\$62,383	-\$62,383	\$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$354,628	-\$348,778	-\$5,850	-1.6%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government is operating at a deficit before indirect allocations of \$5,850 due to the following factors:

Administration - The unfavourable variance of \$2,540 is primarily due to the estimated liability accrued for insured, uninsured and construction contract claims against the Region.

Partnership, Rebate, Exemption - The unfavourable variance of \$3,680 is mainly due to the unfavourable variance of \$8,809 in mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88. This is offset by a favorable grants variance of \$5,212, of which \$4,957 is related to Planning grants (Smarter Niagara Incentive Program (SNIP), Tax Increment Grant (TIG) and Public Realm Investment Program (PRIP)) and \$254 related to the Gateway Tax Increment Grants. Of the \$5,212 grants variance, \$3,365 has been encumbered into 2019 to align with timing of anticipated payments. These encumbrances are included in the Transfers to Funds as identified below.

Financial Expenditures – The favourable variance of \$10,602 is primarily due to \$10,307 in the debt charge placeholder (due to timing of actual project spending), this amount has been transferred to capital reserves through Transfers to Funds as identified below and has been committed to the 2019 Capital Budget. In addition, a favourable variance of \$317 has been achieved mainly from foreign exchange gains.

Taxation - The favourable variance of \$3,499 is the result of additional other taxation revenue from MPAC supplementary and omitted taxes related to assessment growth (predominantly in the residential sector).

Other Revenue – The favourable variance of \$2,282 is related primarily to the sale of surplus properties. Net proceeds of the Hainer Street properties (\$1,839) were transferred to the Burgoyne Bridge capital project per CSD 27-2017. All other net proceeds (\$441) were transferred to the Capital Levy reserve per Procurement By-law 02-2016. Both of these transfers are included in the Transfers to Funds as identified below.

Transfers To/From Funds – The unfavourable variance of \$15,957 is due to grant encumbrances (\$3,365), debt charge placeholder (\$10,307) and capital financing (balloon payment) (\$1,228), and net proceeds of Surplus Property (\$2,280). This is partially offset by a favourable variance of \$1,228 due to capital financing (balloon payment) recorded on a gross basis and was transferred to capital reserves.

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: The Region contributes funding to the Niagara Health System’s cancer centre as well as grants related to development charges, the Youth Retention Program, the Smarter Niagara Incentive Program and Canada Summer Games.
- Capital Financing: The Region funds its capital programs through multiple financing sources such as capital levy reserve contributions and debt charges.
- Debentures successfully issued in July 2018 for \$65.7 million in the capital markets.

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	\$4,305	\$4,171	\$134	3.1%
Administrative	\$2,642	\$1,671	\$971	36.7%
Operational & Supply	\$2	\$44	-\$42	N/A
Occupancy & Infrastructure	\$0	-\$10	\$10	0.0%
Equipment, Vehicles, Technology	\$31	\$10	\$21	66.8%
Partnership, Rebate, Exemption	\$820	\$721	\$99	12.1%
Financial Expenditures	\$0	\$1	-\$1	0.0%
Total Expenses	\$7,799	\$6,608	\$1,192	15.3%
Federal & Provincial Grants	-\$100	-\$139	\$39	38.8%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	\$0	-\$209	\$209	0.0%
Total Revenues	-\$100	-\$348	\$248	247.8%
Intercompany Charges	\$8	\$10	-\$2	21.2%
Total Intercompany Charges	\$8	\$10	-\$2	21.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$7,708	\$6,270	\$1,438	18.7%
Transfers From Funds	-\$1,068	-\$1,068	\$0	0.0%
Transfers To Funds	\$20	\$441	-\$421	N/A
Total Transfers	-\$1,048	-\$627	-\$421	-40.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$6,660	\$5,643	\$1,017	15.3%
Indirect Allocations & Debt	-\$1,634	-\$974	-\$660	-40.4%
Total Indirect Allocations & Debt	-\$1,634	-\$974	-\$660	-40.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,026	\$4,669	\$357	7.1%

Corporate Administration - Continued

Variance Analysis (in thousands of dollars)

Corporate Administration operated at year-to-date surplus before indirect allocations of \$1,017. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$134 is due to staffing vacancies throughout the divisions of Corporate Administration. This surplus was decreased by the costs of back filling seconded employees in both Internal Control & Organizational Performance and Strategic Communications and Public Affairs.

Administration - The favourable variance of \$971 is due to timing of consulting expenditures, repurposing of consulting dollars, and some planned projects not proceeding. Of this unspent budget, \$221 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. These commitments include: the communications master plan, the audit plan, governance review, and the economic strategy.

Partnership, Rebate, Exemption - The favourable variance of \$99 is due to timing of grant expenditures. \$200 has been committed to the South Western Integrated Fibre Network and is included in the 2018 encumbrances reported as Transfer Between Funds. This resulting unfavourable variance is offset by the favourable variance of consulting dollars.

Revenue - The favourable variance of \$248 is due to increased revenue applied to and secured by the Economic Development division and unexpected revenue from employee secondments in Internal Control & Organization Performance and Strategic Communications and Public Affairs.

Transfers Between Funds - The unfavourable variance of \$421 relates to the 2018 encumbrances.

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Internal Control & Organizational Performance and Strategic Communications & Public Affairs whose main focus is the general management/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.

Strategic Communications and Public Affairs

Advanced corporate communications priorities and campaigns, including:

- Public engagement on Industrial and Commercial excess land policies
- Supporting the 2018 municipal election design and communications planning in partnership with Local Area Municipalities (LAMs)
- Internal and external communications related to Alternative Service Delivery in long-term Care and affordable housing
- Public engagement for "Point in Time Count" to ensure excellent homelessness data
- Communications Plans encouraging Green Bin and Waste Management activities
- Managing communications for inter-municipal transit and GO transit related project
- Provide communications support for transportation related infrastructure projects and including launch of new branding and web components
- Communications planning and support for the Region's EarlyON centres
- Provided support and advice regarding the engagement and roll out of the Region's updated development charges program
- Partnership with I.T. Division to host Region-wide Smart Cities Forum to craft Niagara community-informed submission to federal competition
- Coordination of Niagara-wide response, in partnership with LAMs, to Saint Lawrence Seaway Management Corporation Mandate Renewal by Federal Government
- Lead branding of, and key co-sponsor partners with I.T. Department in development, governance, and launch of new Intranet
- Providing key support and counsel for 2 major Economic Development projects: 100-minutes of promotional videos, 4 new websites, branding and print products
- Coordinated Ground-breaking/Grand Opening events; Niagara Falls Public Health office, Fort Erie FTZ Head Office, and Brock District Plan's International Plaza
- Supported Niagara EMS service transformation project and communications roll-out.

Corporate Administration - Continued

- Development of Government Relations priorities and collateral for 2018 AMO Conference Advocacy Meetings

Internal Control & Organizational Performance

- Completed nine audits from the 2018 Internal Audit Plan: Grants & Incentives Phase 1 & 2, IT General Controls, Waste Contract Audit, Payroll Phase 1 & 2, Controlled Medications Inventory, Procurement and Chippawa CSO Audit. ICOP has provided recommendations to assist staff to improve operations and their respective internal controls environments.
- Designed a risk-based 2019 Annual Audit Plan and received approval from Audit Committee to proceed with eight new audit projects.
- Completed the first phase of 'Shape Niagara' (a broad public engagement initiative to inform next Council's strategic plan). Highlights included five open house events, an online survey, face-to-face interactions with residents at 25+ community events, and a broad social media campaign. Currently approaching end of second phase which includes background study report for the new Council's strategic plan.
- Completed lean process reviews in 3 business areas: Children's Services (subsidy payments), Senior Services (HR staff transactions) and NRPS (attendance management). Currently managing projects in multiple business units to improve operations, identify efficiencies and/or reduce waste using Lean & Six Sigma.
- Acting as the project manager, ICOP made major progress with transitioning the Business Licensing & Enforcement process from NRPS back to Niagara Region during the past quarter. During Q4 2018, the project was operationalized and handed off to the Manager, Business Licensing with the ERMS dept.
- Executed a major corporate re-organization to create a Project Management Office (PMO) within ICOP in September. The goal of this initiative is to implement a best-in-class project management methodology for all capital projects corporate-wide. The PMO is tasked with improving project risk management while increasing consistency in PM methodology. In addition, the PMO team will be engaged to support other project managers across the organization on major Tier 1 projects (i.e. LTC re-development, EMS Hub etc.).

Economic Development

Project Updates/Accomplishments

- Five year Economic Development Strategy under development, based on previous work completed by the Global Investment Attraction Group.
- Meetings with 24 companies in the U.K. and the U.S., which were identified through a 'lead generation contract' as companies with verified interests in entering or expanding business in the North American marketplace.
- Meetings with 23 companies at the SIAL show in Paris as a member of the Ontario Food Cluster.
- Directly engaged five companies that have identified Niagara region as a destination for either the expansion or re-location of their business.
- Continued to support the Finance Department in public outreach regarding the Vacant Unit Rebate and Excess Land Property Tax Discounts.
- Participated in the internal Grant & Regional Development Charge Review.
- Niagara Gateway Centre, reports visitor numbers, as of December 12th at 47,000, which is above expectations. Receiving advertising revenue from 35+ tourism companies and organizations at the Centre.
- Invested in a Bell Fibe pilot program to showcase the agri-tourism sector in Niagara, Cork Screwed, which focused on Niagara's Wine Country. Bell has made a commitment to Season 2, potentially 10 episodes focused on Niagara wineries.
- Completed the Niagara Tourism Profile and Niagara Tourism Economic Impact study and updates to the Niagara Manufacturing Profile and Niagara Transportation and Logistics Profile.
- Niagara Foreign Trade Zone Strategic Plan completed by consultants E&Y.
- Foreign Trade Zone Coordinator participated in a trade mission to China with 10 Niagara based companies.

Enterprise Resource Mgmt Serv. 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	\$8,946	\$8,499	\$447	5.0%
Administrative	\$3,484	\$3,076	\$408	11.7%
Operational & Supply	\$30	\$25	\$5	16.6%
Occupancy & Infrastructure	\$0	\$1	-\$1	N/A
Equipment, Vehicles, Technology	\$8	\$23	-\$14	-169.5%
Financial Expenditures	\$0	-\$7	\$7	0.0%
Total Expenses	\$12,469	\$11,617	\$853	6.8%
Federal & Provincial Grants	-\$60	-\$55	-\$5	-8.6%
By-Law Charges & Sales	-\$10	-\$5	-\$5	-52.2%
Other Revenue	\$0	-\$25	\$25	N/A
Total Revenues	-\$70	-\$85	\$15	21.0%
Intercompany Charges	\$22	\$22	\$0	1.8%
Total Intercompany Charges	\$22	\$22	\$0	1.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$12,421	\$11,554	\$867	7.0%
Transfers From Funds	-\$619	-\$619	\$0	0.0%
Transfers To Funds	\$0	\$580	-\$580	0.0%
Total Transfers	-\$619	-\$39	-\$580	-93.7%
Net Expenditure (Revenue) Before Indirect Allocations	\$11,802	\$11,515	\$287	2.4%
Indirect Allocations & Debt	-\$11,792	-\$11,515	-\$277	-2.3%
Total Indirect Allocations & Debt	-\$11,792	-\$11,515	-\$277	-2.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$10	\$0	\$10	100.0%

Enterprise Resource Management Services - Continued

Variance Analysis (in thousands of dollars)

Enterprise Resource Management Services operated a surplus before indirect allocations of \$287 is due to the following factors:

Compensation - The favourable variance of \$447 is due to vacancies in Financial Management and Planning, Procurement and Strategic Acquisitions, and Legal Services.

Administration - The favourable variance of \$408 is due to timing of spending of consulting dollars, mainly related to the corporate sustainability review and asset management office which will be encumbered at year end, offset by higher than anticipated insured and uninsured claim payments.

Transfers Between Funds - The unfavourable variance of \$580 relates to the 2018 encumbrances.

Community Impacts & Achievements

Financial Management and Planning

- Niagara Region continues to maintain its “AA” credit rating with a stable outlook according to confirmation report released by credit rating agency Standard and Poor’s.
- 2017 Financial Statement audit completed with unmodified opinion and no management letter points.
- Niagara Region awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2018 Budget and the Canadian Award for Financial Reporting Achievement for the 2017 Annual Report.
- Asset Management Plan governance strategy completed and approved by Council in January 2019
- Updated a number of financial policies that involve developer deposits, care and custody of securities, surplus/deficit, purchasing cards, and variance analysis and forecasting.
- Debt Risk Management Committee established for both Niagara Regional and local area municipality staff to review debt reporting and risk management.
- Public engagement completed for change in tax policy regarding proposed vacancy rebates and vacancy rebate changes subsequently approved by Council in January 2019.

Procurement and Strategic Acquisitions

- Continued implementation of transition to new external bidding platform (bidsandtenders.com) as Phase 1 of the Region’s goal of full electronic paperless bidding.
- Of the 175 competitive Bids facilitated by Procurement in 2018, 139 Bids totalling approximately \$88 Million were awarded, 22 Bids carried over into 2019, 14 Bids cancelled after issuance without award.
- Sold Regional surplus properties valued at \$2.6 Million in 2018 year.
- Updated Procurement By-law that includes clarification around eBidding and Negotiated RFP completed and approved by Council in January 2019.

Legal Services

- Risk Management division, in partnership with the Procurement and Strategic Acquisition team, launched a new tool to help project managers navigate insurance requirements for a range of procurement processes that will achieve efficiencies and ensure projects are protected by the optimal level and type of coverage to reduce corporate risk

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	\$16,261	\$16,212	\$49	0.3%
Administrative	\$3,195	\$3,404	-\$208	-6.5%
Operational & Supply	\$315	\$280	\$36	11.4%
Occupancy & Infrastructure	\$6,804	\$6,941	-\$137	-2.0%
Equipment, Vehicles, Technology	\$2,341	\$2,489	-\$148	-6.3%
Partnership, Rebate, Exemption	\$5	\$3	\$2	39.0%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$28,922	\$29,328	-\$407	-1.4%
By-Law Charges & Sales	-\$240	-\$266	\$26	10.8%
Other Revenue	-\$540	-\$747	\$206	38.2%
Total Revenues	-\$780	-\$1,013	\$233	29.8%
Intercompany Charges	-\$132	-\$46	-\$85	-64.8%
Total Intercompany Charges	-\$132	-\$46	-\$85	-64.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$28,010	\$28,269	-\$259	-0.9%
Transfers From Funds	-\$659	-\$659	\$0	0.0%
Transfers To Funds	\$0	\$48	-\$48	0.0%
Total Transfers	-\$659	-\$610	-\$48	-7.3%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,351	\$27,659	-\$308	-1.1%
Indirect Allocations & Debt	-\$25,264	-\$25,826	\$562	2.2%
Total Indirect Allocations & Debt	-\$25,264	-\$25,826	\$562	2.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,087	\$1,833	\$254	12.2%

Corporate Services - Continued

Variance Analysis (in thousands of dollars)

Corporate Services operated at a deficit before indirect allocations of \$308 due to the following factors:

Compensation – The favourable variance of \$49 is due to vacancies in Human Resources, Clerks Administration, IT Solutions, and Construction, Energy and Facilities Management, and actual health and dental claims experienced in the year being less than budgeted. This is partially offset by an unfavourable variance in labour relations.

Administration - The unfavourable variance of \$208 is mainly due to higher than anticipated external legal expenses and consulting services, partially offset by savings on staff development expenses.

Occupancy & Infrastructure - The unfavourable variance of \$137 is due to higher than anticipated costs for janitorial service contracts relating to increased minimum wage and higher than anticipated expenditures related to fire and security, garage doors and grounds maintenance. This is partially offset by the delay in the opening of the new Niagara Falls Public Health facility and lower than budgeted electricity costs.

Equipment, Vehicles, Technology - The unfavourable variance of \$148 is due to higher than anticipated software and hardware support agreements related to an increase in Regional users as well as higher than anticipated generator costs at Port Colborne NRPS.

Revenues - The favourable variance of \$233 is due to unbudgeted proceeds from sale of IT equipment and higher than anticipated rental revenue.

Transfers - The unfavourable variance of \$48 is due to not fully utilizing a transfer from reserve for council changeover expenses. These funds are to be encumbered and used in 2019.

Community Impacts & Achievements

Corporate Records, Print & Mail Services

- The Office of the Regional Clerk successfully on boarded a new Regional Council consisting of 31 members and the Regional Chair. This included robust orientation sessions over a three day period which served to provide the new Council with a solid foundation in which to begin the 2018 – 2022 term of Council. With the move of our meeting and agenda management software to a cloud based server we were able to start the publishing of both html and pdf agenda packages which will eliminate the need for time consuming downloading of large pdf agenda packages for Council and Committees.
- Corporate Records undertook work with Information Technology Solutions, on a corporate solution for electronic records compliance and began revisions to the records retention schedule to bring it in line with provincial standards. Next steps will include validation with the Corporation's business units.

Human Resources

- The Region embarked on an extensive review of existing HRIS/Payroll software which supports significant human resources, timekeeping and pay complexity among non-union and 12 different collective agreements which both directly and indirectly process bi-weekly pay data for more than 4,700 individuals working at Niagara Region, Niagara Regional Police Services, and Niagara Regional Housing. The goal of the review is to improve risk / cost-control, analytical, reporting, and self-service functionality while creating efficiencies both in HR and across all business units while ensuring all staff are paid correctly and in a timely fashion.

Information Technology Solutions

- Ortho Imagery – Niagara Region facilitated a collaborative purchase with the local area municipalities of 10cm resolution colour aerial photography for the entire Niagara region. This imagery is used in various planning activities and made available publicly online through [Niagara Navigator](https://maps.niagararegion.ca/Navigator/) (<https://maps.niagararegion.ca/Navigator/>)
- Smart Cities Challenge Submission – Niagara's 13 Municipalities collectively submitted a proposal to the Federal Governments 2018 Smart Cities Challenge with activities leveraging data and connected technologies that would increase a sense of belonging in the community. The initiative included significant participation with many

Corporate Services - Continued

- broader public sector and community partners. Details of the submission can be found at [Smart Cities Niagara](http://SmartCitiesNiagara.ca) (<http://SmartCitiesNiagara.ca>).
- Niagara Votes Website – Working collaboratively with the local area municipalities we launched [Niagara Votes](http://Niagaravotes.ca) (<http://Niagaravotes.ca>); a ‘one stop shop’ for all Municipal election resources. The website continues to evolve.
 - Enhancements to the [Large Item Pickup Website](https://niagararegion.ca/waste/collection/items/largeitems/request-form.aspx) (<https://niagararegion.ca/waste/collection/items/largeitems/request-form.aspx>) – Provide citizens a better customer experience when booking their large item pickup online. Features business rules to assist citizens in booking items accurately and efficiently. Additionally, enhanced reporting enables Waste Management staff to mine analytics around items to assist with improvements and cost reductions in the future.
 - Niagara Integrated Infrastructure Mapping System (NIIMS) – The GIS team worked in collaboration with Water/Wastewater staff to enhance Niagara Integrated Infrastructure Mapping System (NIIMS), a shared web mapping application showcasing both local and regional water, storm and sewer infrastructure. Included is the ability for network tracing and valve isolation as well as access to enhanced regional asset information for Niagara Region Water/Wastewater staff.
 - Enhanced Online Council and Committee Agenda Experience – Agendas and relevant documents for all published meetings are now compatible with both desktop and mobile devices and no longer require citizens to download one large single document to view a specific item on the agenda. Each agenda item can be viewed as a single document.

Construction, Energy and Facilities Management

- Rapelje Lodge lighting retrofit project completed October 2018 which is projected to provide approximately 165,000 kWh annual savings in usage.
- Ground breaking and construction has commenced on the new Niagara Falls Public Health facility.
- Solar PV revenue approximately \$118,000 for 2018, compared to a projected budget of \$115,000.
- Council Chamber renovation to add additional seating completed on time and on budget.

Business Licensing

- The Region is in the process of transitioning the regulatory oversight of business licensing responsibilities from Niagara Regional Police back to Niagara Region on June 1, 2019.
- These responsibilities will involve the administration of license issuance and denial as well as inspection and enforcement of salvage/automobile wrecking operations, second-hand shops and dealers, tow truck and yard operations, taxi/transportation companies and adult entertainment establishments.
- In Q4 2018, the Manager of Business Licensing was hired in order to establish the business licensing operation for the Region.

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	\$99,705	\$99,427	\$277	0.3%
Administrative	\$1,911	\$1,738	\$173	9.1%
Operational & Supply	\$8,296	\$9,095	-\$799	-9.6%
Occupancy & Infrastructure	\$3,805	\$3,761	\$44	1.2%
Equipment, Vehicles, Technology	\$821	\$1,773	-\$952	-115.9%
Community Assistance	\$172,744	\$165,063	\$7,680	4.4%
Financial Expenditures	\$0	\$4	-\$4	0.0%
Total Expenses	\$287,282	\$280,863	\$6,420	2.2%
Taxation	\$0	\$0	\$0	0.0%
Federal & Provincial Grants	-\$236,417	-\$230,805	-\$5,612	-2.4%
By-Law Charges & Sales	-\$2,903	-\$3,945	\$1,043	35.9%
Other Revenue	-\$22,520	-\$23,054	\$535	2.4%
Total Revenues	-\$261,840	-\$257,805	-\$4,034	-1.5%
Intercompany Charges	\$240	\$375	-\$136	56.7%
Total Intercompany Charges	\$240	\$375	-\$136	56.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$25,683	\$23,433	\$2,250	8.8%
Transfers From Funds	-\$3	-\$3	\$0	0.0%
Transfers To Funds	\$1,829	\$1,927	-\$98	-5.4%
Total Transfers	\$1,826	\$1,924	-\$98	-5.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,508	\$25,357	\$2,152	7.8%
Indirect Allocations & Debt	\$16,457	\$16,867	-\$410	-2.5%
Total Indirect Allocations & Debt	\$16,457	\$16,867	-\$410	-2.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$43,966	\$42,224	\$1,742	4.0%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services operated at a surplus before indirect allocations of \$779 (2.8 per cent of the net budget) comprised of a \$10 operating surplus in Childrens Services, \$243 in Senior Services, \$217 in Social Assistance & Employment Opportunities (SAEO), and \$300 in Homelessness & Community Engagement (HCE). Community Services also recognized a \$1,372 surplus in SAEO resulting from the reconciliation of SAMS reports back to 2014, for a total combined surplus of \$2,152. The following factors contribute to these surpluses:

Administration - The favourable year end variance of \$173 is primarily due to lower than budgeted office expenditures and professional services in HCE offset with higher than anticipated staff development expenditures for Seniors Services nursing staff.

Operational & Supply – The unfavourable year end variance of \$799 is primarily due to higher than anticipated medical supplies and transportation expenditures for high intensity needs residents in long-term care (LTC), which are substantially funded by the Ministry (95%).

Equipment, Vehicles, Technology – The unfavourable year end variance of \$952 is primarily due to higher than anticipated equipment repair and building maintenance costs at the LTC homes.

Community Assistance - The favourable year end variance of \$7,680 is primarily due to: the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted fully funded benefit issuances (\$6,405); a decline in rental vacancy rates in Niagara resulting in reduced Housing Stability Plan benefit issuances (\$235); lower than anticipated Niagara Emergency Energy Fund benefit issuances (\$442) offset by increased emergency shelter costs (\$462); lower than anticipated wage enhancement grant applications and year one expenditures for the community capital builds in Childrens Services offset by the increased fee subsidy gross costs (\$510).

Federal & Provincial Grants – The unfavourable year end variance of \$5,612 is primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO and Childrens Services, as well as the recognition of \$1,372 in SAEO resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry. This is offset by additional funding in Seniors related to the higher than anticipated Operational & Supply expenditures.

By-Law Charges & Sales - The favourable year end variance of \$1,043 is primarily due to increased fee subsidy payments resulting in higher than estimated parent fees and fee subsidy gross costs included above in community assistance.

Other Revenue - The favourable year end variance of \$535 is primarily due to higher than anticipated union billings for employees' time spent on union business, and accommodation fees within LTC.

Community Impacts & Achievements

Children Services

- Continuing to provide child care fee subsidy without a waitlist.
- Provided additional funding to service providers to ensure child care per diems remain stable to support local efforts to increase licensed childcare spaces to reach Niagara's 2018 target of 124 new spaces.
- Six Community capital builds are progressing with 270 new spaces to be open by December 2020.

Community Services - Continued

Senior Services

- Standardized and optimized staffing patterns in LTC homes to support the efficiency in scheduling, consistency in practices and processes and flexibility of staff to work between homes. Increased Personal Support Worker and recreation hours through a Ministry mid-year base funding increase. These hours were aimed to support peak pressures associated with shift exchange and add extra assistance for residents with complex needs.
- A new interactive technology designed for residents with cognitive impairments was trialed at two LTC homes. The pilot was successful in calming agitated residents, eliciting a response from non-verbal residents and proved to be an activity residents wanted to return to repeatedly. This technology will be installed at all homes in 2019.
- Began implementation of a recently released wound care application that supports enhanced wound care practices primarily for newly admitted residents.
- In partnership with EMS, Seniors Community Programs staff were trained to use a screening tool to determine the need for 911 calls for clients who have experienced a fall. Data will be analyzed throughout 2019 in order to reduce 911 call volume, supporting the hospital system by reducing ER visits.

Homelessness and Community Engagement

- Operationalized an additional 70 units of emergency shelter for the winter season.
- Completed a Homelessness System Review and presented the final report and recommendations to homeless service agencies.
- Developed an after-hours response plan and protocol for when the shelter system is at capacity, to ensure all homeless persons are supported.
- Fully implemented the 40 community based supportive housing units for Home For Good and successfully executed arrangements with the Province for the construction of 23 new supportive housing units.
- Developed and recruited for a two year pilot project to undertake concurrent assessment of long stay shelter clients for mental health and addictions acuity.

Social Assistance and Employment Opportunities

- OW caseload showed signs of stabilizing with a year end caseload average of 10,080, less than the projected 2018 caseload of 10,813.
- Number of new job starts exceeded 2018 targets; 1,869 new job starts (2018 target - 1,350) with 791 unique local employers (2018 target – 650).
- Over 12,500 employment assessments completed with OW clients in the new technology system BENN; designed to match clients with jobs and training.

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

	Year to Date	Year to Date	Year to Date	Year to Date
	Budget	Actual	Budget vs Actual Variance Amount	Budget vs Actual Variance Percentage
Compensation	\$76,726	\$76,835	-\$109	-0.1%
Administrative	\$2,214	\$2,522	-\$308	-13.9%
Operational & Supply	\$5,140	\$4,717	\$423	8.2%
Occupancy & Infrastructure	\$712	\$645	\$67	9.3%
Equipment, Vehicles, Technology	\$2,476	\$2,529	-\$53	-2.2%
Community Assistance	\$0	\$2	-\$2	0.0%
Partnership, Rebate, Exemption	\$0	\$1	-\$1	0.0%
Financial Expenditures	\$0	\$1	-\$1	0.0%
Total Expenses	\$87,267	\$87,252	\$16	0.0%
Federal & Provincial Grants	-\$61,989	-\$62,473	\$483	0.8%
By-Law Charges & Sales	-\$270	-\$193	-\$76	-28.2%
Other Revenue	-\$204	-\$547	\$343	167.9%
Total Revenues	-\$62,463	-\$63,213	\$750	1.2%
Intercompany Charges	\$1,687	\$1,563	\$124	-7.4%
Total Intercompany Charges	\$1,687	\$1,563	\$124	-7.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$26,492	\$25,601	\$890	3.4%
Transfers From Funds	-\$2,207	-\$2,181	-\$26	-1.2%
Transfers To Funds	\$83	\$1,400	-\$1,317	N/A
Total Transfers	-\$2,124	-\$781	-\$1,343	-63.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$24,367	\$24,820	-\$452	-1.9%
Indirect Allocations & Debt	\$15,565	\$15,299	\$266	1.7%
Total Indirect Allocations & Debt	\$15,565	\$15,299	\$266	1.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$39,933	\$40,119	-\$186	-0.5%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

Public Health & Emergency Services experienced a deficit before indirect allocations of \$452, due to the following factors:

Compensation – There is an unfavourable variance in Compensation of \$109 for the year. This variance is primarily a result of unfavourable variances of \$1,156 and \$699 relating to Workplace Safety Insurance Board (WSIB) and overtime costs, respectively, in the Emergency Medical Services (EMS) division. These costs are partially offset by \$926 in savings from delays in filling vacant positions within various Public Health programs and \$692 due to the timing of staff onboarding to the EMS System Redesign project.

Administrative - The unfavourable variance of \$308 is primarily due to increased consulting services costs relating to strategic health initiatives as well as unanticipated training, predominantly within the Public Health programs, including the Healthy Kids Community Challenge (HKCC) within Chronic Disease and Injury Prevention.

Operational & Supply - The favourable variance of \$423 is primarily due to the conclusion of the HKCC a quarter earlier than budgeted as well as the fact that nearly all HKCC costs were budgeted as Operational & Supply in nature, while the actual costs incurred have been Administrative in nature. A further savings was realized through the elimination of the public-facing clinic at the head office, reducing the volume of supplies needed. This favourable variance is offset in By-Law Charges & Sales due to lower sales of these supplies.

Federal & Provincial Grants – The favourable variance of \$483 is primarily a result of one-time in-year funding from the MOHLTC to support rising WSIB costs in the EMS division.

By-Law Charges & Sales – The unfavourable variance of \$76 is primarily a result of elimination of the public-facing clinic at the head office which operated in a retail manner. The unfavourable revenue variance is offset in Operational & Supply due to the corresponding lower purchase level of the underlying supplies.

Other Revenue - The favourable variance of \$343 is the result of proceeds from the sale of assets of \$146, secondment revenues of \$94, and wage reimbursements from union groups and other cost recoveries.

Transfers to Funds – The unfavourable variance of \$1,343 is mainly due to encumbrance requests for the EMS System Redesign project and other Public Health initiatives committed to before the end of 2018.

Community Impacts & Achievements

Mandatory and Related Programs

- The October 17, 2018 legalization of cannabis and revisions to the Smoke Free Ontario Act (SFOA), introducing adding both cannabis and electronic cigarettes into the regulatory framework, which has increased the burden on our community prevention, education, and enforcement resources without any increase to the related SFOA program funding
- Launch of the new vision screening program in association with community partners
- Reorganization of health inspections from 5 days a week to 7 days a week to improve customer service, and better ensure safety of inspected facilities
- Additional promotion of services in Environmental Health, including well/cistern water testing and health inspection results, to better enable healthy choices
- Infection prevention and control training for dental office staff to enable them to offer the safest dental services to their patients
- Reorienting nursing in schools to align with the recommended comprehensive school health model, to better support and prepare school children for healthy productive lives
- Working with over 20 community partners on overdose prevention and drug use to combat both the acute problem and root causes

Public Health & Emergency Services - Continued

Mental Health

- Implemented changes to our intake process to ensure our clients have access to the right service, at the right time, in the right place
- Engaged senior leadership from community organizations across Niagara to inform the strategic direction of NRMH
- Evaluation of outcomes for clients accessing Dialectical Behavioral Therapy showed positive results. Evaluation of Prolonged Exposure treatment for trauma continues
- Trained staff on evidence-based treatments and protocols including suicide intervention, treatment for trauma and geriatric assessment
- Collaboratively working across Public Health divisions to ensure messaging to our clients, staff and public is consistent and aligned with research

Emergency Services

- Call volumes increased in 2018 by 2.5% to a total of 63,457 incidents compared to 61,879 in 2017 - this compares to increases of between 5.8% and 8.9% over the past five years – this may be the result of the initiatives implemented in Q3 (validation in process)
- Increase in staffing hours in Q4 which utilized all planned staffing hours for the year
- Piloting 4 Mobile Integrated Health Teams (e.g. including an occupational therapist and 2 mental health nurses) to handle low acuity 911 calls and then connect residents to community-based care
- The Mobile Integrated Health Teams responded to 1,052 911 calls - this resulted in reduced transports to hospital of 5% for mental health calls (despite a 7% increase in call volume for this area), 2% for falls, and a 6% reduction for low acuity illnesses
- Community Paramedics served 176 clients in 2018, performing 2,123 visits, improving quality of life and decreasing need for repeat 911 calls
- Collaboration with Niagara Health to mitigate offload pressures continues, and is starting to see some positive results

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	\$15,473	\$13,471	\$2,002	12.9%
Administrative	\$2,031	\$989	\$1,042	51.3%
Operational & Supply	\$16,142	\$16,823	-\$681	-4.2%
Occupancy & Infrastructure	\$871	\$533	\$339	38.9%
Equipment, Vehicles, Technology	\$2,025	\$2,514	-\$490	-24.2%
Partnership, Rebate, Exemption	\$2,432	\$2,229	\$202	8.3%
Financial Expenditures	\$0	\$252	-\$252	0.0%
Total Expenses	\$38,974	\$36,812	\$2,162	5.5%
Federal & Provincial Grants	-\$344	-\$333	-\$11	-3.2%
By-Law Charges & Sales	-\$3,859	-\$3,803	-\$57	-1.5%
Other Revenue	-\$2,252	-\$2,233	-\$19	-0.9%
Total Revenues	-\$6,455	-\$6,368	-\$87	-1.3%
Intercompany Charges	-\$2,048	-\$2,095	\$47	2.3%
Total Intercompany Charges	-\$2,048	-\$2,095	\$47	-2.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$30,471	\$28,349	\$2,122	7.0%
Transfers From Funds	-\$1,843	-\$1,597	-\$246	-13.4%
Transfers To Funds	\$0	\$735	-\$735	0.0%
Expense Allocations To Capital	-\$130	-\$106	-\$24	-18.8%
Total Transfers	-\$1,973	-\$968	-\$1,005	-50.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$28,497	\$27,381	\$1,117	3.9%
Indirect Allocations & Debt	\$31,905	\$32,046	-\$141	-0.4%
Total Indirect Allocations & Debt	\$31,905	\$32,046	-\$141	-0.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$60,403	\$59,427	\$975	1.6%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy operated at a surplus before indirect allocations of \$1,117. The following factors contributed to this surplus:

Compensation – The favourable variance of \$2,002 is primarily due to delays in filling vacant positions and decreased overtime costs.

Administration – The favourable variance of \$1,042 is primarily due to: decrease in consulting work related to timing difference in the rollout of Transit related studies (\$508); lower external legal expenses (\$81); decrease in data analysis services provided concentrated in Transportation Planning (\$174); reduced information & promotions costs of \$57; and reduced staff travel, training & other administrative expenses (\$222) due to vacant positions. Of this unspent budget, \$150 has been committed to future Niagara Specialized Transit (NST) consulting study and \$115 to traffic data collection program and other consulting assignments; these commitments are included in the 2018 encumbrances reported in Transfers to Funds below.

Operational & Supply – The unfavourable variance of \$681 is a result of: higher than budgeted costs for NST services (\$618) and Niagara Regional Transit (NRT) services (\$390) due to increased ridership; higher than anticipated usage of winter sand, winter salt and organic de-icing material totaling \$55 overall due to harsh winter conditions in early 2018; increased traffic signal and sign maintenance material costs of \$570 primarily due to one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions; offset by lower than anticipated usage of hired equipment of \$819 and a decrease of \$133 in other program specific supplies and material. A total of \$288 of the unspent hired equipment budget has been committed to the Emerald Ash Borer tree removal project and \$182 to crack sealing & road repairs program; these commitments are included in the 2018 encumbrances reported in Transfers to Funds below.

Occupancy & Infrastructure – The favourable variance of \$339 is largely due to lower than expected electricity costs of \$417 related to the timing difference in the rollout of the Street Lighting program partially offset by increased repairs and maintenance and other infrastructure costs of \$78.

Equipment, Vehicles, Technology – The unfavourable variance of \$490 is due to higher than expected vehicle repairs of \$338 (including \$132 for NRT aging fleet repairs); higher fuel costs of \$99 from higher than anticipated usage due to winter conditions experienced; and increased other equipment costs of \$53.

Partnership, Rebate, Exemption – The favourable variance of \$202 is due to lower than anticipated Local Area Municipality (LAM) grants of \$246 associated with multi-use paths and drainage assessment funding for LAMs and \$34 in other grants, partially offset by \$78 increase related to economic development grant to the city of Welland for the GE Plant.

Financial Expenditures – The unfavourable variance of \$252 is primarily due to write-off of bad debts of \$220 related to accounts due from select LAMs for their share of costs on Transportation Master Plan project.

By-Law Charges & Sales Costs – The unfavourable variance of \$57 is due to lower than anticipated signal maintenance and signs revenues of \$534 and various by-law charges and other sales of \$36, partially offset by increased fare revenues of \$513 for NST and NRT services due to increased ridership.

Transfers to Funds – The unfavourable variance of \$1,005 relates primarily to 2018 Administration and Operational & Supply encumbrances of \$735, as outlined above, and lower than anticipated LAM grants of \$246 associated with multi-use paths and drainage assessment funding for LAMs.

Public Works Transportation - Continued

Community Impacts & Achievements

- The Regional Road Network consists of 1,814 lane kms of road. In 2018, the Region's Transportation Engineering and Operations divisions achieved the following:
 - Resurfaced or reconstructed 48 lane kms of roadways through annual Hot Mix Program-Phases I & II;
 - Applied 16,000 tonnes of salt on regional roads as part of our winter maintenance program;
 - Removed 1,334 trees through the Emerald Ash Borer tree removal program; and
 - Repaired or replaced 112 culverts.
- Martindale Road reconstruction project (Phase I) led by Transportation Services is complete with only minor restorations remaining. This project will be completed ahead of schedule. This reconstruction significantly increased the capacity of Martindale Road in the area of Erion Road, Hanover Drive & Corporate Park Drive. Construction staging for this project allowed for the Region to maintain two lanes of traffic, thus greatly reducing the impact of the construction on the motoring public.
- Dominion Road project led by Transportation Services represents first design-build project for the Region. This project brings together a technical design-build team led by the Region and has been achieving milestones at an expected pace. This unique partnership has allowed for a more seamless construction process to an extensive section of roadway that has previously appeared on CAA's "worst roads" campaign.
- Other achievements include:
 - Successful completion of the 2018 Hot Mix-Phases I and II contracts;
 - Successful tender award and completion of base asphalt paving of Rice Road reconstruction from Regional Road 20 to Port Robinson Road; and
 - Successful tender award and completion of base asphalt paving of the St. Catharines Downtown Conversion, which will complete the conversion of downtown streets to two-way traffic flow.
- Ongoing strategic projects out of the Transportation Master Plan (TMP) are underway such as the Casablanca Boulevard Environmental Assessment (EA), the St. Paul Street Bridge EA, the Thorold Stone Road Extension and Bridge Street EAs, that will help support efficient traffic, active transportation and GO Initiatives.
- The GO Hub Transit Station Study (GHTSS) was completed, which developed Secondary Plans in Grimsby, St. Catharines, Niagara Falls and Lincoln. Metrolinx completed the functional designs for Niagara GO stations (Grimsby, St. Catharines, and Niagara Falls) with active support from the Region and area municipalities.
- Since the unanimous approval of the Transit Memorandum of Understanding between Niagara Region, Niagara Falls, St. Catharines and Welland in December 2017, work is progressing rapidly towards implementation of recommendations in the Niagara Transit Service Delivery and Governance Strategy, 2017, including:
 - Three-year NRT Operating Agreement
 - Customer service and operational improvements to integrate the rider experience such as uniform transit customer service policies, universal support person pass, and common trip planning app.
- An implementation framework identifying the financial impacts on inter-municipal transit (IMT) was approved in 2018. This framework will continue through 2019, subject to budget approval, and supports a business case to inform transit governance options. Route mergers were initiated to leverage post-secondary u-pass funds to improve transit services.
- NST ridership exceeded 30,000 riders in 2018 due to considerable demand which necessitated increased service to stabilize and ensure consistent and reliable service levels for a vulnerable demographic.

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	\$5,146	\$4,408	\$738	14.3%
Administrative	\$1,513	\$766	\$747	49.4%
Operational & Supply	\$18	\$17	\$1	6.0%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$36	\$39	-\$3	-8.3%
Partnership, Rebate, Exemption	\$2,474	\$898	\$1,576	63.7%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$9,187	\$6,129	\$3,058	33.3%
Federal & Provincial Grants	\$0	-\$42	\$42	0.0%
By-Law Charges & Sales	-\$1,461	-\$1,427	-\$34	-2.3%
Other Revenue	-\$675	-\$279	-\$397	-58.7%
Total Revenues	-\$2,136	-\$1,747	-\$389	-18.2%
Intercompany Charges	-\$303	-\$309	\$6	2.0%
Total Intercompany Charges	-\$303	-\$309	\$6	2.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$6,748	\$4,072	\$2,675	39.6%
Transfers From Funds	-\$2,799	-\$2,549	-\$250	-8.9%
Transfers To Funds	\$0	\$1,882	-\$1,882	0.0%
Total Transfers	-\$2,799	-\$667	-\$2,132	-76.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$3,949	\$3,406	\$543	13.7%
Indirect Allocations & Debt	\$1,729	\$1,714	\$15	0.9%
Total Indirect Allocations & Debt	\$1,729	\$1,714	\$15	0.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,677	\$5,120	\$558	9.8%

Planning & Development - Continued

Variance Analysis (in thousands of dollars)

Planning and Development operated at a surplus before indirect allocations of \$543. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$738 is due to the timing of launching program changes approved within the 2018 budget related to delegation of work from the Niagara Peninsula Conservation Authority, the onboarding of temporary staff dedicated to the New Regional Official Plan (ROP) and managing vacancies. The ROP is partially funded by expenditure matching transfers from development charge revenue causing the ROP surplus to be offset by reduced transfers.

Administration - The favourable variance of \$747 is due to the timing of consulting expenditures involving the ROP. Of this unspent budget, \$563 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. These include: municipal comprehensive review, aggregate resources, district plans, environmental planning reviews and the ROP.

Partnership, Rebate, Exemption - The favourable variance of \$1,576 is due to unspent grants from the Waterfront Investment Program (WIP). Of the unspent budget \$1,318 of expenditures have been committed to and are included in the 2018 encumbrances reported as Transfer Between Funds. An additional \$250 of unspent funds have been returned to reserves.

Revenue - The unfavourable variance of \$389 is due to a lower transfer of development charge revenue, which is matched to expenditures to partially fund the ROP.

Transfer Between Funds - The unfavourable variance of \$2,132 is due to \$1,881 in 2018 encumbrances and transfers to reserve of \$250 in unspent WIP Funds.

Community Impacts & Achievements

Planning & Development provides land use planning and development review including natural heritage, 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

The "Niagara 2041" growth strategy involves the following primary components:

- The Transportation Master Plan (TMP) and Water and Wastewater Master Servicing Plan (MSP), and the Municipal Comprehensive Review (MCR), which are complete.
- Initiated Regional Official Plan (ROP) attending all local councils and establishing frameworks, background studies and policy development.
- Supported full audit preparation for the grant and incentives review while continuing to deliver programs, future direction from Council will be required.

Other Initiatives

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

- Finalized GO Hub and Transit Stations Study, Expedited Process for Development, Global Attractiveness, Facilitating Development Solutions and Grant and Incentive Programs

Growing Niagara

- District & Secondary Plans: Brock Plan in implementation, Glendale Plan initiated and Prudhommes Plan complete
- Providing assistance with development of the Smithville Subwatershed Study Terms of Reference
- Supporting major development initiatives

Building Great Communities - Urban Design (Public Realm Investment Program)

- Regional facilities and streetscapes in core areas
- Providing assistance to several communities with urban design solutions

Planning & Development - Continued

Supporting Local Communities, Fostering Great Development

- 58% increase in development application revenues between 2014-2017
- 59% increase in pre-consultations between 2014-2017
- 95.4% of applications satisfied review timeline targets in 2017
- Updating Memorandum of Understanding with our Local Area Municipalities and the Niagara Peninsula Conservation Authority
- Leading Environmental Planning review function

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	\$2,000	\$1,756	\$244	12.2%
Administrative	\$1,867	\$1,835	\$32	1.7%
Operational & Supply	\$921	\$1,296	-\$375	-40.7%
Equipment, Vehicles, Technology	\$1	\$10	-\$9	N/A
Financial Expenditures	\$109	\$163	-\$54	-49.8%
Total Expenses	\$4,897	\$5,060	-\$163	-3.3%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$6,740	-\$7,344	\$604	9.0%
Total Revenues	-\$6,740	-\$7,344	\$604	9.0%
Intercompany Charges	-\$9	-\$7	-\$2	-19.0%
Total Intercompany Charges	-\$9	-\$7	-\$2	-19.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$1,852	-\$2,291	\$439	23.7%
Transfers To Funds	\$0	\$45	-\$45	0.0%
Total Transfers	\$0	\$45	-\$45	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-\$1,852	-\$2,246	\$395	21.3%
Indirect Allocations & Debt	\$1,307	\$1,306	\$2	0.1%
Total Indirect Allocations & Debt	\$1,307	\$1,306	\$2	0.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$544	-\$941	\$396	72.8%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Courts Services operated at a year-to-date surplus before indirect allocations of \$396 due to the following factors:

Distribution to Local Area Municipalities - The total year distribution to local area municipalities and Region is \$941 each, due in part to an increase in collection enforcement activity and fine payments received, as well as savings due to vacancy management.

Compensation - The favourable variance of \$244 is due to vacancy management.

Operational & Supply - The unfavourable variance of \$375 is mainly due to the increase in the fourth quarter net revenue distribution payment to the local area municipalities reflective of the overall net revenue for the year being more than budgeted.

Financial Expenditures – The unfavourable variance of \$54 is a result of higher collection charges paid to third party collection agencies as a result of increased delinquent fines recovered in the year.

Other Revenue - The favourable variance of \$604 is due to an increase in collection enforcement activity and larger fine payments received in the year.

Community Impacts & Achievements

Court Services developed new performance metrics in 2016 for Administration, Collections and Prosecutions. High quality service, cost effective services, timely/accessible service and innovative services are four key metrics measured against targets identified. Here are some of the targets and outcomes of our key metrics:

High Quality Service

- Information accuracy – # of licence suspensions vs suspensions made in error
Target = 99% Outcome = 99.9%
- Information accuracy - # of convictions vs # of administrative re-openings
Target = 95% Outcome = 100%

Cost Effective Service

- Value Return vs Investment – cancelling witnesses & vacating court time within 3 days of notification
Target = 95% Outcome = 100%

Established Standard vs Outcome

- RPC Review - prosecution undertake file review within 5 days of receiving file
Target = 95% Outcome = 67%
- Appeals – send file to MAG within 10 days of being notified of appeal
Target = 80% Outcome = 0%
- Cases investigated for enforcement within 30 days
Target = 80% Outcome = 41%

Timely/Accessible Service

- Disclosure – sent to defendant within 10 business days of receipt of file
Target = 95% Outcome = 98%
- Trials & ER's – set within 20 days of receipt of request
Target = 80% Outcome = 100%

Innovative Service

- Service quality improved through innovation - Extension results - # of times sent by email vs regular mail
Target = 75% Outcome = 79%
- Cost saved through innovation - Interpreters through video vs. total number of interpreters
Target = 50% Outcome = 84%

Court Services - Continued

- Mileage cost saved through Lync meetings = \$45
- Travel time saved through Lync meetings = 90 minutes

Court Services will continue to monitor these measures to ensure that internal targets are met and processes are improved as well as work to identify new measures to continue the success of the division.

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	\$4,802	\$4,917	-\$115	-2.4%
Administrative	\$864	\$813	\$51	5.9%
Operational & Supply	\$81	\$80	\$2	2.0%
Occupancy & Infrastructure	\$14,288	\$14,655	-\$367	-2.6%
Equipment, Vehicles, Technology	\$364	\$293	\$71	19.5%
Community Assistance	\$33,784	\$30,809	\$2,975	8.8%
Partnership, Rebate, Exemption	\$0	\$0	\$0	0.0%
Financial Expenditures	\$2,362	\$2,337	\$25	1.1%
Total Expenses	\$56,545	\$53,903	\$2,642	4.7%
Federal & Provincial Grants	-\$15,439	-\$14,496	-\$942	-6.1%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$13,874	-\$15,240	\$1,365	9.8%
Total Revenues	-\$29,313	-\$29,736	\$424	1.4%
Intercompany Charges	\$61	\$67	-\$6	10.7%
Total Intercompany Charges	\$61	\$67	-\$6	10.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$27,293	\$24,234	\$3,059	11.2%
Transfers From Funds	-\$525	-\$525	\$0	0.0%
Transfers To Funds	\$610	\$980	-\$370	-60.7%
Total Transfers	\$85	\$455	-\$370	-433.8%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,378	\$24,689	\$2,689	9.8%
Indirect Allocations & Debt	\$6,650	\$6,704	-\$55	-0.8%
Total Indirect Allocations & Debt	\$6,650	\$6,704	-\$55	-0.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$34,028	\$31,393	\$2,635	7.7%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) is operating a favourable year-to-date surplus before indirect allocations of \$2,689. The year-to-date surplus is due to the following factors:

Compensation – The unfavourable variance of \$115 is due to unbudgeted increases and changes in the Senior Management Team partially offset by the timing of staffing transitions and Ministry administrative funding related to certain positions.

Administration – The favourable variance of \$51 is due to lower than expected costs for consulting of board-level and executive-office initiatives partially offset by higher than budgeted costs related to the building condition assessments at all properties and insurance costs relating to property damage in the year.

Occupancy & Infrastructure - The unfavourable variance of \$367 is due to higher than budgeted property infrastructure and grounds maintenance costs driven by higher than budgeted costs for service contract renewals due to increases in minimum wage and service level review requirements. This is partially offset by lower than budgeted utility costs and property tax savings.

Equipment, Vehicles, Technology - The favourable variance of \$71 is due to the timing of the housing provider software implementation, which is expected to be completed in 2019 and has been recorded as an encumbrance in the Transfer to Reserves. This is partially offset by higher than budgeted appliance repair and replacement costs in NRH-owned units.

Community Assistance - The favourable variance of \$2,975 is due to lower than budgeted subsidy payments to non-profit, co-op and federal providers along with prior year adjustments, in addition to the timing of take-up for Ministry-funded programs expected to be utilized in 2019. This variance is partially offset by the Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.

Federal & Provincial Grants - The unfavourable variance of \$942 is due to timing of Ministry-funded programs and related administrative costs.

Other Revenue - The favourable variance of \$1,365 is due to the recognition of provincial funding where NRH holds no further obligation (\$388), higher than budgeted rental revenues for NRH-owned units (\$585), and investment income (\$226).

Transfers - The unfavourable forecasted variance of \$370 is due to the 2018 encumbrances for initiatives with expected 2019 completion, including: software implementation to support housing providers and capital asset management (\$69); and the completion of the Designated Substance Surveys (\$270), NRH Board Governance process (\$17) and office seating updates (\$14).

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for 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 2018 include:

- *New Units* – Construction continues on the \$15.8 million, 85-unit Carlton Street development, addressing the need for affordable rental units in St. Catharines, in addition, construction has started on the 2018 Multi-residential intensification on Roach street in Welland
- *Home Repairs* – Inspections underway for 2018-2019 Niagara Renovates funding; 49 households were improved in 2018
- *Improved Lives Through Homeownership* – NRH has provided a down payment loan to help 47 households purchase their first home during 2018
- *Help For Survivors Of Domestic Violence* – Continue accepting applications to provide Portable Rent Benefits to prevent at-risk households from unsafe situations or the move to shelters
- *Addressed Homeless* – Continue partnering with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports

Niagara Regional Housing - Continued

- *Improved Communities* – NRH partners with more than 40 community agencies across Niagara to link vulnerable tenants with appropriate supports and provide community programs to build better communities
- *Bus Tour* – NRH provided a bus tour to introduce Councillors to NRH communities and services provided; NRH provided an informative snapshot of Affordable Housing, Public Housing, Non-Profits and Cooperatives.

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

	Year to Date	Year to Date	Year to Date	Year to Date
	Budget	Actual	Budget vs Actual Variance Amount	Budget vs Actual Variance Percentage
Compensation	\$144,587	\$144,844	-\$257	-0.2%
Administrative	\$3,824	\$3,765	\$59	1.6%
Operational & Supply	\$2,255	\$2,388	-\$133	-5.9%
Occupancy & Infrastructure	\$327	\$191	\$136	41.5%
Equipment, Vehicles, Technology	\$6,029	\$5,708	\$321	5.3%
Financial Expenditures	\$4	\$10	-\$6	-152.3%
Total Expenses	\$157,026	\$156,906	\$120	0.1%
Federal & Provincial Grants	-\$10,008	-\$10,037	\$29	-0.3%
By-Law Charges & Sales	-\$7,355	-\$7,068	-\$287	3.9%
Other Revenue	-\$1,529	-\$1,992	\$464	-30.3%
Total Revenues	-\$18,891	-\$19,098	\$206	-1.1%
Intercompany Charges	-\$1,367	-\$1,362	-\$5	-0.3%
Total Intercompany Charges	-\$1,367	-\$1,362	-\$5	-0.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$136,768	\$136,446	\$322	0.2%
Transfers From Funds	\$0	\$0	\$0	0.0%
Transfers To Funds	\$6,723	\$6,723	\$0	0.0%
Total Transfers	\$6,723	\$6,723	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$143,491	\$143,169	\$322	0.2%
Indirect Allocations & Debt	\$10,905	\$10,698	\$206	1.9%
Total Indirect Allocations & Debt	\$10,905	\$10,698	\$206	1.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$154,396	\$153,868	\$528	0.3%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending December 31 2018, the Service and Board's financial result was a combined Net Expenditure before Indirect Allocations surplus of \$322. The surplus consisted of a \$173 surplus attributable to the Niagara Regional Police Service, and a \$149 surplus attributable to the Police Service Board.

Compensation – At December 31, the Compensation expense was above the approved budget by \$257. This deficit is primarily due to greater than budgeted civilian salaries for the backfilling of operationally essential civilian positions and sick leave payouts, offset by employee benefit claims and WSIB administrative savings.

Other Operational Expenditures - Other Operational Expenditures are comprised of all other operating expenditures excluding Compensation Costs, Financial Expenditures and Interfunctional Transfer. At December 31, spending is below budget by \$383 mainly due to savings in repairs and maintenance of equipment and vehicles as well as lower than expected spending for legal services within the Board Office.

Recoveries & Revenues – At December 31, Gross Revenues and Recoveries were \$206 above budget levels. This surplus is primarily due to other revenue recoveries such as seconded assignments, contracting of voice radio services to lower tier municipalities and proceeds from sale of assets.

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	\$6,978	\$6,978	\$0	0.0%
Total Expenses	\$6,978	\$6,978	\$0	0.0%
Other Revenue	\$0	-\$1,284	\$1,284	0.0%
Total Revenues	\$0	-\$1,284	\$1,284	0.0%
Total Intercompany Charges			\$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$6,978	\$5,693	\$1,284	18.4%
Transfers To Funds	\$0	\$1,284	-\$1,284	0.0%
Total Transfers	\$0	\$1,284	-\$1,284	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$6,978	\$6,978	\$0	0.0%
Indirect Allocations & Debt	\$4	\$8	-\$4	-102.6%
Total Indirect Allocations & Debt	\$4	\$8	-\$4	-102.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$6,981	\$6,985	-\$4	-0.1%

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.

The favourable variance of \$1,284 in Other Revenue is the anticipated differential reserve refund that has been committed to the Niagara Region. The unfavourable variance of \$1,284 in Transfer To Funds is a result of the refund being transferred to reserves for use in the 2019 budget.

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

The following identifies all budget amendments & adjustments as per budget control policy 2017-63.

Original Budget Revenue & Expenditures	934,235	
Public Health	1,160	To record budgeted transfer from the Ambulance Communication Reserve to fund the Niagara EMS System changes (PHD 17-2017 & CSD 17-2018).
Total Budget Amendment	1,160	
Corporate	17,381	To record the 2017 Encumbrance budget adjustment as detailed in the 2017 Year end Results & Transfer report (CSD 10-2018).
Community Services	159	To record funding and related expenditures from the Ontario Trillium Foundation review of Niagara Prosperity Initiative (NPI).
Community Services	100	To record one-time funding and related expenditures from the Ministry of Community and Social Services for the Social Assistance Service Modernization Prototype.
Community Services	136	To record revised funding and related expenditures for temporary high intensity needs personal support workers funded by the Ministry of Health and Long-Term Care.
Community Services	7,851	To record funding and related expenditures from the Ministry of Education as per the 2018 Child Care Service Agreement (COM 14-2018).
Community Services	1,477	To record funding and related expenditures from the Local Health Integration Network (LHIN) for the Senior Services division in excess of approved funding (COM 17-2018).
Community Services	39	To record funding and related expenditures from Immigration, Refugees and Citizenship Canada relating to increased funding agreement for Local Immigration Partnerships.
Planning and Development	25	To record funding and related expenditures for consulting work to be completed on behalf and fully funded by developer (Lakewood).
Public Health and Emergency Services	605	To record additional funding and related expenditures from the Ministry of Health and Long-Term Care for Mandatory programs and Healthy Smiles Ontario program (MOH 03-2018).
Public Health and Emergency Services	613	To record renewed funding and related expenditure from the Ministry of Health and Long-Term Care for the Dedicated Offload Nursing Program.
Public Health and Emergency Services	239	To record funding and related expenditures from the Hamilton Niagara Haldimand Brant Local Health Integration Network for the Community Paramedicine program.
Public Health and Emergency Services	18	To record funding and related expenditures from the Ministry of Health and Long Term Care as per the Needle Exchange program base funding increase
Public Health and Emergency Services	82	To record funding and related expenditures from the Ministry of Health and Long Term Care as per the Needle Exchange program one time funding increase
Transportation	344	To record funding and related expenditures from the Public Transit Infrastructure Fund program for the acquisition of an additional IMT bus to be operated by the City of Welland.

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

Transportation	421	To record use of Provincial Gas Tax funding for the acquisition of an additional IMT bus to be operated by the City of Welland.
Wastewater	3,163	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2017 in relation to the 2017 Year end Results & Transfer report (CSD 10-2018).
Transportation	290	To record funding and related expenditures for repairs and maintenance of roads and shoulders damaged through the implementation of the Niagara Wind Farm.
Niagara Regional Housing	1,007	To record revised funding and related expenditures for the Social Housing Improvement Program (SHIP) and related administration (NRH 4-2016).
Total Budget Adjustment	33,850	
December 31, 2018 Adjusted Budget	969,345	

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, 2018 the Region’s consolidated and uncommitted reserve balance was \$295,022 (\$278,506 at December 31, 2017). The ratio of debt to reserves is an important marker of fiscal sustainability. A ratio greater than 1 shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if the ratio was less than 1, it can indicate vulnerability to economic downturns. The Region’s debt to reserve ratio including unissued debt is .592 (.594 at December 31, 2017).

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2018 before Transfers (Q4)	Year-end transfers *	Balances Available at December 31, 2018	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Wastewater Capital	\$45,481	\$19,735	- \$2,000	- \$20,760	\$744	\$43,200	\$46	\$43,246	\$0	\$43,246
Water Capital	\$74,052	\$19,149	\$0	- \$9,205	\$1,307	\$85,302	\$3,186	\$88,488	\$0	\$88,488
Waste Management	\$21,094	\$1,600	\$0	- \$6,103	\$312	\$16,903	\$0	\$16,903	- \$1,845	\$15,058
General Capital Levy	\$24,723	\$25,661	- \$5,800	- \$29,349	\$0	\$15,234	\$10,987	\$26,221	- \$525	\$25,696
Infrastructure Deficit	\$3,251	\$3,400	\$0	- \$6,411	\$0	\$241	\$0	\$241	\$0	\$241
Court Services Facility Renewal	\$1,650	\$0	\$0	\$0	\$0	\$1,650	\$0	\$1,650	- \$860	\$790
Niagara Regional Housing	\$7,150	\$0	\$0	- \$1,110	\$0	\$6,040	\$0	\$6,040	\$0	\$6,040
NRH Owned Units	\$4,327	\$390	\$0	- \$596	\$0	\$4,121	\$0	\$4,121	\$0	\$4,121
NRPS Long-Term Accomodation (LTA) *	\$1,184	\$5,123	- \$4,496	- \$1,759	\$0	\$52	\$0	\$52	\$0	\$52
Ontario Police Video Training Alliance	\$61	\$0	\$0	\$0	\$0	\$61	\$0	\$61	\$0	\$61
Police Capital Levy	\$1,456	\$0	\$0	- \$737	\$0	\$719	\$0	\$719	- \$250	\$469
Police Vehicle and Equipment Replacement	\$224	\$1,400	\$0	- \$1,400	\$0	\$224	\$0	\$224	\$0	\$224
Total Capital Reserves	\$184,654	\$76,458	- \$12,296	- \$77,430	\$2,362	\$173,748	\$14,219	\$187,967	- \$3,480	\$184,487
Wastewater Stabilization	\$3,649	\$0	\$0	\$0	- \$297	\$3,352	- \$370	\$2,982	\$0	\$2,982
Water Stabilization	\$3,313	\$0	- \$25	\$0	\$55	\$3,342	\$100	\$3,442	\$0	\$3,442
Waste Management Stabilization	\$6,042	\$270	\$0	\$0	\$102	\$6,414	\$1,013	\$7,427	\$0	\$7,427

Reserve Summary (in thousands of dollars) - Continued

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2018 before Transfers (Q4)	Year-end transfers *	Balances Available at December 31, 2018	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Encumbrance	\$17,531	\$11,686	- \$9,723	\$0	\$0	\$19,494	\$0	\$19,494	\$0	\$19,494
Investment Income Stabilization	\$145	\$6	- \$132	\$0	\$0	\$19	\$0	\$19	\$0	\$19
Taxpayer Relief	\$24,821	\$2,134	- \$2,245	\$0	\$0	\$24,710	\$1,832	\$26,542	\$0	\$26,542
NRH Rent Supplements	\$302	\$0	- \$24	\$0	\$0	\$278	\$0	\$278	\$0	\$278
Police Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Services Board Contingency	\$153	\$0	\$0	\$0	\$0	\$153	\$0	\$153	\$0	\$153
Total Corporate Stabilization Reserves	\$55,956	\$14,096	- \$12,150	\$0	- \$140	\$57,763	\$2,575	\$60,338	\$0	\$60,338
Ambulance Communication	\$1,275	\$0	- \$1,238	\$0	\$0	\$37	\$0	\$37	\$0	\$37
Circle Route Initiatives	\$1,383	\$0	\$0	\$0	\$0	\$1,383	\$0	\$1,383	\$0	\$1,383
Total Specified Contribution Reserves	\$2,658	\$0	- \$1,238	\$0	\$0	\$1,419	\$0	\$1,419	\$0	\$1,419
Future Benefit Costs	\$24,995	\$0	- \$150	\$0	\$0	\$24,845	\$0	\$24,845	\$0	\$24,845
Self Insurance	\$2,270	\$0	\$0	\$0	\$0	\$2,270	\$0	\$2,270	\$0	\$2,270
Smart Growth	\$451	\$0	- \$250	\$0	\$0	\$201	\$0	\$201	\$0	\$201
Landfill Liability	\$5,377	\$2,266	\$0	\$0	\$108	\$7,750	\$538	\$8,288	\$0	\$8,288
NRH Employee future benefits	\$793	\$0	\$0	\$0	\$0	\$793	\$0	\$793	\$0	\$793
Police Accumulated Sick Leave	\$1,680	\$0	\$0	\$0	\$0	\$1,680	\$0	\$1,680	\$0	\$1,680
Police Future Benefit Cost	\$4,152	\$0	\$0	\$0	\$0	\$4,152	\$0	\$4,152	\$0	\$4,152
Police WSIB	\$2,870	\$200	\$0	\$0	\$0	\$3,070	\$0	\$3,070	\$0	\$3,070
Total Future Liability Reserves	\$42,587	\$2,466	- \$400	\$0	\$108	\$44,760	\$538	\$45,298	\$0	\$45,298
Total (Excluding Deferred Revenues)	\$285,855	\$93,020	- \$26,084	- \$77,430	\$2,330	\$277,690	\$17,332	\$295,022	- \$3,480	\$291,542

* Subject to Council approval in CSD 21-2019.

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2017	Year to Date Transfers from Revenues	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at December 31, 2018	Capital Commitments *	Balance Available at December 31, 2018
Development Charges-General Government	\$844	\$666	-\$256	-\$6	\$17	\$1,265	-\$1,591	-\$326
Development Charges-Police Services	\$763	\$1,132	\$0	-\$33	\$22	\$1,884	-\$38	\$1,846
Development Charges-Roads	\$42,254	\$18,818	\$0	-\$10,953	\$764	\$50,883	-\$24,264	\$26,619
Development Charges-Sewer	\$31,871	\$12,760	-\$610	-\$822	\$622	\$43,954	-\$6,662	\$37,292
Development Charges-Water	\$19,293	\$8,969	\$0	-\$356	\$390	\$28,296	-\$16,030	\$12,266
Development Charges-Emergency Medical	\$985	\$387	\$0	-\$249	\$17	\$1,140	-\$954	\$186
Development Charges-LT Care	\$504	\$2,543	\$0	\$0	\$29	\$3,076	\$0	\$3,076
Development Charges-POA	\$34	\$145	\$0	\$0	\$2	\$181	\$0	\$181
Development Charges-Health	\$66	\$345	\$0	\$0	\$4	\$415	\$0	\$415
Development Charges-Social Housing	\$370	\$2,215	\$0	\$0	\$24	\$2,609	\$0	\$2,609
Development Charges-Waste Division	\$213	\$837	\$0	-\$101	\$10	\$959	-\$121	\$837
Subtotal Development Charges	\$97,197	\$48,817	-\$866	-\$12,521	\$1,902	\$134,662	-\$49,661	\$85,000
Federal Gas Tax	\$18,081	\$13,739	\$13	-\$12,418	\$310	\$19,724	-\$19,395	\$330
Provincial Gas Tax	\$1,043	\$677	-\$1,225	\$0	\$13	\$508	\$0	\$508
Subtotal Gas Tax	\$19,124	\$14,416	-\$1,212	-\$12,418	\$323	\$20,232	-\$19,395	\$837
Total	\$116,321	\$63,233	-\$2,078	-\$24,939	\$2,225	\$154,762	-\$69,056	\$85,705

* 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.

Operating 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 new 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	- \$54,208	
<i>Additional operating reserve transfers (to)/from reserves:</i>		
All Rate Reserves	- \$465	Interest income allocation to reserve above budget - Per reserve policy
2017 Encumbrance	\$17,381	2017 Encumbrance (CSD 10-2018)
2018 Encumbrance	- \$19,344	2018 Encumbrance (CSD 21-2019) – Subject to Council Approval
General Capital Levy	- \$1,228	Transfer of capital financing (balloon payment)
General Capital Levy	- \$8,561	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Water Capital	- \$734	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Wastewater Capital	- \$1,012	Transfer Debt Charge Placeholder surplus to reserves to fund subsequent capital budget requirements (CSC 7-2013)
Ambulance Communication	\$1,160	Niagara EMS System Changes CSD 17-2018
Ambulance Communication	- \$26	Transfer back to reserve for unused funds - Software license contract discontinued
Capital Levy	- \$441	Proceeds on Sale of Surplus Properties
Capital Levy	- \$250	Transfer back to reserve for unused funds - Waterfront Improvement Program PDS 16-2018
Capital Levy	- \$154	Transfer back to reserve for unused funds - Active Transportation/Bike Lane Funding
Capital Levy	- \$92	Transfer back to reserve for unused funds - Drainage Assessment
Taxpayer Relief	- \$1,284	Transfer back to reserve for anticipated NPCA Levy Apportionment Appeal, to be utilized as a funding source in the 2019 budget.
Investment Income Stabilization	- \$6	Truing up reserve balance for capital gains (CSD112-2012)
Net operating transfers to reserves	- \$69,265	

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 new 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	Annual Forecast Transfer (to)/from Reserves	Transfer Description
Council approved net capital transfers per 2018 Budget	\$73,989	Reserve Transfers to capital projects
Transfer from reserves to pre-2018 capital projects	\$7,349	
<i>Additional capital reserve transfers:</i>		
NRH Owned Units	- \$391	Project close out - Funds returned to reserve
Police Capital Levy	- \$37	Project close out - Funds returned to reserve
Net capital transfers	\$80,910	

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 2018 encumbrances by department.

Encumbrance History

	2018	2017	2016	2015	2014
Governance	\$0	\$0	\$35	\$129	\$49
General Government	\$3,363	\$2,278	\$250	\$0	\$365
Corporate Administration	\$285	\$390	\$249	\$30	\$2
Corporate Services	\$48	\$15	\$290	\$0	\$0
Enterprise Resource Management Services	\$581	\$224	\$99	\$0	\$0
Community Services	\$36	\$3	\$0	\$101	\$0
Planning & Development Services	\$1,881	\$1,649	\$3,254	\$2,509	\$1,511
Public Health	\$1,318	\$79	\$275	\$35	\$0
Economic Development	\$285	\$678	\$95	\$126	\$25
Niagara Regional Housing	\$371	\$501	\$223	\$34	\$192
Public Works - Transportation	\$735	\$1,544	\$2,104	\$269	\$156
Public Works - Waste Management	\$932	\$522	\$204	\$244	\$571
Public Works - Water/ Wastewater *	\$9,659	\$9,495	\$7,989	\$7,195	\$591
TOTAL	\$19,494	\$17,378	\$15,067	\$10,671	\$3,461

* The Public Works - Water/Wastewater 2018 Encumbrance includes \$14,212 (Net of Development Charge Funding \$9,659) related to Combined Sewer Overflow program funding. Managing this program through the operating budget rather than capital budget began in 2015 resulting in an increase in annual encumbrances. \$3.9MM in funding remains in capital project related to this program from 2008 through 2014.

Notes:

- \$14,342 of the total encumbrances in 2018 (2017 - \$14,354) relate to incentive and grant programs.

Encumbrance Detail (in thousands of dollars)

Description	Amount	
General Government		
Public Realm Investment Program		
RR20 (Lundy's Lane) *	\$29	
RR27 (East Main St.), RR68 (King St. RR68), RR527 (Division St.) *	\$12	
Parkette Queenston St *	\$100	
Prince Charles Dr *	\$13	
RR18 (Ontario St.), RR81 (King St.)	\$15	
Civic Square Revitalization	\$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)	\$100	
Smithville Public Square	\$100	\$399
Smarter Niagara Incentive Program - Tax Increment Grant		
Amounts issued in prior year*	\$103	
Amounts issued in the current year	\$782	\$885
Gateway - Tax Increment Grant		\$234
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	\$360	
CIP/MasterPlans/Official Plans Grant Program	\$375	
ESA Phase II (Risk Assessment Plan)	\$25	
Heritage Restoration and Improvement Grant	\$34	
Public Realm Grant Program	\$330	
Residential Grant/Loan Program	\$721	\$1,845
Total Encumbrances for General Government		\$3,363
Corporate Administration		
Communications Master Plan		\$20
Accounts Payable Audit		\$12
Employee Benefits Audit		\$50
Governance Review		\$40
Advertising Partnership with City of St. Catharines		\$13
Total Encumbrance for Corporate Administration		\$135
Corporate Services		
Employee Engagement Survey*		\$150
Staff Education Assistance*		\$14
Council Changeover		\$34
Total Encumbrance for Community Services		\$198
Enterprise Resource Management Services		
Tax Policy*		\$25
Asset Management Plan*		\$118
Consulting for ASD for LTC Redevelopment/Affordable Housing/Recycling Facilities		\$25
Sustainability Review		\$400
Advertising Partnership with City of St. Catharines		\$13
Total Encumbrance for Enterprise Resource Management Services		\$581
Community Services		

Encumbrance Detail (in thousands of dollars) - Continued

Description	Amount
Regional Affordable Housing Strategy (SAEO)	\$36
Total Encumbrance for Community Services	\$36
Planning & Development	
District Plans - Glendale Area*	\$118
Region Official Plan	\$279
Amendment to Update the Aggregate Resources Policy *	\$25
Municipal Comprehensive Review *	\$62
Environmental Planning Reviews	\$54
Highly Vulnerable Aquifer Reviews	\$25
Agricultural Grant	\$30
Planning & Development (continued)	
Waterfront Investment Program	
Fort Erie - Bay Beach Master Plan *	\$638
Niagara Falls - Millennium Rec Trail	\$400
Town of Lincoln - Museum and Cultural Centre	\$250
	\$1,288
Total Encumbrance for Planning and Development	\$1,881
Public Health	
EMS System Redesign	\$892
IDS Linkage	\$146
Parent-Talk-Line Furniture and Equipment	\$60
NFP Study - McMaster University	\$37
Flu Prevention Ads	\$11
MOH Recruitment Initiative	\$18
Early Development Instrument	\$58
Healthy Kids Community Challenge	\$36
Review and Analysis of Public Health Job Descriptions	\$35
Review and Analysis of Internal Policies	\$25
Total Encumbrance for Public Health	\$1,318
Economic Development	
South Western Integrated Fiber Technology (SWIFT)*	\$200
Niagara District Airport	\$50
Strategic Plan	\$35
Total Encumbrance for Economic Development	\$285
Niagara Regional Housing	
NRH Board Governance Process*	\$17
Integrated Housing Solution Software *	\$70
Update Boardroom and Waiting Room seating per requirements	\$14
Designated Substance Survey	\$270
Total Encumbrance for Niagara Regional Housing	\$371
Public Works - Transportation	
Niagara Specialized Transit Study	\$150
Mill and Pave Roads	\$32
Emerald Ash Bore*	\$288

Encumbrance Detail (in thousands of dollars) - Continued

Description	Amount
Traffic Data Collection	\$87
Annual Pavement Management System	\$13
Transportation Engineering Standard Specifications	\$15
Crack Sealing	\$150
Total Encumbrance for Public Works - Levy	\$735
Public Works - Waste Management	
Long-Term Waste Management Strategic Plan*	\$350
Asset Inventory & Condition Assessment*	\$153
Green Bin Campaign	\$41
Fairness Advisor for MRF Opportunity Review	\$27
MRF Opportunity Review	\$345
Optimize Environmental Monitoring Program	\$16
Total Encumbrance for Public Works - Waste Management	\$932
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	\$3,270
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	\$2,448
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	\$1,941
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)	\$2,000
Total Encumbrance for Public Works - Water/Wastewater	\$9,659
TOTAL 2018 ENCUMBRANCE	\$19,494

* Encumbrance balance carried over from 2017

Capital Summary (in thousands of dollars)

The Enterprise Resource Management Services (ERMS) 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 ERMS 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 Budget Reconciliation

The capital budget managed by Niagara Region has declined by \$70,409 since Q3 2018. The decrease is primarily caused by budget reductions (\$1,907) and project closures of (\$70,817). This decrease is slightly mitigated by gross budget adjustments (\$1,398) and transfers to capital projects (\$917).

15 capital projects of the 526 capital sub-projects, with budgets totalling approximately \$64,652 (levy \$62,807 / rate \$1,845) remain uninitiated at Dec 31, 2018. A summary of the levy and rate impact of Niagara Regions total capital budget during the year is presented below:

Capital Budget Reconciliation	Levy Programs	Rate Programs	Adjusted Budget
2017 Total Adjusted Budget (excluding Capital Variance Projects) at December 31, 2017	\$675,305	\$354,572	\$1,029,877
Council Approved 2018 Budget	\$99,392	\$87,190	\$186,582
Gross Budget Adjustment (including transfers from operating)	\$5,079	\$1,002	\$6,080
Transfer from Capital Variance	\$1,104	\$1,409	\$2,512
Budget Reductions on Active Capital Projects *	- \$4,908	- \$2,997	- \$7,905
Projects Closed	- \$25,986	- \$5,454	- \$31,439
Closed projects included in project summary reporting	\$3,758	\$0	\$3,758
2018 Total Adjusted Budget (excluding Capital Variance Projects) at July 18, 2018	\$753,744	\$435,722	\$1,189,466
Gross Budget Adjustment (including transfers from operating)	\$802	\$1,098	\$1,900
Transfer from Capital Variance	\$1,507	\$4,098	\$5,605
Budget Reductions on Active Capital Projects *	- \$5,587	- \$1,251	- \$6,838
Projects Closed	- \$18,495	- \$56,276	- \$74,771
Transfer between Levy/Rate Programs	\$2,250	- \$2,250	\$0
Closed projects included in project summary reporting	\$0	\$0	\$0
2018 Total Adjusted Budget (excluding Capital Variance Projects) at October 23, 2018	\$734,221	\$381,140	\$1,115,361
Gross Budget Adjustment (including transfers from operating)	\$1,302	\$96	\$1,398

Capital Summary (in thousands of dollars) - Continued

Capital Budget Reconciliation	Levy Programs	Rate Programs	Adjusted Budget
Transfer from Capital Variance	\$565	\$352	\$917
Budget Reductions on Active Capital Projects *	- \$1,557	- \$350	- \$1,907
Projects Closed	- \$52,193	- \$18,624	- \$70,817
Transfer between Levy/Rate Programs	\$0	\$0	\$0
Closed projects included in project summary reporting	\$0	\$0	\$0
2018 Total Adjusted Budget (excluding Capital Variance Projects) at December 31, 2018	\$682,337	\$362,614	\$1,044,952

* 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 2018 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 Homes Machinery/Equip - 2017	\$326		\$13			\$339
Corporate Services	Asset Replacement - 2017	\$2,500			- \$600	General Levy CV	\$1,900
Corporate Services	Building Exterior HQ Campbell East Roof	\$75			- \$35	General Levy CV	\$40
Corporate Services	Building Exterior Niagara Falls SAE0 Roof	\$30			- \$15	General Levy CV	\$15
Corporate Services	Building Interior 68 Church Lifecycle	\$395			- \$200	General Levy CV	\$195
Corporate Services	Building Site EMS Generators Phase 2	\$768			- \$250	General Levy CV	\$518
Corporate Services	Council Chambers Renovation	\$137			- \$75	General Levy CV	\$62
Corporate Services	Long Term Care Home Redevelopment	\$15,635				Swap to LAM Grant from Debt for \$300K	\$15,635
Niagara Regional Housing	East Main Street Property	\$0	\$220				\$220
Niagara Regional Housing	Social Housing Assistance Improvement Program - 2018	\$1,608	\$950				\$2,558
Public Works - Levy	Embankment Stabilization RR 14 Warner Road West Lincoln	\$4,622		\$249			\$4,871
Public Works - Levy	Illumination Upgrades - 2017	\$400		\$10			\$410
Public Works - Levy	Intersection RR 20 Industrial Parkway South Grimsby Road	\$2,802	\$96				\$2,898
Public Works - Levy	Intersection RR57 Niagara Falls	\$300			- \$150	General Levy CV	\$150
Public Works - Levy	Intersection RR81 King/Greenlane/Durham Lincoln	\$3,039		\$137	- \$137	Federal Gas Tax	\$3,039
Public Works - Levy	Roads Reconstruction RR 69 Effingham Wessel Pelham	\$9,100	\$18				\$9,118
Public Works - Levy	Roads Reconstruction RR 81 Vinhaven 23rd Lincoln	\$470		\$150			\$620

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	Roads Rehabilitation - RR 1 Dominion Road Burleigh to Buffalo	\$12,165			- \$95	Costshare	\$12,070
Public Works - Levy	Roads Resurfacing - 2013	\$2,814	\$9				\$2,823
Public Works - Levy	Roads Resurfacing - 2018	\$9,500	\$10				\$9,510
Public Works - Levy	Unit #591 - Reg Cab Pickup 4x4	\$30		\$5			\$35
All Levy Departments		\$66,716	\$1,302	\$565	- \$1,557		\$67,025
Wastewater	Pump Station & Forcemain - Roberts Rd	\$500		\$182			\$682
Wastewater	Pump Station & Forcemain - Wellandvale	\$2,124	\$22				\$2,146
Wastewater	Pump Station Improvement Program - 2013	\$5,750			- \$200	Wastewater CV	\$5,550
Wastewater	Sewage Pump Station - Beaverdams	\$150	\$52	\$13			\$215
Wastewater	Trunk Sewer Rehab - Bartlett	\$515	\$17				\$532
Wastewater	Waste Water Treatment Plant Effluent Outflow - Niagara Falls	\$875	\$5				\$880
Wastewater	Wastewater Improvement Program - 2018	\$175		\$115			\$290
Wastewater	Wastewater Treatment Plant Primary Tank Upgrade - Niagara Falls	\$523		\$8			\$530
Water	Elevated Tank - Decew	\$125		\$25			\$150
Water	Storage Facility - Port Colborne	\$11,800			- \$150	Water CV	\$11,650
Water	Water Main Program - Martindale	\$650		\$10			\$660
All Rate Departments		\$23,186	\$96	\$352	- \$350		\$23,285
Corporate Services	Code & Legal Compliance - 2018	\$295	- \$50				\$245
Corporate Services	Uninterruptible Power Supply Replacement	\$50	\$50				\$100
All Inter-Project Transfers		\$345	\$0	\$0	\$0		\$345
All Departments Total		\$90,247	\$1,398	\$917	- \$1,907		\$90,655

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 year end transfer report. The following 69 projects were closed during October 24 to December 31, 2018.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Community Services	Annual - Capital Bed Replacement - 2017	\$100	\$98	\$3	\$3	CV Levy	2
Community Services	Annual - Capital Improvement - 2015	\$550	\$538	\$12	\$12	CV Levy	4
Corporate Services	Bldg Site - Childcare FE-Site	\$135	\$133	\$2	\$2	CV Levy	3
Corporate Services	Building Exterior Upgrades - Division Street - 2018	\$204	\$0	\$204	\$204	CV Levy	1
Corporate Services	Building Interior Repair NRPS - 68 Church Street	\$150	\$29	\$121	\$121	CV Levy	2
Corporate Services	Code & Compliance Upgrade - 2016	\$97	\$94	\$3	\$3	CV Levy	3
Corporate Services	Code & Compliance Upgrade - 2017	\$31	\$31	\$0	\$0	CV Levy	2
Corporate Services	EMS Garage Door Upgrades	\$75	\$48	\$27	\$27	CV Levy	6
Corporate Services	GIS Mapping Optimization	\$438	\$394	\$44	\$61	CV Levy	8
Corporate Services	Information Technology Apps Replace/Upgrade	\$200	\$120	\$80	\$64	CV Levy	5
Corporate Services	Information Technology In-year Ext Dept Project - 2018	\$200	\$0	\$200	\$200	CV Levy	1
Corporate Services	POA Technology	\$100	\$45	\$55	\$0	CV Levy	6
Corporate Services	Public Works Service Centre Overhead Doors	\$50	\$17	\$33	\$33	CV Levy	5
Corporate Services	Regional Headquarters Campbell East - Parking Ship - 2018	\$107	\$47	\$60	\$60	CV Levy	1
Corporate Services	Regional Headquarters Campbell West Reorganization	\$172	\$115	\$57	\$57	CV Levy	4
Corporate Services	Welland Gun Range HVAC	\$125	\$46	\$79	\$79	CV Levy	5
Niagara Regional Housing	Social Housing Improvement Program - 2016	\$1,200	\$1,115	\$85	\$0	CV Levy	2
Niagara Regional Police Services Board	Air Monitor - 2018	\$10	\$9	\$0	\$0	POCL Levy	1
Niagara Regional Police Services Board	Annual - Capital Asset Acquisition - 2015	\$78	\$73	\$5	\$5	POCL Levy	4
Niagara Regional Police Services Board	Ballistic Shields - 2017	\$47	\$47	\$0	\$0	POCL Levy	2

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)
Niagara Regional Police Services Board	Close Quarters Battle Range Timber - 2017	\$10	\$3	\$7	\$7	POCL Levy	2
Niagara Regional Police Services Board	Collision Reporting Software - 2018	\$28	\$28	\$0	\$0	POCL Levy	1
Niagara Regional Police Services Board	Communications Unit System	\$230	\$228	\$2	\$2	POCL Levy	3
Niagara Regional Police Services Board	Conducted Energy Weapon Replacement - 2017	\$27	\$27	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2015	\$800	\$781	\$19	\$19	POCL Levy	4
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2016	\$800	\$798	\$2	\$2	POCL Levy	3
Niagara Regional Police Services Board	Information Technology Equipment Replacement - 2017	\$700	\$699	\$1	\$1	POCL Levy	2
Niagara Regional Police Services Board	Information Technology Network Infrastructure	\$100	\$99	\$1	\$1	POCL Levy	4
Niagara Regional Police Services Board	Investigate Software - 2017	\$41	\$41	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Light Detection & Ranging (LIDAR) Units - 2017	\$118	\$118	\$0	\$0	POCL Levy	2
Niagara Regional Police Services Board	Powder Narc Handling - 2018	\$73	\$72	\$1	\$1	POCL Levy	1
Niagara Regional Police Services Board	Vehicles - 2013	\$1,300	\$1,300	\$0	\$0	PVER Levy	6
Niagara Regional Police Services Board	Vehicles - 2014	\$1,423	\$1,423	\$0	\$0	PVER Levy	5
Niagara Regional Police Services Board	Vehicles - 2015	\$1,398	\$1,398	\$0	\$0	PVER Levy	4
Niagara Regional Police Services Board	Vehicles - 2016	\$1,374	\$1,374	\$0	\$0	PVER Levy	3
Niagara Regional Police Services Board	Vehicles - 2017	\$1,360	\$1,359	\$0	\$0	PVER Levy	2
Public Health	Annual EMS Ambulance and Equipment - 2016	\$1,766	\$1,763	\$3	\$3	CV Levy	3
Public Works - Levy	Annual - Transportation Master Plan	\$1,386	\$1,335	\$51	\$24	CV Levy	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)
Public Works - Levy	Intersection Property - Niagara Stone Road at Concession 6	\$10	\$3	\$7	\$7	CV Levy	9
Public Works - Levy	Intersection RR81 King/Greenlane/Durham Lincoln	\$3,039	\$2,547	\$492	\$0	CV Levy	4
Public Works - Levy	Roads Reconstruction Property - RR20 - Station Road to Highway 406	\$40	\$34	\$6	\$0	CV Levy	6
Public Works - Levy	Roads Rehabilitation 14 RR20/Townline Welland	\$6,880	\$6,842	\$37	\$35	CV Levy	7
Public Works - Levy	Roads Rehabilitation RR18 - George Street / King Street Lincoln	\$8,245	\$7,832	\$413	\$217	CV Levy	10
Public Works - Levy	Structure Rehabilitation RR124 - Central Ave	\$16,940	\$16,880	\$60	\$1	CV Levy	8
Public Works - Levy	Vehicles - Reg Cab Pickup 4x4 - Unit #591	\$35	\$32	\$3	\$3	CV Levy	1
Total Levy Projects Closed and removed from Project Listing		\$52,193	\$50,017	\$2,176	\$1,216	CV Levy	
Waste Management	Mobile Shredding Truck	\$222	\$221	\$1	\$1	CV WMT	5
Waste Management	NR-12 Landfill - Reusables Drop-off	\$100	\$100	\$0	\$0	CV WMT	3
Waste Management	Annual Recycling Centre Building & Equipment - 2017	\$100	\$95	\$5	\$5	CV WMT	2
Waste Management	Annual Property Acquisition - 2017	\$100	\$0	\$100	\$100	CV WMT	2
Total Waste Management Projects Closed and removed from Project Listing		\$522	\$416	\$106	\$106		
Wastewater	Pump Station & Forcemain - Roberts Rd	\$682	\$682	\$0	\$0	CV SEW	8
Wastewater	Sewer & Forcemain Program - Park Rd	\$12,490	\$12,188	\$302	\$201	CV SEW	7
Wastewater	Wastewater Treatment Plant Upgrade Program - Anger Ave Phase 2	\$500	\$407	\$93	\$93	CV SEW	7
Wastewater	Manhole Rehabilitation Program	\$150	\$75	\$75	\$75	CV SEW	6
Wastewater	Forcemain Replacement - Foss Road	\$250	\$215	\$35	\$35	CV SEW	5
Wastewater	Pump Station Improvement Program - Renown Road	\$400	\$399	\$1	\$1	CV SEW	4
Wastewater	Miscellaneous Program - Laboratory Upgrades	\$150	\$60	\$90	\$90	CV SEW	4
Wastewater	Security Improvement Program - 2015	\$48	\$47	\$1	\$1	CV SEW	4
Wastewater	Sewer & Forcemain Program - Disher Street Elevated Sewer Crossing	\$289	\$246	\$42	\$42	CV SEW	4
Wastewater	Wastewater Treatment Plant Upgrade Program - Niagara Falls Tank	\$350	\$258	\$92	\$92	CV SEW	4

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)
Wastewater	Wastewater Treatment Plant Upgrade Program - Port Colborne Biosolids	\$150	\$93	\$57	\$45	CV SEW	4
Wastewater	Wastewater Treatment Plant Upgrade Program - Niagara Falls Secondary Clarifier	\$230	\$143	\$87	\$87	CV SEW	3
Wastewater	Pump Statrion Surge Valve - St. Davids	\$80	\$0	\$80	\$80	CV SEW	1
Total Wastewater Projects Closed and removed from Project Listing		\$15,768	\$14,814	\$954	\$842		
Water Works	Valve & Valve Chamber Replacement - 2011	\$899	\$728	\$171	\$171	CV WAT	8
Water Works	Security Improvement - 2013	\$32	\$28	\$4	\$4	CV WAT	5
Water Works	Power Glen WM Reconnection	\$275	\$228	\$47	\$47	CV WAT	5
Water Works	Water Treatment Plant Upgrade Program - DeCew WTP	\$650	\$501	\$149	\$149	CV WAT	4
Water Works	Master Meter Replacement - Merit Meadows	\$278	\$255	\$23	\$0	CV WAT	4
Water Works	Water Treatment Plant Upgrade - Rosehill Intake 2017	\$200	\$135	\$65	\$65	CV WAT	2
Total Water Projects Closed and removed from Project Listing		\$2,334	\$1,876	\$458	\$436		
Total Rate Projects Closed and removed from Project Listing		\$18,624	\$17,106	\$1,518	\$1,384		
Total Projects Closed		\$70,817	\$67,123	\$3,695	\$2,600		

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 \$1,044,952 capital budget managed by Niagara Region, representing 471 sub-projects, total capital spending to date of \$584,985 and budget remaining of \$459,966, after commitments of \$93,111.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 140 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	Budget Remaining	Outstanding Commitments (Purchase Orders)	Budget Remaining After Commitments
Community Services	\$2,301	\$320	\$1,981	\$313	\$1,667
Corporate Services	\$171,273	\$113,188	\$58,085	\$2,468	\$55,617
Enterprise Resource Management Services	\$11,450	\$0	\$11,450	\$0	\$11,450
Niagara Regional Housing	\$34,704	\$24,121	\$10,584	\$6,355	\$4,228
Niagara Regional Police Services Board	\$32,763	\$28,237	\$4,526	\$56	\$4,469
Planning	\$2,359	\$126	\$2,233	\$40	\$2,193
Public Health	\$4,407	\$3,677	\$730	\$11	\$719
Public Works - Levy	\$365,916	\$239,046	\$126,870	\$38,479	\$88,391
Waste Management	\$16,485	\$7,917	\$8,569	\$1,542	\$7,026
Wastewater	\$180,913	\$95,000	\$85,913	\$22,587	\$63,326
Water Works	\$121,822	\$37,505	\$84,317	\$13,322	\$70,995
Total Projects with budgets greater than \$1 million	\$944,394	\$549,138	\$395,256	\$85,175	\$310,081
Total Projects with budgets less than \$1 million	\$97,118	\$35,848	\$61,271	\$7,936	\$53,334
Total Projects with budgets less than \$1 million Uninitiated	\$3,440	\$0	\$3,440	\$0	\$3,440
Total Capital Projects	\$1,044,952	\$584,985	\$459,966	\$93,111	\$366,856

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 140 projects totaling \$944,394 of adjusted capital budget. Project spending to date on these sub-projects amounts to \$549,138, representing 58.1 per cent of the adjusted capital budget on these sub-projects.

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Annual - Capital Improvement - 2018		\$1,026	\$282	\$744	\$744	2019	\$268
Expansion St Catharines Child Care Facility		\$1,275	\$38	\$1,237	\$1,237	2019	\$45
Total Community Services		\$2,301	\$320	\$1,981	\$1,981		\$313
Asset Replacement - 2017		\$1,900	\$1,182	\$718	\$718	2019	\$638
Asset Replacement - 2018		\$3,147	\$1,725	\$1,422	\$1,422	2019	\$42
Court Facilities Renewal		\$13,390	\$11,726	\$1,664	\$656	2019	\$556
Court Facilities Renewal	Uninitiated	\$13,210	\$0	\$13,210	\$0	Unknown	\$0
Customer Service Strategic Priority		\$1,685	\$128	\$1,557	\$1,557	2021	\$20
Emergency Medical Services Central Hub	Uninitiated	\$3,895	\$0	\$3,895	\$3,895	2019	\$0
Emergency Medical Services Facility		\$3,100	\$1,835	\$1,265	\$936	2019	\$1
Environmental Centre Expansion *		\$2,000	\$97	\$1,903	\$1,903	2019	\$42
Financial Management System		\$12,640	\$12,341	\$299	\$299	2019	\$5
Health Facilities - Niagara Region		\$7,305	\$2,558	\$4,747	\$4,747	2019	\$124
Health Facilities - Niagara Region	Uninitiated	\$860	\$0	\$860	\$0	Unknown	\$0
Information Technology Server Building		\$3,945	\$3,817	\$128	\$128	2019	\$88
Long-term Accommodations - NRPS Headquarters D2		\$83,227	\$69,292	\$13,935	\$13,935	2020	\$610
Longterm Care Home Redevelopment - 2015		\$15,635	\$5,216	\$10,419	\$10,419	2022	\$309
Northland Pointe Siding Replacement		\$3,344	\$3,245	\$99	\$50	2019	\$0
Regional Headquarters Generator Replacement		\$1,990	\$25	\$1,965	\$1,965	2019	\$32
Total Corporate Services		\$171,273	\$113,188	\$58,085	\$42,630		\$2,468
2021 Canada Summer Games	Uninitiated	\$9,700	\$0	\$9,700	\$9,700	2021	\$0
Expansion of Social Housing Units (Alternative Service Delivery Model)	Uninitiated	\$1,750	\$0	\$1,750	\$1,750	2020	\$0
Total Enterprise Resource Management Services		\$11,450	\$0	\$11,450	\$11,450		\$0

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Building Capital - 2017		\$1,828	\$1,814	\$13	\$0	2019	\$13
Building Capital - 2018		\$4,673	\$1,455	\$3,218	\$3,218	2019	\$2,225
Expansion, Roach Avenue, Welland		\$2,758	\$612	\$2,145	\$2,145	2019	\$2,015
Grounds Capital - 2017		\$1,053	\$1,016	\$36	\$30	2019	\$31
New Build, Carlton Street, St. Catharines		\$15,771	\$13,924	\$1,846	\$1,846	2019	\$1,049
Social Housing Assistance Improvement Program - 2018		\$2,558	\$792	\$1,766	\$1,766	2019	\$991
Unit Capital - 2017		\$4,465	\$4,442	\$23	\$14	2019	\$22
Unit Capital - 2018		\$1,600	\$64	\$1,536	\$1,536	2019	\$10
Total Niagara Regional Housing		\$34,704	\$24,121	\$10,584	\$10,555		\$6,355
Communications Unit Back-up	Uninitiated	\$1,000	\$0	\$1,000	\$1,000	2020	\$0
Communications Unit Back-up		\$1,250	\$0	\$1,250	\$1,250	2020	\$0
Communications Unit Equipment		\$4,500	\$4,473	\$27	\$27	2019	\$0
Information Technology & Equipment Replacement		\$1,100	\$304	\$796	\$796	2019	\$26
Information Technology Continuity Plan		\$1,500	\$566	\$934	\$934	2019	\$0
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		\$8,630	\$8,431	\$199	\$144	2019	\$0
Vehicles - 2018		\$1,468	\$1,339	\$130	\$130	2019	\$30
Voice Radio System		\$13,315	\$13,124	\$190	\$190	2019	\$0
Total Niagara Regional Police Services		\$32,763	\$28,237	\$4,526	\$4,470		\$56
Regional Headquarters Landscape Master Plan		\$2,359	\$126	\$2,233	\$2,233	2019	\$40
Total Planning		\$2,359	\$126	\$2,233	\$2,233		\$40
Ambulance & Equipment - 2017		\$1,812	\$1,801	\$11	\$11	2019	\$8
Ambulance & Equipment - 2018		\$2,595	\$1,876	\$719	\$719	2019	\$3
Total Public Health		\$4,407	\$3,677	\$730	\$730		\$11
Annual - Storm Sewer Program		\$1,750	\$1,113	\$637	\$637	2019	\$18
Capacity Improvements - Charnwood - McLeod		\$5,380	\$20	\$5,360	\$5,360	2021	\$4

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Capacity Improvements - New Escarpment Crossing		\$2,200	\$691	\$1,509	\$1,509	2019	\$0
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		\$1,460	\$727	\$733	\$733	2023	\$0
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		\$1,000	\$11	\$989	\$989	2019	\$0
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		\$4,591	\$2,617	\$1,974	\$1,974	2020	\$595
Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley		\$7,838	\$7,402	\$436	\$436	2020	\$3,617
Capacity Improvements - RR10 Livingston/QEW-GR		\$1,750	\$569	\$1,181	\$1,181	2019	\$621
Capacity Improvements - RR54 Hwy 20/Merritt Interchange Sir Isaac Brock Way @ 406 Hwy		\$8,600	\$2,509	\$6,091	\$5,841	2020	\$4,228
Intersection - RR20 Industrial Park/South Grimsby Road 6		\$2,800	\$0	\$2,800	\$2,800	2019	\$0
		\$2,898	\$2,451	\$447	\$447	2019	\$122
Intersection - RR46 Geneva/St. Paul		\$7,000	\$1,702	\$5,298	\$4,798	2020	\$3,234
Intersection - RR89 Jacobsen/Burleigh		\$6,500	\$5,243	\$1,257	\$1,257	2019	\$233
Replacement of Burgoyne Bridge		\$93,344	\$92,055	\$1,289	\$1,287	2019	\$1,287
Roads Facility Program - Patrol Yard Improvement - 2018		\$1,000	\$0	\$1,000	\$1,000	2020	\$0
Roads Reconstruction - RR20 Station/Rice		\$3,793	\$3,473	\$320	\$320	2021	\$0
Roads Reconstruction - RR38 QEW/Fourth		\$11,990	\$8,256	\$3,734	\$3,734	2019	\$787
Roads Reconstruction - RR50 Thorold/Riverbank		\$2,400	\$2,197	\$203	\$0	2019	\$0
Roads Reconstruction - St Davids Road East		\$1,766	\$178	\$1,588	\$1,588	2020	\$401
Roads Rehabilitation - RR27 Prince Charles Dr to Lincoln St		\$1,800	\$267	\$1,533	\$1,533	2020	\$38
Roads Rehabilitation - RR63 Baldwin/Coffee Bridge		\$3,035	\$207	\$2,828	\$2,828	2020	\$84

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Roads Rehabilitation - RR69 Wessel/Centre Phase 3		\$1,000	\$150	\$850	\$850	2020	\$15
Roads Rehabilitation - RR1 Albert/Lakeshore		\$2,165	\$553	\$1,612	\$1,612	2021	\$13
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Bufalo		\$12,070	\$10,175	\$1,895	\$1,895	2020	\$1,077
Roads Rehabilitation - RR45 RR4/RR63		\$1,775	\$311	\$1,464	\$1,464	2020	\$90
Roads Rehabilitation - RR49 Hydro Power Canal to Wilson Cres Phase 2		\$1,050	\$3	\$1,047	\$1,047	2020	\$0
Roads Rehabilitation - RR57		\$13,300	\$8,467	\$4,833	\$4,781	2021	\$9
Roads Rehabilitation - RR57 Stanley Whirlpool/Valleyway		\$15,233	\$14,752	\$481	\$455	2019	\$98
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2		\$9,118	\$696	\$8,422	\$8,422	2019	\$7,047
Roads Rehabilitation - RR87 Lake/Geneva		\$6,841	\$6,402	\$439	\$439	2019	\$259
Roads Rehabilitation - RR87 Lakeport/Lake		\$5,638	\$5,584	\$53	\$53	2019	\$0
Roads Rehabilitation - RR87 Third/Seventh		\$1,500	\$427	\$1,073	\$1,073	2020	\$708
Roads Rehabilitation - RR87 Townline/Four Mile Creek		\$8,500	\$1,790	\$6,710	\$6,710	2020	\$3,348
Roads Resurfacing - 2013		\$4,317	\$4,189	\$129	\$129	2019	\$0
Roads Resurfacing - 2016		\$7,791	\$7,259	\$532	\$173	2019	\$173
Roads Resurfacing - 2017		\$11,783	\$9,517	\$2,266	\$160	2019	\$160
Roads Resurfacing - 2018		\$9,510	\$7,961	\$1,549	\$1,549	2019	\$1,155
Stabilization RR14 Canboro Rd at Warner		\$5,339	\$5,064	\$275	\$274	2020	\$235
Structural Rehabilitation - 2016 Program		\$3,700	\$194	\$3,506	\$3,506	2019	\$19
Structural Rehabilitation - Main Street Bridge		\$4,703	\$4,434	\$269	\$269	2020	\$83
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake		\$8,100	\$7,989	\$111	\$111	2020	\$17
Structural Rehabilitation - Reece Bridge		\$9,983	\$1,911	\$8,071	\$8,071	2020	\$7,888
Structural Rehabilitation - RR81 St Paul West CNR Bridge		\$1,500	\$66	\$1,434	\$1,434	2019	\$205

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Vehicles - 2016		\$3,465	\$3,189	\$276	\$276	2019	\$273
Public Works - Roads & Fleet		\$321,276	\$232,775	\$88,501	\$85,002		\$38,142
GO Transit		\$10,598	\$5,141	\$5,457	\$5,457	Beyond 2023	\$106
GO Transit	Uninitiated	\$29,402	\$0	\$29,402	\$29,402	Beyond 2023	\$0
Total GO Transit		\$40,000	\$5,141	\$34,859	\$34,859		\$106
Inter-Municipal Transit Capital Acquisition - 2015		\$1,340	\$1,059	\$281	\$128	2019	\$231
Inter-Municipal Transit Capital Acquisition - 2017		\$3,300	\$71	\$3,229	\$3,229	2019	\$0
Total IMT Transit		\$4,640	\$1,130	\$3,510	\$3,357		\$231
Total Public Works - Levy		\$365,916	\$239,046	\$126,870	\$123,218		\$38,479
Bridge St - Public Drop Off Depot Improvement	Uninitiated	\$1,145	\$0	\$1,145	\$1,125	2021	\$0
Humberstone - Landfill Expansion (Environmental Protection & Ontario Water Resources Acts)		\$5,736	\$543	\$5,193	\$5,193	2020	\$764
Humberstone - Landfill Gas Collection		\$4,674	\$4,355	\$319	\$2	2019	\$43
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation		\$2,500	\$1,750	\$750	\$700	2019	\$726
Niagara Road 12 & Park Road - Pump Station Upgrades		\$1,307	\$286	\$1,021	\$1,000	2020	\$10
Recycling Centre - Facility Improvements Groundwater		\$1,123	\$982	\$141	\$141	2021	\$0
Total Waste Management		\$16,485	\$7,917	\$8,569	\$8,161		\$1,542
Combined Sewer Overflow (CSO) - Grimsby		\$1,725	\$222	\$1,503	\$1,503	2020	\$0
Miscellaneous Program - Garner Road		\$5,242	\$210	\$5,032	\$5,031	2020	\$223
Pump Station Capacity Expansion Program - Odour Control - Smithville		\$1,500	\$751	\$749	\$749	2020	\$157
Pump Station Improvement Program - Carleton Street		\$1,503	\$1,475	\$28	\$0	2019	\$7
Pump Station Improvement Program - Design		\$5,550	\$5,144	\$406	\$406	2019	\$161

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Pump Station Improvement Program - Haulage Road		\$2,150	\$177	\$1,973	\$1,973	2021	\$3
Pump Station Improvement Program - NOTL, Garrison Rd, William St		\$3,285	\$3,117	\$167	\$167	2019	\$14
Pump Station Improvement Program - Old Orchard		\$2,050	\$1,934	\$116	\$20	2019	\$1
Pump Station Improvement Program - Park Lane		\$1,400	\$75	\$1,325	\$1,325	2019	\$138
Pump Station Improvement Program - South Side High Lift		\$6,651	\$6,367	\$284	\$280	2019	\$146
Pump Station Improvement Program - Wellandvale		\$2,146	\$1,362	\$784	\$784	2020	\$44
Pump Station Improvement Program - Woodsvie		\$2,420	\$275	\$2,145	\$2,145	2020	\$0
Sewer & Forcemain Program - Highway 406 Trunk		\$1,450	\$0	\$1,450	\$1,450	2019	\$0
Sewer & Forcemain Program - Oaks Park Trunk		\$2,264	\$1,638	\$626	\$508	2019	\$488
Sewer & Forcemain Program - Stamford Centre		\$10,562	\$215	\$10,347	\$10,000	2019	\$9,546
Sewer & Forcemain Program - Victoria Ave		\$3,750	\$3,696	\$54	\$0	2019	\$0
Sewer Relining Program		\$1,453	\$1,333	\$121	\$121	2019	\$3
Wastewater Treatment Plant - Capacity Expansion - Niagara-on-the-Lake		\$47,832	\$47,255	\$577	\$377	2019	\$286
Wastewater Treatment Plant - Capacity Expansion - South Niagara Falls		\$2,500	\$41	\$2,459	\$2,459	2020	\$2,047
Wastewater Treatment Plant Digester/Sludge Management		\$1,000	\$931	\$69	\$0	2019	\$0
Wastewater Treatment Plant Upgrade - Garner Road		\$2,200	\$112	\$2,088	\$2,088	2020	\$52
Wastewater Treatment Plant Upgrade - Niagara Falls		\$2,100	\$262	\$1,838	\$1,838	2020	\$663

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Wastewater Treatment Plant Upgrade - Port Weller		\$9,900	\$446	\$9,454	\$9,454	2021	\$21
Wastewater Treatment Plant Upgrade - Port Weller 2017		\$1,310	\$1,065	\$245	\$245	2020	\$218
Wastewater Treatment Plant Upgrade - Welland		\$21,166	\$15,127	\$6,039	\$6,694	2020	\$5,839
Wastewater Treatment Plant Upgrade Program - Aeration - Seaway		\$1,236	\$138	\$1,098	\$1,098	2020	\$991
Wastewater Treatment Plant Upgrade Program - Bar Screen - Port Weller		\$1,230	\$98	\$1,132	\$1,132	2021	\$70
Wastewater Treatment Plant Upgrade Program - Fine Bubble Aeration - Port Dalhousie		\$29,500	\$1,140	\$28,360	\$28,360	2023	\$78
Wastewater Treatment Plant Upgrade Program - Grit System - Grimsby		\$1,725	\$240	\$1,485	\$1,485	2020	\$1,365
Wastewater Treatment Plant Upgrade Program - Primary Digester #2 - Niagara Falls		\$1,000	\$0	\$1,000	\$1,000	2019	\$0
Wastewater Treatment Plant Upgrade Program - Secondary Clarifier - Seaway		\$3,115	\$156	\$2,959	\$2,959	2020	\$27
Total Wastewater		\$180,913	\$95,000	\$85,913	\$85,652		\$22,587
Meter Replacement Program		\$3,550	\$378	\$3,172	\$3,172	2020	\$1,559
Miscellaneous Program - Elevated Tank Painting		\$2,780	\$230	\$2,550	\$2,550	2020	\$27
Miscellaneous Program - Evalution & Replacement		\$1,100	\$1,058	\$42	\$0	2019	\$35
Miscellaneous Program - Granular Activated Carbon Replacement		\$1,760	\$3	\$1,757	\$1,757	2019	\$0
Miscellaneous Program - Pressure Booster		\$1,158	\$980	\$178	\$70	2019	\$50
Miscellaneous Program - System Storage - Grimsby		\$15,339	\$630	\$14,709	\$14,709	2021	\$215
Miscellaneous Program - System Storage - Port Colborne		\$11,650	\$11,607	\$43	\$43	2019	\$7
Rehabilitation - Elevated Tank Thorold South		\$2,365	\$12	\$2,353	\$2,353	2020	\$215

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Beyond 2018 Forecasted Expenditures	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Water Treatment Plant Raw Water Intake - Niagara Falls		\$10,750	\$116	\$10,634	\$10,634	2021	\$129
Water Treatment Plant Roadway & Parking Lot - Grimsby		\$1,180	\$86	\$1,094	\$1,094	2021	\$34
Water Treatment Plant Upgrade - Decew Falls - 2016		\$1,250	\$426	\$824	\$824	2019	\$413
Water Treatment Plant Upgrade - Niagara Falls - 2015		\$3,495	\$227	\$3,268	\$3,268	2020	\$15
Water Treatment Plant Upgrade - Niagara Falls - 2017		\$4,915	\$183	\$4,732	\$4,732	2020	\$11
Water Treatment Plant Upgrade - Port Colborne		\$8,600	\$557	\$8,043	\$11,100	2021	\$81
Water Treatment Plant Upgrade - Rosehill		\$15,000	\$6,839	\$8,161	\$8,161	2020	\$7,573
Water Treatment Plant Upgrade - Welland - 20017		\$5,000	\$180	\$4,820	\$4,820	2021	\$1,234
Watermain Program - Along CNR Grimsby		\$13,400	\$218	\$13,182	\$13,182	2020	\$439
Watermain Program - Fort Erie, Dominion Road		\$10,615	\$9,433	\$1,182	\$900	2019	\$722
Watermain Program - Hwy406 Cross Trans		\$1,715	\$12	\$1,703	\$1,715	2019	\$190
Watermain Program - Welland East and West		\$6,200	\$4,331	\$1,869	\$372	2019	\$372
Total Water Works		\$121,822	\$37,505	\$84,317	\$85,457		\$13,322
Total Projects with remaining budgets greater than \$1 million		\$944,394	\$549,138	\$395,256	\$376,536		\$85,175

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 though either requesting extra budget dollars from the Capital Variance (CV) project, or by transferring excess capital project budget dollars to the CV through a budget reduction.

Transfers to the CV 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 balance of CVs 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 Programs CV project have been identified as a funding source for the 2019 Capital Budget and will be transferred to the reserve at year end. The excess funds in the Waste Management, Wastewater and Water Works CV projects will be transferred to the respective capital reserves for use in the long-term capital affordability strategy.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water Works	Total Programs
Balance at December 31, 2017	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Transfer to Active Capital Projects	- \$1,104	- \$200	- \$852	- \$357	- \$2,512
Budget Reductions on Active Capital Projects	\$2,148	\$400	\$2,337	\$0	\$4,885
Transfers (to)/from Closed Capital Projects	\$2,858	\$172	\$386	\$0	\$3,415
Adjustments to Previously Closed Projects	- \$74	\$0	- \$455	\$0	- \$529
Balance at July 18, 2018	\$4,828	\$1,372	\$2,416	\$643	\$9,259
Transfer to Active Capital Projects	- \$1,507	- \$100	- \$3,860	- \$138	- \$5,605
Budget Reductions on Active Capital Projects	\$5,324	\$0	\$1,250	\$0	\$6,574
Transfers (to)/from Closed Capital Projects	\$4,787	\$44	\$1,569	\$781	\$7,182
Adjustments to Previously Closed Projects	\$13				\$13
Balance at October 23, 2018	\$13,445	\$1,316	\$1,375	\$1,287	\$17,422
Transfer to Active Capital Projects	- \$565	\$0	- \$317	- \$35	- \$917
Budget Reductions on Active Capital Projects	\$1,325	\$0	\$200	\$150	\$1,675
Transfers (to)/from Closed Capital Projects	\$1,216	\$106	\$842	\$436	\$2,600
Adjustments to Previously Closed Projects	\$0	\$0	\$25	\$0	\$25
Balance at December 31, 2018	\$15,422	\$1,421	\$2,124	\$1,837	\$20,805
2018 Transfers to Capital Reserve *	- \$10,987	\$0	- \$46	- \$837	- \$11,870
Balance at December 31, 2018**	\$4,435	\$1,421	\$2,078	\$1,000	\$8,935

* - Subject to Council approval in CSD 21-2019

** - The balances as of December 31, 2018 for Levy Programs CV Project (\$4,200), Waste Management CV Project (\$570), and Wastewater CV Project (\$1,000) have been committed for Council priority projects in 2019.

Investment Report (in thousands of dollars)

Investment income during Q4 on the primary portfolio amounted to \$5,311, which comprises income on cash and investments including sinking fund. The fourth quarter annualized yield on the investment and cash portfolio is 3.06 per cent, no change from Q3 2018. At December 31, 2018 the portfolio had unrealized market gains (market value vs. book value) of \$1,257. Total gross investment income for 2018 is favourable when compared to budget by \$2,531 (Actual of \$18,753 vs. Budget of \$16,222). Transfers to Development Charge/Rate Reserves are \$2,360 (Actual of \$4,349 vs. Budget of \$1,990). greater than budget primarily due to growth in the development charge reserve balances of \$36M, however net investment income compared to budget for 2018 is still favourable by \$171.

Investment Performance

Budget vs Actual/Forecast	Q1	Q2	Q3	Q4	Total
2018 Budget (Gross)	\$3,532	\$3,837	\$4,193	\$4,659	\$16,222
Net Budget Transfers	\$-497	\$-497	\$-497	\$-497	\$-1,990
2018 Budget (Net)	\$3,035	\$3,340	\$3,696	\$4,161	\$14,232
2018 Actual (Gross)	\$4,080	\$4,497	\$4,864	\$5,311	\$18,753
Net Actual Transfers	\$-795	\$-851	\$-1,100	\$-1,604	\$-4,349
2018 Actual (Net)	\$3,286	\$3,646	\$3,764	\$3,707	\$14,403
Variance	\$251	\$306	\$69	\$-455	\$171

Note: Staff monitor foreign exchange rates during the year to take advantage of favourable opportunities, net investment gains of \$106 are included in Q4 investment income. Amounts reflected in this report do not include the NRH investment portfolio.

Investment Term Holdings

Funds	Book Value	Weight
Cash	\$99,517	14.4%
Cash Equivalents < 1 Year	\$53,917	7.8%
2 Year	\$28,064	4.1%
3 Year	\$41,304	6.0%
4 Year	\$25,145	3.6%
5+ Year	\$430,572	62.2%
Sinking Fund (Incl. Cash)	\$14,129	2.0%
Total Portfolio	\$692,647	100.0%

Policy Percentage Limits

Holding Type	Policy Percentage Limits
Corporate	50%
Municipal	25%
Provincial	75%
Federal	100%
Region of Niagara Debentures	100%

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *
Bank of Montreal	Corporate	\$52,000	8.8%
Bank of Nova Scotia	Corporate	\$73,200	12.3%
HSBC Bank Canada	Corporate	\$16,500	2.8%
B2B Bank	Corporate	\$61	0.0%
Equitable Bank	Corporate	\$73	0.0%
National Bank of Canada	Corporate	\$61,500	10.4%
Royal Bank of Canada	Corporate	\$47,200	8.0%
Total	Corporate	\$250,535	42.2%
City of Hamilton	Municipal	\$5,721	1.0%
City of London	Municipal	\$1,000	0.2%
City of Montreal	Municipal	\$3,079	0.5%
City of Ottawa	Municipal	\$5,661	1.0%
City of Quebec	Municipal	\$2,292	0.4%
City of Saskatoon	Municipal	\$3,332	0.6%
City of Toronto	Municipal	\$11,664	2.0%
County of Wellington	Municipal	\$851	0.1%
Municipal Finance Authority of BC	Municipal	\$5,031	0.8%
New Brunswick Municipal Finance Authority	Municipal	\$5,503	0.9%
Region of Halton	Municipal	\$1,518	0.3%
Region of Peel	Municipal	\$3,519	0.6%
Region of Waterloo	Municipal	\$15,093	2.5%
Region of York	Municipal	\$9,662	1.6%
York Region District School Board	Municipal	\$4,359	0.7%
York Sinking Fund Debenture	Municipal	\$1,799	0.3%
Total	Municipal	\$80,084	13.5%
Newfoundland and Labrador Hydro	Provincial	\$707	0.1%
Ontario Hydro	Provincial	\$31,316	5.3%
Province of Alberta	Provincial	\$1,284	0.2%
Province of British Columbia	Provincial	\$6,831	1.2%
Province of Manitoba	Provincial	\$31,026	5.2%
Province of New Brunswick	Provincial	\$1,752	0.3%
Province of Newfoundland	Provincial	\$50,607	8.5%
Province of Nova Scotia	Provincial	\$16,493	2.8%
Province of Ontario	Provincial	\$50,583	8.5%
Province of Prince Edward Island	Provincial	\$2,706	0.5%
Province of Quebec	Provincial	\$44,404	7.5%
Province of Saskatchewan	Provincial	\$5,193	0.9%
Quebec Hydro	Provincial	\$13,607	2.3%
Total	Provincial	\$256,509	43.2%
Region of Niagara Debentures	Municipal	\$5,968	1.0%
TOTAL excluding Cash	All	\$593,096	100.0%
General Chequing **	Cash	\$28,491	
Savings	Cash	\$70,892	
Sinking Fund	Cash	\$169	
Total	Cash	\$99,552	
TOTAL including Cash		\$692,647	

* Note: Holdings by security percentages exclude cash balances.

**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. Balances include USD funds converted at quarter-end spot rate of 1.3642.

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with a 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 10, 2018. The ratings reflect S&P's opinion of Niagara's exceptional liquidity, very strong budgetary performance, strong financial management, and moderate debt burden. The stable outlook reflects S&P's expectations that Niagara will post near-balanced after-capital budgetary results; its tax-supported debt will be about 77% of consolidated operating revenues, and its liquidity will remain exceptional in the next two years. 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.

Key Rating Factors	Standard & Poor's Assessment	Key Rating Factors	Standard & Poor's Assessment
Institutional Framework Economy Financial Management Budgetary Flexibility	Very Predictable and well-balanced Average Strong Average	Budgetary Performance Liquidity Debt Burden Contingent Liabilities	Very Strong Exceptional Moderate Very Low

Department	Total Debt as at December 31, 2017 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, 2018 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits
General Government	\$25,014	\$0	\$-1,862	\$ (54)	\$23,098	\$12,350	\$35,448	
Police	\$85,144	\$1,675	\$-3,633	\$ (203)	\$82,982	\$11,080	\$94,063	
Roads	\$112,719	\$19,744	\$-10,661	\$ (234)	\$121,568	\$52,114	\$173,682	
Public Health	\$8,821	\$8,256	\$-2,759	\$0	\$14,318	\$6,537	\$20,855	
Community Services	\$24,469	\$0	\$-2,420	\$0	\$22,049	\$15,835	\$37,884	
NRH	\$19,798	\$6,769	\$-2,362	\$0	\$24,205	\$4,964	\$29,169	
Planning	\$93	\$0	\$-30	\$0	\$63	\$0	\$63	
Total Levy	\$276,057	\$36,443	\$-23,726	\$ (492)	\$288,283	\$109,231	\$397,513	
Wastewater	\$58,971	\$0	\$-2,034	\$ (1,039)	\$55,898	\$17,150	\$73,048	
Water	\$9,214	\$2,555	\$-265	\$ (258)	\$11,245	\$8,845	\$20,090	
Waste Management	\$2,290	\$2,555	\$-733	\$0	\$1,558	\$0	\$1,558	
Total Rate	\$70,475	\$2,555	\$-3,032	\$ (1,297)	\$68,700	\$25,995	\$94,695	

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2017 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, 2018 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits
Total Niagara Region	\$346,533	\$38,998	\$-26,759	\$(1,789)	\$356,983	\$135,226	\$492,208	6.86%
Fort Erie	\$8,406	\$0	\$-1,023	\$0	\$7,383	\$0	\$7,383	2.65%
Grimsby	\$3,821	\$0	\$-336	\$0	\$3,485	\$0	\$3,485	1.69%
Lincoln	\$4,948	\$0	\$-464	\$0	\$4,485	\$0	\$4,485	2.77%
NOTL	\$2,823	\$0	\$-599	\$0	\$2,225	\$0	\$2,225	2.27%
Niagara Falls**	\$51,859	\$0	\$-3,640	\$0	\$48,219	\$0	\$48,219	3.46%
Pelham	\$31,906	\$0	\$-1,817	\$0	\$30,089	\$0	\$30,089	14.10%
Port Colborne	\$24,426	\$6,145	\$-1,822	\$0	\$28,749	\$0	\$28,749	9.26%
St. Catharines	\$108,921	\$16,524	\$-11,263	\$ (234)	\$113,948	\$0	\$113,948	8.96%
Thorold	\$1,176	\$0	\$-111	\$0	\$1,065	\$0	\$1,065	0.59%
Wainfleet	\$20	\$250	\$-5	\$0	\$266	\$0	\$266	0.08%
Welland	\$45,622	\$10,022	\$-5,598	\$0	\$50,046	\$0	\$50,046	8.70%
West Lincoln	\$0	\$15,289	\$-264	\$0	\$15,025	\$0	\$15,025	2.88%
NPCA	\$1,460	\$0	\$-760	\$0	\$700	\$0	\$700	
Separate School Board	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Assumed for Others (External)	\$285,389	\$48,230	\$-27,702	\$ (234)	\$305,684	\$0	\$305,684	
Total Niagara Region & External	\$631,922	\$87,228	\$-54,461	\$ (2,023)	\$662,667	\$135,226	\$797,892	

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

**Calculated with 2017 FIR data (2016 used where 2017 not available) and 2018 debt servicing charges

- By-law 2018-13: Infrastructure Ontario for \$15,000, 30 years, 3.53% for Town of West Lincoln.
- By-law 2018-14: Infrastructure Ontario \$289, 10 years, 3.16% for Town of West Lincoln.
- By-law 2018-11: Infrastructure Ontario \$5,500, 30 years, 3.56% for City of Port Colborne.
- By-law 2018-12: Infrastructure Ontario \$645, 10 years, 3.18% for City of Port Colborne
- By-law 2018-55: Capital Markets \$65,800, 25 years, 3.207% for Niagara Region, City of Welland, City of St. Catharines, and Town of Wainfleet

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	\$375	2017 Project Cost Sharing for Burgoyne Bridge. Public Works staff still in discussions with customer regarding costs.	Collection to continue
City of St. Catharines	\$1,933	2017 Project Cost Sharing for Burgoyne Bridge. Final reconciliation of City funding amount is in progress.	Collection to continue
Merritton Mills Redevelopment Corp	\$559	2007 Landfill tipping fees related to three redevelopment sites. Niagara Region will offset these with the Tax Increment Grants (TIG) as the agreements between the City of St. Catharines and the developer are signed. The Niagara Region has a Letter of Credit (LOC) in the amount of \$472 related to the receivable for one site and the other two sites now have active tax increment grants starting in 2017 for 2016 tax year. Draw down on LOC will begin June 2019. (Note: Amount due related to these tipping fees is actually \$598 – a credit for \$39 was applied in error. A correcting invoice for \$39 was reissued and appears in “current” aging bucket as at Q4 2018.)	Pending 2018 TIG agreements
Toronto Police Service	\$31	2018 invoice for OPVTA membership overlooked; will be paid in January 2019	Collection to continue
Town of Fort Erie	\$39	2018 RDC Invoice	Collection to continue
Township of West Lincoln	\$113	2018 RDC Invoice	Collection to continue
Trisura Guarantee Insurance	\$30	This 2018 invoice is requesting payment for work completed by our Completion Contractor in accordance with our contract with them and the payment terms with the Bonding Co. In-house legal department working with staff and Insurance Company to negotiate final settlement.	Collection to continue
Seniors Resident 11338	\$42	Resident still active. Many attempts have been made to the family to collect. On-going efforts to mitigate risk.	Collection to continue

Accounts Receivable Aging Report (in thousands of dollars) - Continued

Customer Name	Over 120	Explanation of Account	Status
Seniors Resident 12006	\$25	Resident still active. Public Guardian and Trustee have taken over financial responsibility for current and future charges. Many attempts have been made to the family to collect. On-going efforts to mitigate risk.	Collection to continue
Total	\$3,147		

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”). This includes all unfunded liabilities, impacts of amortization and capital fund activity. The Consolidated Statement of Financial Positon for 2018 is prepared with information as at February 22, 2019,

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 106,902	\$ 143,765
Investments	585,420	480,130
Accounts receivable	77,200	78,582
Other current assets	329	212
Tangible capital assets held for sale	756	3,515
Debt Recoverable from others	305,684	285,412
	1,076,291	991,616
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	113,138	122,221
Employee future benefits and post-employment liabilities	104,421	101,403
Deferred revenue	174,920	142,222
Landfill closure and post-closure liability	61,397	79,191
Long-term liabilities	663,342	631,922
	1,117,218	1,076,959
Net debt	(40,927)	(85,343)
NON-FINANCIAL ASSETS		
Tangible capital assets	1,751,554	1,731,150
Inventory	7,360	7,319
Prepaid expenses	20,834	17,172
	1,779,748	1,755,641
Accumulated surplus	\$ 1,738,822	\$ 1,670,298

Accumulated surplus reconciliation:

	2018	2017
Operating surplus	\$ 16,117	\$ 2,118
Invested in tangible capital assets	1,393,896	1,383,133
Capital fund – unexpended capital financing	238,972	189,895
Operating fund	(23,344)	(10,667)
Unfunded landfill closure & post-closure liability	(61,397)	(79,191)
Unfunded employee future benefits & post-employment liabilities	(103,112)	(100,234)
Total surplus	1,461,132	1,349,610
Total reserves and reserves funds (page 50)	277,690	285,855
Total accumulated surplus	\$ 1,738,823	\$ 1,670,298

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, 2018. These statements have been compiled by Enterprise Resource Management 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 September. 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 for October to December. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2018. As noted, actual operating results may vary from the forecasted information presented.

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). 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.



Subject: Niagara Regional Broadband Network (NRBN) Contract Renewal

Report to: Corporate Services Committee

Report date: Wednesday, March 20, 2019

Recommendations

1. That the renewal of the Niagara Regional Broadband Network (NRBN) contract for fibre optic data services **BE APPROVED** at an annual cost of \$581,756 (including 13% HST) for a period of 5 years with an option for an additional 5 years at the same rates.
2. That the Regional Clerk and the Chair **BE AUTHORIZED** to execute the amending agreement with NRBN to be prepared in a form satisfactory to the Director of Legal and Court Services.

Key Facts

- The purpose of this report is to provide an update on the contract negotiations with NRBN and to obtain Council approval to proceed with sole source contract renewal with NRBN.
- Section 18(a)(i) of the Procurement By-law permits single source purchases under the following condition, “the compatibility of a purchase with existing equipment, product standards, facilities or service is a paramount consideration”.
- Procurement By-law requires Council approval for contracts over \$1M.
- NRBN is a private company providing fibre networking services in the Niagara Region. Its shareholders are subsidiaries associated with the hydro utilities of, and ultimately owned by the cities and towns of Niagara Falls and Niagara-On-The-Lake.
- In 2004, the Niagara Public Sector Alliance (NPSA) entered into an agreement with NRBN for the purposes of building a high-speed fibre optic network within the Niagara Region for its members.
- NPSA consists of Niagara Region, Niagara Catholic District School Board, Niagara District School Board, Niagara Health Systems, Niagara College and St. Catharines Library.
- NRBN currently provides the Niagara Region with high-speed fibre network connectivity to 53 Regional facilities and collectively provides connectivity to approximately 250 sites for the NPSA.

- The original contract was for 10 years - August 2004 to August 2014, with a provision for an extension.
- August 2010, Council authorized extending the agreement for a further 10 year term from August 14, 2014 to August 13, 2024. Under this amending agreement, modifications to our fees can be negotiated for the last five years – namely August 14, 2019 to August 13, 2024.
- Contract states that a failure to agree on negotiated charges shall result in termination of the amending agreement.
- On May 24, 2018 Council directed staff, on behalf of the Region and as a member of the NPSA, to enter into sole source negotiations with NRBN for the purpose of achieving service enhancements and cost-savings for the Niagara Region.

Financial Considerations

The current cost of the agreement for Niagara Region is approximately \$515,000 per year (approximately \$2.6 million for the next five years). The current collective 5 year cost for all NPSA members is approximately \$14.3 million.

The new negotiated pricing for Niagara Region remains the same as current rates and includes additional enhanced services over and above what is included in the current contract. New rates are based on a 5 year term with an option to renew for an additional 5 years at the same rates.

Pricing also remains the same for the other NPSA members and includes additional enhanced services.

The proposed rates (before taxes) assume that all existing NPSA partners renew.

Customer	Access Ports	Current Annual Cost	New Annual Cost	Difference
Niagara Region	53	\$514,828.80	\$514,828.80	\$0.00
Niagara Regional Police	17	\$281,520.00	\$281,520.00	\$0.00
Niagara Regional Police - Radio	8	\$43,200.00	\$43,200.00	\$0.00
District School Board of Niagara	101	\$984,562.80	\$864,562.80	(\$120,000.00)
Niagara Catholic District School Board	70	\$584,400.00	\$584,400.00	\$0.00
Niagara Health Systems	12	\$231,960.00	\$231,960.00	\$0.00
Niagara College	6	\$197,880.00	\$197,880.00	\$0.00
St. Catharines Public Library	4	\$21,000.00	\$21,000.00	\$0.00
Total		\$2,859,351.60	\$2,739,351.60	(\$120,000.00)

Niagara Region's annual cost for NRBN services including 1.76% non-refundable HST is \$523,890 and is included in the approved IT Solutions operating budget.

Analysis

NRBN was originally formed in 2004 by a group of local Niagara municipalities to address the need for fiber technology that was not being adequately served by the open market within Niagara. NRBN's initial infrastructure investment was made possible through a partnership with Niagara Region (including NRPS), Niagara Catholic District School Board, District School Board of Niagara, Niagara Health Systems, Niagara College and St. Catharines Library. Each of these organizations collectively made long term commitments to NRBN to ensure that the municipal owners would see an adequate return on their investment and allow NRBN to grow capabilities beyond the needs of their original MUSH sector partners.

A unique element to this collective contract is a payment schedule modeled around each partner's ability to pay – not everyone pays the same rate for the same service. This has allowed NRBN to provide high speed connectivity to approximately 170 schools that otherwise would not have been able to afford those services.

In 2004 this initiative was ahead of its time however this level of connectivity has now become essential for service and program delivery. The need for a robust fiber infrastructure in Niagara is more critical than ever and demand will only continue to increase with the introduction of emerging high-speed technologies such as 5G wireless.

NRBN have always been a very responsive provider with exceptional service levels and a demonstrated willingness to explore new opportunities that better the Niagara community. NRBN recently partnered with Niagara Region in submitting an application to the Federal Connect to Innovate (CTI) program that, if awarded, could deliver up to \$10 million in fiber investment directly related to underserved communities.

As part of the contract negotiations NRBN have committed to providing a number of enhanced services with no increase in overall annual costs to each partner. Examples of the enhanced services include:

- Reduced service costs for unchanged services
- Increased bandwidth at high volume sites
- Increased internet connectivity
- Increased redundancy with automatic failovers
- Additional connections

Specific enhancements for each partner include:

Niagara Region

- 4 x 2G increased to 2 x 10G connections at HQ
- 1G increased to 10G connection at DR

- WAN upgrade from 2G to 5G at HQ
- WAN upgrade from 1G to 2G at DR
- Internet upgraded from 1G to 3G at HQ
- Internet upgraded from 60mb to 1G at DR
- 200mb Niagara Cloud Connection

Niagara Regional Police

- 4 new camera locations connected with 1G fibre and up to \$50,000 in capital funding to connect them.
- 200mb Niagara Cloud Connection

District School Board of Niagara

- SDWan – Direct internet at every school as well as their existing WAN network.
- Niagara Cloud connection increased from 10mb to 200mb
- Rebates for small cell installation at schools for a specific mobile carrier (outside of the main agreement)

Niagara Catholic District School Board

- Internet upgraded from 2G to 10G and upgrade path available for all their schools 100m to 1G
- Niagara Cloud connection increased from 10mb to 200mb
- Rebates for small cell installation at schools for a specific mobile carrier (outside of the main agreement)

Niagara Health System

- Internet upgrade from 1G to 4G
- Upgraded primary connection from 1G to 10G at Welland Hospital

Niagara College

- Internet upgrade at NOTL campus from 100mb to 1G
- New 2G internet connection at Welland campus

St Catharines Library

- Internet upgrades from 50mb to 500mb

NRBN have also offered to extend the newly negotiated unified rates to other public sector partners in the Region.

In order to ensure the proposed pricing is competitive a market scan was completed to look for comparable initiatives. As a member of SWIFT, one of the services we receive is aggregate connectivity rates from other members. Based on the information supplied by SWIFT the proposed NRBN rates are below existing markets rates.

Alternatives Reviewed

The Niagara Region could pursue negotiations separately from the other NPSA partners. When NRBN was first established the rates were structured based on the different partner organization's ability to pay – the rates are not equal across all partners. Separating out the different partners would reduce the individual entities ability to negotiate due to reduced scope of services being procured. This could result in increased overall costs over current rates.

Relationship to Council Strategic Priorities

This supports the Council Strategic Priorities, "Doing Things Differently" and "Advancing Organizational Excellence" through an ongoing focus on continuous and community improvement and identifying opportunities for cost reduction. Additionally, this supports council's strategic initiative to bring expanded broadband to underserved communities in Niagara.

Other Pertinent Reports

- GM 07-2018 Niagara Regional Broadband Network (NRBN) Contract
- CSD19-2017 Connect to Innovate (CTI) Funding for Broadband

Prepared by:

Stuart Hendrie, MBA, PMP
Chief Information Officer
IT Solutions

Recommended by:

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

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

MEMORANDUM

CSC-C 10-2019

Subject: Recommendations for Consideration from the Procurement Advisory Committee meeting held on March 11, 2019

Date: March 20, 2019

To: Corporate Services Committee

From: Ann-Marie Norio, Regional Clerk

At its meeting held on March 11, 2019, the Procurement Advisory Committee put forward the following motions for consideration by the Corporate Services Committee:

Minute Item 4.1

Presentation

Procurement Modernization: Timeline and Accomplishments

That staff **BE DIRECTED** to provide a report outlining procedures to examine the legitimacy of corporate identity for future providers for implementation in the procurement procedures.

Minute Item 6.1

PAC-C 1-2019

Proposed Amendments to Procurement Advisory Committee Terms of Reference

That Report PAC-C 1-2019, dated March 11, 2019, respecting Proposed Amendments to the Procurement Advisory Committee Terms of Reference, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That Committee **APPROVE** the proposed amendments to the Terms of Reference for the Procurement Advisory Committee as outlined in Appendix 1 of Report PAC-C 1-2019.

Minute Item 6.2

PAC-C 2-2019

Proposed Procurement Work Plan 2019-2020

That Report PAC-C 2-2019, dated March 11, 2019, respecting Proposed Procurement 2019-2020 Work Plan, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Committee **APPROVE** the proposed 2019-2020 Work Plan for the Committee; and

2. That the Committee **DIRECT** staff to report back on topics selected by the Committee for further investigation.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

**THE REGIONAL MUNICIPALITY OF NIAGARA
PROCUREMENT ADVISORY COMMITTEE
OPEN SESSION**

**PAC 1-2019
Monday, March 11, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Gale, Heit, Insinna Rigby, Whalen, Zalepa

Absent/Regrets: Edgar

Staff: T. Byrne, Manager, Purchasing Services, H. Chamberlain, Director, Financial Management and Planning / Deputy Treasurer, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, B. Menage, Director, Procurement & Strategic Acquisitions, J. Mulligan, Manager, Strategic Sourcing, A.-M. Norio, Regional Clerk

Others Present: J. Armstrong, Armstrong Strategy Group

1. CALL TO ORDER

Ann-Marie Norio, Regional Clerk called the meeting to order at 1:01 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. SELECTION OF COMMITTEE CHAIR AND VICE CHAIR

3.1 Call for Nominations for Committee Chair

Ann-Marie Norio, Regional Clerk, called for nominations for the position of Chair of the Procurement Advisory Committee for the 2019-2020 term.

Moved by Councillor Gale
Seconded by Councillor Rigby

That Councillor Whalen **BE NOMINATED** as Chair of the Procurement Advisory Committee for a two-year term (2019-2020).

3.2 Motion to Close Nominations for Committee Chair

Ann-Marie Norio, Regional Clerk, called a second and third time for nominations for the position of Procurement Committee Chair.

There being no further nominations it was:

Moved by Councillor Rigby

Seconded by Councillor Insinna

That nominations for the position of Chair of the Procurement Advisory Committee for the 2019-2020 term, **BE CLOSED**.

Carried

3.3 Voting for Position of Committee Chair

There being only one nominee for the position of Committee Chair, the Regional Clerk announced that Councillor Whalen would be the Procurement Advisory Committee Chair for a two-year term (2019-2020).

3.4 Call for Nominations for Committee Vice-Chair

Ann-Marie Norio, Regional Clerk, called for nominations for the position of Vice Chair of the Procurement Advisory Committee for the 2019-2020 term.

Moved by Councillor Rigby

Seconded by Councillor Whalen

That Councillor Insinna **BE NOMINATED** as Vice Chair of the Procurement Advisory Committee for a two-year term (2019-2020).

3.5 Motion to Close Nominations for Committee Vice-Chair

Ann-Marie Norio, Regional Clerk, called a second and third time for nominations for the position of Procurement Advisory Committee Vice Chair.

There being no further nominations it was:

Moved by Councillor Zalepa

Seconded by Councillor Gale

That nominations for the position of Vice Chair of the Procurement Advisory Committee for the 2019-2020 term, **BE CLOSED**.

Carried

3.6 Voting for Position of Committee Vice-Chair

There being only one nominee for the position of Committee Vice Chair, the Regional Clerk announced that Councillor Insinna would be the Procurement Advisory Committee Vice Chair for a two-year term (2019-2020).

4. **PRESENTATIONS**

4.1 Procurement Modernization: Timeline and Accomplishments

Bart Menage, Director, Procurement & Strategic Acquisitions, provided information respecting Procurement Modernization: Timeline and Accomplishments. Topics of the presentation included:

- Procurement Modernization
- Accomplishments
- 2019/2020 Work Plan
- Templates
- Negotiated Request for Proposal
- E-Bidding: Final Transition
- Reporting
- Procurement By-law
- Summary

A copy of the presentation is attached to these minutes.

Moved by Councillor Rigby
Seconded by Councillor Insinna

That staff **BE DIRECTED** to provide a report outlining procedures to examine the legitimacy of corporate identity for future providers for implementation in the procurement procedures.

Carried

Councillor Information Request(s):

Provide information respecting the policy and/or procedure regarding when a fairness advisor is to be engaged. Councillor Gale.

Provide information respecting the purchasing and execution authority limits of staff. Councillor Gale.

5. **DELEGATIONS**

There were no delegations.

6. **ITEMS FOR CONSIDERATION**

6.1 **PAC-C 1-2019**

Proposed Amendments to Procurement Advisory Committee Terms of Reference

Moved by Councillor Rigby
Seconded by Councillor Gale

That this Committee **RECOMMENDS** to the Corporate Services Committee:

That Report PAC-C 1-2019, dated March 11, 2019, respecting Proposed Amendments to the Procurement Advisory Committee Terms of Reference, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That Committee **APPROVE** the proposed amendments to the Terms of Reference for the Procurement Advisory Committee as outlined in Appendix 1 of Report PAC-C 1-2019.

Carried

6.2 **PAC-C 2-2019**

Proposed Procurement Work Plan 2019-2020

Moved by Councillor Rigby
Seconded by Councillor Gale

That this Committee **RECOMMENDS** to the Corporate Services Committee:

That Report PAC-C 2-2019, dated March 11, 2019, respecting Proposed Procurement 2019-2020 Work Plan, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Committee **APPROVE** the proposed 2019-2020 Work Plan for the Committee; and

2. That the Committee **DIRECT** staff to report back on topics selected by the Committee for further investigation.

Carried

Councillor Information Request(s):

Request feedback from across the corporation on potential improvements to the procurement scorecard. Councillor Zalepa.

6.3 PAC-C 3-2019

2019 Meeting Schedule

Moved by Councillor Rigby
Seconded by Councillor Gale

That Correspondence Item PAC-C 3-2019, dated March 11, 2019, respecting Procurement Advisory Committee 2019 Meeting Schedule, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Procurement Advisory Committee meetings **BE HELD** at 1:00 p.m. on the following dates in 2019:

June 10, September 9 and November 11.

Carried

9. **NEXT MEETING**

The next meeting will be held on Monday, June 10, 2019 at 1:00 p.m. in the Council Chamber.

10. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:32 p.m.

Councillor Whalen
Committee Chair

Ann-Marie Norio
Regional Clerk

Procurement Modernization

Timeline and Accomplishments – Procurement
Advisory Committee: March 11, 2019

Bart Menage, CSCMP, CRM
Director of Procurement and Strategic Acquisitions
Enterprise Resource Management Services

Procurement Modernization

- In 2017, Procurement embarked on a process to further expand the transformation and modernization of the procurement function at Niagara Region which was built on previously completed achievements.
- This presentation summarizes both the achievements but more importantly, it identifies and details how the future actions outlined in the 2019/20 Work Plan will effectively build on those foundational pieces and bring Procurement closer to best in class for today and beyond.

MODERNIZATION TIMELINE



Accomplishments

2015:
PeopleSoft
Financials
related By-law
amendments
approved by
Council; PAC
established

2016: Amended
By-law comes
into effect ;
aligned with
the Go Live
date for
PeopleSoft
Financials

2016
Procurement
Templates
acquired from
the
Procurement
Office ;
implemented
in 2017

2017: PAC re-
convene to
establish the
2017/18 Work
Plan

2018/19:
Further
updates to
Templates and
By-law to
reflect Trade
Treaty
Legislation
and e-Bidding

2019/2020 Work Plan

Q2-2019:
Transition to
full e-Bidding;
updating all
templates to
electronic
submission
format.

Q3-2019
Finalize
structure for
use of
Negotiated
RFP: process
consideration,
templates and
procedures

Q4-2019:
Final
Transition to
full
electronic
submission
for all
Procurement
types

Q4-2019 –
Reporting
format
including
development
of Quarterly
Spend
Analytics

Q4-2019 /
Q1-2020:
Final
proposed
amendments
to
Procurement
By-law

WORK PLAN OVERVIEW



TEMPLATES

- Acquired in 2016 from The Procurement Office, an external legal firm which specializes in public sector procurement.
- These templates, in use since 2017 have ensured greater consistency across bid documents
- Procurement will transition all 11 templates to an e-Bidding format (3-RFP's, 2-RFT's, 2-RFPQ's, 3-RFQ's and 1-RFEOI)
- Benefits include:
 - Greater consistency across all procurements;
 - Risk mitigation via latest trends / legal review
 - Aligned with the requirements of the Procurement By-law

NEGOTIATED RFP

- Use was ratified by Council on March 22, 2018; By-law amendments in February 2019 (CSD 12-2019).
- Finalize structure for use of Negotiated RFP: process, considerations, templates and procedures
- Procurement will ensure that when employed, this approach would be the most effective and conducive strategy to achieve best value based on varying criteria including complexity and risk.
- Benefits include:
 - a lower risk legal framework
 - Flexibility and transparency in the process
 - Higher level of engagement with Bidders
 - Greater opportunity to maximize procurement results

E-BIDDING: FINAL TRANSITION

- Use was ratified by Council on March 22, 2018; By-law amendments in February 2019 (CSD 12-2019).
- Initial transition to Bids and Tenders on July 3, 2018
- Benefits include:
 - Provides the tools to develop more effective submission and evaluation processes which will improve process efficiency for both parties including a reduced bidder risk of non-compliance;
 - e-Bidding portal including availability of electronic bid documents will allow for easier access to opportunities, reduced administration, electronic submissions and trade treaty compliance
 - Results available in real time, exportable to tabulated view for side by side comparison of unit prices or lump sum
 - Eliminate the need for bidders to personally deliver or courier their bids into Niagara Region

REPORTING: COMMITTED PO VALUES

- Review and Analysis of data by type, by vendor etc.,
- Procurement Quarterly Dashboard Report
- Utilize improved data quality to build a comprehensive view to identify opportunities:
 - Work collaboratively with Clients to leverage spend across business units.
 - Streamline and centralize procurement process and other administrative efficiencies.
 - Manage risk and maverick spending to ensure compliance.
 - Benchmark against internally established KPI's

PROCUREMENT BY-LAW

- The Commissioner of Enterprise Resource Management Services/Treasurer shall review the effectiveness of this By-law at least every five (5) years and report to Council as necessary.
- Aside from accountability and efficiency benefits that flow from having procurement policies in place, there are several other important reasons to establish, review and amend these policies regularly including:
 - maintaining the integrity and protecting stakeholder interests in the procurement process
 - providing context for addressing the current key issues related to procurement
 - mitigate legal risk associated with utilizing practices not set out in (or anticipated by) the procurement policy
 - ensure the overall framework for proper and effective procurement processes meet operational needs
 - ensuring effective financial control including delegated authority

PROCUREMENT BY-LAW

- Consideration during the review process will include:
 - A complete review of the current By-law
 - Comparison to other municipalities of similar size and structure
 - What process will be used, refine the goals for each including circumstances for their use
 - Review and evaluated the effectiveness of the processes
 - Determine the sections that have not been effective or have presented challenges
 - Determine what revision to current requirements are required and what new requirements should be introduced
 - Meetings with stakeholders to examine and discuss all the clauses/sections of the current By-law
 - Assessment of By-law versus procedural manual

SUMMARY

The plan including this latest rendition of action items remains solidly grounded and focused on a continued migration to a best in class procurement organization via the consideration, adoption and implementation of leading practices and innovation in public sector procurement.

Subject: Proposed Amendments to the Procurement Advisory Committee Terms of Reference

Report to: Procurement Advisory Committee

Report date: Monday, March 11, 2019

Recommendations

That the Committee **APPROVE** the proposed amendments to the Terms of Reference for the Procurement Advisory Committee as outlined in Appendix 1.

Key Facts

- The purpose of this report is to seek Committee approval for proposed amendments to the Terms of Reference in accordance with Section 11 of the current Terms of Reference which suggests that they should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.
- Aside from minor housekeeping and formatting and other changes to Sections, more substantive amendments are being proposed for Section 3: Responsibilities and Section 5: Meetings.

Financial Considerations

Not Applicable.

Analysis

The Public Works Bidding Process Evaluation Review Committee was formed and met initially on Sept 23, 2013. Draft Terms of Reference were received for information at this time.

At that time, the mandate set out by Council and outlined in the draft Terms of Reference was that: *"This Committee shall assess and re-evaluate our existing grading, weighting and scoring matrix for all Public works projects and provide recommendations to improve the effectiveness and transparency of the bidding process"*

Recommendation 1 from CSD 49-2015 dated May 13, 2015 was approved to amend the committee name from the Public Works Bidding Process Evaluation Review Committee to the Procurement Advisory Committee. On June 30 of that year, the Committee approved the current Terms of Reference which expanded the focus of the original mandate to effectively include the broader procurement purview of the Corporation.

Terms of Reference Section 11 suggests that the Terms of Reference should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.

With the exception of minor housekeeping and formatting changes which have been incorporated and accepted, the remaining changes to the Sections including the more substantive amendments to Section 3 (Responsibilities) and Section 5 (Meetings) are reflected in the “red line” document appended to this report, specifically:

- Section 3 which now includes the addition of due consideration to trends related to challenges and opportunities for innovation in Public Sector Procurement and the inclusion of external delegates to address the committee on matters related to public procurement; and
- Section 5 which proposes that the frequency of scheduled meeting be increased from semi-annually to quarterly.

Alternatives Reviewed

The Committee may elect to maintain the current Terms of Reference however this would not be recommended by staff as the proposed amendments seek to increase the frequency of meetings and in addition to bringing greater clarity to the mandate of the committee. Alternatively, the committee may elect to incorporate further amendments to the proposed Terms of Reference. Matters outside of the mandate of this committee would be brought directly to Corporate Services Committee.

Relationship to Council Strategic Priorities

Procurement and its related activities are critical in maintaining taxpayer affordability.

Other Pertinent Reports

- CSD 49-2015 Procurement Advisory Committee, May 13, 2015
- PAC-C 1-2015 Procurement Advisory Committee, June 30, 2015

Prepared by:

Bart Menage, CSCMP, CRM
Director, Procurement & Strategic
Acquisitions
Enterprise Resource Management
Services

Recommended by:

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

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Jeffrey Mulligan, Manager, Strategic Sourcing and Tracie Byrne, Manager of Purchasing Services.

Appendices

Appendix 1

Proposed Red Line changes to Terms of Reference

Page 4

PROCUREMENT ADVISORY~~Procurement Advisory~~ COMMITTEE~~Committee~~
TERMS OF REFERENCE~~Terms of Reference~~

1. Background & Preamble

The Bidding Process Evaluation Review Committee was established by direction of Regional Council in April 2011, to review the bidding and/ evaluation process for awarding Public Works projects and make recommendations on ways of improving its effectiveness and transparency.

In 2015 the Committee, for a variety of reasons, was repositioned to take on an expanded role and review procurement matters on an organization-wide basis. Due to this new focus the Committee's name was changed to the Procurement Advisory Committee (PAC). The PAC operates in accordance with these terms of reference.

2. Mandate

The Committee's mandate is to:

- a) Review the Procurement By-law and recommend changes as necessary.
- b) Review and provide feedback on processes and procedures involving procurement.

3. Responsibilities

The Committee will:

- a) Recommend to the Corporate Services Committee and Regional Council any potential changes to the Procurement By-law.
- b) Review Niagara Region's procurement processes and procedures including such matters as bid solicitation and methodology, and evaluation methodology.
- c) Give due consideration to procurement related trends related to challenges and opportunities for innovation in Public Sector Procurement including but not limited to legislative changes and their impact in the aforementioned (3a and 3b)
- e)d) Additionally, the ~~The~~ Committee may from time to time hear from Niagara Region staff or external delegates on public procurement matters, initiatives and trends including those identified above, delegations on the Procurement By-law or Niagara Region's procurement processes or procedures.

4. Composition

The Committee will be comprised of a minimum of three ~~members of Regional Council~~ to a maximum of eight members of Regional Council.

The Committee shall appoint from the membership a Chair and Vice-Chair at its first meeting. All members of the Committee shall be allowed a vote. There shall be no compensation payable to the members of the Committee.

The following members of staff will serve as resources for the work of the Committee:

- (i) The Commissioner of Enterprise Resource Management Corporate Services (or designate);
- (ii) The Commissioner of Public Works (or designate);
- (iii) The Director of Procurement and Strategic Acquisition;
- (iv) The Director of Legal and Court Services; and
- (v) Any additional members of staff who from time to time may be required.

~~Additional members of staff may be present from time to time as needed.~~

5. Meetings

The meetings of the PAC are public. Meetings shall be held quarterly ~~semi-annually~~ or at the call of the Chair for special issues or circumstances. Meetings shall be governed by the Region's Procedural By-law, being a by-law to govern the calling, place and proceedings of the meetings of Council and its Committees, as may be amended from time-to-time.

6. Reporting Structure

The PAC will report to Regional Council through the Corporate Services Committee.

7. Committee Work Plan

The PAC will provide guidance to staff in the development of an annual work plan identifying the specific initiatives and activities to be undertaken within each of the areas of focus, inclusive of budget needs, to further guide decision-making and resource management.

8. Term

The term of membership shall be four years, concurrent with Regional Council's elected term of office, and the membership shall be approved by Council in accordance with membership requirements in the Terms of Reference.

~~9. Roles OLES & Responsibilities~~ **RESPONSIBILITIES**

~~10.9.~~

Chair & Vice Chair

A Chair and Vice Chair will be elected from Committee members on a biannual basis at the first meeting of the New Year to preside over meetings and Committee business.

It is the role of the Chair to preside over Committee meetings so that its business can be carried out efficiently and effectively, and to act as a liaison between the Committee, the Corporate Services Committee and Regional Council.

It is the role of the Vice Chair to preside over Committee meetings in the absence of the Chair and to perform any other duties delegated by the Chair or as assigned by the Committee through a majority vote.

Committee Members

All PAC members, including the Chair and Vice Chair, have the responsibility to help achieve the PAC's Mandate and Responsibilities. Committee members are also responsible for:

- Reviewing meeting materials in advance of the meetings and arrive prepared to provide a broad perspective on the issues under consideration;
- Working diligently to complete assigned activities;
- Participating on working groups, as appropriate;
- Agreeing to describe, process and resolve issues in a professional and respectful manner;
- Providing input ~~to~~ into help the identification of ~~identify~~ future projects or strategic priorities which will form the basis of ~~for~~ future years' work; and

- Communicating activities of the Committee to groups represented or those who may have an interest and offer information back to the Committee.

11.10. Absenteeism ~~BS~~SENTEEISM

Members who miss three unauthorized consecutive meetings shall be deemed to have resigned from the Committee and will be notified of this in writing by the Committee Chair.

12.11. Amendments ~~MENDMENT~~ to the Terms of Reference ~~S TO THE~~ ~~TERMS OF REFERENCE~~

The Terms of Reference should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.

Proposed amendments to the ~~Proposals to amend the~~ Terms of Reference shall require the approval of a majority of the Procurement Advisory Members present and those amendments if approved will ~~members present. Proposed amendments to the Terms of Reference~~ ~~shall~~ be submitted to Regional Council for approval through the Corporate Services Committee. Amendments to the Terms of Reference ~~and~~ shall take effect only upon the approval of Council.

Subject: Proposed Procurement 2019-2020 Work Plan

Report to: Procurement Advisory Committee

Report date: Monday, March 11, 2019

Recommendations

1. That the Committee **APPROVE** the proposed 2019-2020 Work Plan for the Committee
2. That the Committee **DIRECT** staff to report back on topics selected by the Committee for further investigation

Key Facts

- The purpose of this report is to seek approval from the Procurement Advisory Committee on the proposed 2019-2020 Procurement Work Plan and as by doing so ensure the Committee and Council are receiving relevant information related to procurement initiatives.
- Niagara Region's practices in procurement have undergone a number of significant changes in the past four years, and while Procurement has been previously guided by the tasks as approved by Council in CSD 72-2016, there are a number of areas which should remain the focus for Procurement going forward.

Financial Considerations

Not Applicable.

Analysis

In September 2017, the previous Committee approved the 2017-2018 Procurement Work Plan (PAC-C 1-2017) which identified a number of areas that would be the focus for Procurement. That report also sought direction from the previous Committee on additional areas which could be included in the Work Plan to ensure that this Committee and ultimately Council were receiving relevant information related to procurement initiatives. This report consolidates information from that initial Work Plan and feedback from the Committee.

In November 2017, the previous Committee approved an amendment to the 2017-2018 Work Plan (PAC-C 2-2017) which accelerated the following specific Work Plan items: eProcurement Software Solutions strategy and Negotiated RFP template and procedures, respectively.

The Work Plan is grounded in the guiding principles of sustainability by assessing the strategies, resources and technology required to facilitate innovation, continuous improvement and governance. This latest rendition of the proposed Work Plan builds on previous successes including the achievement of 2017/18 action items.

Procurement is confident that the Work Plan items identified herein represent a continuation of this modernization and transformation process which will further serve to strengthen the Niagara Regions' procurement function. The ongoing review, consideration and development of policies, procedures, processes and technologies will further improve the process by which goods, services and construction are procured.

Procurement remains committed to continually drive efficiencies in our process to reduce procurement cycle times via streamlined and technology-enabled processes and that, coupled with corporate savings achieved through strategic sourcing and leveraging spend ensure that value for money outcomes will effectively contribute to the Region's long-term sustainability.

The Work Plan also considers a communications plan targeting all stakeholders who will serve to support the ongoing implementation of the strategy including: staff updates, briefing packages, training and education sessions (for all stakeholders) including the utilization of Niagara Region resources such as the internal intranet (The Vine) and Niagara Region's website.

Given the aforementioned, Procurement is proposing that the following key items be undertaken as part of its 2019 – 2020 Work Plan:

1. E-Bidding Phase II: Continued migration to electronic bidding including a gradual implementation path based on each procurement type; one which provides consideration to lessons learned with full transition to electronic submissions by the end of 2019. *Timeline – Q4 2019*
2. Procurement Templates: In support of Work Plan item 1, a continued conversion of all templates to a format which is conducive to e-Bidding. *Timeline – Q2 2019*
3. Procurement By-law: With the recently approved Procurement By-law amendments (February 2109), Procurement will consider further changes to the Procurement By-law including consultation and planning with industry, peers and stakeholders; internal (staff) and external (GNCC, NPPC and NCA etc.) *Timeline – Ongoing with complete by Q4 2019/Q1-2020*
4. Negotiated RFP: With the recently approved Procurement By-law amendments (February 2019) introducing this process; finalize templates and procedures. *Timeline – Q3 2019*

-
5. Ongoing developing of quarterly spend analytical reports to identify opportunities, drive savings and compliance. *Timeline – Q4 2019*

With regards to a consideration item from the previous Committee related to engaging local contractors more effectively and improving supplier relationships, Procurement continues to represent Niagara Region in these broader collaborative discussions with various stakeholder groups including the Public Procurement for Local Prosperity Committee (PPLP), Niagara Public Purchasing Committee (NPPC), Niagara Construction Association (NCA) and other industry associations and partners.

As part of its proposed Work Plan, staff will specifically report back to the Committee on Work Plan item 3 for input and approval. Other items may be brought back to Committee for input, approval or general update.

Other items that could be considered by the Committee:

- Undertaking Procurement Procedure Review and Documentation;
- Reviewing and implementing changes to the RFP Evaluation Process;
- Vendor and/or Contract Management;
- PO and Project contingencies, procurement practices and cost overruns; and
- Continuing the tasks outlined in CSD 72-2016 which relates to training and involvement in key corporate initiatives.

Alternatives Reviewed

There are no other alternative Work Plans, however Committee can amend the Work Plan.

Relationship to Council Strategic Priorities

Procurement and its related activities are critical in maintaining taxpayer affordability.

Other Pertinent Reports

- CSD 72-2016
- PAC-C 1-2017
- PAC-C 2-2017

Prepared by:

Bart Menage, CSCMP, CRM
Director, Procurement & Strategic
Acquisitions
Enterprise Resource Management
Services

Recommended by:

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

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

*This report was prepared in consultation with Jeffrey Mulligan, Manager of Strategic Sourcing
and Tracie Byrne, Manager of Purchasing Services.*

Councillor Open Data

Corporate Services Committee

March 20, 2019

What is Open Data?

Open data is **data** that can be freely used, shared and built-on by anyone, anywhere, for any purpose.

Open Knowledge International

Benefits of Open Data

Open data provides benefits to our citizens, our businesses and government, including:

- new innovative ways to use our data
- stimulate new business
- saves time gathering data and promotes reuse
- allows informed citizen engagement
- fosters transparency and accountability

Open Data In Niagara

- 2012** Niagara Region first open data catalogue launched; data supported the Cultural Capital of Canada campaign
- 2015** Launched **Niagaraopendata.ca**, providing access from both the Region, local municipalities and partners; currently hosting over 300 openly available datasets about Niagara.
- 2017** Public Sector Digest recognized the efforts of the Niagara community and Niagara Region was named top regional municipality in their Open Cities Index
- 2018** Host community for the Canadian Open Data Summit – the national open data conference

Council Data Release

Niagara Region Council datasets shared as open data

1) **Elected Officials**

- Representative details and contact information

2) **Councillor Quarterly Expenses**

- Reported and applied expense per councillor

3) **Councillor Annual Remuneration**

- Remuneration summary as reported

Councillor Expense data

Publication Cycle

1) Elected Officials

- Updated as required throughout council term

2) Councillor Quarterly Expenses

- Published 45 days after end of quarter

3) Councillor Annual Remuneration

- Published annually

/ Datasets

Organizations

Niagara Region (8) 

Groups

Government (5)

Health (2)

Getting Started (2)

Arts & Culture (2)

Volunteering/Leading (1)

Transportation (1)

Social Development (1)

Safety (1)

Land Planning (1)

Environment (1)

Tags

workshop (2)

utilities (2)



8 datasets found for "council"

Order by: Relevance 

Organizations: Niagara Region 

Remuneration and Expenses for Members of Regional Council

"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...

[XLSX](#)
[XLS](#)
[CSV](#)
[ZIP PDF](#)

Councillor Expenses Quarterly Disclosures

The information in the Councillor Expense dataset includes expense transactions processed as of the end of each quarter, (March, June, September, December) month end close and...

[XLSX](#)
[CSV](#)

Niagara Region Council Elected Officials

A list of elected officials at the Niagara Regional level of government.

[CSV](#)



Frank Campion, Mayor (Welland)



Expense Report
[For 2018-2022 term](#)



Address
60 East Main St.
Welland, ON
L3B 3X4



Contact
905-735-1700 ext. 2101
frank.campion@niagararegion.ca

Biography

Councillor Frank Campion is serving his second term on regional council and as mayor of the City of Welland.

He has served on city council for Welland for a total of five terms. In the late 1980's, he was chair of the Welland Downtown Business Improvement Area.

Councillor Campion is the president and owner of Campion Marketing Services Limited, an industrial marketing consulting firm serving industries throughout North America.

Committee Membership

- [Corporate Services Committee](#)
- [Budget Review Committee of the Whole](#)
- [Planning and Economic Development Committee](#)

Other Local Councillors

- [Pat Chiocchio](#)
- [Leanna Vilella](#)

[All Regional Councillors](#)

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Frank Campion, Mayor (Welland)



Profile

[Biography and Committee Memberships](#)



Address

60 East Main St.
Welland, ON
L3B 3X4



Contact

905-735-1700 ext. 2101
frank.campion@niagararegion.ca

For more information, and data from all councillors, visit NiagaraOpenData.ca

Data Preview

Account Description	Amount	Description	Journal Date	Supplier	Voucher Description
Sample account description	\$ 0.00	Sample description	0/0/00	Sample Supplier	Sample Voucher Description

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Open Data Guidance

Proactively disclose information and data;
promoting transparency, accountability and open
government

MEMORANDUM

CSC-C 5-2019

Subject: Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2018

Date: March 20, 2019

To: Corporate Services Committee

From: Todd Harrison, Commissioner/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, was passed in 2015 through report HR 04-2015 and confirmed by By-law 14-2015. As part of the ongoing governance review by Dr. Andrew Sancton, Council will review the approved methodology in Q2 2019 as well as consideration of options relative to recent Income Tax Act changes. The current methodology provided for an increase on December 1, 2018, however this has been deferred until completion of Dr. Sancton's Review. Previously, every four years Council would review and pass a resolution under Municipal Act s.283 (4)(5) to deem one-third of remuneration to be expenses and therefore exempt from taxation. In 2017, the Government of Canada enacted changes to the *Income Tax Act*, which eliminated the tax-exempt Municipal officers' expense allowance across Canada as of January 1, 2019.

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
Enterprise Resource Management Services

Attachments

Schedule 1 – Statement of Remuneration and Expenses for Members of Regional Council

Schedule 2 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members – NRH and NRPS

Schedule 3 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members - NPCA

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Members of Regional Council
Including: Niagara Regional Police Service (NRPS), Niagara Regional Housing (NRH), Niagara Peninsula Conservation Authority (NPCA), Niagara Escarpment Commission (NEC), and Niagara Parks Commission (NPC) Boards

CSC-C 5-2019
Schedule 1

Council Members	Remuneration									Expenses										Total Remuneration & Expenses
	Current Status	Regional Council	NRPS	NRH	NPCA*	NPC	NEC	Total Remuneration	Total Benefits ③	Mileage ⑨	Conference Related Expenses	Other ⑩	Total Regional Expenses	NRPS	NRH	NPCA*	NPC	NEC	Total Expenses	
Annunziata, Sandy ②	Outgoing	29,550.48	-	-	14,121.02	-	-	43,671.50	6,896.66	1,359.75	6,287.18	3,304.02	10,950.95	-	-	5,200.87	-	-	16,151.82	66,719.98
Augustyn, Dave (Mayor) ③	Outgoing	29,550.48	-	-	-	-	-	29,550.48	5,900.90	63.22	5,460.22	775.82	6,299.26	-	-	-	-	-	6,299.26	41,750.64
Barrick, David ①②	Outgoing	31,396.80	6,285.01	-	-	-	-	37,681.81	6,358.67	831.11	5,217.62	2,348.30	8,397.03	424.98	-	-	-	-	8,822.01	52,862.49
Baty, Brian ③	Outgoing	29,550.48	-	-	1,998.10	-	8,734.50	40,283.08	3,597.11	907.90	2,865.46	1,188.91	4,962.27	-	-	608.50	-	1,191.04	6,761.81	50,642.00
Bellows, Sandie	New	2,585.67	-	-	-	-	-	2,585.67	448.15	-	-	-	-	-	-	-	-	-	-	3,033.82
Bentley, Bob (Mayor) ②	Outgoing	29,550.48	-	-	-	-	-	29,550.48	5,900.90	1,252.38	4,929.54	730.92	6,912.84	-	-	-	-	-	6,912.84	42,364.22
Bradley, James (Regional Chair) ⑥	New	9,540.86	-	-	-	-	-	9,540.86	346.93	1,636.87	-	-	1,636.87	-	-	-	-	-	1,636.87	11,524.66
Burroughs, Gary	Outgoing	29,550.48	-	-	-	-	-	29,550.48	3,554.25	942.45	-	548.09	1,490.54	-	-	-	-	-	1,490.54	34,595.27
Butters, Barbara	New	2,585.67	-	76.15	-	-	-	2,661.82	613.70	-	-	-	-	-	-	-	-	-	-	3,275.52
Bylsma, David (Mayor)	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Campion, Frank (Mayor) ②	Re-elected	32,136.15	-	-	456.60	-	-	32,592.75	6,544.62	595.00	6,962.06	240.27	7,797.33	-	-	128.00	-	-	7,925.33	47,062.70
Caslin, Alan (Regional Chair) ②⑤⑥	Outgoing	122,286.24	6,285.01	-	-	-	-	128,571.25	19,174.54	18,707.04	4,184.20	2,737.54	25,628.78	-	-	-	-	-	25,628.78	173,374.57
Chiocchio, Pasquale M ①	New	2,593.36	-	-	-	-	-	2,593.36	613.46	-	-	-	-	-	-	-	-	-	-	3,206.82
D'Angela, Henry	Outgoing	29,550.48	-	2,307.75	-	-	-	31,858.23	5,930.90	158.53	-	2,046.55	2,205.08	-	264.54	-	-	-	2,469.62	40,258.75
Darte, George O	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Darte, Patrick (Mayor)	Outgoing	29,550.48	-	-	456.60	-	-	30,007.08	4,207.16	194.56	-	89.55	284.11	-	-	147.05	-	-	431.16	34,645.40
Diodati, Jim (Mayor)	Re-elected	32,136.15	-	-	304.40	1,822.50	-	34,263.05	6,534.13	272.32	-	43.26	315.58	-	-	128.00	123.20	-	566.78	41,363.96
Disero, Betty (Mayor)	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Easton, Sandra (Mayor) ④	Re-elected	32,136.15	-	-	-	-	-	32,136.15	3,932.45	1,070.17	1,554.79	241.67	2,866.63	-	-	-	-	-	2,866.63	38,935.23
Edgar, Kelly ③	Re-elected	31,151.13	-	-	-	-	-	31,151.13	6,408.70	-	3,061.76	231.23	3,292.99	-	-	-	-	-	3,292.99	40,852.82
Fertich, Wayne F	New	2,585.67	-	-	-	-	-	2,585.67	320.45	-	58.53	377.48	436.01	-	-	-	-	-	436.01	3,342.13
Foster, Robert ① ⑦	New	2,593.36	-	-	-	-	-	2,593.36	344.72	-	-	-	-	-	-	-	-	-	-	2,938.08
Gale, Bob ③	Re-elected	32,136.15	9,382.84	-	-	-	-	41,518.99	6,923.55	517.49	2,843.72	425.57	3,786.78	2,313.98	-	-	-	-	6,100.76	54,543.30
Gibson, Kevin L (Mayor)	New	2,626.71	328.13	-	-	-	-	2,954.84	643.05	105.06	-	4.46	109.52	103.12	-	-	-	-	212.64	3,810.53
Greenwood, Barbara ①	New	2,593.36	-	-	-	-	-	2,593.36	320.60	108.92	-	387.15	496.07	-	-	-	-	-	496.07	3,410.03
Grenier, Paul ②⑦	Outgoing	29,550.48	-	1,730.75	800.00	-	-	32,081.23	5,978.60	2,029.61	9,073.47	7,610.69	18,713.77	-	-	27.00	-	-	18,740.77	56,800.60
Heit, Brian ③	Re-elected	32,136.15	-	-	-	-	-	32,136.15	6,513.12	1,065.51	2,699.45	776.66	4,541.62	-	-	-	-	-	4,541.62	43,190.89
Hodgson, Bill ④	Outgoing	29,550.48	-	-	448.08	-	-	29,998.56	5,931.82	1,627.31	2,178.88	3,722.77	7,528.96	-	-	104.00	-	-	7,632.96	43,563.34
Huson, Diana ①	New	2,593.36	-	-	-	-	-	2,593.36	613.45	-	-	-	-	-	-	-	-	-	-	3,206.81
Insinna, Thomas S	New	2,585.67	-	76.15	-	-	-	2,661.82	613.70	-	-	-	-	-	-	-	-	-	-	3,275.52
Ip, Laura	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Jeffs, April (Mayor) ①④	Outgoing	26,610.31	-	-	304.40	-	-	26,914.71	5,364.10	873.46	1,293.40	242.46	2,409.32	-	-	136.80	-	-	2,546.12	34,824.93
Jordan, Jeffery A (Mayor)	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Joyner, Douglas (Mayor) ①②	Outgoing	31,396.80	-	-	1,217.60	-	-	32,614.40	6,047.61	1,138.01	6,361.45	436.56	7,936.02	-	-	304.50	-	-	8,240.52	46,902.53
Junkin, Marvin (Mayor)	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Konc, Betty	Outgoing	4,432.57	-	-	-	-	-	4,432.57	843.48	56.42	-	-	56.42	-	-	-	-	-	56.42	5,332.47
Luciani, Ted (Mayor)	Outgoing	29,550.48	-	-	-	-	-	29,550.48	3,482.04	117.70	-	344.43	462.13	-	-	-	-	-	462.13	33,494.65
MacGregor, Debbie	Outgoing	29,550.48	-	-	-	-	-	29,550.48	5,900.90	632.17	-	537.18	1,169.35	-	-	-	-	-	1,169.35	36,620.73
Maloney, John (Mayor) ④	Outgoing	29,550.48	-	-	1,598.10	-	-	31,148.58	3,585.41	1,232.43	2,311.16	62.22	3,605.81	-	-	655.00	-	-	4,260.81	38,994.80
Marshall, George	Outgoing	29,550.48	-	-	-	-	-	29,550.48	3,554.25	561.65	75.00	870.03	1,506.68	-	-	-	-	-	1,506.68	34,611.41
Maves, Bart ① ④	Outgoing	31,396.80	-	-	-	-	-	31,396.80	6,096.71	-	1,698.66	665.80	2,364.46	-	-	-	-	-	2,364.46	39,857.97
Nicholson, Peter D	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Petrowski, Andrew	Outgoing	26,841.74	-	346.15	-	-	-	27,187.89	5,575.40	-	-	(15,092.21)	(15,092.21)	-	-	-	-	-	(15,092.21)	17,671.08
Quirk, Tony ②	Outgoing	29,550.48	-	-	5,783.60	-	-	35,334.08	6,299.97	2,579.55	7,078.70	5,923.20	15,581.45	-	-	2,005.70	-	-	17,587.15	59,221.20
Redekop, Wayne (Mayor)	Re-elected	32,136.15	-	-	-	-	-	32,136.15	6,513.12	-	-	456.48	456.48	-	-	-	-	-	456.48	39,105.75
Rigby, Tim ①	Re-elected	32,143.84	-	1,384.60	-	-	-	33,528.44	4,310.79	-	-	733.84	733.84	-	-	-	-	-	733.84	38,573.07
Sendzik, Walter (Mayor) ③	Re-elected	32,136.15	-	1,806.90	-	-	-	33,943.05	6,537.10	328.42	2,738.21	60.57	3,127.20	-	21.90	-	-	-	3,149.10	43,629.25
Steele, William (Mayor)	New	2,585.67	328.13	-	-	-	-	2,913.80	633.94	96.30	-	-	96.30	39.96	-	-	-	-	136.26	3,684.00
Timms, Bruce ①	Outgoing	29,550.48	-	-	1,445.90	-	-	30,996.38	6,000.68	532.02	1,710.32	1,239.66	3,482.00	-	-	390.00	-	-	3,872.00	40,869.06
Ugolini, Terry P (Mayor)	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Villella, Leanna	New	2,585.67	-	76.15	-	-	-	2,661.82	449.63	-	-	-	-	-	-	-	-	-	-	3,111.45
Volpatti, Selina ①②	Outgoing	31,396.80	-	1,730.75	-	-	-	33,127.55	3,957.34	1,013.66	5,100.52	1,227.22	7,341.40	-	-	-	-	-	7,341.40	44,426.29
Whalen, Timothy J	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Witteveen, Albert W	New	2,585.67	-	-	-	-	-	2,585.67	612.22	-	-	-	-	-	-	-	-	-	-	3,197.89
Zalepa, Gary J	New	2,585.67	-	76.15	-	-	-	2,661.82	613.70	-	-	-	-	-	-	-	-	-	-	3,275.52

Notes:
① Regional Council remuneration includes \$2,000 for Committee Chairs
② Conferences include Federation of Canadian Municipalities (FCM) and Association of Municipalities of Ontario (AMO)
③ Conferences include 2018 FCM conference related expenses
④ Conferences include 2018 AMO conference related expenses
⑤ Note that according to the Salary Disclosures Act (i.e. the "Sunshine List" legislation) it is prescribed that the Regional Chair's remuneration indicated in this report be reduced by the 1/3 Municipal Officers Expense Allowance, which reduces the Regional Chair's remuneration to below the \$100,000 threshold for purposes of reporting under the Salary Disclosures Act
⑥ Mileage includes car allowance (Chair Caslin \$18,707.04, Chair Bradley \$1,636.87)
⑦ Member of AMO board, no remuneration & associated expenses processed through Niagara Region
⑧ 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.
⑨ Mileage was based upon a two-tier reimbursable mileage rate of \$0.54 per kilometer for the first 5,000 kilometers driven and \$0.48 per kilometer for any kilometers in excess of 5,000 (Report CSD 120-2013).
⑩ Other includes non-conference related meals, event & functions, telephone, internet, legal fees, advertising, books & publications and miscellaneous expenses
Expenses may include 2017 amounts submitted in 2018 and not disclosed on the 2017 Councillor Remuneration Report
*Please refer to the Niagara Peninsula Conservation Authority website for additional information

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, 2018 to December 31, 2018

Police Services Board	Remuneration*	Benefits	Mileage	Expenses	Total
Bob Gale ① ③	9,382.84	410.43	1,511.46	802.52	12,107.25
Ken Gansel ① ② ③ ④ ⑤ ⑥	7,398.87	271.17	2,170.80	2,363.08	12,203.92
David Barrick	6,285.01	261.96	424.98	-	6,971.95
Terry Bonhan ① ⑤ ⑥	6,901.04	277.62	1,190.16	371.42	8,740.24
Alan Caslin	6,285.01	261.96	-	-	6,546.97
Kevin Gibson	328.13	21.72	96.12	7.00	452.97
Tara McKendrick ③	5,961.91	260.66	710.64	646.77	7,579.98
Bill Steele	328.13	21.72	39.96	-	389.81
Vaughn Stewart ① ② ③ ④ ⑤ ⑥	7,236.04	271.17	1,995.84	1,218.52	10,721.57
Total	50,106.98	2,058.41	8,139.96	5,409.31	65,714.66

Notes:

- ① Justice Tulloch - Street Check Review
- ② ⑥ OACP/OAPSB Zone 4 Meeting
- ③ OAPSB Labour Seminar
- ④ CAPG Annual Conference
- ⑤ OAPSB Labour Seminar

At December 31, 2018, remuneration paid to Police Services Board members was calculated at one of two annual rates as follows:

Chair \$9,297.14, regional member \$6,562.69 and provincial members \$6,755.06 (*Remuneration amount also includes per diems paid in the year)

Niagara Regional Housing	Remuneration	Benefits	Mileage	Total
Baker, Betty Ann	2,040.05	42.26	-	2,082.31
Blackley, Karen	2,409.29	46.98	-	2,456.27
Butters, Barbara	76.15	1.48	-	77.63
D'Angela, Henry	2,307.75	30.00	264.54	2,602.29
Goka, Eric Ken	346.15	6.75	-	352.90
Grenier, J. Paul	1,730.75	22.50	-	1,753.25
Hyatt, James	2,409.29	46.98	339.43	2,795.70
Insinna, Thomas	76.15	1.48	-	77.63
Kendrick, Kelly	346.15	6.75	-	352.90
O'Neill, Patrick	461.55	9.00	68.08	538.63
Osczytko, John R	346.15	6.75	-	352.90
Petrowski, Andy	346.15	4.50	-	350.65
Rigby, Tim	1,384.60	21.60	-	1,406.20
Sendzik, Walter	1,806.90	23.98	21.90	1,852.78
Souter, Betty-Lou	906.91	17.68	-	924.59
Villella, Leanna	76.15	1.48	-	77.63
Volpatti, Selina	1,730.75	22.50	-	1,753.25
Zalepa, Gary	76.15	1.48	-	77.63
Total	18,877.04	314.15	693.95	19,885.14

Notes:

At December 31, 2018 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, 2018 to December 31, 2018

Niagara Peninsula Conservation Authority*	Remuneration	Benefits	Mileage	Total
Annunziata, Sandy ① ⑤	14,121.02	995.76	5,200.87	20,317.65
Bator, Robert	600.00	39.60	109.00	748.60
Baty, Brian	1,998.10	42.86	608.50	2,649.46
Beattie, Stewart ②	4,870.40	94.97	2,446.67	7,412.04
Bodimeade, Carl	600.00	41.40	17.00	658.40
Campion, Frank	456.60	31.50	128.00	616.10
D'Alimonte, Anthony	600.00	41.40	191.00	832.40
Darte, Patrick	456.60	31.50	147.05	635.15
DiFruscio, Dominic	2,054.70	40.06	446.00	2,540.76
Diodati, Jim	304.40	21.01	128.00	453.41
Fry, Darren	800.00	55.20	210.00	1,065.20
Grenier, Paul	800.00	55.20	27.00	882.20
Hodgson, Bill	448.08	30.92	104.00	583.00
Jeffs, April	304.40	21.00	136.80	462.20
Joyner, Douglas	1,217.60	84.01	304.50	1,606.11
Kaspersetz, James ③ ⑥	6,784.31	468.12	4,291.56	11,543.99
MacPherson, Paul	1,598.10	104.73	141.50	1,844.33
Maloney, John	1,598.10	31.16	655.00	2,284.26
Michaud, Anne	1,200.00	82.80	198.00	1,480.80
Quirk, Tony ④	5,783.60	399.07	2,005.70	8,188.37
Semple, Drew	400.00	7.80	37.00	444.80
Shirton, Rob	532.70	36.75	290.00	859.45
Timms, Bruce	1,445.90	99.78	390.00	1,935.68
Willems, Adrin	800.00	55.20	86.00	941.20
Total	49,774.61	2,911.80	18,299.15	70,985.56

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 \$157.07

② Mileage includes other expenses of \$161.67

③ Mileage includes other expenses of \$762.56

④ Mileage includes other expenses of \$58.70

⑤ Includes Chairman's honorarium of \$6891.52

⑥ Includes Chairman's honorarium of \$995.61

*Please refer to the Niagara Peninsula Conservation Authority website for additional information



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 15, 2019

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

Dear Ms. Norio:

At their February 15, 2019 meeting, the Niagara Regional Housing Board of Directors, passed the following motion as recommended in attached report NRH 3-2019:

1. That the following 2018 year-end surplus transfers totaling \$2,689,169 **BE APPROVED**
 - a) \$2,565,605 transfer to the NRH Reserve to fund future housing provider capital costs
 - b) \$117,675 transfer to the NRH Owned Units reserve to fund annual capital requirements
 - c) \$5,889 transfer to the NRH Rent Supplement Reserve to fund continuing in-situ rent supplements
2. That this report be **REFERRED** to the March 20, 2019 Corporate Services Committee (CSC) meeting.

Your assistance is requested in moving report NRH 3-2019 through proper channels for approval.

Sincerely,


69 Mayor Walter Sendzik
Chair

REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: 2018 Year-End Transfer Report

RECOMMENDATION

That the Niagara Regional Housing (NRH) Board of Directors **APPROVE** the following recommendations:

1. That the following 2018 year-end surplus transfers totaling \$2,689,169 **BE APPROVED**
 - a) \$2,565,605 transfer to the NRH Reserve to fund future housing provider capital costs
 - b) \$117,675 transfer to the NRH Owned Units reserve to fund annual capital requirements
 - c) \$5,889 transfer to the NRH Rent Supplement Reserve to fund continuing in-situ rent supplements
2. That this report be **REFERRED** to the March 20, 2019 Corporate Services Committee (CSC) meeting.

KEY FACTS

- As of December 31, 2018, the operating statements for Niagara Regional Housing (NRH) indicate a **2018 budget surplus before indirect allocations of \$2,689,169** or 4.8 percent of NRH's global budget
- The purpose of this report is to implement the process required for the NRH Board to move forward the transfer of the year-end surplus to the NRH Reserve and NRH Owned Units reserve (Recommendation #1)
- The transfer of the year-end surplus to the NRH Reserves (Recommendation #1) is recommended to support the development of a capital program for housing providers to support significant anticipated capital requirements and to the NRH Owned Units reserve to support ongoing funding requirements of the NRH-owned units annual capital program
- The current NRH Reserve balance set aside for new initiatives is insufficient to take advantage of anticipated funding announcements in alignment with the National Housing Strategy. Recommendation #1 will increase NRH-readiness to move forward with the project should additional funding be made available

- At the time of writing this report, the Niagara Region is reporting a consolidated levy deficit position and has indicated intent to utilize a portion of the NRH surplus to mitigate the overall Regional deficit

CONSIDERATIONS

Financial

Main Drivers of 2018 Surplus:

- \$51 thousand surplus in administrative costs mainly driven by timing of executive-office initiatives partially offset by higher than budgeted costs related to the building condition assessments at all properties and insurance costs relating to property damage in the year
- \$477 thousand surplus driven by savings in utility costs and property tax savings for NRH-owned units, offset by \$844 thousand in higher than budgeted property infrastructure and grounds maintenance costs
- \$3.0 million surplus in budgeted subsidy payments to non-profit, co-op and federal providers along with prior year adjustments, in addition to the timing of take-up for Ministry-funded programs expected to be utilized in 2019. This variance is partially offset by the \$1.0 million unfavourable variance in Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.
- \$71 thousand surplus due to timing of housing provider database implementation & capital asset management software implementation
- \$1.4 million surplus in Other Revenue mainly due to rental revenues for NRH-owned units and a favourable variance in investment income, in addition to the recognition of provincial funding related to the providers where the NRH holds no further obligation
- The overall 2018 surplus is partially offset by \$370 thousand encumbrance to the 2019 budget for ongoing strategic initiatives. These initiatives include ongoing costs relating to reviewing NRH Board governance; ongoing housing provider system software development; designated substance surveys initiative; and office seating upgrade. No further initiatives are being recommended.

See attached Appendix 1: 2018 Year-End Summary

2019 Outlook

- The NRH 2019 operating budget has been adjusted to reflect main surplus drivers. This would include a budget for utility rebates, a reduction in provider subsidy costs due to trending and a slight increase in property taxes due to the addition of Carllton Street build in 2019. The 2019 operating budget also reflects the impact of end of operating agreements (EOA) and changes in Ministry funding allocations.

- The 2019 operating budget reflects a year-over-year increase in contribution to the NRH-Owned Units capital reserve restricted to Carlton Street, Jubilee Drive and Fitch Street buildings. In addition, the 2019 operating budget includes a restricted transfer to the NRH reserve for the development of a capital program for housing providers to support anticipated capital requirements.

Corporate

The Corporate Year-End Results and Transfer Report will be considered at CSC on March 20, 2019 and will include a recommendation to refer the requested year-end transfer to the Regional Council meeting on March 28, 2019.

Other Pertinent Reports

n/a

Submitted by:


Donna Woiceshyn
CEO

Approved by:


 Walter Sendzik
Chair

This report was prepared by Stephanie Muhic, Program Financial Specialist, in consultation with Donna Woiceshyn, CEO.

Appendix 1: Year-End Summary

2018 NRH Variance Summary	Budget to Actual Variance \$ Surplus (Deficit)	Comments
Expenditures		
Compensation	(114,790)	(-) Unbudgeted increases & changes in Senior Management Team (+) Timing of staffing transitions and Ministry administrative funding for program support
Administration	51,356	(+) Timing of executive office initiatives & consulting (-) Higher than expected costs for building condition assessments and insurance costs
Operational & Supply	1,665	
Property Taxes & Rent	101,750	(+) Favourable property tax billings compared to budget estimate
Property Infrastructure & Maintenance	(584,812)	(-) Unfavourable driven by HVAC maintenance, electrical & plumbing, higher than expected repair & maintenance costs related to move-outs (e.g. flooring) & higher than expected costs related to pest control
Grounds	(259,556)	(-) Higher than expected grounds costs driven by increased service contract renewal costs due to increases in minimum wage & service level requirements
Utilities	375,132	(+) Favourable utilities due to savings in electricity & natural gas costs due to capital improvements (e.g. heating control systems) & unbudgeted electricity rebates
Occupancy & Infrastructure	(367,486)	
Equipment, Vehicles, Technology	70,775	(+) Timing of Integrated Housing Provider solution software & capital asset management software
Community Assistance	2,975,202	(+) Timing of Ministry funded programs: SHIP, SIF, IAH-E, PHB-SDV (+) Lower than budgeted provider subsidies
Financial Expenditures	25,235	
Total Variance - Expenditures	2,641,957	
Revenue		
Federal & Provincial Grants	(942,056)	(-) Deferred recognition based on timing of Ministry funded programs & related administrative costs: SHIP, SIF, IAH-E, PHB-SDV
By-Law Charges & Sales	250	
Other Revenue	1,365,432	(+) Higher NRH-owned units rental revenue (+) Investment income (+) Recognition of provincial funding where NRH holds no further obligation
Total Variance - Revenue	423,626	
Total Intercompany Charges	(6,492)	
Total Transfers	(369,921)	(-) 2018 Year-end Encumbrances including Designated Substance Surveys, Completion of software implementation to support housing providers and capital asset management; Board Governance process; completion of office seating updates.
Total Surplus After Transfers & Before Indirect	2,689,169	

MEMORANDUM

CSC-C 9-2019

Subject: Delegated Decisions of the CAO, Carmen D'Angelo

Date: March 20, 2019

To: Corporate Services Committee

From: Ron Tripp, Acting Chief Administrative Officer

As per GM 8-2018, Restricted Acts after Nomination Day of the Municipal Election, and Section 275 of the *Municipal Act, 2001*, the Chief Administrative Officer, Carmen D'Angelo, approved the following reports:

- PW 47-2018 - Award of Contract 2017-T-117 (RN17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines
- PW 46-2018 - Award of Contract 2018-T-102 Contract RN 18-02 Replacement of Reece Bridge (Structure No. 069205) Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek in the Township of West Lincoln
- PW 37-2018 - Environmental Centre Expansion
- PW 41-2018 - Award of Contract 2018-T-122 (RN 18-22) Garner Road Biosolids Facility Upgrade
- PW 45-2018 - Niagara Falls Wastewater Treatment Plant Upgrade
- PW 29-2018 - Award of Contract 2018-T-127 (RN 18-27) Stamford Interceptor Rehabilitation Phase 1

The approval of these reports, Appendices 1 – 7 of Correspondence Item CSC-C 09-2019, was communicated to Council on October 6, 2018 via email.

- Confidential CSD 56-2018 – Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-Client privilege under s. 239 (2) of the *Municipal Act, 2001* – Niagara-on-the-Lake Wastewater Treatment Plant

The approval of this report, Confidential Appendix 8 of Correspondence Item CSC-C 09-2019, was communicated to Council on September 15, 2018 via email.

Respectfully submitted and signed by

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendices

Appendix 1 GM 8-2018
Appendix 2 PW 47-2018
Appendix 3 PW 46-2018
Appendix 4 PW 37-2018
Appendix 5 PW 41-2018
Appendix 6 PW 45-2018
Appendix 7 PW 29-2018
Appendix 8 Confidential CSD 56-2018

Subject: Restricted Acts after Nomination Day of the Municipal Election

Report to: Corporate Services Committee

Report date: Wednesday, May 16, 2018

Recommendations

1. That pursuant to Section 275(6) of the *Municipal Act, 2001*, Regional Council **DELEGATES** to the Chief Administrative Officer (CAO), only to the extent not already delegated, the following:
 - (a) The appointment or removal from office of a statutory officer of the Niagara Region or Commissioner;
 - (b) The hiring or dismissal of any employee of the municipality;
 - (c) The disposition of any real or personal property of Niagara Region which has a value exceeding \$50,000 at the time of disposal, and
 - (d) Making any expenditures or incurring any other liability which exceeds \$50,000,

Provided such authority shall extend only until the first meeting of the new Council, and that the CAO shall report to the new Council all actions taken pursuant to this delegation.

Provided further the CAO shall exercise the authority to appoint or remove an officer or Commissioner only if the CAO, after consideration of all reasonable alternatives, is of the opinion waiting for convening of the new Council would be contrary to the best interests of the Niagara Region or contrary to applicable law.

That authority delegated expressly constitutes a waiver of any expressed requirement arising from previous resolutions of Council directing a matter be returned to Council for approval before proceeding.

That the authority delegated shall continue from election to election unless determined otherwise by Council.

Key Facts

- Section 275 of the *Municipal Act, 2001 (Act)* provides for restricted acts after nomination day and after voting day (sometime referred to as lame duck period). The purpose of this report is to seek delegated authority, only to the extent not already delegated, over certain acts, to the Chief Administrative Officer, in the event Section 275 is triggered.

Financial Considerations

Section 275 of the *Act* prohibits Council from undertaking certain acquisitions, spending and employee-related actions during two periods after nomination day. Failure to delegate authority could restrict the Region's ability to conduct business in the normal course.

Analysis

As a result of amendments to the *Act*, the timing for restricted acts after nomination day have changed and are now longer if a municipality finds itself in this position. A summary of the provisions of the *Act* for restricted acts after nomination day and other related matters are set out below.

Regional Council has delegated authority to the CAO since 2003 for the restricted acts under the *Act*. It is deemed desirable to continue the delegation of authority to the CAO for 2018 as a matter of routine and to continue the delegation from election to election unless determined otherwise by Council in order to create efficiencies.

RESTRICTIVE PROVISIONS

The determination of whether Council is in a "restricted" position occurs twice during the election period. The calculations are now based on 32 Council Members since Council approved an additional Member for the Township of West Lincoln. Section 275(1), paragraph 2 will apply since the new Council will have more members than the outgoing Council.

(a) Between July 27 to October 22, 2018

The determination is based on the certified nominations by the Clerk and any acclamations as of July 27, 2018. If less than three-quarters of the current members are running for Council, then the restrictions set out in the *Municipal Act* will apply. For the Region, three-quarters equals 24, and less than three-quarters equals 23. Therefore, if 24 are not running/acclaimed, then restrictions apply; and

(b) Between October 22 to November 30, 2018

If the election results declared by the Regional Clerk after the election result in less than three-quarters of the incumbent Regional Councillors returning to Regional Council, the restrictions set out in the Act apply. Therefore, if 23 or less, are re-elected/acclaimed, then restrictions apply.

RESTRICTIONS

If Regional Council finds itself in a restriction period, Council shall not take any of the following actions:

- (a) the appointment or removal from office of any officer of the municipality;
- (b) the hiring or dismissal of any employee of the municipality;
- (c) the disposition of any real or personal property of the municipality which has a value exceeding \$50,000 at the time of disposal; and
- (d) making any expenditures or incurring any other liability which exceeds \$50,000.

EXCEPTION

Clauses (c) and (d) above do not apply if the disposition or liability was included in the most recent budget adopted by Regional Council before nomination day in an election year.

In addition, nothing prevents a municipality from taking any action in the event of an emergency.

DELEGATION OF AUTHORITY

Nothing in this section of the *Act* prevents any person or body from exercising any authority of a municipality that is delegated to the person or body prior to nomination day for the election of the new council.

Alternatives Reviewed


This report is driven by the provisions of the *Act*. Alternatively, Council may wish to delegate authority for the restricted acts in each election year rather than providing for the continuous election to election delegation. It is more efficient to continue the delegation from election to election with notification of same to Council each year.

Relationship to Council Strategic Priorities


The information and recommendations contained in this report advance the Strategic Priority of "Doing Business Differently/Advancing Organizational Excellence".

Other Pertinent Reports

LCS 10-2014 Section 275 Municipal Act, 2001 "Lame Duck" Provisions –
Municipal Election 2014 and Delegation of Authority



Prepared by:
Ann-Marie Norio
Acting Regional Clerk
Corporate Services - Administration



Recommended by:
Chris Carter
General Manager
Corporate Services



Submitted by:
Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Carolyn Kett, Acting Deputy Regional Clerk/Elections and Donna Gibbs, Director of Legal Services.

Appendices

None.

Subject: Award of Contract 2017-T-117 (RN17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That Contract 2017-T-117 (RN 17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines, **BE AWARDED** to Rankin Construction Inc. at their bid price of \$8,065,516.25 (including 13% HST).

Key Facts

- The purpose of this report is to seek Council approval on the award of Tender 2017-T-117 (RN17-17), Reconstruction of Regional Road 69 (Pelham Road) from Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines, to the low bidder, Rankin Construction Inc.
- \$8,300,000 was approved in the 2017 Capital Budget and \$800,000 in the 2014 Capital budget for a combined budget of \$9,100,000 in project 10RC1447.
- This is Phase 2 for the Regional Road 69 (Pelham Road) reconstruction program. Phase 1 [First Street Louth to Regional Road 28 (Fifth Street Louth)] was previously completed. This Phase 2 from Wessel Drive to Regional Road 28 (Fifth Street Louth) will be completed in 2018/2019 subject to Council's approval of this report. Phase 3 Wessel Drive to Centre Street will be completed in the next 2-3 years, each project is budgeted for individually.
- The proposed work is required to address the severe road condition, drainage issues and cycling networks. The proposed works include road reconstruction, storm sewers, structural culvert replacements, cycling facilities and intersection illumination.
- A public tender process was initiated and a total of 4 bids were received with the lowest bid being \$7,137,625.00 (excluding taxes).

Financial Considerations

Council approved the 2017 Capital Budget for the Transportation Department including the Reconstruction of Regional Road 69 (Pelham Road) from Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines. This budget includes the construction, contract administration & inspection, internal staff time and contingency under project 10RC1447 in the amount of \$8,300,000. This project

has prior approved funding of \$800,000 to cover the costs of detailed design, geotechnical investigations, property acquisitions and utility relocations. The total approved budget for this project is \$9,100,000.

There is no cost sharing on this project.

A full budget breakdown can be found in Appendix 3 Total Estimated Project Cost.

Given that the award is within the approved 2017 capital budget for this Project, the restrictions in section 275 of the Municipal Act do not apply.

Analysis

The reconstruction of Regional Road 69 (Pelham Rd) has been subject to a Municipal Class Environmental Assessment. As part of that process two (2) Public Information Centres were held. Utility relocations have been underway since 2017 and are nearly complete. Most of the property acquisitions have been completed with a few to be finalized in the near future. The Utility relocations and property acquisitions were budgeted in previous years.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents. Transportation staff will be providing resources throughout the project in order to manage the contract with assistance from Corporate Services on contract/project payments.

In accordance with Niagara Region Procurement By-law 02-2016, a public tender process was initiated on August 16, 2018 and at the time of closing on August 30, 2018. Four (4) tender submissions were received and publicly opened. The Region's Procurement Department has reviewed all bids and deemed each submission compliant with the requirements as outlined in the tender including the inclusion of all issued addenda and adherence to the bid security and surety requirements. Procurement noted that there was 1 mathematical error (from other than the low bid) which was deemed to have no bearing on final ranking of submissions as outlined in Appendix 2 Summary of Bids Received of this report.

Our consultant Associated Engineering has advised that the tendered unit prices submitted by the low tenderer, Rankin Construction Inc. are competitive and compare favorably with the Region's estimate. Staff therefore recommend that the low tender submitted by Rankin Construction Inc. be accepted.

Alternatives Reviewed

If this road section is not addressed the road condition will continue to deteriorate and the costs to remediate the road structure will only continue to escalate. The Region will

be at risk for damage claims due to the road condition. The Region received favourable pricing for this proposed works, and has sufficient budget to award this contract.

Although alternatives are limited on a road reconstruction project, road design elements and the impact on the environment were reviewed as part of the detailed design and Environmental Assessment processes. The detailed design of this road section was derived from the recommended alternative from the Environmental Assessment.

Relationship to Council Strategic Priorities

Addressing road conditions is an essential part of maintaining the Region's road network and this vital program is very closely tied to strategic priority 1 "Moving people and goods". This road section is highly travelled corridor with many cycling groups utilizing this route. Regional Staff and Associated Engineering have worked intensely with the NPCA to manage any risk to the Environment and the Region and have put forward considerable effort to ensure a timely project to mitigate the impact on the public.

This report is being brought forth to Regional Council as required by Section 15 (g) – Schedule B of the Purchasing By-law – Procurement of Supplies and Services, as the award of contract exceeds \$5 million, and the purchasing authority is Regional Council.

Other Pertinent Reports

n/a

Prepared by:

Mike Wilson, A.Sc.T., PMP
Senior Project Manager
Transportation Engineering

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

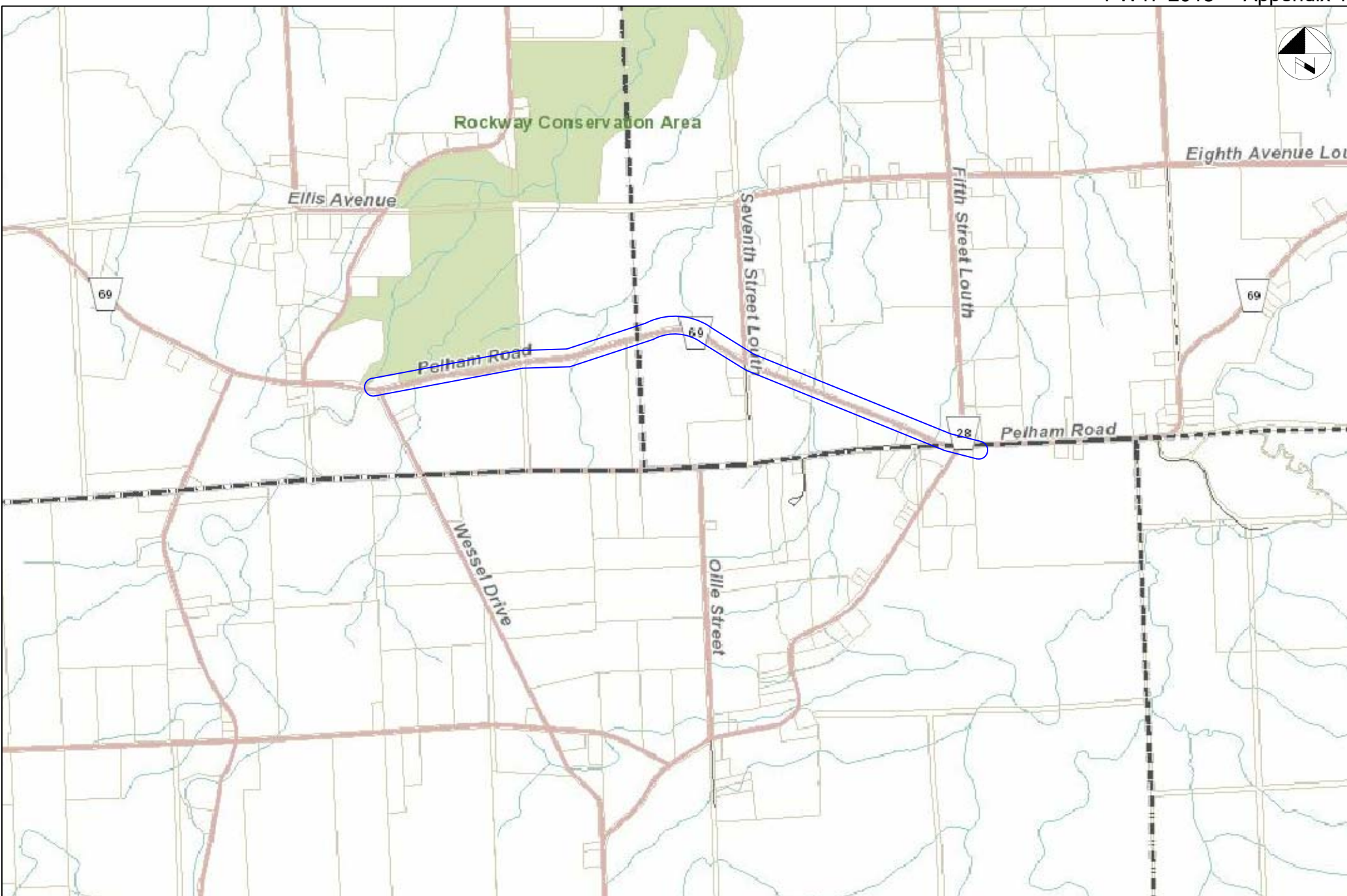
Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering, and reviewed by Jeff Mulligan, Manager Strategic Sourcing, Brian McMahon, Program Financial Specialist, Sterling Wood, Legal Counsel, and Carolyn Ryall, Director Transportation Services.

Appendices

Appendix 1	Key Map	5
Appendix 2	Summary of Bids Received	6
Appendix 3	Total Estimated Project Cost	7



Appendix 2 - Summary of Bids Received

The total tendered amounts (before HST) are listed below in ascending order:

Rankin Construction Inc.	\$ 7,137,625.00
Brennan Paving Limited	\$ 7,841,139.00
Norjohn Contracting and Paving Limited	\$ 8,854,000.00
Peters Excavating Limited (\$8,923,649.50)	\$ 9,017,784.50*

*Corrected amount

PW 47-2018 APPENDIX 3
TOTAL ESTIMATED PROJECT COSTS
Contract Award

Contract 2017-T-117 (RN17-17) Reconstruction of Regional Road 69 (Pelham Road) From Wessel Drive to Regional Road 28 (Fifth Street Louth) in the Town of Lincoln and the City of St. Catharines

	Region Approved Budget	Expended & Committed as of August 28, 2018	Contract Award/Forecasted Spend	Budget Remaining
<u>Estimated Project Cost for Transportation (10RC1447)</u>				
(a) Construction (including Construction Contingency and non-refundable HST 1.76%)*	7,263,247	-	7,263,247	-
(b) Project Contingency	700,000	-	700,000	-
(c) Property Acquisition	58,919	8,919	50,000	-
(d) Consulting Engineering Services	-	-	-	-
i. Geotechnical Services	60,000	-	60,000	-
ii. Contract Administration & Inspection	300,000	-	300,000	-
iii. Design	231,190	231,190	-	-
(e) Project Management (In-House)	71,637	21,637	50,000	-
(f) Contract Administration & Inspection (In-house)	4,799	4,799	-	-
(g) Utility Relocation	165,275	165,275	-	-
(h) Miscellaneous	244,933	-	244,933	-
Total Estimated Project Cost for Transportation	9,100,000	431,820	8,668,180	0

* Total Contract Award with no tax is \$7,137,625, with 1.76% non-recoverable tax is \$7,263,247, and with 13% HST is \$8,065,516

Subject: Award of Contract 2018-T-102 Contract RN 18-02 Replacement of Reece Bridge (Structure No. 069205) Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek in the Township of West Lincoln

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

That report PW 46-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the Municipal Act, 2001, and Regional Council's delegated authority to the Chief Administrative Officer (CAO) via report GM 8-2018, that the CAO consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with the award of Contract 2018-T-102 (RN18-02) - Replacement of Reece Bridge (Structure No. 069205), Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek, in the Township of West Lincoln, to Rankin Construction Inc., at their bid price of \$9,376,655.25 (including 13% HST); and
 - That staff proceed with the budget increase for the Replacement of Reece Bridge (Structure No. 069205), project 10RC1022 of \$950,000 to be funded from the Capital Variance – Levy Project
 - Should the CAO incur an expenditure or liability great than \$50,000, then the CAO will report to the new Council all actions taken pursuant to this decision
- The purpose of this report is to inform Council of the basis upon which the CAO is being requested to exercise his authority to approve the award of Contract 2018-T-102 (RN18-02) - Replacement of Reece Bridge (Structure No. 069205), Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek, in the Township of West Lincoln, to Rankin Construction Inc.
- The Reece Bridge carries Regional Road 69 across Twenty Mile Creek (see Appendix 1 – Project Location). The bridge was constructed around 1950 and is deteriorating significantly, compromising long term public safety and traffic loading capacity. Also, the current road geometrics result in significant safety concerns. Bridge inspections have been completed over the last 15 years and most recently in 2015 that have identified the need for replacement.

- A Municipal Class Environmental Assessment Study was completed for Reece Bridge (Structure No. 069205) and the Environmental Study Report was filed on September 11, 2012, recommending replacement of the bridge and realignment of the adjacent roadway.
- A public tender process was initiated and a total of five bids were received with the lowest being \$8,297,925.00 (excluding taxes).

Financial Considerations

Council has approved \$9,032,500 for the Replacement of Reece Bridge (Structure No. 069205), Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek, in the Township of West Lincoln. This budget includes construction, detailed design, utility relocations, contract administration & inspection, construction testing, internal staff time and contingency, under project 10RC1022. As outlined in this report, the total estimated cost for the project is \$9,982,500 based on the tenders received (Appendix 2), resulting in a budget shortfall of \$950,000.

The budget shortfall can be attributed primarily to higher tender prices associated with the recent instability of steel prices and the market is at capacity in terms of supply resulting in an upward trend in pricing. Steel prices have been rising continuously over the last few months, related to U.S. trade issues. The Region's consultant has estimated the pricing for the steel caissons, reinforcing steel and structural steel have increased by 20-33% since the tender estimate was prepared. This has increased the project construction cost by approximately \$550,000.

The budget shortfall is proposed to be addressed through Capital Variance – Levy Project.

A full budget breakdown can be found in Appendix 3 – Total Estimated Project Cost.

Analysis

The Reece Bridge carries Regional Road 69 across Twenty Mile Creek, consisting of a two-span reinforced concrete rigid frame structure with a span of 18.3 m, and a deck width of 9.3 m, supported on concrete abutments on a pier and spread footings. The bridge was constructed around 1950, and an asphalt wearing surface was added more recently over the concrete deck. The bridge has an exposed reinforced concrete sidewalk on the east side of the deck and a concrete curb on the west side. The original railings consist of a wooden rail system with concrete posts that run along each side of the structure. Since the railing system is ineffective by current standards, temporary concrete barriers have been placed on each side of the deck in front of the existing railings. Bridge inspections have been completed over the last 15 years and most recently in 2015. A deck condition survey carried out in 2002 found that chlorides from

de-icing salts have penetrated into the concrete and have resulted in corrosion of reinforcing steel.

The Region classifies Regional Road 69 as an important east-west rural arterial undivided road that links the community of Smithville and several communities to the east within the Town of Lincoln and Pelham. West of Reece Bridge, Regional Road 69 runs along the north side of Twenty Mile Creek, and curves to cross the creek at a skew over Reece Bridge. East of the bridge, the road curves and continues along the south side of the creek. Due to the current reverse curve alignment Reece Bridge structure is not visible to approaching vehicular traffic until within approximately 100 m of the structure. Due to the poor alignment of the road the replacement of the structure includes realignment of the adjacent roadway.

Under the guidance of the Region's Procurement Department, a public tender process was initiated. The Tender Call was advertised on Monday, July 16, 2018. A total of five bids were received and publicly opened on Tuesday, August 14, 2018, with the lowest being \$8,297,925.00 (before HST). The Region's Procurement Department and the Region's consultant have reviewed and checked all the tenders received. All five tenders included Addendums No. 1 and 2 and all submitted the necessary tender deposit and Agreement to Bond. Mathematical errors were found in two of the five tenders submitted. There were no errors found in the lowest bid. The corrected totals did not change the overall ranking. Appendix 2 includes the Summary of Bids Received.

Contract award requires resources from Legal Services and Corporate Services in order to execute the required contract documents. Transportation Engineering staff will be providing resources throughout the project in order to manage the contract with assistance from Corporate Services on contract/project payments.

The total tendered amounts (before HST) are listed below in ascending order:

Rankin Construction Inc.	\$8,297,925.00
Eiffage Innovative Canada Inc.	\$8,958,505.00
Dufferin Construction Company	\$9,106,386.00*
Toronto Zenith Contracting Ltd.	\$10,696,838.00
Bob Hendricksen Construction Ltd.	\$11,482,459.00*

*Corrected amount

The Region's consultant, Ellis Engineering Inc., has advised that the tendered unit prices submitted by the low tenderer, Rankin Construction Inc., are competitive and compare favorably with the Region's estimate. Staff therefore recommends that the low tender submitted by Rankin Construction Inc. be accepted.

Alternatives Reviewed

A Municipal Class Environmental Assessment Study was completed for Reece Bridge (Structure No. 069205) and the Environmental Study Report was filed on September 11, 2012, recommending replacement of the bridge and realignment of the adjacent roadway.

In addition to the tendered design two other alternatives were considered during the detailed design as potential replacement structures: 1) Single Span Bridge on a new alignment to the north-east of the existing structure; and 2) Single Span Bridge on the existing alignment.

The tendered design of replacing the existing Reece Bridge with a two-span structure on a new alignment to the east of the existing bridge was chosen based on the benefits and advantages as follows:

1. The structure spans over the soft soils; thereby, avoiding any future settlements and maintenance concerns with building on the poor soils.
2. The bridge will be constructed on a reduced skew angle requiring smaller abutment foundations; thereby, reducing foundations costs.
3. The new bridge will be constructed to the east of the existing structure on a new alignment to allow traffic to be maintained on the existing bridge; thereby, mitigating traffic related impacts.
4. The two-span structure will allow passage for wildlife on the south bank under the structure making it safer for vehicles.

As part of the Municipal Class Environmental Assessment process, two Public information Centres were held. The first was held on September 28, 2011 and the second was held on January 25, 2012.

An additional Public Information Centre will be held in September at a local community hall to present the construction drawings, details and schedule to local residents that may be affected by the project.

Relationship to Council Strategic Priorities

Improving capacity is an essential part of maintaining the Region's road network and this vital program is very closely tied to strategic priority 1 "Moving people and goods". This road section is a significant corridor and with the improved condition will assist the Region with strategic priority 4 "Positioning Niagara Globally".

Other Pertinent Reports

PW 45-2016 - Project Update for the Replacement of Reece Bridge (Structure No.069205) which carries Regional Road 69 (Twenty Road) over 20 Mile Creek, in the Town of West Lincoln

Prepared by:

Cam Milne, CET
Senior Project Manager
Transportation Engineering
Public Works Department

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

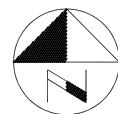
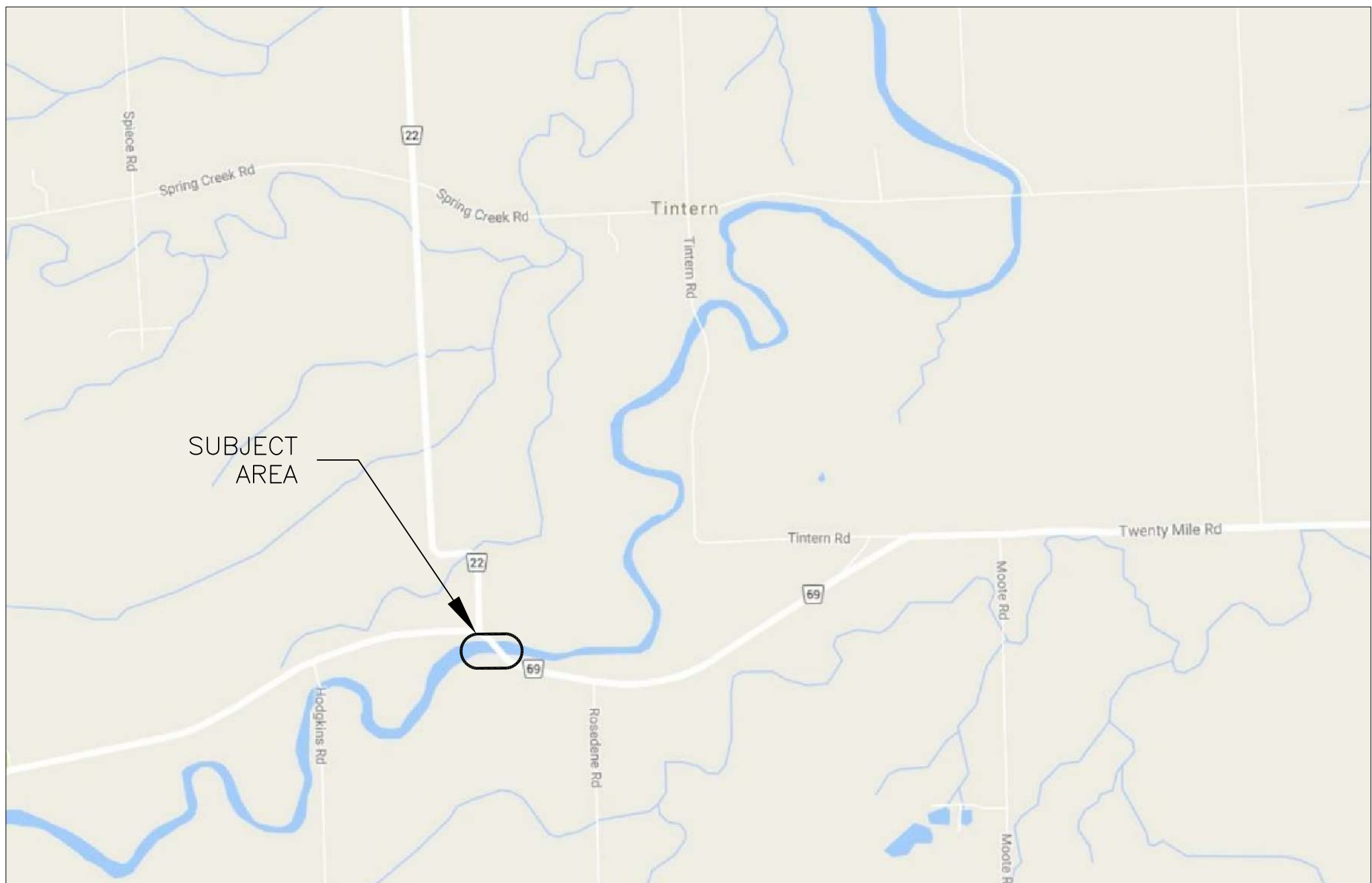
Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering, and reviewed by Tracie Byrne, Procurement Manager, Brian McMahon, Program Financial Specialist, Sterling Wood, Legal Counsel, and Carolyn Ryall, Director Transportation Services.

Appendices

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Appendix 3	Total Estimated Project Cost	8



TENDER SUMMARY

	RANKIN CONSTRUCTION	BOB HENDRICKSEN CONSTRUCTION	DUFFERIN CONSTRUCTION	IEFFAGE INNOVATIVE CANADA	TORONTO ZENITH CONTRACTING
TOTAL SECTION 1 - GENERAL	\$ 861,002.00	\$ 1,101,220.00	\$ 770,840.00	\$ 844,000.00	\$ 1,439,890.00
TOTAL SECTION 2 - BRIDGE	\$ 6,547,970.00	* \$ 8,811,410.00	* \$ 7,232,687.60	\$ 6,986,275.00	\$ 7,952,548.00
TOTAL SECTION 3 - ROADS	\$ 745,038.00	\$ 1,327,769.00	\$ 963,300.10	\$ 930,410.00	\$ 1,115,168.00
TOTAL SECTION 4 - LANDSCAPING	\$ 140,815.00	\$ 220,314.00	\$ 136,454.50	\$ 194,420.00	\$ 181,052.00
TOTAL SECTION 5 - ELECTRICAL	\$ 3,100.00	\$ 3,746.00	\$ 3,104.00	\$ 3,400.00	\$ 8,180.00
TOTAL TENDER (EXCLUDING HST):	\$ 8,297,925.00	* \$ 11,464,459.00	* \$ 9,106,386.20	\$ 8,958,505.00	\$ 10,696,838.00
Total Tender Price as Printed in 'Form of Tender':	\$ 8,297,925.00	\$ 11,584,459.00	\$ 9,106,386.20	\$ 8,958,505.00	\$ 10,696,838.00

* Corrected Value

**PW 46-2018 APPENDIX 3
TOTAL PROJECT BUDGET
Contract Award**

Contract 2018-T-102 (RN18-02) Replacement of Reece Bridge (Structure No. 069205), Regional Road 69 (Twenty Mile Road) Over Twenty Mile Creek, in the Township of West Lincoln

	Total Council Approved Budget	Budget Increase/ Reallocation	Revised Budget	Expended as of August 1, 2018	Contract Award/Forecasted Spend	Budget Remaining
<u>Total Estimated Project Cost (10RC1022)</u>						
(a) Construction (including Construction Contingency and non-refundable HST 1.76%)*	7,700,000	750,000	8,450,000	-	8,443,968	6,032
(b) Project Contingency	350,000		100,000	-	100,000	-
(c) Property Acquisition	50,000		50,000	50,000	-	-
(d) Consulting Engineering Services						-
i. Detailed Design	430,000		420,000	418,376	-	1,624
ii. Contract Administration & Inspection		200,000	425,000	-	425,000	-
ii. Geotechnical Service-Quality Control			100,000	-	100,000	-
(e) Project Management (In-House) and Operations	150,000		75,000	15,466	55,000	4,534
(f) Utility Relocation	200,000		40,000	35,170	-	4,830
(g) Subsurface investigation	50,000		50,000	50,000	-	-
(i) Miscellaneous	102,500		272,500	251,456	38,064	(17,020)
Total Estimated Project Cost	9,032,500	950,000	9,982,500	820,468	9,162,032	0

* Total Contract Award is equal to i) \$8,297,925 before tax; ii) \$8,443,968 including non-recoverable HST of 1.76%; iii) \$9,376,655 including 13% HST

Subject: Environmental Centre Expansion

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That report PW 37-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the Municipal Act, 2001, and Regional Council's delegated authority to the Chief Administrative Officer (CAO) via report GM 8-2018, that the CAO consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with the approved financing in the amount of \$1,000,000 from the capital budget for the Replacement of the Centralized Maintenance Facility and that the projects **BE FUNDED** as follows:

Water capital reserve	\$500,000
Wastewater capital reserve	\$500,000
 - That staff proceed with a budget adjustment to transfer the approved and fully initiated \$2,000,000 from the Replacement of the Centralized Maintenance Facility projects in Water and Wastewater to a newly created Environmental Centre Expansion project in the Construction, Energy and Facilities Management division,
 - Should the CAO incur an expenditure or liability great than \$50,000, then the CAO will report to the new Council all actions taken pursuant to this decision
- The purpose of this report is to inform Council of the basis upon which the CAO is being requested to exercise his authority to approve the initiation of the remaining approved funding in the amount of \$1,000,000 from the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) to fund the detailed design for the Expansion of the Environmental Centre (20000946).
- To date \$1,000,000 in funding has been initiated from the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) with intended use for land acquisition and a high level conceptual design and has been partially committed to the design work for the expansion of the environmental centre project.

- Staff are looking for approval from Council for a budget adjustment to move the approved funding in the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) of \$2,000,000 to the Construction, Energy and Facilities Management division and be carried out as a facilities project for the Expansion of the Environmental Centre (20000946) to align with the revised direction of the project.
- “Class D” construction cost estimates (with a tolerance of +/- 20-30% as per [Guide to Cost Predictability in Construction](https://www.cca-acc.com/wp-content/uploads/2016/07/GuideCostPredictability.pdf) (<https://www.cca-acc.com/wp-content/uploads/2016/07/GuideCostPredictability.pdf>)) have been estimated based on the conceptual design at \$17,000,000 and will be presented to Council for consideration as part of the 2019 Capital Budget.
- The existing Centralized Maintenance facility will be declared surplus, decommissioned and sold.

Financial Considerations

Projects 1ZCW1401 and 1ZSW1403 were previously approved by Council with \$1,000,000 each for a total of \$2,000,000 for land acquisition and design of a new Centralized Maintenance Facility. Of those amounts, a total of \$1,000,000 for the land acquisition was initiated by Council. The remaining \$1,000,000 requires initiation to proceed with detailed design.

Construction funds will be requested through the 2019 capital budget. A “Class D” construction cost estimate of \$17,000,000 has been completed based on the results of the conceptual design prepared by AECOM. Full construction costs inclusive of contingency and other internal costs are budgeted at \$20,000,000.

Analysis

Recently the Water & Wastewater (W-WW) Division was reorganized into four (4) sections; Water Operations & Maintenance, Wastewater Operations & Maintenance, Engineering and Integrated Systems. The reorganization relocated approximately 70 staff from the existing Central Maintenance Facility (980 Major Street, Welland) to their respective area water or wastewater facility. However, this resulted in Integrated Systems (IS) staff (42) being split between two locations, the Environmental Centre and the existing Central Maintenance Facility.

The existing Central Maintenance Facility, where the majority of IS staff currently reside, is an old vehicle sales and maintenance facility, which is located next to a heavy industry (forge) and is not suitable in size nor does it support a collaborative working environment for W-WW staff. The constant vibrations combined with the age of the structures have resulted in buildings that are deteriorating and posing health and safety

concerns for its occupants. The Region will continue to incur higher operational and maintenance costs each year the facility remains in service.

The reorganization and migration from a Central Maintenance model to a Hybrid model significantly reduced the number of W-WW staff the new Central Maintenance Facility had to accommodate, a requirement that had previously made an EC Expansion option impractical. The proposed expansion to the existing Environmental Centre (EC) includes evaluating the overall fit and function of the building as a whole; to consider layout optimization and increase operational/space efficiencies as a means to further promote our Corporate One Team culture. The layout will be optimized to include the four (4) W-WW Sections and Waste Management (WM) staff (41) from Campbell West and potentially the Niagara Region Material Recycling Facility (MRF); pending Council decision on 2017-RFP-25 MRF: Business Valuation, Strategic Option Evaluation and Market Analysis. Amalgamating W-WW and WM divisions together in one location will further promote improved communication and collaboration across Public Works.

The addition to the Environmental Centre, expected to be approximately 39,000 ft², will be constructed to include a service shop for skilled trade's personnel, parking for regional and staff vehicles and training facilities. Schematic design is currently underway with construction proposed to follow in 2019. The existing Central Maintenance Facility will be declared surplus and sold by Niagara Region.

The project will be designed to be compatible with both the "Brock" District Plan and the Regional Headquarters Campus Master Plan – International Plaza. To help ensure the design remains compatible and meets all business unit requirements an inter-department project working group has been assembled consisting of W-WW Services, WM Services, Planning and Development Services, and Construction, Energy and Facilities Management staff.

Given that the scope of the project has changed to expand an existing corporate building, and that the WM group will also be using the newly expanded facility, it is recommended by staff that the project and associated budgets be managed by the Construction, Energy and Facilities Management group. A budget adjustment is recommended in this report to move previously approved funding from the current projects to a newly created facilities project, construction costs will be funded through the levy and recovered in subsequent years by indirect allocations to the occupants of the facility.

Alternatives Reviewed

Prior to the reorganization of W-WW and the adoption of the new hybrid maintenance model, the new facility had to accommodate an additional 100 maintainers and support staff which left limited options outside of a new stand-alone Central Maintenance Facility. Staff initially planned on building a new facility in a central location along the

406 corridor and included funds in the 2014 capital budget for land acquisition and design. Several sites were considered without any viable options being identified at the time.

Following the reorganization and the reallocation of approximately 70 staff back to their respective area W-WW facilities, these reduced requirements allowed staff to consider an Environmental Centre Expansion as a viable alternative. An Environmental Centre Expansion solution will allow staff to bridge the physical gap between the remaining Integrated Systems staff at the existing Central Maintenance Facility and the other W-WW sections they support at the Environment Centre. Having all staff in one location promotes synergies between groups, facilitates better communications and will reduce annual operational expenses (i.e. mileage). The expansion will provide much needed space requirements in the existing Environmental Centre and free up space in Campbell West with the relocation of WM staff, both of which are at or near capacity and will not accommodate any future growth in their current state.

Relationship to Council Strategic Priorities

Doing business differently/ organizational excellence - Housing all W-WW Integrated Systems and WM staff in one location; improves staff collaboration and team work across Public Works.

Other Pertinent Reports

PW 113-2013

Water and Wastewater: 2014 Budget, Rate Setting and Requisition Report

Prepared by:

Craig, Courteau
Associate Director, W-WW Integrated
Systems
Public Works

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Michael Leckey, Program Financial Specialist, Beth Brens, Manager Program Financial Support, Mislav Koren, Project Manager Building, Laurie Nelson, Manager Facilities Projects & Asset Management, and reviewed by Melanie Steele, Associate Director Reporting and Analysis, Margaret Murphy, Associate Director Budget Planning & Strategy, Mike Janas, Associate Director Water Operations, Maintenance and Staff Development, Anthony Cimino, Associate Director W-WW Engineering, Joseph Tonellato, Director W-WW Services, Adam Niece, Program Financial Specialist, Sherri Tait, Associate Director Waste Collection & Diversion, and Catherine Habermehl, Director Waste Management Services.

Subject: Award of Contract 2018-T-122 (RN 18-22) Garner Road Biosolids Facility Upgrade

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That Report PW 41-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the *Municipal Act, 2001*, and Regional Council's delegated authority to the Chief Administrative Officer via report GM 8-2018, that the Chief Administrative Officer consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with the gross budget increase for the Garner Road Biosolids Facility Upgrade Project (10SW1220) by \$1,741,863 (inclusive of 1.76% non-refundable HST) and that the increase be funded from the Capital Variance – Wastewater Project
 - Should the Chief Administrative Officer incur an expenditure or liability greater than \$50,000, then the CAO will report to the new Council all actions taken pursuant to this decision.
- The proposed work at the Garner Road Facility is to replace the mixing systems for the three (3) sludge storage tanks at the site and is required as the systems have reached the end of their service life. A failure of the current system would jeopardize the Region's ability to maintain the capacity needed for all of the biosolids produced by all the WWTPs and residuals from the Decew and Grimsby WTP.
- This project is scheduled for construction in October 2018, subject to the approval of this report, and is anticipated to be completed by May 31, 2019.
- A public tender for this project was undertaken through competitive bid process, 2018-T-122, in order to select the General Contractor. The tender package was released on July 11, 2018 and closed on August 16, 2018. A total of five (5) bids were received with the lowest compliant bid being received from ASCO Construction in the amount of \$4,700,386 (including HST).
- The total tendered amounts (excluding HST) are listed below in ascending order:

ASCO Construction Ltd. (Mississauga)

\$4,159,653

SONA Construction Ltd. (Hamilton)	\$4,400,823
Baseline Constructors Inc. (Waterloo)	\$4,598,000
BGL Contractors Corp. (Waterloo)	\$4,660,810
Merit Contractors Niagara (St. Catharines)	\$4,801,500

- Each tender submission included Addendums No. 1, 2 and 3 as well as the necessary tender deposit and Agreement to Bond. The tenders were reviewed and no arithmetic errors were found.
- This project has been approved for \$1,236,490 Federal and Provincial funding through the Clean Water and Wastewater Fund (CWWF) with a project completion deadline of March 31, 2020.
- The approval of the contract award will be submitted to the CAO for consideration by virtue of the delegated authority under the Restricted Acts after Nomination Day (GM 8-2018).

Financial Considerations

Project 10SW1220 (Garner Road Biosolids Facility Upgrade) has a previously approved capital budget of \$3,500,000. The total estimated project cost after the award of Contract 2018-T-122 (RN 18-22) is \$5,241,863 (inclusive of 1.76% non-refundable HST), as detailed in Appendix 3 – Total Estimated Project Cost. A budget increase is therefore required in the amount of \$1,741,863 (inclusive of 1.76% non-refundable HST), to be funded from the Capital Variance – Wastewater Project. Partial Federal and Provincial funding of \$1,236,490 has been awarded through the Clean Water and Wastewater Fund (CWWF).

Analysis

The Garner Road Biosolids Facility is located northeast of the intersection of Chippawa Creek Road (Niagara Regional Road 63) and Garner Road in the City of Niagara Falls, as shown in Appendix 1. This Biosolids Facility consists of ten (10) clay lined lagoons, three (3) storage tanks, and two (2) storm water ponds. The facility occupies 31 hectares and was originally constructed in 1986, while the three storage tanks were added in 1998.

The current storage tank mixing systems at the Garner Road facility are part of the original 1998 installation and have reached the end of their service life. If a failure of the current mixing system were to occur the site would have to shut down, which would jeopardize the Region's ability to maintain the capacity needed for all of the biosolids produced by all the WWTPs and residuals from Grimsby and Decew WTP.

The intent of this project is to replace the existing submersible mixing system of all three (3) storage tanks with a suitable external hydraulic mixing alternative that will address

key operational and maintenance issues. In addition to the required equipment, a budget increase in the amount of \$261,250 (excluding HST) is required to provide contract administration and fulltime inspection due to the criticality of the work and to ensure there is no disruption to the regular operations at the Garner Road facility. Tetrattech WEI Inc. was retained through the competitive bid process (2012-RFP-30) to provide detailed design services and will be responsible for all construction related services.

Contract award requires resources from Enterprise Resource Management Services in order to execute the required contract documents. Water & Wastewater staff will be providing resources throughout the project in order to manage the contract with assistance from Enterprise Resource Management Services on contract/project payments.

Alternatives Reviewed

Do Nothing – this alternative does not address the maintenance issues associated with the mixing systems on the current storage tanks and does not ensure reliable infrastructure to support growth and economic development in the Niagara Region. Irreparable mechanical failure of this equipment is imminent if these mixers are not replaced promptly and would cause a catastrophic loss of service at the Garner Road Biosolids Facility.

Relationship to Council Strategic Priorities

This recommendation is related to the Fostering Growth strategic priority since the planned rehabilitation will ensure reliable infrastructure to support growth and economic development within the Niagara Region.

Other Pertinent Reports

None

Prepared by:

Albert Succi
Project Manager – W-WW Engineering
Public Works Department

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Lisa Vespi, P.Eng. Senior Project Manager, W-WW Engineering; Michael Leckey, Program Financial Specialist W-WW, and reviewed by Tony Cimino, Associate Director W-WW and Joseph Tonellato, P.Eng., Director W-WW;

Appendices

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Appendix 1 – Key Plan

Contract No. 2018-T-122 (RN 18-22) GARNER ROAD BIOSOLIDS FACILITY UPGRADE



Appendix 2 – Summary of Bids

Contract No. 2018-T-122 (RN 18-22)
GARNER ROAD BIOSOLIDS FACILITY UPGRADE

Bidder	Total Tender Price (excludes HST)
ASCO Construction Ltd. (Mississauga)	\$4,159,653
SONA Construction Ltd. (Hamilton)	\$4,400,823
Baseline Constructors Inc. (Waterloo)	\$4,598,000
BGL Contractors Corp. (Waterloo)	\$4,660,810
Merit Contractors Niagara (St. Catharines)	\$4,801,500

**PW 41-2018 APPENDIX 3
TOTAL PROJECT BUDGET
Contract Award**

Contract 2018-T-122 (RN18-22) Garner Road Biosolids Facility Upgrade, in the City of Niagara Falls

	Total Council Approved Budget	Revisions per PW 41-2018	Revised Project Budget	Expended & Committed as of September 6, 2018	Forecast	Budget Remaining
<u>Total Estimated Project Cost (10SW1220) *</u>						
(a) Construction (includes 10% contract contingency)	2,963,729	1,269,114	4,232,844	-	4,232,844	-
(b) Project Contingency	318,182	158,350	476,532	-	476,532	-
(c) Consulting Engineering Services						
i. Detailed Design	55,073	66,195	121,267	66,294	54,973	-
ii. Contract Administration & Inspection	70,520	199,653	270,173	-	270,173	-
iii. Peer Reviews	-	-	-	-	-	-
(d) Project Management (In-House) and Operations	77,233	38,375	115,608	12,330	103,277	-
(e) Materials Testing	15,264	10,176	25,440	-	25,440	-
(f) Miscellaneous	-	-	-	-	-	-
Total Estimated Project Cost	3,500,000	1,741,863	5,241,863	78,625	5,163,239	-
<u>Project Funding Sources</u>						
Regional reserves & debt (includes Federal Gas Tax funding)	(2,263,510)	(1,741,863)	(4,005,373)			
CWWF	(1,236,490)	-	(1,236,490)			
	(3,500,000)	(1,741,863)	(5,241,863)			

* All costs above include the non-refundable 1.76% portion of HST.

Subject: Niagara Falls Wastewater Treatment Plant Upgrade

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That Report PW 45-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the *Municipal Act, 2001*, and Regional Council's delegated authority to the Chief Administrative Officer via report GM 8-2018, that the Chief Administrative Officer consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with the single source award to Environmental Infrastructure Services Inc. (EIS) in the amount of \$820,785 (excluding contingency and HST) in accordance with Purchasing Bylaw 2016-02 Section 18(a)(iv) as urgency exists due to an MECP Provincial Official Order issued on July 26, 2018 for the assessment and enhanced conceptual design of the upgrades to: (1) the secondary treatment (replacement aeration) system, and (2) the anaerobic digestion system at the existing Niagara Falls Wastewater Treatment Plant (WWTP).
 - Should the Chief Administrative Officer incur an expenditure or liability greater than \$50,000, then the CAO will report to the new Council all taken pursuant to this decision.
- The purpose of this report is to provide an update on the status of the Niagara Falls WWTP secondary treatment and digestion systems and to seek approval for the single source to Environmental Infrastructure Services Inc. (EIS) for the assessment and enhanced conceptual design in order to expedite detailed design and construction to meet the conditions set by the Ministry of Environment, Conservation and Parks (MECP).
- In the recent years, there has been a number of Environmental Compliance Approval (ECA) non-compliances related to CBOD, TSS, TP, and E. coli in the Niagara Falls WWTP effluent discharge (compliance and objective limit exceedances).
- MECP issued a Provincial Official Order dated July 26, 2018 with a number of requirements including a requirement for the submission of an ECA Amendment for

the secondary treatment system to the MECP by January 2, 2020. This will require a minimum of 90% complete detailed design.

- Before initiating full detailed design of the new aeration system as well as the anaerobic digestion system, preliminary steps including condition assessments, process review, mass balances, design basis, and enhanced predesign will need to be completed immediately on a priority basis.
- The anticipated schedule for the future stages of design is: 2018 (predesign), 2019 (detailed design), and 2020 (construction).

Financial Considerations

Project 10SW1517 (Niagara Falls WWTP Upgrade) has a previously approved capital budget of \$2,100,000. To date a total of \$76,877 of funds have been spent or committed, leaving an uncommitted amount of \$2,023,123 available. Therefore sufficient budget is available to accommodate this award.

Construction funds will be requested through future the capital budget process in future years.

Analysis

The Niagara Falls WWTP is owned and operated by Niagara Region. The Plant was originally constructed in 1963 and has been upgraded periodically since then with the main upgrades occurring in 1982 (plant expansion), and 1986 (conversion to secondary treatment). It is located at the intersection of Stanley Avenue and Swayze Drive in the City of Niagara Falls. The existing sewer infrastructure consists of storm, sanitary, and combined sewers, and 20 sewage pumping stations (SPS). The sanitary and combined sewers discharge to the Niagara Falls WWTP. The service area covers approximately 60 square kilometres.

The existing service population consists of approximately 80,000 year-round residents; however, Niagara Falls experiences seasonal changes in population due to visiting tourists. It is estimated that Niagara Falls hosts approximately 14 million tourists per year, primarily between the months of May and September.

Under normal operating conditions, the Niagara Falls WWTP provides treatment via screening, grit removal, primary clarification, rotating biological contactors (RBC): total of 35 (5 trains of 7) contactor units for biological treatment, secondary clarifiers, and disinfection via chlorination/dechlorination. Ferric chloride is added for chemical phosphorus removal. A polymer feed system is available to provide chemically enhanced primary treatment (CEPT).

Figure 1 in Appendix 2 presents a process flow diagram (PFD) of the Niagara Falls WWTP liquid treatment and solids management trains, and Figure 2 presents an aerial image of the Niagara Falls WWTP site.

The rated average day flow (ADF) capacity of the Niagara Falls WWTP is 68,300 m³/d. The Plant is also rated for a peak dry weather flow rate of 136,400 m³/d and a peak wet weather flow rate of 205,000 m³/d.

Waste sludge is stabilized by two-stage anaerobic digestion, and the resulting biosolids are dewatered on-site. Waste sludge from the Queenston WWTP is also hauled to the Niagara Falls WWTP for stabilization and dewatering. The dewatered cake is disposed off-site.

Treated effluent is discharged to the Queenston Power Canal.

The existing facility is old and has experienced operational difficulties, including failures of the RBC shafts, bearings, gearboxes, and turnbuckles. In addition, significant sulfide loading to the RBC system has resulted in growth of hydrogen sulfide oxidizing bacteria on the RBC media and mechanical equipment failures. The RBCs have historically operated within typical organic loading values, however, increases in influent flow and loadings could result in decreased BOD removal and development of anaerobic conditions in the first stage RBCs, which would favour the growth of nuisance organisms.

To date, there have been a number of ECA non-compliances related to CBOD, TSS, TP, and E. coli in the effluent (compliance and objective limit exceedances).

Previous studies were completed in 2014 and 2017 by XCG Consultants (now Cole Engineering Group) to review options for the secondary treatment system. Upon further review, additional information related to asset condition, process optimization and design scoping is required to progress the secondary treatment and digestion systems into detailed design and ultimately construction. Additionally, the 2016 MSP identified a new WWTP in south Niagara Falls that will impact the flows to the existing WWTP, which requires further review and confirmation of existing and future flows for process optimization and design.

In addition to the secondary biological system (new aeration system to replace RBCs) and aging infrastructure related deficiencies described above, the plant has experienced anaerobic digester failures in the recent years (2014 and 2017).

MECP issued a Provincial Official Order dated July 26, 2018 with a number of requirements including a requirement for the submission of an ECA Amendment for the secondary treatment system to the MECP by January 2, 2020. The Order creates urgency in completing this complex design for the secondary treatment.

Given the magnitude and intricacies associated with the scope of work, staff recommend a phased approach to design – Phase 1) Assessment and Enhanced Conceptual Design Phase 2) Detailed Design. Fully understanding the condition and operation of the WWTP will facilitate a seamless transition into Phase 2 (detailed design) and aims to eliminate ambiguity and increase accuracy in scope, costing and understanding of risks. This phased-design approach is utilized by other municipalities in Southern Ontario on large scale facility upgrades. The Region will also be implementing this on the Anger Avenue Wastewater Treatment Plant upgrade project (20000695) using a competitive procurement model, via a Request for Proposals call from prequalified consultants (using 2017-RFPQ-03).

Liquid (i.e., secondary treatment) and solids (digestion) treatment trains are included in Phase 1 of the scope of the work as it allows for a holistic view of the interconnected WWTP operations. Also, in addition to the issued Order, MECP is monitoring and aware of the digester issues that NFWWTP has experienced. Phase 2 scope can be developed and detailed design for the liquid and solids treatment trains can then be separated, if necessary. Controls will be put into place to ensure that one portion of the project is not holding up another, especially for secondary treatment.

The Project team has worked collaboratively to develop the following comprehensive scope required to successfully complete Phase 1:

Conduct condition assessments and reporting for the following:

- Existing secondary clarifiers and gallery
- Existing primary clarifiers (1, 2, and 3) and chlorine contact tank
- Existing secondary digester (Digester 4) and gallery
- Existing main power substation and standby power

Conduct individual studies and develop tech memos as follows:

- Design basis and mass balance
- New aeration system
- Secondary clarifier and RAS/WAS pumping
- Chlorination and dechlorination tank
- Upgrades of aeration system for existing aerated grit system and primary effluent channels
- Hydraulic profile
- Feasibility to relocate existing ferric system and provide flexibility for alternative chemicals
- Feasibility of sludge thickening to optimize sludge digestion system
- New primary digestion system
- Upgrading requirements to the existing secondary digester and biogas system
- Upgrading requirements to the main power substation and standby power

Conduct a topographic survey of the project site.

Generate Project Scoping Report (PSR)

- Compliance with all applicable acts, regulations, codes and standards
- Compliance with design standards
- Project constraints / opportunities
- Site layout
- Field investigation analysis and results summary (with reports appended)
- Confirmation and/or modification of the plant conceptual design basis and criteria
- Conceptual design and scope for wastewater treatment (liquid train)
- Conceptual design and scope for wastewater treatment (solids train)
- Conceptual design and scope for power supply and distribution
- Conceptual design and scope for Control and SCADA system
- Conceptual design and scope for site plan upgrades
- Identification of potential construction constraints
- Identification of plant operation constraints during construction
- Preliminary project schedule
- Cost estimate to +/- 20% (Class 'C' cost estimate)
- Pending significant issues to be addressed/resolved during design stage
- Conceptual design drawings
- Registers / Plans

Detailed design (Phase 2) will follow immediately after the completion of Phase 1.

Alternatives Reviewed

The anticipated schedule for the secondary treatment and digestion system upgrades is 2018 (predesign), 2019 (detailed design), and 2020 (construction). Based on projects completed of similar scope and size, phase 1 could take up to 1 year and phase 2 could take 1.5 years to 2 years to complete. To meet the requirements of the MECP Order of an ECA Amendment submission by January 2, 2020, this work will have to be significantly expedited. The following are alternatives that have been reviewed by staff:

- 1) Do nothing – not a viable option considering the July 26, 2018 MECP Order and the recent ECA non-compliances reported for the Niagara Falls WWTP effluent discharge. Niagara Region can be fined by MECP if this condition is not met.
- 2) Single source (Phase 1) and single source (Phase 2) – viable option but not recommended at this point. Assuming award following October 4, 2018, this option provides the maximum duration for detailed design (phase 2) to approximately one year, however, is not being recommended at this point as it does not promote formal competitive procurement at any design phase.
- 3) Formal RFP procurement (Phase 1) and formal RFP procurement (Phase 2) – not a viable option as this only allows for 5 months to complete the detailed design (phase 2). Based on similar projects, this is inadequate time to complete the works.

- 4) Single source (Phase 1) and formal RFP procurement (Phase 2) – viable and recommended option. Assuming award following October 4, 2018 Council meeting, this option allows for approximately 5 months for phase 1 and approximately 8 months for phase 2. It also promotes formal competitive procurement in phase 2.

Staff recommend that Environmental Infrastructure Services Inc. (EIS) be awarded phase 1 in accordance with Purchasing Bylaw 2016-02 Section 18(a)(iv) as urgency exists and there is limited time to obtain services by means of an open or roster request for proposals. EIS has provided an aggressive timeline for delivery of the Project Scoping Report, which is five (5) months from award. Presuming phase 2 is awarded through formal procurement, the schedule for detailed design is anticipated to be Spring 2019 to January 2020 (approximately 8 months), which is very aggressive but necessary to satisfy the MECP's Provincial Official Order.

EIS was selected for phase 1 due to their involvement at NFWWTP during the digester failures, their extensive knowledge and staff expertise in wastewater treatment in the Region and other municipalities across Ontario, intimate knowledge of Region's design manual, and for their commitment to the Region and understanding of the significance of the current compliance issues. EIS will assign dedicated staff to this assignment for the duration to ensure consistency, quality, and timely delivery. The Region has had great success with EIS in terms of coordination, delivery, quality, and risk management. Region staff are familiar with the proposed EIS Project team having worked closely on other recent Regional projects.

EIS letter proposal, including scope, team, cost and schedule is attached for reference (Appendix 1). The total amount being recommended for single source assignment is \$820,785.00 (excluding HST and contingency).

Other Pertinent Reports

N/A

Prepared by:

Shahab Shafai, M.Sc., P.Eng.
Associate Director of Wastewater
Public Works Department

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Lisa Vespi, P.Eng. Senior Project Manager, W-WW Engineering and Michael Leckey, Program Financial Specialist W-WW and reviewed by Joe Tonellato, Director W-WW Services.

Appendices

Appendix 1	EIS Letter Proposal
Appendix 2	Process Flow Diagram Niagara Falls Wastewater Treatment Plant



August 20th, 2018
Our Ref: PEE18-103

via: Email

Ms. Lisa Vespi, P.Eng.
Senior Project Manager
Water & Wastewater Services
Regional Municipality of Niagara
3501 Schmon Parkway
P.O. Box 1042 Thorold, ON L2V 4T7

Dear Ms. Vespi:

Re: Niagara Falls Wastewater Treatment Plant (NFWWTP) Secondary Treatment and Digestion System Project Scoping and Conceptual Design

Environmental Infrastructure Solutions Inc. (EIS) is pleased to submit a cost proposal for the scope of work related to NFWWTP Secondary Treatment and Digestion System Project Scoping and Conceptual Design. Our understanding of the scope of work is in line with the terms of reference provided by the Region and outlined below:

- Conduct condition assessments and reporting for the following:
 - Existing secondary clarifiers and gallery:
 - Estimate remaining service life for main structure of tanks;
 - Recommend upgrades to existing structures and all components to allow future operation for a minimum of 20 years;
 - Conduct risk evaluation for structural modifications to the existing clarifiers to suit the requirements of hydraulic capacity increase and new RAS system and provide recommendations;
 - Existing primary clarifiers (1,2 and 3) and chlorine contact tank
 - Existing secondary digester (Digester #4) and gallery
 - Estimate remaining service life for major components;
 - Verify and identify actual capacities for each major component;
 - Recommend upgrades to suit new demand;
 - Existing main power substation and standby power
 - Estimate remaining service life for main structure and roof;
 - Recommend upgrades if required.

- Conduct Individual Studies and Tech Memos as follows:
 - Design basis and Mass balance
 - Review and verify plant influent loadings;
 - Review and verify secondary influent loadings and required treatment efficiency;
 - Compute and define material/media that will be released or discharged to the environment and solids train;
 - Compute and define design criteria for demand of chemicals;
 - New aeration system
 - Aeration tanks;
 - Air blower system;
 - Secondary clarifier and RAS/WAS pumping
 - Upgrade of existing secondary clarifier and/or new tankage requirement;
 - RAS/WAS pumping system;
 - Chlorination and dechlorination tank
 - Upgrades of aeration system for existing aerated grit system and primary effluent channels
 - Hydraulic profile
 - Maximum available heads and capacities of existing facility and each unit process;
 - Proposed revised water levels according to required hydraulic capacities for each unit process;
 - Required flow measurements and plant effluent flow monitoring to meet ECA requirements;
 - Feasibility to relocate existing ferric system and provide flexibility for alternative chemicals
 - Feasibility of sludge thickening to optimize sludge digestion system
 - New primary digestion system
 - Primary digester;
 - Control building;
 - Upgrading requirements to the existing secondary digester and biogas system
 - Secondary digestion and piping system;
 - Biogas handling/storage;
 - Existing waste gas burner (WGB) system;
 - Upgrading requirements to the main power substation and standby power

- Generate Project Scoping Report (PSR)
 - The PSR shall include the following and must be in place prior to the Region proceeding with the design RFP:
 - Compliance with all applicable acts, regulations, codes and standards;
 - Compliance with design standards (i.e. Project Design Manual, Niagara SCADA Standards, Niagara Peninsula Standard Contract Document, Niagara Peninsula CAD Standards, etc.)
 - Project constraints / opportunities;
 - Site layout;
 - Field investigation analysis and results summary (with reports appended);
 - Confirmation and/or modification of the plant conceptual design basis and criteria as follows:
 - Plant hydraulic loading and data;
 - Influent parameter and loading;
 - Plant effluent limits and objectives;
 - Raw sludge and scum generation, WAS and scum generation (to be loaded to solids train)
 - Conceptual design and scope for wastewater treatment (liquid train);
 - Conceptual design and scope for wastewater treatment (solid train);
 - Conceptual design and scope for power supply and distribution;
 - Conceptual design and scope for Control and SCADA system;
 - Conceptual design and scope for site plan upgrades;
 - Identification of potential construction constraints;
 - Identification of plant operation constraints during construction;
 - Preliminary project schedule;
 - Cost estimate to +/- 20% (Class 'C' cost estimate);
 - Pending significant issues to be addressed/resolved during design stage;
 - Conceptual design drawings;
 - Registers / Plans.
 - Conduct a topographic survey of the project site in accordance with ASCE 38-02 quality level D and C. At a minimum the survey shall identify the location of all surface and underground features and shall include but not be limited to:
 - Property boundaries including identifiable properties bars or markers;
 - Roadway and driveway limits including surface classification, sidewalks, curb & gutter, roadway centerline, edge of pavement, shoulders, etc.;

- Limits of structures and/or buildings including finished floor elevations;
- Limits and types of fencing and gates;
- Location of above ground/below ground utilities and their appurtenances (i.e. poles and guy wires, pedestals, vaults, manholes, electrical boxes, valve boxes, meters, gas regulators, traffic signals, etc.);
- Location of buried infrastructure (i.e. watermain, storm sewer, sanitary sewer including valve boxes, manholes, catch basins, hydrants, valve chambers, drain chambers, air release chambers, curb stops, clean outs, ditch inlets, etc.)
- Size, type and invert elevations of all sewers;
- Elevations of all buried infrastructure are to be verified in the field (i.e. Invert elevations of sewers, top of nut elevation on valves, top of watermain and/or forcemain in chambers, etc.);
- Location, diameter and dripline of all trees and shrubs and flower beds;
- All street signs complete with description;
- Limits of ditches and natural watercourses including top of bank and ditch inverts and size and type of all culverts and headwalls; and
- Any and all surface features that may have an impact or be disturbed during construction within the project boundary.

Project Schedule

Since we understand the urgency of this assignment, we have put together a very aggressive schedule with a completion date of early January 2019. However, we would like to inform the Region that the condition assessments outlined above are on the critical path of our schedule and delays associated with the scheduling of these intrusive investigations may negatively impact our anticipated deliverable dates. A copy of our tentative baseline schedule has been enclosed with this letter.

Engineering Fees

Our engineering fees associated with this assignment are presented in the Engineering Fees Estimate Table enclosed with this letter.

In Closing

EIS would like to thank the Regional Municipality of Niagara for this bidding opportunity and we look forward to a positive consideration.

Should you have any questions on the submitted quote, please do not hesitate to contact the undersigned.

Yours truly,

ENVIRONMENTAL INFRASTRUCTURE SOLUTIONS INC.

Horia Ispas, P.Eng, PMP
Project Manager

HI/db

Enclosures:

1. Baseline Project Schedule
2. Engineering Fees Estimate Table

Draft

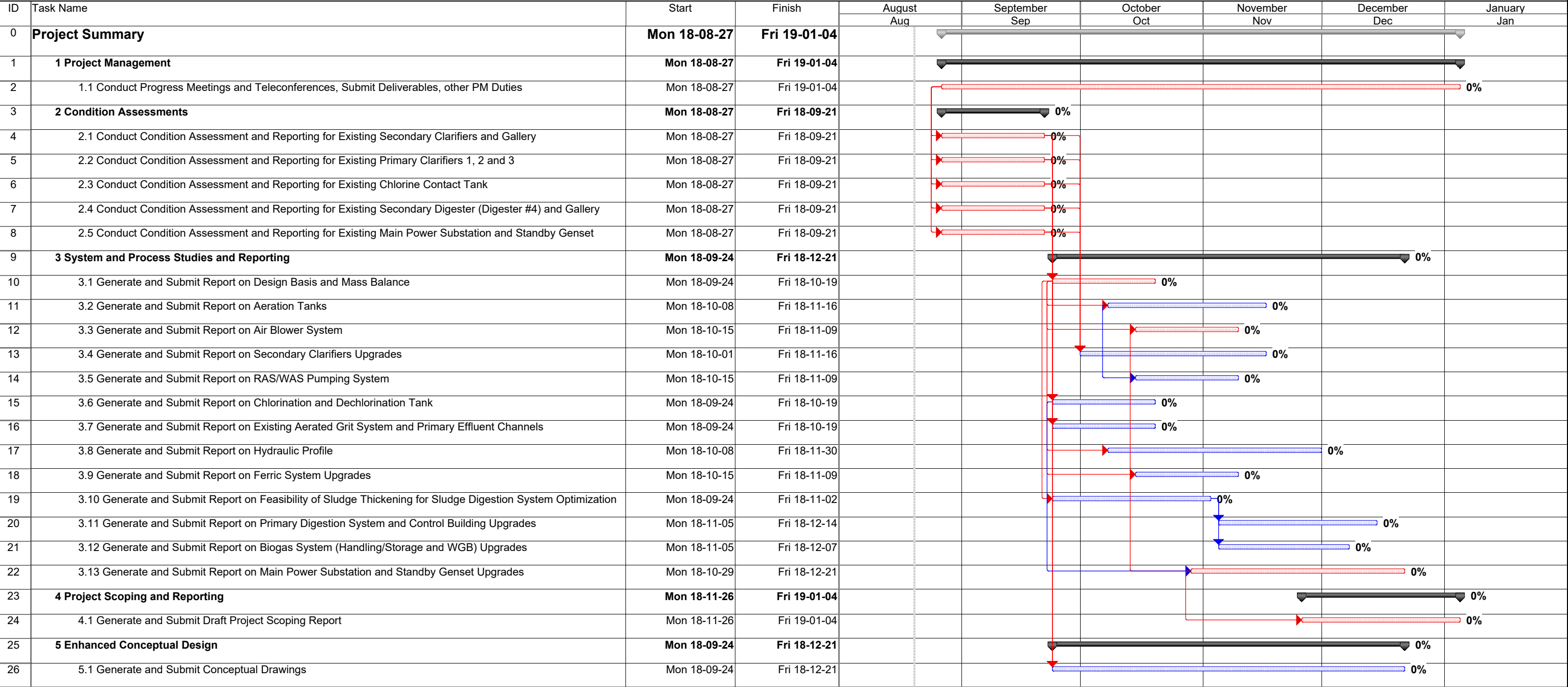
Engineering Fees Estimate Table

Niagara Falls WWTP Secondary Treatment and Digestion System Upgrades Project Scoping and Conceptual Design
EIS Proposal No.: PEE18-103

Task Description	Rona Ispas, P.Eng., PMP Project Manager	Ronnie Wang, B.Eng. Technical Manager/ Process Lead	Andre Maricic, P.Eng. Mechanical Lead	John Liu, M.Sc., P.Eng. Electrical&C Lead	Aleksandar Jovic, P.Eng. Structural Lead	Benyu Yu, P.Eng., PMP Civil Lead	Hanni Raza, M.Sc., P.Eng. Structural Field Testing Lead	Thomas Condo, OLS Topographic Survey Lead	Blisa Sherazi, P.Eng. Technical Support and Writer	Chloa Wei, M.Eng. Technical Support	Louis Dai, M.Eng. Technical Support	Majid Paal, B.Eng. Technical Support	CAD Support	Clerical Support	Total Hours	Total Engineering Fees	Disbursements	Total Task Costs
Place of Employment:	EIS	EIS	EIS	EIS	EIS	EIS	BME	Lejan	EIS	EIS	EIS	EIS	EIS	EIS				
Hourly Rate (\$):	\$140	\$140	\$120	\$130	\$130	\$120	LS	LS	\$120	\$90	\$90	\$90	\$80	\$60				
PROJECT MANAGEMENT																		
Project Meetings and Teleconferences (Allowed for 10 x 4 Hrs. Biweekly Meetings and 10 x 2 Hrs. Teleconferences)	60.0	60.0		30.0											150.0	\$ 20,700.00	\$ 1,035.00	\$ 21,735.00
Draft Project Scoping Report Workshop (Allowed for full day 8 Hrs. Workshop)	8.0	8.0		8.0											24.0	\$ 3,280.00	\$ 164.00	\$ 3,444.00
Project Management and Reporting Total Hours:	68.0	68.0	0.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	174.0			
Project Management and Reporting Total Fees:	\$ 9,520.00	\$ 9,520.00	\$ -	\$ 4,940.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 23,980.00	\$ 1,199.00	\$ 25,179.00
CONDITION ASSESSMENTS AND REPORTING																		
Existing Secondary Clarifiers and Gallery	8.0	24.0			16.0				40.0		40.0			16.0	144.0	\$ 40,920.00	\$ 2,046.00	\$ 42,966.00
Existing Primary Clarifiers (1,2 and 3)	8.0	8.0			16.0				40.0		40.0			16.0	128.0	\$ 28,680.00	\$ 1,434.00	\$ 30,114.00
Existing Chlorine Contact Tank	8.0	8.0			16.0				40.0		40.0			16.0	128.0	\$ 23,680.00	\$ 1,184.00	\$ 24,864.00
Existing Secondary Digester (Digester #4) and Gallery	8.0	8.0			16.0				40.0		40.0			16.0	128.0	\$ 33,680.00	\$ 1,684.00	\$ 35,364.00
Existing Main Power Substation and Standby Genset	8.0	24.0	80.0	80.0					40.0	80.0	80.0			16.0	408.0	\$ 44,640.00	\$ 2,232.00	\$ 46,872.00
Condition Assessments and Reporting Total Hours:	40.0	72.0	80.0	80.0	64.0	0.0	0.0	0.0	200.0	80.0	240.0	0.0	0.0	80.0	936.0			
Condition Assessments and Reporting Total Fees:	\$ 5,600.00	\$ 10,080.00	\$ 9,600.00	\$ 10,400.00	\$ 8,320.00	\$ -	\$ 70,000.00	\$ -	\$ 24,000.00	\$ 7,200.00	\$ 21,600.00	\$ -	\$ -	\$ 4,800.00		\$ 171,600.00	\$ 8,580.00	\$ 180,180.00
SYSTEM AND PROCESS STUDIES AND REPORTING																		
Design Basis and Mass Balance	16.0	60.0							40.0	60.0	60.0	50.0		24.0	310.0	\$ 32,180.00	\$ 1,609.00	\$ 33,789.00
Aeration Tanks	16.0	60.0		16.0	16.0				40.0	60.0		50.0		24.0	282.0	\$ 30,940.00	\$ 1,547.00	\$ 32,487.00
Air Blower System	16.0	60.0	8.0	8.0	8.0				40.0	60.0		50.0		24.0	274.0	\$ 29,820.00	\$ 1,491.00	\$ 31,311.00
Secondary Clarifiers Upgrades	16.0	60.0							40.0	60.0	60.0	50.0		24.0	310.0	\$ 32,180.00	\$ 1,609.00	\$ 33,789.00
RAS/WAS Pumping System	16.0	40.0		8.0					40.0	60.0		50.0		24.0	238.0	\$ 25,020.00	\$ 1,251.00	\$ 26,271.00
Chlorination and Dechlorination Tank	16.0	40.0			8.0				40.0	60.0		50.0		24.0	238.0	\$ 25,020.00	\$ 1,251.00	\$ 26,271.00
Existing Aerated Grit System and Primary Effluent Channels	16.0	40.0							40.0	60.0		50.0		24.0	230.0	\$ 23,980.00	\$ 1,199.00	\$ 25,179.00
Hydraulic Profile	16.0	80.0							40.0	60.0		50.0		24.0	270.0	\$ 29,580.00	\$ 1,479.00	\$ 31,059.00
Ferric System Upgrades	16.0	60.0	8.0						40.0	60.0	60.0	50.0		24.0	318.0	\$ 33,140.00	\$ 1,657.00	\$ 34,797.00
Feasibility of Sludge Thickening for Sludge Digestion System Optimization	16.0	60.0							40.0	60.0	60.0	50.0		24.0	310.0	\$ 32,180.00	\$ 1,609.00	\$ 33,789.00
Primary Digestion System and Control Building Upgrades	16.0	40.0							40.0	60.0	60.0	50.0		24.0	290.0	\$ 29,380.00	\$ 1,469.00	\$ 30,849.00
Secondary Digestion and Piping System Upgrades	16.0	40.0			8.0				40.0		60.0	50.0		24.0	238.0	\$ 25,020.00	\$ 1,251.00	\$ 26,271.00
Biogas System (Handling/Storage and WGB) Upgrades	16.0	40.0	16.0						40.0		60.0	50.0		24.0	246.0	\$ 25,900.00	\$ 1,295.00	\$ 27,195.00
Main Power Substation and Standby Genset Upgrades	16.0	40.0	80.0	120.0	8.0				40.0		60.0	50.0		24.0	438.0	\$ 50,220.00	\$ 2,511.00	\$ 52,731.00
System and Process Studies and Reporting Total Hours:	224.0	720.0	112.0	152.0	48.0	0.0	0.0	0.0	560.0	660.0	480.0	700.0	0.0	336.0	3,992.0			
Condition Assessments and Reporting Total Fees:	\$ 31,360.00	\$ 100,800.00	\$ 13,440.00	\$ 19,760.00	\$ 6,240.00	\$ -	\$ -	\$ -	\$ 67,200.00	\$ 59,400.00	\$ 43,200.00	\$ 63,000.00	\$ -	\$ 20,160.00		\$ 424,560.00	\$ 21,228.00	\$ 445,788.00
PROJECT SCOPING AND REPORTING																		
Generate Draft Project Scoping Report	40.0	40.0	40.0	40.0	40.0	16.0			80.0	80.0	80.0	80.0		40.0	576.0	\$ 61,920.00	\$ 3,096.00	\$ 65,016.00
Generate Final Project Scoping Report	8.0	8.0	2.0	2.0	2.0	2.0			16.0					16.0	56.0	\$ 6,120.00	\$ 306.00	\$ 6,426.00
Project Scoping and Reporting Total Hours:	48.0	48.0	42.0	42.0	42.0	18.0	0.0	0.0	96.0	80.0	80.0	80.0	0.0	56.0	632.0			
Project Scoping and Reporting Total Fees:	\$ 6,720.00	\$ 6,720.00	\$ 5,040.00	\$ 5,460.00	\$ 5,460.00	\$ 2,160.00	\$ -	\$ -	\$ 11,520.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ -	\$ 3,360.00		\$ 68,040.00	\$ 3,402.00	\$ 71,442.00
ENHANCED CONCEPTUAL DESIGN																		
Generate Conceptual Design Drawings	16.0	40.0	16.0	16.0	16.0	40.0							500.0		644.0	\$ 58,720.00	\$ 2,936.00	\$ 61,656.00
Topographic Survey						40.0									40.0	\$ 34,800.00	\$ 1,740.00	\$ 36,540.00
Enhanced Conceptual Design Total Hours:	16.0	40.0	16.0	16.0	16.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	684.0			
Enhanced Conceptual Design Total Fees:	\$ 2,240.00	\$ 5,600.00	\$ 1,920.00	\$ 2,080.00	\$ 2,080.00	\$ 9,600.00	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ 40,000.00	\$ -		\$ 93,520.00	\$ 4,676.00	\$ 98,196.00
TOTAL PROJECT STAFF HOURS:	396.0	948.0	250.0	328.0	170.0	98.0	0.0	0.0	856.0	820.0	800.0	780.0	500.0	472.0	6,418.0			
TOTAL PROJECT UPSET LIMIT (EXCLUDING HST):	\$ 55,440.00	\$ 132,720.00	\$ 30,000.00	\$ 42,640.00	\$ 22,100.00	\$ 11,760.00	\$ 70,000.00	\$ 30,000.00	\$ 102,720.00	\$ 73,800.00	\$ 72,000.00	\$ 70,200.00	\$ 40,000.00	\$ 28,320.00		\$ 781,700.00	\$ 39,085.00	\$ 820,785.00

Project Schedule

Niagara Falls WWTP Secondary Treatment Scoping and Conceptual Design
EIS Proposal No.: PEE18-103



EIS Proposal No.: PEE18-103

Critical

Critical Split

Critical Progress

Task

Split

Task Progress

Baseline

Baseline Split

Baseline Milestone

Milestone

Summary Progress

Summary

Project Summary

External Tasks

External Milestone

Deadline

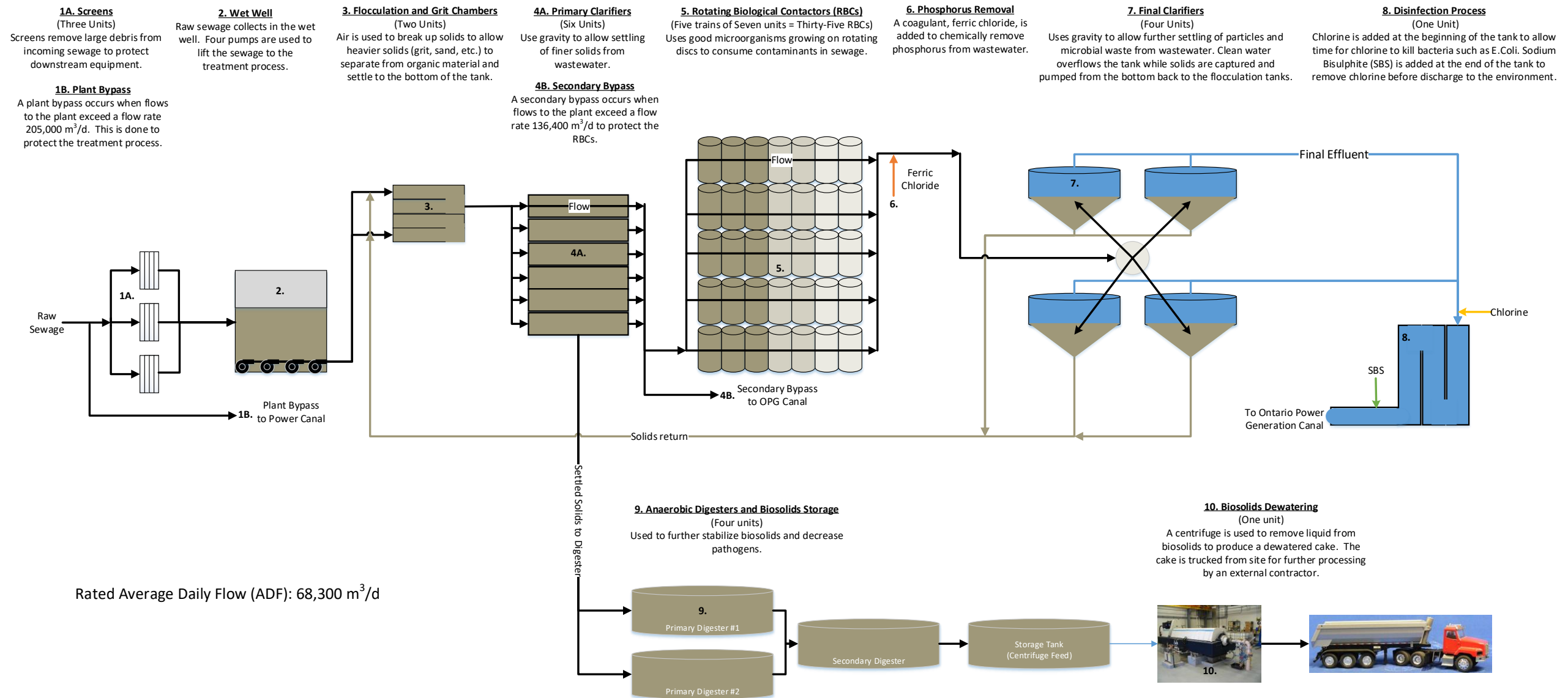


Figure 1: Process Flow Diagram (PFD), Niagara Falls Wastewater Treatment Plant

Subject: Award of Contract 2018-T-127 (RN 18-27) Stamford Interceptor Rehabilitation Phase 1

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That Report PW 29-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the *Municipal Act, 2001*, and Regional Council's delegated authority to the Chief Administrative Officer via report GM 8-2018, that the Chief Administrative Officer consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with awarding Contract 2018-T-127 (RN 18-27) - Stamford Interceptor Rehabilitation Phase 1 to Liqui-Force Services (Ontario) Inc. at their bid price (for the Niagara Region- Stamford Interceptor and St. Catharines Valley Road Sewer Rehabilitation works only) of \$10,597,980.20 (including HST), subject to confirmation of cost sharing by the City of St. Catharines.
 - That staff proceed with the gross budget increase for the Stamford Interceptor Rehabilitation Phase 1 Project (10SW1512) of \$2,088,632 (inclusive of non-refundable HST) for the regional portion of the work and that the increase be funded from the Capital Variance – Wastewater Project
 - That staff proceed with the gross budget increase for the share of work done on behalf of the City of St. Catharines totalling \$823,192 (inclusive of non-refundable HST) funded in full through cost sharing agreements.
 - Should the Chief Administrative Officer incur an expenditure or liability greater than \$50,000, then the CAO will report to the new Council all steps taken pursuant to this decision.
- The project is required to renew approximately 2,314 meters of trunk sanitary sewer ranging in diameter from 1050 to 1200 mm including respective manholes from Dorchester Road to the CN Railway (approximately 900m north of Morrison Street) in the City of Niagara Falls. In 2014, a condition assessment was completed and it was confirmed that this sewer displayed significant structural damage due to

hydrogen sulphide corrosion. Since then, the Region has had to install construction fencing around the first manhole due to severe deterioration resulting in safety concerns. This sewer services a large area of Niagara Falls with a serviced population of approximately 30,000 residents including major tourism destinations such as Marineland. Failure of this sewer would be catastrophic. See Appendix 1 - Key Plan.

- A prequalification of General Contractors for the project was undertaken through 2017-RFPQ-10 on November 1, 2017. A total of four (4) General Contractors (Pipeflo, Insituform, Liqui-Force, and Clean Water Works) were prequalified.
- Following 2017-RFPQ-10, the four (4) prequalified General Contractors were then invited to submit bids for the project. The tendering process was completed three (3) times as there were issues with the compliance and completeness of the tender submissions. Purchasing and Legal staff were consulted throughout the entire procurement process
- This project has been approved for \$1,549,667 Federal and \$774,833 provincial funding, for a total of \$2,324,500 through the Clean Water and Wastewater Fund (CWWF) with a project completion deadline of March 31, 2020.

Financial Considerations

Project 10SW1512 (Sewer & Forcemain Prgm – Stamford Interceptor) has a previously approved capital budget of \$7,650,000. The total estimated project cost after the award of Contract 2018-T-127 (RN 18-27) is \$10,561,824 (inclusive of non-refundable HST) as detailed in Appendix 2 – Total Estimated Project Cost.

The contract award includes both regional components as well as components for the City of St. Catharines. The regional portion of the contract award is \$8,720,617 (inclusive of non-refundable HST). The contract costs for the components related to the City of St. Catharines (inclusive of non-refundable HST) is \$823,192. Total contract award is \$9,543,809 (inclusive of non-refundable HST).

Total regional costs are expected to be \$9,738,632. The initially approved project budget for the regional portion of costs was \$7,650,000, therefore a budget increase of \$2,088,632 is required; to be funded from the Capital Variance – Wastewater Project. It should be noted also that partial funding of \$2,324,500 (\$1,549,667 Federal and \$774,833 Provincial) has been previously awarded through the Clean Water and Wastewater Fund (CWWF).

The total cost of \$823,192 for work to be performed on behalf of the City of St. Catharines was not included in the original budget of \$7,650,000. A gross budget adjustment will therefore be required to further increase the project budget by this

amount and will be fully recovered through cost sharing agreement with the City of St. Catharines, with no regional cost impact. The City has indicated they are requesting the necessary budget adjustments to fund their works from their respective council. If necessary, these portions of works can be removed from the Contract based on the conditions set out in the Contract.

Analysis

In 2014, the Region undertook a condition assessment of 71 sections of sewers within four (4) various trunk sanitary sewers including the Stamford Interceptor sewer immediately upstream to the Niagara Falls WWTP. Sewer sections were reviewed using CCTV inspections and in-field robotic testing of the interior wall of select sewer pipes that were found to be in the worst visual condition during the CCTV Review. Manhole condition assessments consisted of CCTV and man entry inspections which documented and photographed evidence of deterioration. Phase 1 of the Stamford Interceptor sewer condition assessment consisted of 23 sewer sections and 24 manholes. This assessment identified numerous areas of spalled concrete exposing the re-enforcing steel within the concrete sewers due to hydrogen sulphide corrosion and was therefore recommended for immediate rehabilitation. Since then, the Region has had to install construction fencing around the first manhole due to severe deterioration resulting in safety concerns. This sewer services a large area of Niagara Falls with a serviced population of approximately 30,000 residents including major tourism destinations such as Marineland.

In addition, this project was scheduled to be completed cooperatively and cost shared between the Region, Town of Fort Erie, City of St. Catharines and City of Niagara Falls. The Town of Fort Erie and City of St. Catharines had included rehabilitation works on their respective sewer systems along Dominion Road (Lakeshore Road to Beachview Avenue) and Valley Road respectively to promote cost savings by sharing the Contractor's mobilization and general administration costs between the various projects. The City of Niagara Falls had included Section 6 of the Millennium Trail along the Stamford Interceptor alignment located within the OPG corridor between Dorchester Road and Drummond Road. By including the Millennium Trail scope to this project, the Region and City were expediting the trail construction which would have otherwise been delayed until the Stamford Interceptor works was completed due to Ministry of Labour requirements for contractor separation of working zones.

GHD was retained by Niagara Region through 2015-RFP-26 to complete the detailed design, tendering and contract administration and inspection for this project on November 13, 2015. GHD was also retained through informal quote to complete geotechnical investigations during design. Their contract will be extended to conduct materials testing and inspection services during construction.

A prequalification process was initiated through 2017-RFPQ-10 and a total of four (4) General Contractors (Pipeflo, Liqui-Force, Insituform, Clean Water Works), who have performed similar complex rehabilitation projects in the past, were prequalified. These contractors were then invited to submit tenders for the Stamford Interceptor Rehabilitation Phase 1 through 2018-T-118 initiated on May 11, 2018. The tender was issued as a two envelope process, which included a technical validation to allow the Project team the opportunity to validate specified high risk items for compliance prior to opening of prices. A total of two (2) submissions were received on June 12, 2018 from three of the prequalified Contractors (Pipeflo, Liqui-Force with Insituform). Upon submission, GHD conducted the technical validation to confirm that submissions were in accordance with contract specifications. It was determined that each submission was deemed technically non-compliant due to missing or incomplete information. Given that there were no compliant bidders, Tender 2018-T-118 was cancelled. Each Contractor was notified of their non-compliances and their unopened cost envelope was returned.

Purchasing and Legal staff were consulted extensively during this process to ensure proper measures for notification and re-tendering were adhered to.

Tender 2018-T-118 was cancelled and reissued on June 20, 2018 to all four (4) pre-qualified bidders through Tender 2018-T-125. The tender was issued as a two envelope process, however, the Project team included a submission checklist as well as simplified the forms required for the technical validation for ease of bidding. One (1) submission was received on June 29, 2018 from Liqui-Force with Insituform as a subcontractor. Upon validation check, it was noted that required pages were again omitted, as such, the submission was deemed incomplete and disqualified. Given that there were no compliant bidders, Tender 2018-T-125 was cancelled.

Following 2018-T-125, Purchasing and W&WW Engineering staff conducted separate debrief sessions with each of the pre-qualified contractors to identify issues with the tendering process in order to address concerns prior to reissuing the tender so as to encourage multiple compliant bid submissions.

Feedback from the debrief sessions was considered and incorporated in a revised Contract package. As such, the project completion dates were extended to ensure a feasible schedule and some of the technical validation submittal requirements were deferred until after the contract award by the successful proponent. The tender was reissued on July 16, 2018 to all four (4) pre-qualified bidders through Tender 2018-T-127. One (1) submission was received on August 3, 2018 from Liqui-Force with Insituform using a two envelope process. Envelope One (technical validation) underwent a technical review and determined that the submission was technically compliant. Liqui-Force was notified and invited to attend the public opening of Envelope Two (bid submission) on July 3, 2018.

The tender submission included Addendums No. 1 and 2 as well as the necessary tender deposit and Agreement to Bond. The tender was reviewed and a few minor arithmetic errors were found. The tender price for Liqui-Force Services Inc. was revised to \$11,953,352.26 (including HST). The following is a breakdown of the bid received (including HST) per Municipality.

- Niagara Region – Stamford Interceptor: \$9,683,861.32
- St. Catharines – Valley Road Sewer Rehabilitation: \$914,118.88
- Fort Erie – Sewer & Manhole Rehabilitation: \$308,052.33
- Niagara Falls – Millennium Trail & Landscaping: \$1,047,319.73

GHD has reviewed the bids and have provided a recommendation to award Contract 2018-T-127 (RN 18-27) to Liqui-Force Services (Ontario) Inc.

Unfortunately, following the tender close, the Region received formal notification from the Town of Fort Erie and City of Niagara Falls to indicate their withdrawal from the project due to shortfall of approved funds and that neither Fort Erie nor Niagara Falls intended to proceed with any budget adjustments. These municipalities will review and adjust their respective scope of work and proceed with their project on their own. This scope is being deleted from the contract award in accordance with the Contract documents.

The adjusted Contract price as a result of deleting these respective works is \$10,597,980.20 (including HST). Staff therefore recommends that the tender submitted by Liqui-Force Services (Ontario) Inc be accepted as revised following the Niagara Falls and Fort Erie deletions.

Contract award requires resources from Enterprise Resource Management Services in order to execute the required contract documents. Water & Wastewater staff will be providing resources throughout the project in order to manage the contract with assistance from Enterprise Resource Management Services on contract/project payments. The City of St. Catharines and City of Niagara Falls will be notable participants in the project. GHD will be completing Contract Administration, Inspection and Materials Testing services on this project.

Alternatives Reviewed

Option 1 – Proceed with Contract Award

This alternative would enable staff to proceed with Contract Award to Liqui-Force Services (Ontario) Inc. to address the maintenance issues with this sewer and ensure reliable infrastructure for the residents of Niagara Falls. As per the Contract documents, the Region reserves the right to remove scope as needed. The Contract award includes the City of St. Catharines scope and excludes the Town of Fort Erie and the City of Niagara Falls scope.

This is the preferred option as it would not only address the degrading condition of the existing sewer system but also permit the local municipalities to complete their respective rehabilitation and pedestrian trail works.

Option 2 - Do Nothing

This alternative does not address the maintenance issues with this sewer and does not ensure reliable infrastructure to support growth and economic development. Structural failure of this sewer is imminent if this sewer is not rehabilitated promptly and is permitted to continue to suffer deterioration, due to the hydrogen sulphide gases. Failure of this trunk sewer would cause a catastrophic loss of service and result in a significant amount of untreated sewage spilled to the Sir Adam Beck #2 Hydro Power Canal along with residential basement flooding.

Option 3 – Cancel Tender & Reissue as Multiple Tenders

This alternative would consist of cancelling the current tender (2018-T-127) and revising the project scope of work to develop multiple smaller contracts. Priority can be given to the critical areas which are of imminent failure.

This alternative is not preferred because of the indirect costs associated with the bypass pumping system and general administration. These items would be required for each contract and therefore increase the total overall project cost. Furthermore, this would also lengthen the construction period due to the re-tendering process and the time to complete each contract consecutively.

Although the City of Niagara Falls has withdrawn from the Region's project, the City is anticipating to proceed on their own with construction of the Millennium Trail. This trail cannot be constructed until the Stamford Rehabilitation works are complete as the construction activities for the Stamford project would impact the area and therefore damage the trail. Delay in the Region's project would in turn delay the trail works.

Staff recommends Option 1 and to proceed with Contract Award.

Relationship to Council Strategic Priorities

This recommendation is related to the Fostering Growth strategic priority since the planned rehabilitation will ensure reliable infrastructure to support growth and economic development within the City of Niagara Falls and City of St. Catharines.

Other Pertinent Reports

- None

Prepared by:

Derek Falardeau-Mercier, P.Eng.
Project Manager – W&WW Engineering
Public Works Department

Recommended by:

Ron Tripp, P.Eng.
Commissioner
Public Works Department

Submitted by:

Carmelo D'Angelo, BSc, MPA
Chief Administrative Officer

This report was prepared in consultation with Lisa Vespi, P.Eng. Senior Project Manager, W-WW Engineering; Michael Leckey, Program Financial Specialist W-WW, Tracie Byrne, Manager Purchasing Services, and reviewed by Joseph Tonellato, P.Eng., Director W-WW; Bart Menage, Director, Procurement and Strategic Acquisitions, and Donna Gibbs, Director Legal & Court Services.

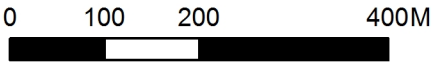
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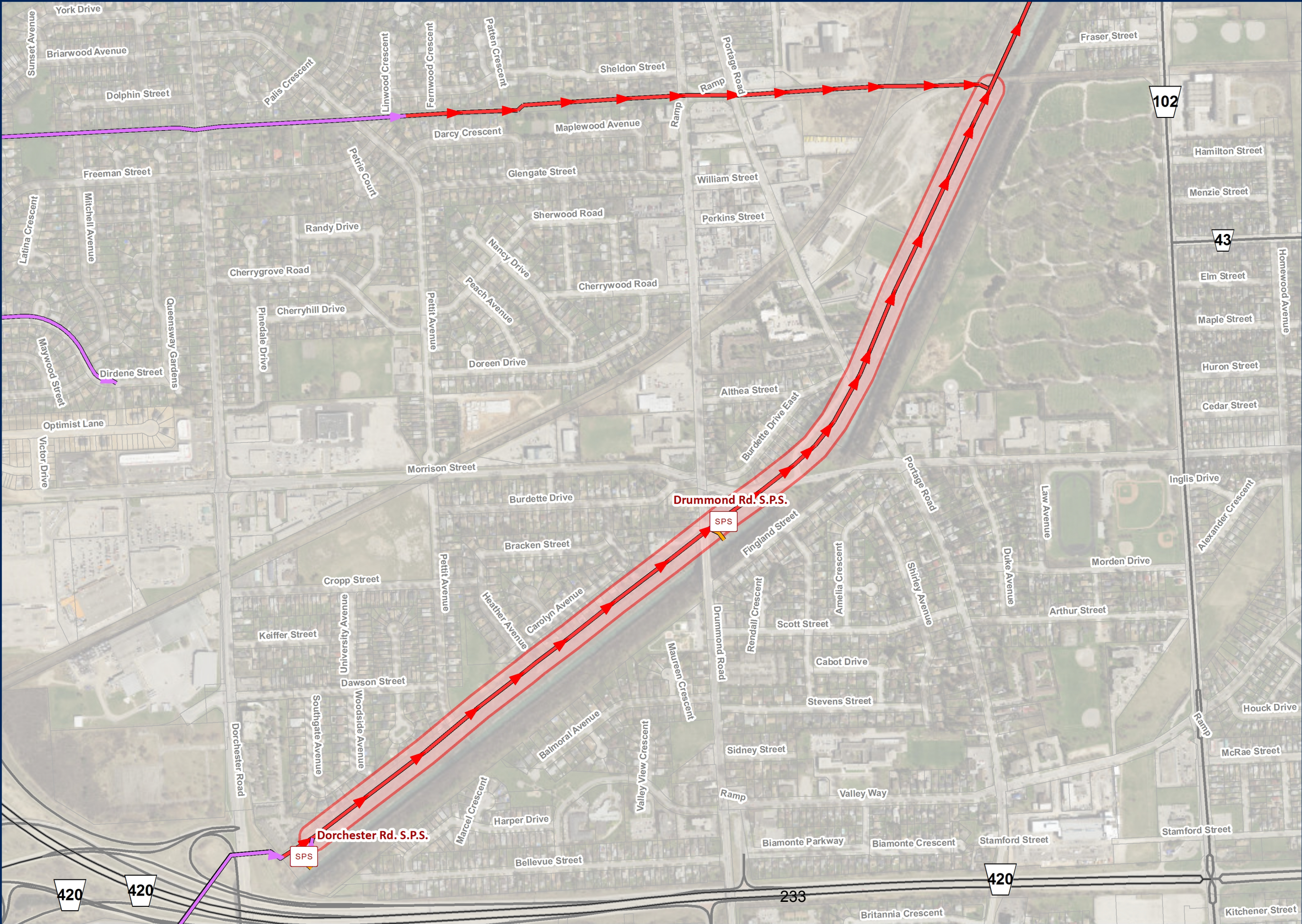


Legend

- Notice of Project Extents
- WWTP Wastewater Treatment Plant
- SPS Sewage Pumping Station
- Force Main
- Sanitary Gravity Pipe



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This map was compiled from various data sources and is current as of July, 2018.
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**PW 29-2018 APPENDIX 2
TOTAL PROJECT BUDGET
Contract Award**

Contract 2018-T-127 (RN18-27) Stamford Interceptor Rehabilitation Phase 1, in the City of Niagara Falls

Total Estimated Project Cost (10SW1512) *

	Total Council Approved Budget	Revisions per PW 29-2018	Revised Project Budget	Expended & Committed as of June 29, 2018	Forecast / Contract Award	Budget Remaining
(a) Construction **						
i. Regional portion (includes 7% contract contingency) **	5,634,000	3,086,617	8,720,617	-	8,720,617	-
ii. Cost Sharing - City of St. Catharines **	-	823,192	823,192	-	823,192	-
(b) Project Contingency	433,000	-	433,000	-	433,000	-
(c) Consulting Engineering Services						
i. Detailed Design	400,000	(200,000)	200,000	147,317	52,683	-
ii. Contract Administration & Inspection	-	250,000	250,000	-	250,000	-
iii. Peer Reviews	-	18,262	18,262	18,262	-	-
(d) Project Management (In-House) and Operations	233,000	(158,000)	75,000	23,596	51,404	-
(e) Materials Testing	-	25,952	25,952	-	25,952	-
(f) Miscellaneous	950,000	(934,199)	15,801	15,801	-	-
Total Estimated Project Cost	7,650,000	2,911,824	10,561,824	204,976	10,356,848	-

Project Funding Sources

Regional reserves & debt (includes Federal Gas Tax funding)	(5,325,500)	(2,088,632)	(7,414,132)			
CWWF	(2,324,500)	-	(2,324,500)			
Municipal Cost Sharing - St. Catharines	-	(823,192)	(823,192)			
	(7,650,000)	(2,911,824)	(10,561,824)			

* All costs above include the non-refundable 1.76% portion of HST.

**Total contract cost includes both Regional and municipal cost sharing amounts. The total contract award is \$10,597,980 including 13% HST. The \$9,543,809 amount included above is the amount with only the 1.76% non-refundable portion of HST included.